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INVESTMENTS

INSURANCE

GRAIN AND MILLING

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## Western Municipal Bonds

### FUTURE BOND ELECTIONS

- November 6**—Mead, Neb., \$65,000 school building bonds.
- November 6**—Kiowa County, Colo., School District No. 9 (P. O. Eads), \$34,000 bonds.
- November 8**—Ada, Minn., School District No. 8, \$25,000 bonds.
- November 9**—Deshler, Neb., \$8,000 water plant bonds.
- November 12**—Leith, N. D., \$6,000 light plant bonds.
- November 13**—Dunkerton, Iowa, \$135,000 school bonds.
- November 13**—Silver Bow County, Mont., School District No. 1 (P. O. Butte), \$525,000 bonds.

### FUTURE BOND SALES

- November 6**—State of Oregon (P. O. Portland), \$1,500,000 highway bonds; denominations \$1,000, except each thirty-eighth bond which will be for \$500; 6-20 years; 4½ per cent.; certified check 5 per cent. Roy A. Klein, Secretary State Highway Commission.
- November 10**—Hammett, Idaho, Indian Cove Irrigation District, \$150,000 bonds; 6 per cent. Flora V. Pancoast, Secretary Board of Directors.
- November 10**—Cottonwood County, Minn. (P. O. Windom), \$13,000 drainage bonds; 6-20 years; 6 per cent.; certified check \$2,000. S. A. Brown, County Auditor.
- November 10**—Steele County, Minn. (P. O. Owatonna), \$8,500 bonds for Judicial Ditch No. 5; 1-9 year; \$27,000 public tile drainage system No. 7; 1-10 year; \$18,500 public tile drainage system No. 8, 5-20 year; \$6,000 public tile drainage system No. 10, 1-10 year; six per cent.; certified check five per cent. George Griffin, County Auditor.
- November 11**—Murdock, Minn., School District No. 4, \$25,000 funding bonds; denominations \$1,000; 11-14 years; 6½ per cent.; certified check \$2,500. Samuel Finstrom, Clerk.
- November 12**—Lincoln, Neb., \$65,200 paving bonds; 1-10 years; 6 per cent.; certified check \$500. Theodore H. Berg, City Clerk.
- November 13**—Teton County, Mont., School District No. 21, (P. O. Fairfield), \$4,000 building and furnishing bonds; denominations \$1,000; 15-20 (optional); not to exceed six per cent.; certified check \$200. H. M. Montgomery, Clerk.
- November 15**—Twin Falls, Idaho, \$95,000 paving bonds; denominations \$1,000; 10-20 years; not exceeding 6 per cent.; certified check 10 per cent. W. A. Minnick, City Clerk.
- November 15**—Custer County, Mont. (P. O. Miles City), \$250,000 school bonds and \$100,000 highway bonds; 12½-14½ year (optional); 6 per cent. J. R. McKay, Chairman of County Commissioners.
- November 15**—Bonanza, Ore., Horsefly Irrigation District, \$50,000 bonds; denominations \$500 and \$1,000; 14½ year (average); 6 per cent.; certified check 5 per cent. William F. B. Chase, Secretary Board of Directors.
- November 17**—Chippewa County, Minn. (P. O. Montevideo), \$150,000 road bonds; 10 years; 6 per cent.; certified check 5 per cent. J. J. Stennes, County Auditor.
- November 19**—Yavapai County, Ariz., School Districts (P. O. Prescott), \$290,000 bonds; 20 years; 6 per cent.; certified check \$10,250 on an issue of \$205,000 and \$4,250 on issue of \$85,000.
- November 20**—Forsyth, Mont., \$15,000 sewerage bonds; denominations \$1,000; 15-20 years; 6 per cent.; certified check \$1,000. H. V. Beeman, City Clerk.

**November 20**—Absarokee, Mont., School District No. 73, \$800 improvement bonds; denominations \$100; 10-20 years (optional); not exceeding 6 per cent.; certified check \$100. Nellie S. Woods, Clerk.

**November 27**—Seattle, Wash., \$270,000 obligation bonds; denominations \$1,000; 6-20 years; not exceeding 6 per cent.; certified check \$5,400. H. W. Carroll, City Comptroller.

**November 30**—Cascade County, Mont. (P. O. Great Falls), \$150,000 refunding bonds; 20-year; not to exceed six per cent. Mr. Kester, chairman board of county commissioners.

**December 1**—State of Oregon (P. O. Salem), \$115,275 Oregon District Interest Bonds; denominations \$500 and \$1,000; 18-22 years; interest bid; certified check 5 per cent. O. P. Hoff, State Treasurer.

**December 1**—Curry County, Ore. (P. O. Gold Beach), \$30,000 road bonds; denominations \$1,000 and \$500; 13½ year; not to exceed six per cent.; certified check five per cent. Arthur Walker, County Clerk.

**December 2**—Evanston, Wyo., \$290,000 water coupon bonds; denominations \$500; 15-30 year (optional); 6 per cent.; certified check 2 per cent. William Cook, Town Clerk.

**December 6**—Apache County, Ariz. (P. O. St. Johns), \$175,000 road bonds; 5 per cent. Address County Treasurer.

### BOND NOTES

- Oshkosh, Wis.—An issue of \$53,000 municipal bonds is being sold.
- Sidney, Neb.—An issue of \$196,000 general improvement bonds, has been sold.
- Sioux City, Iowa—The \$900,000 issue of school building bonds is still unsold.
- Forest Grove, Ore.—An election authorized an issue of \$57,000 deficiency bonds.
- Kearney, Neb.—An issue of \$100,000 auditorium bonds will be offered for sale soon.
- Gordon, Neb.—An issue of \$27,500 lighting system bonds is being offered for sale.
- Blair, Neb.—The question of issuing bonds for paving purposes is being considered.
- Volga, S. D.—All bids for the purchase of \$25,000 electric light bonds were rejected.
- Marshall, Wis.—A vote of 48 to 2 carried the proposition to issue \$4,000 road bonds.
- Lewiston, Neb.—An issue of \$4,200 electric light bonds has been authorized by a vote.
- Auburn, Wash.—An election defeated the proposition to issue \$28,000 city hall bonds.
- Hershey, Neb.—A vote of 75 to 17 authorized an issue of \$30,000 school building bonds.
- Freeport, Minn.—An issue of \$12,000 water improvement bonds has been offered for sale.
- Newport Beach, Cal.—No bids were received for the purchase of \$50,000 municipal bonds.
- Logan, Iowa—Schanke & Co. of Mason City was the successful bidder for \$7,500 sewer bonds.
- Wayne, Neb.—The State was the successful bidder for an issue of \$25,000 paving bonds, at par.
- Fullerton, Cal.—The question of issuing \$40,000 hospital bonds will be submitted to the voters.

### COUNTY—CITY—SCHOOL BONDS

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Randolph, Neb.—Paving bonds to the amount of \$20,000 have been awarded to the State, at par.

Worthing, S. D.—An election resulted in a defeat of the proposition to issue school building bonds.

Potter, Neb.—The question of issuing \$23,000 improvement bonds will be submitted to the voters.

Bennett, Neb.—An election resulted in a defeat of the proposition to issue \$24,000 municipal bonds.

Kirkman, Iowa—An election resulted in a vote of 50 to 3 in favor of issuing \$6,000 electric light bonds.

Mitchell, Neb.—An issue of \$8,000 water bonds has been sold to Bosworth, Chanute & Company of Denver.

Peterson, Minn.—An election will be called to vote on the question of issuing bonds for an electric light plant.

Alamo, N. D.—An election resulted in favor of issuing \$70,000 bonds for the erection of a new school building.

Dunlap, Iowa—An election resulted in favor of issuing \$39,000 waterworks system bonds, by a vote of 262 to 65.

Orland, Cal.—An election is expected to be called to vote on the question of issuing \$20,000 pumping engine bonds.

Castana, Iowa—Electric light bonds to the amount of \$7,000 have been awarded to Schanke & Co. of Mason City.

North Platte, Neb.—An election resulted in favor of issuing \$50,000 waterworks bonds and \$10,000 fire station bonds.

Ainsworth, Iowa, Consolidated Independent School District—An issue of \$10,000 building bonds has been sold to Schanke & Co. of Mason City.

Itasca County, Minn. (P. O. Grand Rapids)—An issue of \$250,000 road improvement bonds will be offered for sale this month.

Nebraska City, Neb.—A recent election resulted in a vote of 907 to 322 in favor of issuing \$100,000 community hall bonds.

Forest Grove, Ore.—The Lumbermens Trust Company of Portland was the successful bidder for \$57,000 improvement bonds.

Portland, Ore.—An issue of \$2,000,000 harbor improvement bonds has been awarded to Henry Teal of Portland at 96.81, a basis of 5.30 per cent.

Custer County, Mont. (P. O. Miles City)—The Drake-Ballard Company of Minneapolis was the successful bidder for \$250,000 school bonds and \$100,000 road bonds.

Racine, Wis.—An issue of \$33,000 bridge construction bonds has been awarded to the Manufacturers National Bank at a premium of \$1,332,104,036, a basis of 5.40 per cent.

Coeur D'Alene, Idaho—Improvement bonds to the amount of \$9,000 have been sold to the First Exchange National Bank, American Trust Company and the Coeur D'Alene Bank & Trust Company, jointly, at par.

### BANK TRANSACTIONS

Washington—Aggregate debits to individual account reported by 153 of the country's leading Clearing House Associations for the week ending October 27 were 8,876 millions, marking a reduction of 1,397 millions from the exceptionally large total reported the week before. Smaller figures are shown for all the principal centers, except Pittsburgh. As compared with the corresponding week in 1919 total debits for the week under review are 843 millions smaller, the reduction in New York City alone being 1,092 millions. Smaller figures than last year are shown also for Boston, New Orleans, Minneapolis, Kansas City and Dallas,

while for the other centers larger totals are shown for the current year.

City	Oct. 27, 1920	Week ending Oct. 20, 1920	Oct. 29, 1919
New York	\$4,620,664,000	\$5,308,198,000	\$5,713,194,000
Chicago	739,647,000	924,767,000	677,646,000
Boston	302,983,000	365,609,000	314,920,000
Philadelphia	363,500,000	.....	348,588,000
Pittsburgh	258,406,000	257,026,000	188,666,000
San Francisco	224,000,000	261,577,000	208,603,000
Cleveland	177,855,000	210,185,000	154,521,000
St. Louis	143,737,000	170,183,000	135,102,000
Detroit	140,494,000	195,167,000	118,975,000
<b>Twin Cities</b>	<b>134,353,000</b>	<b>162,134,000</b>	<b>136,579,000</b>
Baltimore	109,788,000	123,995,000	94,554,000
Minneapolis	95,917,000	110,562,000	101,836,000
Kansas City, Mo.	88,324,000	112,355,000	94,798,000
New Orleans	80,326,000	94,096,000	82,864,000
Milwaukee	62,574,000	86,371,000	55,272,000
Omaha	56,572,000	61,608,000	74,374,000
Denver	55,471,000	51,477,000	38,212,000
Dallas	48,061,000	54,206,000	49,275,000
Portland	42,007,000	53,890,000	52,970,000
Seattle	40,849,000	49,141,000	49,844,000
Duluth	38,656,000	40,930,000	20,560,000
St. Paul	38,436,000	51,572,000	34,743,000
Spokane	14,766,000	16,563,000	13,229,000
Sioux City	13,928,000	16,944,000	12,805,000
Sioux Falls	5,600,000	6,700,000	.....
Superior	2,770,000	2,188,000	1,985,000
Winona	1,267,000	1,852,000	1,232,000
Fargo	3,675,000	4,135,000	7,654,000
Grand Forks	1,727,000	2,272,000	1,989,000
Great Falls	2,714,000	2,591,000	2,197,000
Helena	2,162,000	2,776,000	2,531,000
Aberdeen	1,824,000	1,978,000	1,723,000
Billings	2,608,000	3,200,000	2,285,000
<b>Total</b>	<b>\$8,875,695,000</b>	<b>\$10,273,431,000</b>	<b>\$9,718,589,000</b>

### GOVERNMENT BONDS

Price range for week ending November 1, by C. F. Childs & Co., New York and Chicago:

#### U. S. Government Bonds

	High	Low	Last Sale	Yield
First Second 4½s, 1932-47	98.00	96.50	98.00	4.90
2s, Consols (after April, 1930)	101 7/8	101 1/4	101 3/4	1.92*
4s, Old (after February, 1925)	105 7/8	105 1/4	105 3/4	2.53*
2s, Panama, 1936-38	102	101	101 3/4	1.89
3s, Panama, June, 1961	81	77	80	3.71
3s, Conversion (after Apr., 1943)	83	78	82	3.88
Liberty Loan 3½s, 1932-47	94.08	92.72	94.08	3.85
Liberty Loan 1st 4s, 1932-47	90.18	89.30	90.10	4.65
Liberty Loan 2nd 4s, 1927-42	89.00	88.18	88.90	4.87
Liberty Loan 1st 4½s, 1932-47	90.28	89.50	90.28	4.90
Liberty Loan 2nd 4½s, 1927-42	88.78	88.04	88.72	5.13
Liberty Loan 3rd 4½s, 1928	90.80	89.90	90.68	5.74
Liberty Loan 4th 4½s, 1933-38	88.90	88.00	88.80	5.20
Victory Loan 3½s, 1922-23	96.36	95.94	96.20	5.17
Victory Loan 4½s, 1922-23	96.34	95.92	96.22	6.17

\*Based upon assumed maturity.

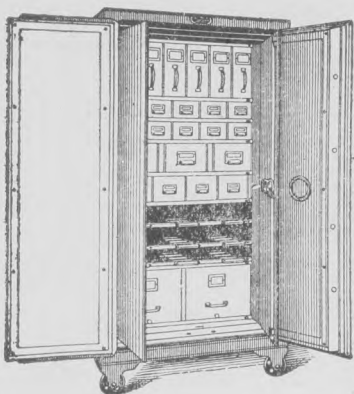
#### U. S. Territorial Bonds

Philippine 4s, February, 1934	87	80 3/4	85	5.75
Hawaiian 4s, August, 1941	87	75	82 3/4	5.50
Porto Rican 4s, January, 1937	89 1/2	78 3/4	85	5.50
Dist. of Columbia 3.65s, August, 1924	97	92	95	3.85

#### Foreign Government Bonds

Anglo-French 5s, October 15, 1920	.....	.....	.....	.....
Belgian Govt. 6s, January 1, 1925	.....	92 1/2	.....	8.10
Belgian Govt. 7½s, June 1, 1945	100	.....	.....	7.50
Govt. of Canada 5s, April 1, 1921	.....	98 1/2	.....	8.65
Govt. of Canada 5s, April 1, 1926	.....	91 1/4	.....	7.20
Govt. of Canada 5s, April 1, 1931	.....	91 1/2	.....	6.10
Govt. of Canada 5½s, August 1, 1921	.....	98 3/4	.....	6.80
Govt. of Canada 5½s, August 1, 1929	.....	93 3/8	.....	6.50
City of Paris 6s, October 15, 1921	.....	95 5/8	.....	10.75
French Cities 6s (Lyons, Bordeaux, Marseilles), November 1, 1934	.....	84 3/4	.....	7.85
French Govt. 8s, September 15, 1945	102	.....	.....	7.85
Jap. 4½s, February and July, 1925	.....	74 5/8	.....	11.95
Russian Govt. 5½s, February 14, 1926	.....	20 1/2	.....	.....
Swedish Govt. 6s, June 15, 1939	.....	86 3/4	.....	7.95
Switzerland Govt. 5½s, August 1, 1929	.....	85	.....	7.85
Switzerland Govt. 8s, July 1	.....	103 3/4	.....	7.55
United Kingdom of Great Britain 5½s, November 1, 1921	.....	98 5/8	.....	6.95
United Kingdom of Great Britain 5½s, November 1, 1922	.....	95	.....	8.25
United Kingdom of Great Britain 5½s, August 1, 1929	.....	89 1/4	.....	7.25
United Kingdom of Great Britain 5½s, February 1, 1937	.....	87 1/2	.....	6.80

†Per 1,000 rubles net.



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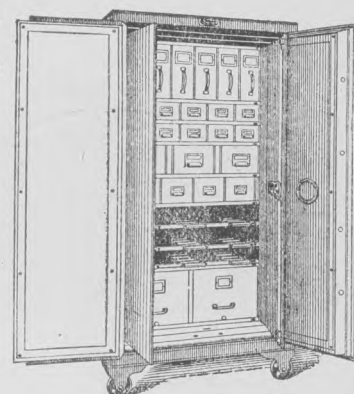
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### Review of Business Conditions in Milwaukee

Milwaukee, November 2—The First Wisconsin National Bank report on business gives the following characteristics of the local trade situation: "Business is slow with firms cutting down inventories; fall of prices is spreading, but will be gradual; strong investment market with tendency to easier money; prices of farm crops conform to general price tendency; unemployment in Milwaukee not serious, with wage scales maintained; adverse exchange rates show up exports to Europe.

"The readjustment in business that has been in progress throughout the summer was hastened by sharp price reductions in basic lines. The general situation is dull instead of the usual fall quickening in trade. The feeling seems to be that genuine business revival will be postponed until spring and will then come about naturally through somewhat easier rates for money and acceptance of a considerably lower level of prices. The public is clearly expecting the latter and little doubt is entertained that such a consummation will be advantageous to all concerned.

"Meanwhile, an attitude of caution prevails among all classes of people. Manufacturers and wholesalers hampered with large inventories of high priced goods, naturally are buying according to the needs of the moment. Retailers find it hard to sell up-to-date goods at out-of-date prices and in consequence are wary of commitments for next season. No one, of course, producer or consumer, wants to buy anything that will be cheaper a month or two hence.

"In and about Milwaukee, the same uncertainty prevails. Inventories are considerably higher than last year, the average being hard to determine. One metal trades firm reports 100 per cent. more raw material on hand than a year ago; another, 170 per cent. greater. The average seems to be about 50 per cent. higher than September, 1919.

"Unfilled orders which were such a conspicuous feature in trade for years, seem to have declined generally even in such lines as the metal trades where the custom was strongest. Business has fallen off in the textile lines, with two or three exceptions and tanning and shoe industries are running at not more than 40 per cent. of capacity.

"Most of the conditions are present which in the past would have produced a serious panic. And yet one hears little if any fears of panic. The majority of business men seem to be fully alive to what is going on and the necessity of adapting themselves to new conditions as each stage of deflation is reached. There is an undercurrent of cooperation that inspires confidence. The complete unity of our credit system, the facility with which credit assistance can be extended where and when needed accounts in large measure for this feeling of solidarity in the business community. One leading business man here said: 'Tell the trade the truth. Assure it cooperation through the proper credit channels. Explain that re-

construction conditions are inevitable and must be met courageously.'

### Utah's Enormous Oil Resources

Utah operations of the Midwest Refining Company, in which the Standard Oil Company of Indiana has acquired a large interest, are conducted through the Utah Oil Refining Company, organized in 1909. Its plant at North Salt Lake represents an investment of more than \$3,000,000 and covers more than 60 acres. An average of 500 employes are on its payroll.

The plant is one of the most profitable of the Midwest units, obtaining practically all the products from crude oil. It is supplied with crude from the Rock River and other fields in Wyoming and at present is running 4,500 barrels daily.

There is, however, in prospect a big source of supply of crude oil in Utah. This is represented in one of the biggest undertakings in oil field development in this country.

Three structures have been geologically defined. One of them, known as the San Rafael Swell, is the biggest oil structure in the United States, covering 600 square miles. It is believed that the producing area of the field, when it is developed, will be five miles wide by ten miles long. There are hundreds of miles of contributing area in this structure and geologists believe that development of the field will be followed by the discovery of great quantities of oil.

The two other structures are known as Circle Cliffs and Teasdale. The first test well is being drilled in Circle Cliffs and is a joint operation by several Standard Oil companies, actual drilling being done by the Ohio Oil Company. The location is 150 miles from a railroad and it is necessary to carry the drilling materials through a pass 9,000 feet high. This test well will cost, it is estimated, at least \$300,000.

On account of the crude oil used by the Utah Oil and Refining Company being a paraffine base, it is manufacturing 100 tons of paraffine wax a month. This production will be increased to 200 tons monthly within a year. At present this wax is being shipped to Japan and other Far Eastern markets.

There is a battery of 20 Burton stills at the plant, owned by Standard Oil of Indiana, handling the wax distillate from the Utah Company's stills. The ability of the Burton system to crack wax distillate is the big feature which makes it so profitable to the Indiana company.—Wall Street Journal.

### CITIES SERVICE COMPANY Bankers Shares Monthly Distribution No. 21

Henry L. Doherty & Company announce that the twenty-first monthly distribution of Cities Service Company Bankers Shares payable December 1, 1920, to holders of Bankers Shares of record November 15, 1920, will be 43.5 cents per Bankers Share.



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OLDEST BANK AT THE HEAD OF THE LAKES

# COMMERCIAL WEST

A WEEKLY JOURNAL

DEVOTED TO

BANKING, INVESTMENTS, INSURANCE, GRAIN

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SATURDAY, NOVEMBER 6, 1920

## America Votes for Sanity and Against Radicalism

The sweeping victory now indicated for the Harding-Coolidge ticket answers one question most decisively: Americans are not Bolsheviks. After giving Senator Harding due credit for carrying on a sane campaign and winning friends right from the start, what defeated the Democratic ticket was the radicalism of the Wilson administration. Not even the strong disapproval of the Wilson idea of a League of Nations could have won such a victory for the Republican ticket. Nothing short of a universal and overwhelming sentiment against the administration toadying to Socialists and extreme radicals during the past four years, could have aroused the American people to vote as they did.

Returns here in Minnesota so far tell the same story. Boss Townley receives a crushing blow by the loyal and sane voters of Minnesota. No doubt the patriotic and thinking Democrats helped to win this victory.

It is reported at this time that Senator Harding not only carried Ohio by a tremendous majority, but even carried Governor Cox's own precinct. Governor Coolidge appears to have swung Massachusetts into line with the greatest plurality ever given any presidential candidate in that state. This, of course, may be considered as a personal victory for Governor Coolidge in that State, but it is also something more.

This year's presidential election comes on the 300th anniversary of the landing of the Pilgrim fathers at Plymouth Rock. The results of this election again demonstrate that America belongs to the type of people who founded it, who developed it and who are now carrying on the vast industries which keep over one hundred million people busy. No Bolsheviks have any claim on this country and all such destructionists should be sent out of the country, where they can establish any kind of government they please or indulge in any kind of

crazy experiments in industry that their mad theories may suggest.

America belongs to people who believe in law and order and are opposed to all attempts to defeat the decisions of the courts. America welcomes and should welcome, all desirable immigrants holding similar ideas, but she should bar the doors against all destructionists, no matter where they hail from.

The vote last Tuesday recorded a victory for 100 per cent. Americanism, untainted by any yellow streak and free from any scrambled economics or affiliation with the sympathizers of the Reds.

As our form of government appears to need two strong political parties, a public duty now rests upon the Democratic leaders to rescue that party from the blight of Wilsonism, and make it once more the power it was under the leadership of Grover Cleveland. The winning party will need such an opposition to keep it on an even keel and prevent any excesses, which full control of all branches of the Government may encourage.

As a result of this week's election we can safely say that this nation will return to a representative form of government. "Back to the Republic" and "have done with an autocracy in the White House," is the command of the voters. Another effect will be renewed confidence in financial, commercial, industrial and agricultural circles. Business of every sort will be reassured, as Senator Harding is committed to helpful cooperation for business, in the place of nagging persecution by governmental bureaus and commissions.

## Prices on the Descending Scale

It is interesting to compare prevailing prices with what ruled during the recent period of willful wasting and extravagance caused by the artificial inflation which has dominated business. Cash wheat is down to the \$2 mark compared to \$3, cotton is 22 cents instead of 42 cents, copper is down to 14 cents from the high mark of 35 74-100ths cents, hides down to 18 cents from the high mark of 53 cents and sugar is below eight cents compared to 23 cents six months ago.

These fallen prices indicate the trend in all commodities. The getting off of the high perch in prices is something that cannot be avoided. It is in obedience to natural law which, whether we would have it or not dominates every fabric of the business world. There are fundamental causes for the lowering of prices. These causes are now operating throughout the entire world. It is a readjustment from abnormal to normal, and it must proceed until there is a harmonious and perfect equalization. One feature that must be considered is that the process of returning to equilibrium must necessarily be a painful one to those merchants who suffer losses.

Inventories made now by the average merchant will show a depreciation ranging anywhere from 40 to 60 per cent. from a year or two ago. He must base the values of his goods on their replacement value now, not upon what was paid for them six months or a year ago. There is no use of holding up prices on goods in stock above what goods of

equal merit bought in the market now can be sold at with liberal profit.

We are not pessimistic, but it does appear that during the next six months or a year, what funds have been laid aside by many merchants during the era of wild buying, will be largely drawn upon to make up deficiencies and to prevent bankruptcy, and we are quite free in stating that from now on Bradstreet's and Duns' will show up a big increase in failures reported.

In the readjustment process every one in business, regardless of the line, will have to share in the losses brought about by deflation. There is little use in complaining of the conditions, or in placing the blame upon bankers, manufacturers, distributors or others because each and every one of them are subject to the inflexible working out of the immutable laws which control.

### Cost of Waste and Checking the Passing Buck

Recently one of the humorists presented the reading public a sketch, the crux of which was, "What is done with all the time saved?" There may be some humor in making light of a weighty subject, such as the saving of time, but when it is considered that wasted time hits one's pocket book mightily hard, a little more serious view is given to the subject.

One factor that has added greatly to the high cost of living during the past few years has been the waste of time in transporting commodities to points where they were needed for consumption. Harwood Frost, an authority well qualified and an engineer whose especial study has been improvements in methods of transportation, makes the statement that inefficiency and inadequate equipment at railroad and water terminals, warehouses and other places, and the waste of labor and time which results therefrom imposes an annual unnecessary tax on the American people of some 20 to 25 billion dollars a year. This statement made by Mr. Frost more than six months ago has not been contradicted by any economist.

In a recent statement published by Mr. Frost, he calls attention to the ordinary methods of handling goods at American freight stations, railroad and general shipping terminals. He states that in the handling of loose, flowing bulk materials, such as grain, ore, coal, gravel and the like, that American terminals are the best equipped in the world. But in the handling of hundreds of other commodities in packages and in other forms there is a deplorable lack of system. The cost of hand-trucking or moving by manual labor is a big factor in the cost of the distribution of goods.

An example of waste caused by idleness of motor trucks at terminal points due to inefficient loading and unloading methods and congestion, is over \$250,000,000 a year. This one item of waste multiplied by our methods of distribution, which means the employment of numerous middlemen between the producer and the consumer, means a billion or more dollars, a great part of which could be saved

by utilizing efficient mechanical methods superintended by capable help.

In a recent report issued by the Chicago Board of Trade, and dealing with the cost of handling grain, the statement is made that between the producer and the consumer the entire cost of handling, outside of freight charges, is about 10 per cent. of the selling price, this including the commissions of the sellers. Here we have an illustration of efficiency in the handling of "loose and flowing bulk materials," and it appears reasonable that by the adoption of scientific means a cost fully as low could be arrived at in the handling of other materials.

Within the past dozen years great strides have been made toward improving methods of handling goods at terminal points. Perhaps one of the best illustrations in the world is the immense Bush terminals in New York harbor. The great success of this mammoth enterprise lies in its improved methods of handling goods.

One of the first experiments in a jobbing terminal was the Cupples Building at St. Louis, now the property of the Washington University, a gift of Samuel Cupples who devised the building with a view of facilitating the handling of in-and-out freight. This building houses about a score of large jobbing concerns. Loaded freight cars by elevator are taken to whatever floor of the building the contents of the car are destined, and likewise the shipping out of goods are placed directly from each floor into cars and lowered to the truck and started for their final destination.

The congestion of terminals caused by lack of proper handling of freight fully as much as a lack of freight cars, has been a most serious unnecessary tax upon the people of the United States during the past few years. Were warehouse capacities sufficient and handling methods what they should be, these billions of dollars referred to by Mr. Frost could be saved.

The age has come when man should not do with his hands that which can be 10 times better and more quickly done by machinery. The time is here when men with mental qualifications to direct, and men who can intelligently work under proper orders and operate machinery will be compensated to a greater degree, and will fill a more useful place and accomplish much more for humanity than ever was hoped to be accomplished through the utilization of unskilled labor.

### First Test of American Women Voters

The women voters of America, who were for the first time called upon to vote at the recent presidential election, met their new responsibilities in splendid fashion. As the war tested their patriotism and devotion to country, so this campaign was in a way a test of their sanity on great national topics. Congratulations are in order to the women of America.

No doubt, vast numbers of women who were clamoring for the ballot and claiming it as an inherent right, now realize that it is a grave responsibility more than a special privilege. If the returns so far are a fair index of the general vote, a lot of the women voters certainly proved that they could



rise above appeals to maudlin sentiment and see the folly of indulging in crazy economic schemes.

Evidently the women as well as the men realized that now is the time to play safe and insist upon constructive measures. "Safety First" might have been the campaign slogan. They know that the world has not yet returned to normal after the awful experiences of the great world war and it will take years of patient effort to bring it back to anywhere near its former condition. Mark Sullivan said in one of his recent articles: "I have been a progressive in the past, but just now I believe we need several years of sound conservatism, rather than any experiments in government." Evidently the great majority of American people are of the same way of thinking.

### How About Our Coal Situation

Recently a conference of soft coal mine operators was held at Cleveland and the reassuring report sent out that there is no danger of a coal shortage in the United States. Just now the Northwest is confronted with a likely coal shortage. There is something like three million tons less coal at the docks at the head of the lakes than a year ago. One of the reasons for this is the refusal of the dock owners to pay the price demanded for coal. The railroads of the Northwest have taken it upon themselves to transport coal from the mines instead of relying upon shipping by way of the lakes.

Coincident with the statement of the soft coal mine operators that there is likely to be no shortage, the authorities at Washington make a report that this year our exports of coal is likely to exceed in value \$300,000,000. When it is considered that prior to 1913 our exports of coal amounted to

between only \$50,000,000 and \$60,000,000 a year in value, it can be understood how great has been our advance in this particular line of commerce. Prior to the war as an exporter of coal the United States stood in third place, Great Britain standing first and Germany second.

It is gratifying to note the increase in export business, but this gratification is not without its sting. While the \$300,000,000 worth of coal means a nice slice of profit to the coal mine operators, it also means high prices to the American consumers, which no doubt in the aggregate advance is several times greater than the total value of the coal exported. This is a condition which we must tolerate regardless of our desires. There is no law against the exportation of coal. Every commodity will seek the market where the highest price is paid and even though the immense coal shipments from this country cause a scarcity which allows tremendous advance in prices here, we must abide by it.

When the coal situation is sifted to the bottom, it will be found that it is not the cost of mining the coal, nor the high wages paid the miners that makes this commodity so high just now. The same laws of trade that control prices of wheat, of clothing, of sugar, of all commodities also applies to coal. It is a situation that exists and which is subject to changes now in progress. With the return to more normal conditions there is no reason why prices of coal should not be on the descending scale as well as prices of other commodities. But in the meantime it is too bad that conditions in the foreign fields causing a demand upon our coal supplies should impose a tax upon the consumers of our own country.

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

There was a time well within the memory of man, when buttons were a permanent adjunct of clothes; when at least some of the buttons put on a coat and trousers by the manufacturer remained on till the suit was worn out. This was the day when the seams of leather gloves lasted as long as the leather; when a harness tug would wear out before it would rip; when the "waxed end" thread with which shoes were sewn wore like rawhide thongs.

Now buttons drop casually off of clothing. They do well to get over the counter along with the cloth. Men shed buttons as a rose sheds petals. Buttons seem to be fastened on to clothes to show the buyer where he may really fasten them on when he gets home. Seam threads break and seams gap in clothing before the bloom of the factory is dimmed.

Something is wrong with the thread. And why is it? Russia has gone to pieces. Before the war comparatively little American thought was given to the Russians—a queer, far off, dull, uninteresting, simple folk, with warped mentality and inbred poverty. We had but little in common with them, and wanted less. And now our clothes are falling off us.

It was Russian linen, good long-staple, strong linen fiber that held our trouser buttons on; that kept our shoes from gaping and our harness tugs intact. It was Russian flax, grown in the cool, wet north of Russia, where human labor was cheap, that comprised the bulk of the best raw material that went to Irish mills and came to us as Irish linen.

We might substitute long fiber cotton, sea island and

Egyptian cotton for this linen thread. But all such cotton is bespoken by the manufacturers of cord tires for automobiles. They buy it up in advance. They have begun to plant it in such few favored spots as will grow it well, and to build their tire factories near their cotton fields. Long fiber cotton cannot be spared to sew on pants buttons. Fasten your pants with a safety pin and jump into the auto, for we must be going.

In the meantime what about Russia? Will the Moujiks ever again get back into their flax fields, pulling the crop and retting it in their wet ditches, combing it out slowly by hand for the foreign market. The Irish quit this work long ago because they found other work more worth their time. Holland and Belgium also have turned to other work more pleasant and profitable. Where are we going to get our good linen thread once more?

Some Americans believe we should avoid all entangling alliances with Europe, because Washington told us to. But Washington's suspender buttons were not held up by thread grown in the north of Russia. Martha sewed those buttons on with thread spun in the Mt. Vernon house from flax grown out back of the Mt. Vernon barn. We have become a world power since the days when Washington farmed on the banks of the Potomac. We also have come to lean on all the rest of the world for our bed, board and clothing. If we live in splendid isolation as a nation, we shall have to go to bed while somebody sews on our buttons.

#### MINNEAPOLIS COMMERCIAL PAPER-BROKERS OPEN ST. PAUL OFFICE

The Minneapolis Commercial Paper Brokerage House of Lane, Piper, Joffrey & Co. announce the opening on November 3 of St. Paul offices, at 1526 Merchants Bank Building. Harry C. Piper, vice president of the company, will supervise the business at St. Paul.

## Financial and Business Activities in Twin Cities District

St. Paul—The weekly review of Minnesota enterprise issued by The Merchants National Bank of St. Paul says:

"Cement manufacturers in Iowa and other states have sent representatives throughout Minnesota to assure city officials, county commissioners and business men, that the 1920 shortage will be remedied and that sufficient cement will be available for needs of every description. The coal situation is somewhat improved, at least at the head of the lakes, according to the Duluth bank report. Two Harbors, which has a municipal dock, not only has an adequate supply, but is publicizing the fact that its residents will receive their quotas at bargain prices.

"Reindeer meat has made its appearance in city meat markets. The meat was obtained from Alaska. Yellow Medicine county experimented successfully with a peanut crop and the acreage probably will be increased in 1921. Husking machines were used by quite a number of corn growers this fall. Lyon county has become a leading fruit center and shipments have been made to dealers in several states.

"Forest fires are practically all extinguished. Heavy rains in the northern counties did the work. Damage included the destruction of a few hay crops. The north woods are attracting large numbers of hunters.

"Minnesota's constantly increasing opportunities for home seekers and investors were again reflected by the bankers reports. A homesteader who came to Pennington county 18 years ago with sufficient funds to buy one horse and two cows sold a farm for \$11,000 recently and has other holdings of considerable value. In LeSueur county a farmer estimated that his land which he originally obtained for \$1,100 was worth at least \$40,000. Another farmer in LeSueur county who started on a small scale, paid \$10,000 in Iowa for a prize boar.

"Mild October weather caused many fruit trees to blossom and some reports stated 'that lilac bushes were threatening to bloom.' Indians living in the rice lake district north of Duluth have declared that many signs of nature forecast a mild, open winter."

### MINNESOTA REVENUE FUNDS LARGEST ON RECORD

St. Paul—The revenue fund of \$7,397,997.27 is the largest in the history of Minnesota for November 1, according to a report issued from the state treasurer's office.

The general school fund of \$1,998,866 is the largest on record, but this fund will be depleted rapidly by the payments of funds to the schools of the state, several of which are to be made this week. This will provide the largest total payment and the largest per capita payment ever made to the schools. The fund was created by taxes and interest on the permanent funds.

The revenue fund of \$7,397,997.27 is especially large for this time of the year. It was increased about \$1,000,000 by the earnings of the twine and machinery plants at the State prison and the repayment of \$900,000 to the state funds which had been lent to the State prison plants, as the prison sells its products on time.

Almost \$1,000,000 of the permanent funds of the state will be paid out in a week. There is \$800,725 in the permanent University fund and \$74,322 in the permanent swamp land funds which will go to schools and villages of the state, as applications for loans already have been approved.

### OPTIMISTIC BUSINESS OUTLOOK IN DULUTH COUNTRY

Duluth—Duluth bankers are generally optimistic in their views regarding the outlook for business in Duluth and district for the coming winter. The danger of any serious financial stringency is considered to have been passed, it being thought that funds will be available to meet any emergency, either for crop moving or for commercial and industrial requirements.

Woods operations of lumbermen in this district promise to be on a larger scale during the coming winter than in

several seasons back, with all of the leading operators planning for large outputs of sawlogs, pulpwood and ties. Large camps are being put in by companies operating over Northern Minnesota, and with wages of \$75 a month and board being offered, it is believed that the surplus labor in this territory will be taken up after the closing down of other outdoor operations for the season.

An interesting development November 1 was the announcement of reductions of \$2 and \$4 a 1,000 feet in the prices of white pine lumber.

The reduction was made with a view to showing that the lumber trade is endeavoring to function in the general movement to bring down the prices of commodities, in spite of the high scale of wages prevailing for woodsmen and mill operators. Lumbermen are sanguine that building work will be speeded up after the beginning of the year as a result of the paring down being made in the prices of materials.

### ONE MORE NATIONAL BANK FOR MINNEAPOLIS

The Payday National Bank of Minneapolis opened for business at 114 Fourth Street South Thursday, November 4. This makes the eighth national bank in Minneapolis and the eighth bank on Fourth Street, thus further increasing the importance of such thoroughfare as a banking center.

The new bank starts with \$200,000 capital and \$60,000 surplus. S. M. Strand is president and J. R. Schuknecht, cashier. Mr. Strand was formerly cashier of the First National Bank of Pelican Rapids, Minn., but more recently with the Central Mortgage Company of Minneapolis. Mr. Schuknecht was formerly assistant cashier of the Bankers National of Minneapolis.

The board of directors is as follows:

F. B. Atwood, Forman, Ford Company; D. S. Baird, Hunting Elevator Company; J. M. Bennett, J. M. Bennett Company; Henry P. Boos, Dental Laboratory; G. A. Chaffee, Crane Company; G. S. Cunningham, Commercial Bulletin; Eugene H. Day, Thexton Manufacturing Company; Wm. C. Dyer, Ault & Wiborg Company; G. M. Fletcher, KeHawKe Manufacturing Company; J. E. Hanzlik, National Thrift Association; M. F. Hewitt, Paper Supply Company; D. R. Howell, R. R. Howell Manufacturing Company; M. J. Lambertson, Real Estate and Investments; J. B. Lindsay, Lindsay Brothers Company; J. H. Martin, Progressive Shoe Machinery Company; J. S. Mitchell, McDermott, Wilser Company; J. B. Perry, Minneapolis Sanitary Ice Company; E. E. Peterson, E. E. Peterson Sign Manufacturing Company; H. M. Puffer, Puffer-Hubbard Manufacturing Company; C. M. Rawitzer, American Tent and Awning Company; John R. Shuknecht, cashier; Sam M. Strand, president; H. J. Tremain, Hotel Proprietor; W. H. Vinson, West Publishing Company.

### THE LOWERING OF THE PRICE OF SILVER

New York—Commercial bar silver was quoted in the local market at 76¼ cents a fine ounce, showing a decline to the lowest price recorded since June 9, 1917, when the market figure was 75¾ cents. This price, of course, applied only to the so-called "foreign silver." In London the quotation was 50½d, the lowest since June 25 of this year.

Dealers here express the opinion that if it were not for the provisions of the Pittman act, which requires the Mint to purchase the silver product of American mines and refineries at approximately \$1 an ounce, the silver market would by this time have gone much lower than it is, for they say the pressure of sales and resales in London has been heavy of late, and with the Orient in a state of general business depression and most Oriental exchanges falling there is nothing to sustain the market but the fact that the production of America is being "pegged" by the United States Government. If the Pittman act were to be repealed, as some think it likely it will be, the trade looks for a decidedly lower level of prices.

## Improvement in Coal Situation at Duluth-Superior Docks

Duluth—A greatly improved showing was made in the movement of coal to Duluth and Superior docks during the past week. November 1st, 14 cargoes were discharged at the docks and the same number of cargoes were unloaded October 30. With the receipt of 54 cargoes during the week, a high record for the movement was set for the season.

Although a start was made last month in making up the season's fuel deficiency, it would be necessary to move approximately 3,000,000 tons of soft coal from the Lake Erie docks to this market during this month in order to place the trade in the same position it was last year, and that is admitted to be a physical impossibility. To counterbalance in a measure the shortage in soft coal receipts, dealers admit that a large saving in consumption has been effected through the mild weather prevailing over the Northwest up until this week, and there is also to be taken into consideration the fact that railroads have been depending for their supplies upon the Illinois and Indiana fields, instead of moving coal up to the docks here from the Pennsylvania mines as has been the case in other seasons.

Receipts of soft coal at Duluth docks during October were reported at 1,508,400 tons, as compared with 1,031,500 tons last year. A falling off was shown in the movement of anthracite coal for the month, receipts of it amounting to 271,600 tons, against 419,200 tons last year. Receipts of soft coal for the season to October 31 last aggregated 5,618,200 tons, showing a shortage of 927,500 tons, as compared with the same period last year. To that deficiency must be added 2,000,000 tons shortage on the docks when the season of navigation opened last spring.

Anthracite receipts for the season to October 31 aggregated 1,225,800 tons, an increase of 37,570 tons as compared with last year. The hard coal situation is, however, not regarded as satisfactory as would appear from the face of those figures for the reason that a surplus of 350,000 tons remained on the docks in the spring of 1919, while last spring the anthracite sheds at the Head of the Lakes were empty.

### BENJAMIN BULL, TREASURER OF WASHBURN-CROSBY COMPANY, DIES OF HEART DISEASE

Benjamin Seth Bull, treasurer of the Washburn-Crosby Company, Minneapolis, and a resident of this city since his birth June 21, 1863, died at his home in Minneapolis of acute heart disease October 31.

Mr. Bull and his family have been identified with the business affairs of Minneapolis since pioneer days.

At the time of his death, Mr. Bull was treasurer of the Washburn-Crosby Company, the St. Anthony Elevator Company, the Royal Milling Company, the Kalis-Bell Flour Mills Company and the Rocky Mountain Elevator Company, and was a director in the St. Anthony & Dakota Elevator Company, the Northwestren National Bank, and the Minneapolis Trust Company. He was a member of three clubs.

He is survived by his widow and by two children, who have been attending school in Massachusetts.

### NEW SUPERINTENDENT OF TRANSPORTATION FOR NORTHERN PACIFIC

The appointment of P. H. McCauley, heretofore superintendent of transportation of the Northern Pacific lines west of Paradise, Montana, as general superintendent of transportation, with headquarters in St. Paul, has been announced by the Northern Pacific. The appointment was effective November 1. Mr. McCauley has been succeeded by I. B. Richards, with headquarters at Tacoma, Wash.

### PURCHASE OF PHILIPPINE GOVERNMENT BONDS

New York—Kuhn, Loeb & Co. and William A. Read & Co. were the successful bidders for the \$6,000,000 Philippine Government 5½ per cent. Manila port works and im-

provement bonds offered by the War Department. The joint bid of the two banking firms was 101.27, the next highest being 101.07 by another banking syndicate.

The bonds, which under an act of Congress are exempt from taxation, both in the United States and the Philippines, are due September 1, 1950, and are redeemable after September 1, 1930, to bear interest at the rate of 5½ per cent., both principal and interest being payable in United States gold coin at the United States Treasury.

## Country Bankers Will Urge Congress to Amend Federal Reserve Act

The committee having in charge the matter of par clearance of bank checks will urge the revision of the Federal Reserve Act on this matter before Congress at the coming December session. Some bankers think it will be just as well to save time and ammunition and wait until after the fourth of March, when the situation will be much more favorable, but the decision reached at the Washington convention was to attempt revision at the early session.

In the meantime, the Propaganda Department of the National and State Bankers Protective Association continues very active and keeps bombarding the bankers with abundant reasons for changing the Federal law so that a charge may be made by country banks on exchange items.

No doubt the country bankers will insist that they are entitled to a small fee for the small service rendered in clearing of checks and they are technically correct. Banks or any other business concerns are entitled to pay for service rendered, no matter what it is, but the fact remains that banks render small services every day of various sorts for which no charge is made. They do this as a matter of expediency and consider it good business and good advertising.

Of course, they will reply to this that such services are given to their customers or prospective customers, while the clearing of checks at par benefits concerns at other points, who are not customers of theirs and are not likely to be and no doubt this point is well taken.

Both the Reserve Board and the reserve banks have taken a consistent position on this subject and have simply endeavored to make effective the provisions of the Reserve Act. If Congress sees fit to change this section of the law and permit charging on checks to become a general practice, business will simply have to adjust itself to such result.

### SOO LINE ANNOUNCES NEW SLEEPING CAR SERVICE FOR NORTHERN MICHIGAN

The General Passenger Department of the Soo Line announces that a special sleeping car service will be effective November 10 between the Twin Cities and Pembine, Wis. This is for the convenience of travelers between here and points in the Upper Peninsula of Michigan.

It will enable passengers from the north to get to bed at Pembine much earlier and those northbound can remain in the sleeper until the arrival of the Milwaukee morning train for Northern Michigan points.

The people of Upper Michigan can now go to the officials of the Milwaukee and endeavor to have this special Pembine sleeper carried through to Champion where it would be available to travelers from both the iron and copper districts.

### EASIER CREDIT CONDITIONS PREDICTED

"During the present few weeks," says the financial letter of the Mechanics and Metals Bank of New York, "we are at the time of year that usually marks the crest of the expansion of credit to meet crop moving needs. As this declines from now on, as funds for the assistance of industry become less needed, as our excess of exports has shown a steady tendency to diminish, and as the prospect grows that this may soon in part be financed by long-term investment, the indications are that at the end of the present calendar year credit conditions will not be so stringent as they are today."

# A. G. BECKER & CO.

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## Bonds

Short Term Notes

Commercial Paper

### Chicago Money Tension Relieved

Chicago, November 2—The strain of last week did not affect the money market adversely, and, with this removed, proved easier. Otherwise there has been no material change and it is expected that conditions will remain about as they are throughout 1920. It is generally expected that early next year the supply of funds at least will be much larger even though rates may not show any significant decline. The decreased pressure for loans is less noticeable in the calls made on bankers than it is in the commercial paper market. The relief in the latter is due in part to lessened needs and in part to the expectation of lower money rates within the next few weeks or months, which encourages borrowers to wait. Commercial paper is on a minimum basis of eight per cent. and other forms of accommodation are at 7 to 7½ per cent.

#### Country Buys Paper

The country banks are taking moderate amounts of paper, the demand being greatest from the North and Northeast, where industrial interests predominate and where there has been a curtailment of manufacturing operations, and least from the Northwest and West, where the withholding of grain is tying up large sums of money and the demands made by home customers on the resources of the banks restricts their buying of outside paper.

#### Problems Confront Bankers

Continuance of the present trend of conditions will bring about easier money after the turn of the year, and that is the general expectation of bankers. With this favorable development in prospect, the most important affair of the banks at present is the working out of some large loan accounts based on inventories that have decreased greatly in value. In one such case the shrinkage is 60 per cent. Problems of this kind would be greatly simplified by a revival of general buying, and there are many business leaders who predict that this turn will come soon after the election.

#### Federal Reserves Larger

Evidence continues to accumulate that the worst of the money market stringency incident to the seasonal demands of the autumn has been passed, at least so far as the Chicago Reserve district is concerned. The Federal Reserve Bank here in its statement last week reported a further improvement in its reserve position, its ratio of reserve to net deposits and note issue combined rising from 39.6 per cent. last week to 40.3. Improvement has been of a creeping, but steady sort. Each week during the last four has witnessed a small gain in the reserve ratio, which at the beginning of October stood at 38.9 per cent. Gold imports from Europe in connection with the Anglo-French loan maturity have helped to strengthen the bank's position.

#### Inventory Deflation Heavy

The deflation in prices recently has been too fast for comfort, and has come near to being too fast for safety. While there are no signs of distress on the surface, there are sure to be some severe headaches as the result of the

drastic shrinkage in the value of inventories. In these circumstances the change for the better in the general financial situation is both encouraging and important. Rediscouunts by member banks at the Federal Reserve Bank has decreased \$13,765,889 from the high record total of \$473,908,178, which was disclosed in the weekly statement of September 24. Of this reduction in borrowing, \$8,527,483 has been in paper secured by government obligations, a decrease due largely to the redemption of a large amount of treasury certificates of indebtedness on October 15. The remaining \$5,238,406 of the decrease is on commercial paper.

#### High Record Reduced

In the same time the Chicago bank has reduced its discounts with other Federal Reserve Banks \$1,748,685 from the high record mark of \$558,335,250, which was set forth in the statement of September 10, the total now being \$556,586,565. The ratio of reserves to net deposit and note liability, combined, has risen from 38.9 per cent. at the beginning of this month to 39.53 on Saturday, and the ratio of gold reserves to note liability after setting aside 35 per cent. against a net deposit has increased from 40.4 on October 1 to 41.37 last Saturday. While these ratios are closer to the legal minimum that was recorded at any time during the period of the war, the steady gain in the last month is a source of satisfaction.

#### Motor Plan Approved

Vice President Van Vechten of the Continental & Commercial National Bank announced that the Maxwell-Chalmers reorganization committee reports approximately 80 per cent. of all outstanding stock, both Maxwell and Chalmers, has been deposited under the provisions of the plan. Practically all of the bank creditors have subscribed to the plan, together with a large proportion of merchandise creditors. Stockholders who failed, however, to exercise their rights of purchase and to make their initial payments on or before October 27 are now required to pay a penalty of 25 cents for each \$100 principal amount of said payments. The time for filing applications for new stock in excess of the minimum rights of purchase and to make the initial payment equal to \$10 in respect of each share of class A stock applied for has been extended without penalty to the close of business December 1.

#### Forgan Assays Business

"All industry is engaged in an effort to stabilize prices upon a basis at which the public will resume normal buying," said President David R. Forgan of the National City Bank. "The real thing is to bring back the nation to a state of balanced production where supply and demand will be more normal and the emphasis given to certain industries from the war requirements will disappear. It is highly essential therefore that the deflation process should not be hurried, that it should not force too radical a reduction in the price of merchandise which retailers were forced to buy at war prices, and that it have regard for the peculiar problems of those industries which were

unduly stimulated by war requirements. The readjustment so far has followed safe lines.

**Extravagance Is Decried**

"The people are taking to heart the lessons learned during the days of extravagant profits which emphasized how true it is that 'a fool and his money are soon parted.' When 107,000,000 people abandon extravagant habits and begin to live sensibly the economic benefits are really startling. One of the most reassuring developments has been the noteworthy revival of bond buying. This represents as sure an investment inquiry as the country has ever witnessed, for 'institution buying' amounts to little or nothing in these days of intensive credit strain when the banks have to pay every spare dollar at the command of their customers.

"The present investment demand represents in a peculiar degree the popular absorption of good bonds, notes and preferred stocks. It stands to reason that the price of high grade bonds will advance as money rates decline, as they are bound to do before these loans are paid off. The investment demand has been so great in the case of several recent flotations that large note and bond issues have been fully subscribed before the loans have been officially advertised."

**Bank Building Starts**

The deadlock in Chicago loop office building construction, which has existed for a number of months, has been broken by the beginning of work on the new Federal Reserve Bank building at Jackson Boulevard and La Salle street. Work on the foundation will be started as soon as possible, but no lump contract for the structure, which will cost in the neighborhood of \$6,000,000, will be awarded, the bank hoping to let contracts from time to time and take advantage of lowering building costs.

The monthly class in finance, sponsored by an advisory council of women under the direction of Mrs. Irving L. Stern, has resumed its meetings. David R. Forgan, president of the National City Bank, spoke on "The Present Financial Situation." Admission is free and all women are invited.

**New Bank Organized**

Interests identified with the Standard Trust & Savings Bank have applied for a charter for a new institution to be known as the Devon Trust and Savings Bank, to be opened at the southeast corner of Clark and Devon. The two story building now on the property will be remodeled for temporary use and as soon as the Ashland avenue widening becomes a fact a monumental bank building to cost probably \$250,000 will be erected. Charles V. Wellner, cashier of the Standard Trust, probably will be president of the new bank. It will have \$100,000 capital and \$20,000 surplus.

Among the bank stocks Continental and Commercial National was strongest, advancing from 295 early in the week to 299 bid, with cheapest offering at 302.

Mrs. George R. Hay died last week at the residence of her daughter, Mrs. George M. Reynolds. She was 80 years old. Besides Mrs. Reynolds, wife of the president of the Continental and Commercial National Bank, she is survived by another daughter, Mrs. Charles L. Powell.

**PERMANENT JERSEY CITY BONDS NOW READY**

New York—Announcement is made by the United States Mortgage & Trust Company that the definitive bonds of the \$3,674,000 coupon water bonds of Jersey City, dated August 1, 1920, maturing serially August 1, 1921 to 1960, and numbered 1 to 3674 are now ready for delivery in exchange for the outstanding temporary bonds.

**MONTGOMERY-WARD COMPANY SALES**

Chicago—Sales of Montgomery Ward & Co. for October were \$8,687,895, a decrease of 37.9 per cent. from October, 1919. Sales for the 10 months ended October 31 were \$91,386,435, an increase of 14.26 per cent. over the same period in 1919. President Strawn says that the years' total sales are expected to pass the \$100,000,000 mark and to show a fair increase over last year.

**Investment Distribution**

The Bank should be a part of the system by which sound securities are distributed to the public.

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Due January 1, 1920

THESE bonds are a direct obligation of the Company, secured by pledge of stocks of constituent companies valued in excess of \$100,000,000.

The Company shows an equity of over \$120,000,000 behind these bonds, and average annual earnings during the past six years of nearly \$25,000,000.

Denominations \$1000, \$500 and \$100. Registerable as to principal. Interest payable without deduction for Federal Income Taxes up to 2 per cent.

Price: 96¼ and interest to yield about 7% %

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Resources over \$42,000,000

## Chicago Market Shows Strength

Chicago, November 2—In spite of heavy new financing, the bond market continues to show strength. The new offerings have been so oversubscribed that the actual deliveries of bonds are not sufficient to take up the demand from investors. As it is, the continuation of the vigorous upward movement in securities of public utility corporations seems to be discounting a substantial improvement in the financial position and earning power of these companies as the result of the change in public sentiment in their favor, which has come about in the last few months.

### Public Utilities Rise

Advances of from 5 to 15 points in many of these issues have taken place in the last fortnight. While Chicago has shared generously in the benefits of the movement, it is not confined to this city, but is general, stock and bonds listed on the New York exchange being prominent in the rise of prices. "The advance in utility securities," said Samuel Insull, "is simply recording a realization by investors and the public generally that corporations with a vast amount of assets that cannot run away, which deal in commodities or service that are being used in growing quantities by an ever-increasing number of people and are absolutely essential to the welfare of the communities in which the companies are located, must be allowed to operate on a basis that will bring a fair return on the capital invested.

### Insull Explains Position

"The depression caused by years of effort to do business with operating costs constantly increasing, while charges were fixed is passing, because much has been done to remedy the injustice of these conditions; but the process of readjustment is not yet complete. Take the case of the Middle West Utilities Company, for instance. Of the nearly 500 cities and towns in which it operates, enough have granted rate increases to swell the revenues of the companies 25 per cent., or an annual increase of \$3,800,000.

### Gas Needs Aid

"Peoples Gas is in a less fortunate position. The company for the first six months of the year failed to earn its fixed charges. Since then there has been an increase in revenues which, if continued to the end of the year, will just about bring us out even on our fixed charges. There has been no reduction in operating costs, however. In fact our wage schedules have not yet reached the peak under existing arrangements with our employes. We had one increase of pay in August and another is to come in November. Cities that do not recognize these conditions and provide for them by allowing rate increases are now the exception. We cannot get advanced charges unless public sentiment supports them. That support is now being given and is reflected in the more favorable attitude of official regulating bodies. This, in turn, is causing a revival of investment interest in those securities; hence the rise in prices."

### People's Shares Boom

Peoples Gas continued its advance last week, rising  $2\frac{1}{4}$  points. The street heard that a \$1.25 rate is to be granted the company by the Public Utilities Commission within a short time and this further stimulated the demand. The shares sold up to 45, or nearly 20 points above its low of midsummer. Northern States Power common

stock was another strong point in the market, sales being reported at 46. This compares with a price of 30 a month ago. The close was at 43 on the curb. The company had some rate increases effective September 1, but the advance was attributed to the general improvement in the utilities market. Chicago Railways series 1 made a further gain of 2 points to 22, a 10-point rise in a week. Chicago Elevated Railways preferred was up a point. Chicago City & Connecting preferred worked in close to 10. Some of the recent buying in this issue is attributed to insiders. Earnings of the company, it is said, are developing better than was expected a few months back.

### Packing Shares Weak

Swift International was subjected to rather severe selling on the Chicago Stock Exchange yesterday and closed with a loss of two points. Adverse reports as to business conditions in South America because of the financial disturbance there and the slackening of the demand from Europe were the chief reasons for the decline. Cudahy was off 11 points and Swift  $1\frac{1}{4}$ , but the other packing shares were not affected by the movement. Booth Fisheries common dropped to a new low of  $5\frac{1}{2}$ .

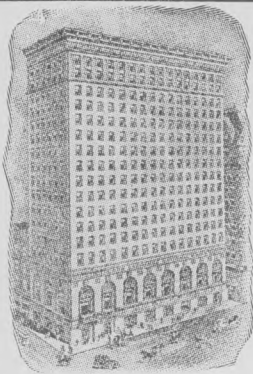
Stocks of the public utility bonds showed weakness. Chicago Railways "1" and "2" certificates gained 2 and  $1\frac{3}{4}$  points, respectively, while the "A" 5 per cent. bonds declined  $1\frac{1}{4}$ . Chicago Elevated Railways preferred advanced a point. Chicago City and Connecting Railways sinking fund 5 per cent. bonds declined  $2\frac{1}{2}$  points. Chicago City Railway first mortgage 5s lost a point, and Metropolitan Elevated extension 4s dropped  $1\frac{1}{4}$ . Chicago Telephone 5s showed an advance of  $2\frac{1}{2}$  points.

### Dividend Break Discounted

Directors of the Piggly Wiggly stores voted to defer the regular quarterly dividend of \$1 a share. The reasons given are: "The present violent fluctuations in commodity prices, the rapid expansion of the business and the advisability of building up a strong cash reserve." President Clarence Saunders stated that it is expected that dividends will be resumed after the turn of the year. Piggly Wiggly was active and, despite the declaration that the dividend rate would be temporarily suspended, the company deeming it better business policy to conserve its resources now, was steady, closing at 26. Apparently the stock had discounted within the past two weeks.

### Curb List Heavy

Local unlisted securities were comparatively inactive and price changes slightly lower, but within a narrow range. Butler Brothers declined to  $41\frac{3}{4}$ , but closed in better demand at  $42\frac{1}{4}$  bid,  $42\frac{3}{4}$  asked. Burroughs Adding Machine rallied from reported sales at 130 to 135 bid, 140 asked. Northwestern Yeast was inactive at 260 to 275. Consumers common and preferred were quiet, the former at 60 to 66 and the latter at 76 to 80. Kellogg Switchboard and Supply showed an easier tendency, stock being offered at  $46\frac{1}{2}$ , with little interest on the buying side. Gossard Corset common was without feature at 45 to 48. Wahl preferred improved to  $86\frac{1}{2}$  bid,  $87\frac{1}{2}$  asked. Moline Plow preferred showed an easier tendency; at the close stock was offered at 81 with bids of 77. Public utilities stock were



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practically all stronger, with Northern States Power common the most active, advancing to high sales of 46. American Public Utilities preferred was up two points on the bid side and was quoted 22@25 at the close.

**Pfister Bonds Liked**

Rutter, Lindsay & Co., White, Weld & Co., the First Wisconsin Company and the Second Ward Securities Company offered an issue of \$5,000,000 Pfister & Vogel Leather Company ten-year 7 per cent. convertible sinking fund debentures at 95 and interest, yielding 7.73 per cent. The bonds are dated November 1 and are convertible into 7 per cent. preferred stock at \$100 a share. A sinking fund of \$250,000 annually will be used to purchase or call bonds up to 101. The debentures are a direct obligation and only funded debt of the Pfister & Vogel Leather Company. They are followed by \$2,000,000 of preferred stock, \$10,000,000 common stock and surplus and undivided profits of \$1,400,000.

**Power Issue Offered**

A syndicate including Lee, Higginson & Co., the National City Company and Blair & Co., Inc., offered \$13,000,000 of Pennsylvania-Ohio Power & Light Company first and re-funding mortgage 7½ per cent. sinking fund gold bonds. The securities were offered at 96½ and interest, at which price they yield approximately 7.85 per cent. on the investment. Proceeds from issue, together with the proceeds of \$4,050,000 junior securities, will provide for the retirement of \$12,522,000 of Mahoning & Shenango Railway & Light first and consolidated mortgage bonds due November 1, 1920, take care of floating debt and provide additional working capital.

At the annual meeting of trustees of the capital stock of the Chicago Railways Company, Williston Fish was elected a director in place of Charles C. Adsit.

The Shaffer Oil & Refining Company is retiring \$646,000 of first mortgage six per cent. sinking fund bonds through the working of the sinking fund. The Continental and Commercial Trust & Savings Bank, trustee, announced that the amount of bonds needed has been secured at a price not exceeding \$82.50. As a result some tenders of bonds at higher prices were refused.

**New Issues Offered**

Halsey, Stuart & Co. and E. H. Rollins & Sons are offering a new issue of \$959,419 City of Akron, Ohio, direct obligation serial six per cent. bonds. The issue matures serially 1921-1940 and is offered at prices ranging from a 5.60 basis on the earlier maturities to a five per cent. basis on the late maturities.

A syndicate headed by Kuhn, Loeb & Co., and composed of the Guaranty Company, William A. Read & Co., and the National City Company, offered for public subscription this morning \$30,000,000 seven per cent. gold bonds of the Westinghouse Electric & Manufacturing Company. The bonds are dated November 1 and mature May 1, 1931. They will be marketed at 94¼, yielding approximately 7¾ per cent. to maturity.

The significant feature of the last week's trading was the continued rise in the utilities market, according to the H. Bylesby Company. Investment houses which have heretofore paid little attention to utility securities are beginning to buy, and inquiry seems to center on long term issues, particularly of hydro-electric companies. Bonds

and long-term notes which started the upgrade several weeks ago are now carrying the preferred and common stocks along.

\$6,000,000 Diamond Match Company 15-year 7½ per cent. gold debentures were heavily oversubscribed and the sub-

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¶ We invite your inquiry regarding business relations.

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

*Correspondence Invited*

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

**Deposits \$60,000,000**

scription books have been closed, according to an announcement by Blair & Co., Inc., and the Illinois Trust & Savings Bank. The issue is redeemable in whole or in part at the option of the company at 60 days' notice at 105 and interest, on any interest date from November 1, 1923 to November 1, 1930, inclusive, and thereafter at 105 and interest, less  $\frac{1}{2}$  per cent. for each six months elapsed after November 1, 1930. The bonds are in denominations of \$100, \$500 and \$1,000.

### Who Will Reduce Wages?

Who will reduce wages? This is a question which has been put to The Wall Street Journal and other newspapers, both in honest inquiry and in defiance. Samuel Gompers took the latter attitude, soon after the armistice, when he announced that the war scales must be continued. There are signs that the central unions have overplayed their hand, but the American Federation of Labor is credited with an income of \$48,000,000 a year, on a basis of a dollar a month from its four million members. Money goes a long way in labor disputes, even allowing for leakage and graft.

Who will reduce wages? The workers themselves. They are doing it now. From an increasing number of points, reports of a return of textile workers, at wage reductions of 15 per cent. or more, are received. Permanent employment at a reduction is incomparably better for the worker than part time at "standard" wages, to say nothing of no employment at all. This is no new experience. It can happen in the most highly unionized industries after only a brief experience of part time.

And, coincident with part time, per capita production increases, as industrial managers have proved again and again. There is a tremendous margin for production to recover in that wasted time where the worker is soldiering on his job at the behest of the unions. In 1907, when there was a severe contraction in business following a period of high union wages and low production, one of the greatest eastern railroads decided to cut production 50 per cent. in its principal shops.

On receipt of this order the manager of those railroad shops retained 10 per cent., the best men he had, on full time. He discharged 10 per cent. of incorrigible wasters, that dragged fringe of labor only useful for strike votes. The remaining 80 per cent. were placed on three days a week at standard wages. In a fortnight the production was 70 per cent. of what it had been before, and in seven weeks it was 85 per cent. Then the half-timers, realizing that their real wages had been cut in half, began to negotiate for reemployment at a reduced wage.

This is exactly what will happen now. No employer can be compelled to run his factory at a loss. No public utility can be made to pay wages to useless hands in any other condition than the extravagant Government ownership to which Mr. McAdoo accustomed us. The transition from half time, with the impending shadow of total unemployment, will inevitably reduce wages, cut retail prices by stimulated production and restore the open shop in spite of all the unions can do. The memory of the labor leader is short, and that of his dupe still shorter.

One debauch of prosperity blots out the lessons of the

past. But nothing can prevent the operation of an inexorable law, and even an unthinkable revolution of the unemployed would only make the result a thousand times worse for labor, as the experience of Russia has proved.—Wall Street Journal.

### WORDS OF ADVICE AND WARNING TO RETAILERS

In their endeavors to shift their share of the burdens of deflation, retailers should remember that their place in the economic organization is not as secure as it might be. It is more constantly under attack and more vulnerable than that of any other instrument of business. The retailer performs a necessary economic service as economically as it can be performed and his status ought to be secure, but it is not. The producer frequently assays the distribution of his own product, and the consumer is perhaps mistakenly, increasingly resentful of the profits of the retailer. The present is a peculiarly unpropitious time for the retailer to draw attention to himself by his refusal to aid in readjustment. The farmer's resistance to the inevitable is strengthened a thousand fold by the refusal of the retailer to immediately lower his prices to the replacement level of value. The farmer's complaints that the entire burden of deflation is being shifted to his shoulders have too much basis in truth to be ignored. The farmer is not only the main support of the economic organization; he is also the least politically disaffected of any class and it would be extremely foolish to allow him to be alienated merely because the retailers refuse to give up a part of their war profits. The retailer's attitude is not only justifying the attitude of the farmer, but it also tends to force the deflation process much further than was anticipated. By refusing to offer his shelf stocks at prices that will attract the public, he is delaying the resumption of production and forcing plants to close. The manufacturers have already sacrificed their stocks, or have announced their willingness to do so. They cannot be expected to go on manufacturing goods with large stocks on their hands which the retailers refuse to help move. The retailer is holding out in the hope that he will be able to sell his stocks to the public at the old level of prices and thus avoid taking a loss. That hope will not be fulfilled, for the public's resistance to price cuts will impair his purchasing power as much as an acceptance of current prices, and at most the retailer can expect to do no more than pay expenses and hold on to his goods. Surely that will not strengthen the economic status of the retailer.—The American Exchange National Bank of New York City.

### DELAY IN ISSUING PERMANENT FOURTH LIBERTY BONDS

New York—The Federal Reserve Bank of New York has notified banks, trust companies and savings banks in its district that permanent Fourth  $4\frac{1}{4}$  per cent. Liberty Loan bonds would not be available in sufficient quantities for delivery until some time next February.

The permanent First Liberty Loan second converted  $4\frac{1}{4}$ s also are not ready for delivery, but the last coupon on these bonds does not mature until December 15. Exchanges of all other issues of temporary for permanent bonds can be made now.



## A Review of the Economic Conditions in Peru

Foreign Trade Bureau of the Guaranty Trust Company of New York

Peru, which is approaching her centenary of independence, is not only a progressive country but also one of the richest in natural resources in the world. Although Peru has been a republic since 1821, much of her progress has been achieved since the beginning of the twentieth century, and especially in the last decade. Her principal cities have paved streets, electric lights, street railways, and telephone, telegraph and wireless facilities. Further improvements are planned, involving an expenditure of about \$100,000,000 and consisting of works that will provide Lima and 30 other cities and towns with fresh water, sewerage, paving, garbage removal, etc.

### Building Railroads

Railroads are being established as fast as necessary capital and equipment can be obtained. About 90 per cent. of the Peruvian railways are controlled by the Peruvian Corporation, Limited, owned by a British group of financiers with headquarters in London. Automobiles are numerous and the use of motor trucks is increasing.

Callao, the principal seaport of Peru, situated eight miles from Lima, the capital, and soon to be connected with the latter and other suburban towns by a railway now in process of electrification, is well equipped for shipping and ranks second (on the west coast of South America) only to Valparaiso. A large and up-to-date hotel is planned for Lima, and is to be completed before the centennial celebration next year.

### Japanese Industriously at Work

Japan has acquired a footing in Peru, and has established a regular steamship service to care for her growing trade with that country. Japanese and Chinese both are responding in large numbers to the encouragement of immigration now being given by the Peruvian government.

Peru has large undeveloped resources. Her fields made fertile by irrigation, are capable of increasingly large crops of sugar, cotton and rice, especially in the coastal region, and of various cereals, tubers, and other vegetables in the higher regions. Up to the outbreak of the war, the exports of agricultural products exceeded those of all other products, but this condition changed during the war by reason of the heavy exports of copper used largely in the manufacture of munitions.

### Peru's Sugar and Cotton Output

Peru's sugar output of 400,000 tons gives her fourth place among American countries producing sugar and eighth place among the world's sugar producers. Her soil is unusually rich for the production of sugar cane, as one hectare yields from 7,900 to 9,500 kilos, while the yield in Brazil is 6,000 kilos and in Cuba and the West Indies it is only 2,500 kilos per hectare, on the average. Her cotton production increased from 7,000 tons in 1900 to 29,000 tons in 1917. The raw product formerly was consigned chiefly to England but now the United States imports great amounts of Peruvian cotton. The development of the sugar and cotton industries will require more labor-saving machinery, which can, and should, be supplied by American manufacturers.

Peru's livestock industry has yielded valuable quantities of hides and wool for export. The demand for wool which was so strong during the war has slackened somewhat, so that the exports of that product have declined.

### Rubber and Vegetable Ivory

Rubber, the chief product of the Montana or eastern lowland belt of Peru, was formerly one of her five leading exports until the war. The exportation of Tagua nuts, or vegetable ivory, from which buttons are made, and which, like rubber, is another important product of the forest region, declined during the war, due to the loss of important markets in Germany and Bohemia. It has been suggested that the establishing of local rubber manufacturing plants would be the best way to make the rubber industry again profitable and able to compete with the product of the Far Eastern plantations.

The mines of Peru contain vast resources of nearly all known minerals, and the stores of copper, silver, gold,

vanadium, coal and tungsten have been especially developed. Peru also yields about 80 per cent. of the total world production of molybdenum and her vanadium mines, American owned, are the chief vanadium mines in the world. Her copper industry is progressing, despite the falling off of exports since the war, and a fine new smelter and other equipment are to be installed by 1922 by the Cerro de Pasco Copper Corporation (American), one of the chief copper producers of South America. The production of petroleum is fast increasing, and Peru is believed to have vast resources of this commodity, which should afford a valuable market for American machinery and accessories.

Because of the abundance of raw materials in the country, it is claimed that the following enterprises, not now in existence in Peru, could be successful: a glass factory, an earthenware factory, an alcohol distillery, a paving stone and cement pipe factory, a sack factory, a fishing enterprise.

### The Field for Trade

The masses of people buy imported clothing of various kinds and American-made goods now have a hold on the local markets that will not easily be broken. The use of all kinds of motor vehicles is increasing, and American firms can have continued sales in Peruvian markets if they maintain favorable terms and accord fair treatment to customers there. American sewing machines and typewriters are well introduced in Peru, and should be good sellers now that the war is over and shipping can be obtained for them. For all this, it should be remembered that, especially since the war, Peru has annually piled up a strong balance of trade in her own favor, and thus is in a prosperous condition.

### A Chance for Foreign Capital

The chief need for the development of Peru's hidden stores of mineral wealth is an abundant supply of fuel coal, and petroleum, and the extension of railways. For these purposes foreign capital is sought. American firms should not overlook the possibilities of the Peruvian railways. Various extensions planned before the war will soon be carried out and large amounts of railway materials and locomotives will be demanded.

Peru offers good markets for American lumber, especially in view of the coming centennial celebration. In

(Continued on Page 46)

# PAYDAY

## NATIONAL BANK

MINNEAPOLIS, MINN.

Opened for business on November 4, 1920

### OFFICERS AND DIRECTORS

F. B. ATWOOD, Forman, Ford Co.	M. J. LAMBERTON, Real Estate and Investments.
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A Regular National Bank for Checking and Savings Accounts, Money Orders, Exchange, and All Commercial Banking Transactions. Under National Banking Supervision and a Member of the Federal Reserve System.

**YOUR BUSINESS INVITED**

We are prepared to offer banking facilities  
to Banks, Corporations and Individuals  
requiring Chicago connections

**CAPITAL AND SURPLUS**  
**\$15,000,000**

ORGANIZED 1873

## Illinois Trust and Savings Bank Chicago

### United States the World's Largest Coal Exporters

New York—The United States is now the world's largest coal exporter. Prior to the war, says a statement by The National City Bank of New York, we ranked third among the coal exporters of the world, our exports in the year immediately preceding the war having been slightly less than 20,000,000 against 76,000,000 tons exported by Great Britain and approximately 30,000,000 tons by Germany. In the eight months ending with August, 1920, the latest date for which detailed figures are available, our exports of coal were, in round terms, 23,000,000 tons, while those of Great Britain were, in the same period, but 18,375,000 tons and those of Germany far less than those of either the United States or Great Britain.

#### From Third to First Place

This change which has brought the United States to the head of the list of world coal exporters, is due, adds the bank's statement, both to an increase in our own exports and a decrease in those of Great Britain and Germany. Our coal exports, which aggregate, in round terms, 28,000,000 tons in the fiscal year 1920, were only 13,000,000 tons in 1910, 19,000,000 in 1914, 24,000,000 in 1917, 26,000,000 in 1918, and, as above indicated, 28,000,000 tons in the fiscal year 1920, and seem likely to be nearly 40,000,000 in the calendar year 1920, the total for the latest months for which figures are available having been practically double that of the same months of the immediately preceding year. The 1920 record will probably show our total coal exported about twice as great as that of any year preceding the war. All of the above figures, it is proper to add, are exclusive of "bunker coal" supplied for the use of vessels engaged in the foreign trade, but not for transportation to foreign countries.

#### United States Has Half the World's Coal

There is good reason to expect that the United States may retain permanently her rank as the world's biggest coal exporter. Our total coal "reserve," by which is meant the quantity remaining underground within our own territorial limits, is 40 times as much as Great Britain, formerly the world's biggest exporter, and is, in fact, a little more than one-half of the total coal "reserve" of the entire world. Expert estimates of the world's stock of coal, presented at a recent Geological Congress held in Canada, put the world's total coal "reserve" at 7,398,000,000 tons and that of the United States alone 3,839,000,000 or 52 per cent. of the world's total. Canada ranks next to the United States with 1,234,000,000 tons or 17 per cent. of the world's total; China 996,000,000 tons or 14 per cent. of the world's entire stock, while the British "reserve" was stated at but 190,000,000 tons, or less than three per cent. of the world's total.

#### Coal Carried by American Ships

The leading position of Great Britain and Germany, prior to the war, in the list of coal exporters was largely due to the fact that their large fleets of commercial vessels, scouring the world for food and manufacturing material, could carry coal at extremely low rates, while the fact that we have, during the war, greatly enlarged our commercial fleet, correspondingly enlarges our power of distribution. As a consequence of this increased power of transporta-

tion on our own part, and shortage of supplies from Great Britain and Germany, our exports of bituminous coal to Europe alone in the calendar year 1920 will approximate 10,000,000 tons against less than 1,000,000 tons in the year immediately preceding the war; and to South America, which formerly drew its coal from Europe, our exports will be about 3,000,000 tons in the calendar year 1920 as against half a million in the year immediately preceding the war. The value of coal exported from the United States in the calendar year 1920 will exceed \$300,000,000 against \$60,000,000 in the year preceding the war.

#### PROGRESS TOWARD NORMAL LIVING STANDARDS

With the presidential campaign at an end, it will be possible for the country to give attention to many projects that have been held in abeyance during the uncertainties which always attend a great national contest. Congress will be asked to consider the enactment of various new laws, although it would seem as if this is the year, as Governor Coolidge says, "to stabilize the administration of present laws rather than to seek new legislation." But with the nation-wide readjustment of prices, the unrest of labor, the complications of international finance, the continuing strain upon credit, the dislocation of the foreign exchanges, and the efforts to restore Europe's crippled industries and to relieve the social unrest here, the probability is that the national legislature will be asked to conduct more investigations in the effort to correct abuses and safeguard the country from radical doctrines. Much will have been accomplished, however, through the election of a new president and vice president and a new congress. Such events, always important, have unusual significance in a year of reconstruction when the country has enormous home and foreign engagements to meet. With merchandise prices lower and living costs declining, the American people are making consistent progress toward the restoration of normal standards of living and doing business.—The National City Bank of Chicago.

#### NATURAL LAWS RESPECT NO INDIVIDUAL

The natural laws respect no individuality. Man cannot dictate the natural course of events, except for a comparatively brief space of time. Goods may be withheld from the markets; prices may be advanced as a result, but the present situation has brought home in a most striking manner that it cannot be done "ad libitum" or "ad infinitum." An apparent shortage of goods, accentuated by disrupted transportation facilities, encouraged extravagance and the public's indiscriminate buying.

It may be difficult to imagine the same public in a veritable crusade against prices. Nevertheless, it is true that within the space of a few months our population has substituted thrift and economy for extravagance and waste. Constant preaching of sound economic doctrines has finally made a strong impression with the buying public. The demand has been curtailed very gradually, while the supply has increased, thanks to greater efficiency of the worker, who seems to realize at last that present wages demand more work than ever. Thus has the natural law of supply and demand operated for the adjustment that was due to be ours at some time.—Wm. C. Weigand in the Simons-Day Review.

### Need of Utility Service Expansion

The Board of Governors of the Investment Bankers Association of America at a recent meeting adopted the following resolutions:

Whereas, Sound and constantly expanding public utilities are essential to the welfare and prosperity of the communities served;

Whereas, The conditions resulting from the war increased the costs of utility operation and of new money required for expansion, and prevented the growth of utility service to meet the increasing requirements of the public and of industry;

Whereas, There is a recognized shortage of electrical power and it is of vital importance to the industries of the country that means be found for providing additional power supply;

Whereas, The street railway systems are so tied into the business of the nation that their rehabilitation, maintenance and growth must be permitted and provided by the public dependent on their efficient service;

Whereas, The telephone and telegraph have become so important in our daily business and social life that they must extend their service daily to meet the public demands;

Whereas, The diminishing coal resources and the increasing demands on the oil supplies throw additional burdens on the gas industries which can be met only by their expansion;

Therefore, Be it Resolved, That it is the sense of the Board of Governors of the Investment Bankers Association of America that there should be cooperation between the investment bankers and the owners and operators of utilities, and the regulating officials, in laying before the public full information respecting the vital importance of prompt and continuing expansion of all kinds of utility service, and in encouraging such utility regulation as will provide sound credit as the basis for financing to the end that the investing public may provide the necessary funds by investment in sound public utility securities; and

Be it Further Resolved, That copies of this resolution be sent to the Governors and regulating authorities of the several states.

### CONSUMPTION OF PETROLEUM AT RECORD FIGURE

Washington—Consumption of petroleum reached the high record figure of 48,670,000 barrels in September while production decreased slightly, the geological survey reports in its monthly statement. The average daily production was placed at 1,261,500 barrels as compared with 1,270,870 barrels in August.

California in September attained the record daily production of 304,267 barrels, supplanting Oklahoma as first in rank, Montana also went ahead of Colorado.

The deficiency in domestic production the survey stated, was offset by net imports of 10,914,000 barrels, the largest ever recorded in a single month.

Decreased production was ascribed by the survey to lessened returns from central and North Texas and north Louisiana.

### BANKS STAND FOR SOUND BUSINESS

St. Louis, Mo.—In a lengthy letter to its patrons, The First National Bank of St. Louis reviews the relationship of the banks to credit and business. In concluding the letter says:

"No one, unless he is ignorant of the real facts of the situation, would charge the banking community—as some have recently done—with attempting to put into force measures that are inimical to the business interests. Every measure that the banks have taken has been in the interest of sound business development, for it is only under such conditions that the banks can possibly hope to prosper. Situations similar to the present have occurred in the past and will inevitably occur in the future, except as improved banking and credit organizations tend to develop to a point where these errors and misunderstandings can be scientifically prevented."

## A Business In Itself

The handling of an estate is a business in itself, and few individuals have the ability, the time or the inclination to carry it on successfully.

Our Trust Department is organized and equipped for the express purpose of acting as Executor, Trustee, Agent and in other trust capacities, and our service is efficient, economical and always strictly impartial.

Consultations cordially invited.

### THE MINNESOTA LOAN AND TRUST COMPANY

405 Marquette Avenue, MINNEAPOLIS, MINNESOTA

Affiliated with *The Northwestern National Bank*



"It wears well"—

Forty-eight years of business experience has not impaired the quality of Northwestern Service. It has continually made us new friends and satisfied customers; it has unfailingly met the varied financial and commercial requirements of the Northwest. Your business, regardless of its nature, can benefit by our unusual and pleasing service. Know for yourself its wearing qualities.

**THE NORTHWESTERN NATIONAL BANK**  
MINNEAPOLIS, MINN.



## Profiting by Our Port

Milwaukee will share with her neighbors benefits to accrue from the 3-cent differential on grain shipments over the lake-rail route. Direct routing of bill of lading drafts to Milwaukee is important to avoid delays and demurrage. Prompt payment and quick turn-over is the "Milwaukee Way."

### FIRST WISCONSIN NATIONAL BANK Milwaukee

## Progress of the U. S. From a Debtor to a Creditor Nation

From an Analysis Prepared by the Mechanics and Metals Bank of New York

When the United States began bringing back its own securities previously held by foreigners, Mr. L. F. Loree made a thorough investigation of the volume of railroad securities repurchased. When this compilation was first made up the railway securities held abroad totalled \$2,704,000,000 par value. Two years later, or just prior to our own entrance into the war, there had been returned to this market securities with a par value of \$1,518,000,000, or 56 per cent. of the original total. During the period in which the United States was taking back these securities, our bankers and investors were also making direct loans to England, France and other European nations, to a total of approximately \$2,475,000,000, while some investigators believed that there was in addition probably \$500,000,000 in the hands of bankers and investors which represented internal foreign government and private obligations not publicly recorded. Thus, prior to our entrance into the war, we had at least cancelled the \$4,000,000,000 net amount of our indebtedness existing up to 1914, and possibly had done a little better than that.

### Loans to European Nations

Shortly after our entrance into the war, Congress authorized \$10,000,000,000 for loans abroad and of this amount we actually advanced nearly \$9,600,000,000. Careful compilations place privately made loans to Europe at present outstanding at about two and a quarter billions, making the total ascertainable loans at present outstanding just a little short of \$12,000,000,000. But from March, 1919, when Government loans ceased, to the end of July last, the balance of trade in our favor was \$4,678,000,000. To this amount must be added \$504,000,000, representing our net exports of gold and silver for the same period, which brings the trade balance to \$5,182,000,000. The large amount of interest due on our loans abroad in all likelihood offset the invisible items against us, and may even have brought a net invisible balance of trade in our favor; however, without attempting to figure too closely factors which are necessarily so uncertain, we may assume the net balance of all trade in our favor to have been in the neighborhood of \$5,000,000,000, which means that this sum had to be made up in some way by loans or credits extended.

### Our Private Loans to Foreigners

Of the two and a quarter billion dollars of private ascertainable loans now outstanding, a very large amount was floated before March, 1919. This means that there must now be outstanding at least several billion dollars of credits of various sorts, represented by internal war loans, foreign exchange bills, deposits in foreign banks, promissory notes and acceptances taken by American exporters, and other forms of short-term credits. This mass of short-term financing, which the country's commercial banks have been called upon to supply, is to a large degree responsible for the inflation of credit which has taken place since the armistice. Thus the present net debt of the outside world to ourselves must now be at least \$13,000,000,000, and possibly reaches \$15,000,000,000.

### Credit and Trade Balance

This figure more or less directly arrived at may be checked up by the figure arrived at indirectly. By mak-

ing this indirect calculation we may also derive a clearer idea of how it became possible for this nation to build up its great creditor balance. For the six fiscal years ended June 30, 1915, to 1920, inclusive, our sales of goods to the outside world exceeded our purchases by \$17,356,000,000. If this made up the whole of international transactions, it would naturally follow that the outside world now owes us this amount. The goods were not given away. They had to be paid for. If the outside world could not pay in goods it must have given promises of future payment, and we must now hold securities and other evidences of debt representing the amount of these promises.

But there are many other items to be taken into account. There would have to be subtracted the \$17,356,000,000 total our net imports of gold and silver for the whole period of \$219,000,000, which, when deducted from the trade balance, leaves it at \$17,137,000,000.

### Our Merchant Marine

For the other items of international balance, authoritative figures are more difficult to obtain. In the early part of the period under consideration, assuming our net indebtedness abroad to have been as high as \$4,000,000,000, our annual payment to the outside world on this account could hardly have been less than \$160,000,000. It was estimated, in the years before the war, that American tourists each year spent from \$150,000,000 to \$200,000,000 in Europe. Foreign born citizens sent abroad, to relatives and friends, perhaps as high as \$200,000,000 annually. Our payment to foreign steamship lines for carrying our goods, ran about \$35,000,000 annually. When war actually broke out, however, the expenditures of American tourists practically came to a halt, and remittances of foreign born citizens were largely cut off, so that, in arriving at an idea of to what extent our favorable trade balance was offset by other accounts, we need deduct little for these two items during most of the six year period. On the other hand, we must recognize that ocean freight rates advanced greatly. As time went on, however, our own merchant marine developed to such an extent that we probably now receive for ocean freight rates as much as we pay to foreign countries for shipping goods, if not more, so that this item is virtually eliminated. The item of \$160,000,000 in net annual interest diminished until it was wiped out at the end of the second year of the six under review. From that time on, the interest item steadily grew in our favor. The Treasury announced on March 16 last that the unpaid interest on the Government's foreign credits alone, accruing up to November, 1919, totalled \$236,000,000, while the estimated interest for the next year was given as \$463,000,000. For the whole period, then, it seems more likely, if anything, that the invisible balance of trade was in our favor rather than otherwise. If we therefore assume that invisible items at least do not appreciably diminish the trade difference of more than \$17,000,000,000, and if we place our net pre-war indebtedness at \$4,000,000,000, we get \$13,000,000,000 as a derived estimate of what the probable net amount of our credits extended to the outside world must be.

### Bank Burglary Statistics

New York—An increase of 18 per cent. in the loss ratio for bank business for 1918 over 1917 is shown by the statistics compiled by the bank committee of the Burglary Insurance Underwriters Association. These statistics, which embrace 1916, 1917 and 1918—1919 not yet being available—show that in 1918 30,475 policies were written for a net premium of \$733,536. A startling fact brought out is that the losses in 1918, distributed as to cause, show that a bare nine per cent. was due to burglary and 91 per cent. to robbery. In 1916, the distribution was 51 and 49 per cent., respectively, and in 1917 it stood 68 and 32 per cent.

Territory III, which comprises Arkansas, California, Colorado, Illinois, Oklahoma, Oregon, South Dakota, Washington and Wisconsin, had the largest loss ratio for 1918, 106 per cent. While the loss ratio of 83 per cent. for 1918 is very large, burglary underwriters believe that it will be merely a drop in the bucket when compared with the loss ratio for 1919. The figures follow:

#### Business by Policy Year Totals

Year of Business	No. of Policies	Premiums Earned	No. of Losses	Total Losses Incurred	Loss Ratio
1916	24,581	423,229	122	183,986	43%
1917	27,695	431,740	119	28,385	65%
1918	30,475	488,511	131	405,506	83%

#### Total United States Business by Territorial Totals

Territory I—Comprising Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island and Vermont.

Year of Business	No. of Policies	Premiums Earned	No. of Losses	Total Losses Incurred	Loss Ratio
1916	2,615	64,627	9	14,561	23%
1917	3,146	71,272	6	14,572	21%
1918	3,179	63,602	5	21,155	33%

Territory II—Comprising Alabama, Florida, Georgia, Kentucky, Louisiana, Michigan, Mississippi, North Carolina, Ohio, South Carolina, Tennessee, Virginia and West Virginia.

Year of Business	No. of Policies	Premiums Earned	No. of Losses	Total Losses Incurred	Loss Ratio
1916	5,390	99,927	26	33,300	33%
1917	6,645	102,341	15	37,910	37%
1918	6,880	109,029	24	57,428	53%

Territory III—Comprising Arkansas, California, Colorado, Illinois, Oklahoma, Oregon, South Dakota, Washington and Wisconsin.

Year of Business	No. of Policies	Premiums Earned	No. of Losses	Total Losses Incurred	Loss Ratio
1916	15,930	245,227	86	134,815	55%
1917	17,215	244,372	96	225,247	92%
1918	19,558	300,766	101	318,416	106%

Territory IV—Comprising Arizona, Idaho, Montana, Nevada, New Mexico, Utah and Wyoming.

Year of Business	No. of Policies	Premiums Earned	No. of Losses	Total Losses Incurred	Loss Ratio
1916	646	13,446	1	1,309	9%
1917	689	13,752	2	2,661	19%
1918	858	15,112	1	8,505	56%

#### NEW METHOD OF PRODUCING METALLIC MAGNESIUM

Copenhagen—According to dispatches from Christiania the prominent scientist, Professor Helland Hansen, at a recent meeting of the Central Committee for Scientific Cooperation in Furtherance of Industry, lecturing on the use of salt water as raw material for Norwegian industry declared that the new salt works at Bergen, which are now nearly ready, will produce 100 tons of metallic magnesium yearly, the raw materials being only salt water and electric power.

Metallic magnesium is 35 per cent. lighter than aluminum, and when the latter is alloyed with 80 per cent. of magnesium it can advantageously be used in all kinds of motors, especially airplanes, motor cars and electric trams, the lightness of the metal making it possible to economize greatly in electric power.

The world's present total production of magnesium is 400 tons.

### Our Department of Banks and Bankers

offers unusual facilities to banks and bankers in the Northwest

Capital and Surplus \$2,500,000

CITIZENS COMMERCIAL TRUST COMPANY  
BUFFALO, NEW YORK

Resources Twenty-six Million



## Minneapolis—the eleventh city!

At the last call of the Comptroller, September 8th, there were eleven cities in the country, in which were located National Banks that had Deposits of over \$65,000,000.

The First National Bank gives Minneapolis this distinction.

With total Resources of over One Hundred Million Dollars, this Bank continues to be the dominant financial institution of the Northwest—a Bank where both the desire to serve and the ability to serve are combined, to adequately meet the varied demands of 37,000 clients.

## FIRST NATIONAL BANK MINNEAPOLIS

Resources Over \$100,000,000

# Bankers National Bank of Minneapolis

Capital and Surplus \$1,000,000.00

## OFFICERS:

C. E. OVENSHERE, Vice President

C. L. ATWOOD, President

JAMES THORNE, Vice President

E. A. PURDY, Vice President  
HARRY S. QUIGGLE, Cashier

## DIRECTORS:

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

## The Bankers and Agriculture

Edwin T. Meredith, Secretary of Agriculture. Excerpts From an Address Before the American Bankers Association, Washington, D. C.

The farming industry of this country is of considerable proportions, representing an investment equal to that of all the railroads, all the manufacturing plants, all the mines and all the quarries in the United States. Essentially, it is the basic industry. The income from live stock and crops for a single year practically equals the entire national debt. In other words, agriculture represents a permanent investment of 80 billions of dollars, and its output last year was valued at 25 billions. The greater part of the output of this enormous enterprise comes almost to the door of American business. The manufacturers receive from it, directly or indirectly, the materials that go to make up their finished products. Bankers employ their deposits in facilitating the exchange of products between the two. The railroads and other carriers, including the comparatively new and important enterprise of motor transportation, have as their principal purpose the carrying of commodities from one to the other. The merchant has on his shelves many of the products of the farm, and with many of them, the farmer is the largest customer.

### Big Sums Required for Financing Crops

Tremendous sums of money are required every year to finance crop production and movement. It is incumbent upon bankers, therefore, to inform themselves fully regarding all phases of agriculture to keep in touch with current crop and live stock conditions as shown in the crop and market reports of the Department of Agriculture, to appraise properly the business factors which influence crop and live stock production in the future, and to understand the work of the Federal and state departments of agriculture, the state colleges of agriculture, the extension service, and other public agencies for promoting sound agricultural practice. In no other way can they hope to deal intelligently, fairly, and adequately with the individual problems of their farmer clients or to cooperate effectively with Federal and state agencies in their efforts to make the business of farming more efficient, economical, and profitable.

### Work of Department of Agriculture

The United States Department of Agriculture is designed and operated to serve the nation—the whole nation—by promoting a better agriculture, and I believe it is faithfully discharging its responsibilities. It is dealing with practically every phase of production, seeking to build up a permanent and profitable agriculture through the elimination of plant and animal diseases and insect pests, which cause enormous annual losses, the working out and adoption of improved methods and practices, the development and introduction of new and better yielding varieties, and in many other ways.

I want to give you a few typical items, out of a large number that could be cited, which clearly indicate the value of the work of the department—and when I speak of

the Department of Agriculture I have in mind also the agricultural colleges and experiment stations in the various states which are cooperating with it in so many important directions. We spent \$250,000 in establishing Durum wheat in this country. The Durum wheat now produced is worth \$50,000,000 a year. We spent less than \$200,000 in introducing a rice and establishing the industry in California. The rice crop in that state is now worth \$21,000,000 a year. We spent \$40,000 in introducing Egyptian cotton, breeding it up and establishing the industry in the arid regions of the Southwest. The American-Egyptian cotton crop is now worth \$20,000,000 a year and is increasing every year. We discovered a serum that prevents hog cholera, and its use, as demonstrated by the department, has reduced the losses from that disease by \$40,000,000 a year, but we are still losing \$60,000,000. We spent a few thousand dollars in introducing grain and forage sorghums that could be grown in the Southwest where corn does not succeed. Last year 125,000,000 bushels of Kafir and other grain sorghums were produced there. It was discovered that the fungus causing wheat rust—a disease that has destroyed as much as 200,000,000 bushels of wheat in a single season—overwinters on the common barberry bush, and we are now seeking to reduce these losses by eradicating the barberry. Wonderful results also have been accomplished in determining obscure causes of other plant diseases and in devising practical methods of control.

### Guarding Against Animals and Insects

The Biological Survey of the Department of Agriculture is conducting a systematic campaign to reduce the losses caused by predatory animals on the western ranges, which destroy more than \$20,000,000 worth of live stock every year, as well as those caused by prairie dogs, ground squirrels and other similar rodent pests, which destroy annually more than \$300,000,000 worth of crops and range grass. Hunters in the service of the Department killed more than 25,000 wolves, coyotes and other predatory animals last year, and perhaps an equal number of coyotes were destroyed by poisoning campaigns. It is estimated that live stock valued at not less than \$6,000,000 was thus saved by an expenditure of only \$564,000. At the same time the destruction of rodents resulted in a saving of at least \$10,000,000 at a cost of \$840,000.

The boll weevil causes enormous damage to the cotton crop, but the department's experts, after many years of painstaking experiments, have at last found a successful method of controlling the pest with calcium arsenate. As a result, the manufacture and sale of this product has reached tremendous proportions. Through the enforcement of the insecticide and fungicide act, the department has been able to keep off the market a great many tons of poor



## 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. No charge or obligation attaches to this service. Business organizations are invited to make use of it.

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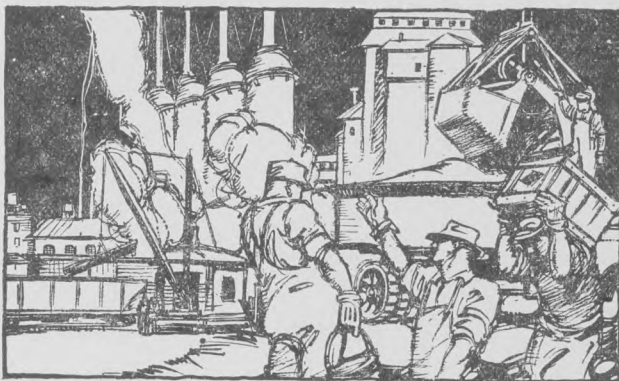
material which, if used, not only would fail to control the boll weevil, but would also burn the plants. Applications of such material would have resulted in direct damage to the cotton crop and indirectly would have had such a deterring effect on the willingness of farmers to follow the department's advice with reference to the control of the weevil.

#### What This Work Means to the Banker

Does it mean anything to the bankers of America that the department has been able to accomplish these results? Have they not increased the deposits in your banks and aided in building up the business of your communities? Isn't an institution of this sort worth supporting? It seems to me that in their own interest, if for no other reason, bankers generally should give their whole-hearted cooperation and support to the Department of Agriculture and to see that it is provided with the necessary funds and facilities for the prosecution of its work. It has been seriously handicapped by the action of the last Congress in reducing its appropriations for the current year by \$2,000,000 below the amount available last year and \$6,000,000 below its estimated needs. It has been compelled, as a result, to curtail or abandon entirely many vital projects, notwithstanding the fact that it is more essential than ever that everything feasible be done to aid in the solution of the difficult and complex problems in the field of agriculture.

#### Many Bankers Help Farmers

Bankers, as I said at the outset, have done many things to encourage agriculture. The entire commercial cantaloupe industry of America, for example, was inaugurated by the bankers and business men of Rocky Ford, Colorado. The town was settling down into a rut of mediocrity, but in a few years it doubled in population and increased wonderfully in prosperity. Good hotels, fine stores, and paved streets replaced the ramshackle condition of the town, and the Arkansas Valley for a hundred miles took on a prosperity which has since been communicated to many other



## BONDS AND BUSINESS

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and still larger areas. The cantaloupe industry has entirely outgrown its small beginnings, and the bankers who nourished it in its infancy have received in increased business many times more than the sums they advanced.

### How the Bankers Have Helped.

I could take up the entire time which I have at my disposal in recounting the many activities of the bankers in financing all sorts of farming operations—irrigation projects, drainage ditches, sugar-beet factories, canning industries, creameries, packing plants, cheese factories, boys' and girls' club work, a thousand things that have helped to develop agriculture and to increase community prosperity. In individual cases, they have gone outside their regular field and have provided general bureaus of information for their constituents. More generally, however, they have limited their assistance to agriculture to cases where extension of credit was more or less directly involved. Many a community owes its improvement in breeds of swine, dairy and beef cattle, sheep and other domestic animals to the active interest and effective help of the local banker. The introduction of soil-building forage crops, which have added not only to the immediate profits of the farmer, but have laid the foundation for even greater prosperity in years to come; encouragement in the keeping of farm accounts; the development of diversified farming—in all of these things the banker has given valuable aid. He has been far-seeing enough to know that this kind of assistance extended to the farm is a profitable one to the bank. It is apparent to the thinking banker that diversification of crops makes loans more certain because, if the main crop fails, the farmer can subsist on the returns from other crops and perhaps repay a part of his loan instead of being obliged to rely upon additional loans for his maintenance and the renewal of his farming operations next season.

But for every score of opportunities thus availed of, there are a hundred others knocking at the grated windows of American bankers. Apparently well-founded complaints have reached the department from farmers who have been denied credit for essential productive purposes while the producers of expensive luxuries and the dealers in them have been accommodated. I do not intend to imply that these bankers have maliciously chosen to handicap agriculture by the refusal of credit which they might have extended, but rather that they have yielded to the temptation of a larger immediate income from loans for less fundamental purposes. It is more than probable, however, that the bankers who have followed a shortsighted policy in such matters will, in the long run, be the losers.

### Reckless Inflation of Land Values

Speculation and reckless inflation of land values has been much in evidence during the last year or two, and unless this movement is checked, it will result in conditions which are highly detrimental not only to the farming interests of the country, but to our entire economic structure. If farm lands are permitted to attain speculative market prices in excess of their actual value based upon use and produc-

tivity, it becomes relatively impossible for the landless farmer to acquire a farm of his own. Furthermore, to the extent that renters purchase farms at prices which are disproportionate to their actual value, such purchases are almost certain to result in a large percentage of foreclosures. It is perhaps needless to point out that foreclosures, involving, as they do, the loss of all or a large part of the capital which hard-working citizens have accumulated by years of toil, will tend to aggravate social unrest and add strength to forces that are inimical to the orderly progress of society.

### Bankers Administer Public Trust

Every banker should feel it his duty to see that the capital which he controls is directed into truly productive channels and into the hands of the most efficient users of such capital. The honest and efficient landless farmer should be aided in every possible way to purchase the land he tills, while speculation in land on the part of those who have no intention of using it should, in general, be discouraged. Nearly every transfer of a piece of land to a landless farmer involves a larger or smaller sum of mortgage credit which the local banker, in many cases, is in a position to furnish, either directly or as the agent of local adviser of other institutions or of individual investors. The opportunities and duties of rural bankers are especially large in this connection.

### Farmers' Personal Credit

In addition to mortgage credit, there is frequent need on the part of farmers for short-time or personal credit. In the case of the man who owns and has paid for his farm, the supplying of such credit raises, as a rule, no serious problem. In the case of the renter, however, and of the young farmer who is just starting out as an owner, the question of short-time credit continues to be a difficult one. In such cases, bankers should realize that personal credit can and should be based, to a considerable extent, upon character and productive ability. To deny such credit to the honest, ambitious, energetic farmer because he has little tangible security to offer is to lessen the productivity of available capital and to discourage the man who in the future should be a land-owning farmer.

You are familiar with the fact that one of the principal factors which cause business failures is lack of sufficient working capital. This is as true of farming as it is of other lines of business. Capital is needed by a farmer when he buys land; when he improves it with fences, dwellings, barns, and other buildings; when he drains or irrigates it; when he buys livestock for breeding or feeding purposes; when he sets out an orchard; when he hires labor to cultivate or harvest his crops, or when he wishes to market them. These needs are legitimate needs and the farmer will naturally and rightfully look to his banker to finance his operations. Because of the splendid security the farmer has to offer, because the farmer himself is a good risk, because the success of farming depends upon a sufficient amount of working capital, and because successful farming—and in the definition of successful farming I include



profitable farming—is essential to the prosperity of the whole community. It is incumbent upon bankers generally to give to individual farmers who apply for loans the same consideration and the same service which they would give to any other class of business men. This leads me to suggest to you a plan which is already in operation by many country banks and which enables them to keep in close touch with farmers, to understand their needs, to assist them in various ways, and at the same time, to promote the business of the bank. This plan is the employment by their loan departments of a specialist trained in agriculture who will circulate over the county, get acquainted with farmers, attend their meetings, advocate improved methods of agriculture, and explain the banking business to them. Splendid results have been secured in this way by cultivating friendly relations with farmers, helping them intelligently with their problems and when they need financial accommodations, and encouraging them to build up a good bank account.

**The United States Chief Source of World's Zinc Supply**

New York—At present the world's chief source of zinc is the United States, which gained supremacy in the zinc industry when the war eliminated Germany and Belgium from this field, it is declared by the National Bank of Commerce in New York, in the November number of its magazine, Commerce Monthly.

The United States had little export trade in this metal until the war forced foreign consumers to turn to American markets, the bank points out, but its trade is now in excess of that of any other nation and probably will remain so because of the continuing incapacity of the former producing countries to supply the market. The United States exported 109,232 tons of zinc in the first eight months of this year, according to the bank, or nearly ten times the normal annual amount exported before the war.

"Belgium and Germany used to supply most of the international demand," says Commerce Monthly, "but these countries are not now able to produce zinc to compete with the American product. In 1913 Belgium exported 194,513 short tons of spelter, or over nine times as much as the United States. Although many of the zinc plants escaped destruction during the occupation of Belgium, others were completely dismantled. There has been a loss, moreover, through the disorganization of the skilled laboring force as a consequence of the war. At the same time there is a serious shortage of fuel and zinc ore.

"Unlike the Belgians, the Germans smelted principally from domestic ore. Present fuel and labor conditions, however, are not favorable for extensive zinc production in Germany. Although the ore is found in nearly every country in the world, the deposits in the United States and Germany alone of the chief smelting countries are sufficient for domestic requirements. Australia, the third largest producer of zinc ore and concentrates, has but a small smelter capacity and consequently has been Europe's chief source for foreign ore."

**ENGINEERS' COOPERATIVE NATIONAL BANK**

Cleveland—The Brotherhood of Locomotive Engineers' Cooperative National Bank of Cleveland opened its doors for business November 1. This, it is said, is the first labor bank and the first cooperative commercial bank in the United States.

The capital of the bank is \$1,000,000, with a paid-up surplus of \$100,000. The stock is owned exclusively by the brotherhood and its members, and was over-subscribed in excess of \$300,000 despite the fact that the annual dividends are limited to 10 per cent.

Officials of the new bank are: President, Warren S. Stone, grand chief of the Brotherhood of Locomotive Engineers; vice president and cashier, W. B. Prenter, general secretary treasurer of the brotherhood; vice president and manager, W. F. McCaleb, formerly active vice chairman of the Dallas Federal Reserve Bank.

The grand officers of the brotherhood are the directors of the bank.

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## The Automobile Industry

As Much Money Now Paid for Motor Operation as for Railroad Transportation

Conditions in the automobile industry make an inventory of it timely, and of more than passing interest to a very large group of investors and those whose business is dependent upon the prosperity of the automobile manufacturer.

The growth of the motor vehicle industry can be seen at a glance from the examination of the figures below, compiled by the National Automobile Chamber of Commerce. These figures include parts and accessories, as well as car and truck manufacture.

According to the authority just quoted, in truck and passenger car manufacture only, exclusive of parts and accessories, there is a capital investment of \$1,015,443,338. The value of the finished product of this industry in 1919 is placed at \$1,885,112,546, or a sum about equal to the value of anthracite and bituminous coal production combined.

	1899	1914	1919
Capital invested . . . . .	\$5,769,000	\$407,730,000	\$1,802,302,862
Motor vehicle product'n . . . . .	3,700	569,045	1,974,016
Value of products . . . . .	\$4,748,000	\$632,831,000	\$2,506,834,594
Persons engaged in mfg. . . . .		145,951	651,450
Wages and salaries . . . . .	\$1,616,000	\$139,453,000	\$813,731,856

Car and truck manufacture alone employs some 300,000 people with an annual payroll of about \$375,000,000.

The production of passenger cars, which totaled less than 4,000 in 1899 according to United States census reports, reached 1,657,652 in 1919. Motor trucks, of which less than 500 were manufactured in 1904, totaled 316,364 last year.

### Six Billions a Year for Motor Cars

According to another authority (the Railway Age), the people of the United States are now spending for maintenance and operation of automobiles a sum greater than they paid for railroad transportation in 1919, and an amount almost equal to the estimated revenue of the railroads under the increased rates granted them in July—a sum above \$6,000,000,000 annually.

This does not include anything for cost of new cars—it is the outlay for depreciation, interest, license fees, insurance, gasoline, oil, tires, garage charges and repairs.

In a census undertaken by the Automobile Chamber of Commerce, the answers to questionnaires directed to thousands of passenger car users indicate that 90 per cent. are used partly for business. Of the actual mileage of cars, about 60 per cent. is for strictly business purposes, not including the use of cars in place of trolleys or railroads for ordinary transportation. It must be admitted that this is largely a matter of guess work. But everyone knows that the automobile has become an essential part of the business of living, and that the proportion of "joy riding" to the total utilization of the motor car has steadily declined. Nearly one-third of the output of automobiles is sold to farmers.

Opinions differ somewhat as to the causes of the present slowing-up in automobile production and distribution.

Manufacturers attribute this in large part to limitations placed upon the acceptance of automobile paper by the banks. Delayed deliveries (due partly to lack of transportation and difficulties in securing material), resulting in many cancellations, was also a factor. It also appears that the producers overestimated the number of vehicles that the market could or would consume this year.

Whatever may be the cause or causes for present conditions in the industry, it seems evident from the above figures that it has come to be an essential one; and that it is of such importance that while it may, like any other industry, have periods of depression, its further expansion is to be confidently expected.

### No "Saturation" In Sight

The so-called "saturation" of the automobile market is far distant. With less than 900,000 trucks in service, and with only 8,000,000 motor cars in all for a population of above 105,000,000 people, there is no reason to suppose—especially in view of the industrial possibilities of motor trucks—that the automotive needs of the United States have been met or even approximated. And beside the domestic demand there is the export field to be supplied. In 1919 this field absorbed \$35,000,000 worth of trucks, and \$73,000,000 worth of passenger cars, with which there were shipped \$42,500,000 worth of parts.—The Index of the Liberty National Bank of New York.

### SOME DISCOMFORT IN THE DEFLATION PROCESS

Deflation is proceeding with considerable discomfort, but without serious disturbance that is apparent. This last is due to the moderation and good judgment of the banks which are carrying heavy burdens, and are holding many discount lines that would develop into losses if pressed to conclusions. In the wool country and other districts where the principal product has slumped in price far below the figures at which loans are being carried, the banks are inducing their customers to make gradual sales as far as possible, and thus to lighten the volume of the load, if not its unsatisfactory character.

It is not probable that the downward movement of prices will be generally precipitous unless an European crisis develops. It would be reasonable to look for intermittent movements, some recovery following declines successively, but with the general tendency downward.

While it has been for some time realized that lower prices were coming and some manufacturers got rid of stocks at concessions, in many cases the decline has been more rapid than expected and they have been unable to unload. Manufacturers find themselves between higher wages and much lower selling prices, causing curtailment of operations and actual closing down when no relief seems to be in sight. We expect to see great increase in unemployment.—The Bache Review.

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## Stock and Bond Quotations

### MINNEAPOLIS BANK STOCKS

	Div. Rate Pct.	Bid	Asked
Northwestern National	12	250	255
First National	*12	270	275
Midland National Bank	8	200	210
Metropolitan National	6	138	144
Bankers National Bank	6	100	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	105	112
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 National	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	70	80
Minneapolis Brewing, pfd.	6	85	...
Minneapolis Steel & Mach., com.	10	110	125
Minneapolis Steel & Mach., pfd.	7	...	100
Minneapolis Syndicate	6	48	50
Minneapolis Threshing Machine, pfd.	7	98	101
Munsingwear Corporation, pfd.	7	100	102
Northern State Power, pfd.	7	79	83
North American Telegraph	6	87	92
N. W. Fire & Marine	10	170	180
Pillsbury Flour Mills	...	110	120
Real Estate Title Ins.	...	100	...
Rogers Lumber, pfd.	7	99	101
Russell-Miller Milling, pfd.	6	97	100
Shevlin-Hixon, pfd.	7	100	103
Twin City Telephone, pfd.	6	70	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	70	75
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	72	77
First National-Soo Bldg.	5	7.50B	6.50B
Minneapolis Gas Light (1930)	5	...	65
Minneapolis General Electric	5	82	85
Minnesota & Ontario Power	6	...	7.75B
Minn. Trans. Ry. Co., 1st 5s, 1946	...	85	90
Montana Power, 1st rfdg. mtg.	5	85	86
Northern States Power (1941)	5	78	80
Northern States Power (1926)	6	84	88
Pillsbury-Washburn (1928)	5	76	80
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	70	75
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	73	78
Twin City Rapid Transit (1938)	5	73	83
Twin City Telephone 1st (1926)	...	8.00	7.00B
Wis.-Minn. Lt. & Pr., 1st Ref., 1944	5	...	75

### CHICAGO BANK STOCKS

Quotations October 25, by John Burnham & Co., 41 South La Salle Street, Chicago:

	Bid	Asked	Book Value
Adams State Bank	140	160	121
Aetna State Bank	121	130	124
American State Bank	190	200	200
Austin National Bank	125	...	140
Austin State Bank	225	250	151
Bowmanville National Bank	170	200	172
Calumet National Bank	180	...	147
Calumet Trust & Savings Bank	170	...	138
Capital State Savings Bank	145	155	122
Central Manufacturing District	248	260	164
Central Trust Company	175	185	149
Century Trust & Savings Bank	118	123	127
Chicago City Bank	290	...	254
Chicago Trust Company	140	146	154
Citizens State of Chicago	162	...	146
City National, Evanston	250	...	257
City State Bank	165	180	125
Continental & Commercial National	295	300	220
Corn Exchange National	370	380	323
Cosmopolitan State	125	...	136
Depositors State Bank	220	225	157
Drexel State Bank	180	...	169

Drovers National Bank	230	237	160
Drovers Trust & Savings	345	...	247
Englewood State Bank	175	185	141
Fidelity Trust & Savings	150	165	111
First National Bank	395	400	311
First National (Englewood)	370	...	355
Fort Dearborn National	215	225	158
Fort Dearborn Trust	220	...	185
Franklin Trust & Savings	195	...	203
Fullerton & Southport	134	...	131
Garfield Park State Savings	170	190	138
Great Lakes Trust Company	110	115	123
Greenebaum Sons Bank & Trust	300	310	199
Guarantee Trust & Savings	170	175	163
Halsted Street State	140	...	137
Harris Trust & Savings	500	510	303
Hegewisch State Bank	150	175	115
Home Bank & Trust Company	250	...	187
Hyde Park State Bank	170	...	168
Illinois Trust & Savings	380	390	333
Independence State Bank	200	210	117
Irving Park National Bank	205	...	158
Jefferson Park National	175	185	191
Kasper State Bank	280	290	180
Kenwood Trust & Savings	275	295	257
Lake Shore Trust & Savings	130	...	...
Lake View State Bank	120	...	122
Lake View Trust & Savings	225	250	180
Lawndale State Bank	250	...	275
Liberty Trust & Savings	250	...	169
Lincoln State Bank	120	130	122
Lincoln Trust & Savings	120	...	142
Live Stock Exchange National	240	255	187
Logan Square Trust & Savings	128	133	125
Madison & Kedzie State	200	250	168
Market Trust & Savings	112	116	132
Marquette Park State	132	...	122
Mechanics & Traders	150	157	145
Mercantile Trust & Savings	192	...	154
Merchants Loan & Trust	380	390	321
Michigan Avenue Trust	150	160	143
Mid-City Trust & Savings	225	240	169
National Bank Republic	160	170	186
National City Bank	165	170	180
National Produce Bank	160	165	142

## LANE, PIPER & JAFFRAY (INC.)

COMMERCIAL PAPER

1208 FIRST NAT.-SOO LINE BLDG., MINNEAPOLIS  
1526 MERCHANTS NAT. BANK BLDG., ST. PAUL

### CORRESPONDENTS

BLAKE BROTHERS & CO., NEW YORK & BOSTON  
MCCLUNEY & COMPANY, ST. LOUIS  
RICKARDS, ROLOSON & COMPANY, CHICAGO

<b>J. A. WRIGHT,</b> Chm. of Board	<b>SIMON WESTBY,</b> President	<b>R. A. WALSH,</b> Vice President	<b>A. G. HULTGREN,</b> Cashier	<b>A. E. LUND,</b> Ass't-Cashier	<b>A. O. JENSEN,</b> Asst. Cashier
<h1 style="margin: 0;">Central Bank, St. Paul, Minn.</h1> <p style="margin: 0;">Established 1887 <span style="float: right;">OLDEST STATE BANK IN ST. PAUL</span></p>					
<p style="margin: 0;"><b>Courteous attention given to accounts and other matters of banks, bankers, corporations and individuals.</b></p>					

Noel State Bank.....	190	...	138
North Avenue State Bank.....	120	130	159
North Side State Savings Bank.....	155	...	144
Northern Trust Company.....	330	...	296
Northwestern Trust & Savings.....	250	260	154
Oak Park Trust & Savings.....	235	250	177
Peoples Stock Yards State.....	300	...	132
Peoples Trust & Savings.....	280	290	203
Pioneer State Savings.....	150	...	138
Prudential State Bank.....	165	...	128
Pullman Trust & Savings.....	180	200	191
Ravenswood National Bank.....	100	...	137
Reliance State Bank.....	160	...	126
Schiff & Co. State.....	272	297	174
Security Bank of Chicago.....	325	335	292
Sheridan Trust & Savings.....	220	...	150
63rd & Halsted State.....	140	...	125
South Chicago Savings.....	300	...	212
South Side State Bank.....	175	...	139
South West State Bank.....	120	...	134
South West Trust & Savings.....	155	165	112
Standard Trust & Savings.....	155	165	164
State Bank of Chicago.....	305	315	261
State Bank & Trust Company, Evans.....	258	265	224
State Bank, West Pullman.....	160	170	155
Stockmens Trust & Savings.....	170	180	158
Stock Yards Savings.....	425	450	246
Stony Island Trust & Savings.....	120	...	119
Union Bank of Chicago.....	135	150	137
Union Trust Company.....	300	330	250
United State Bank.....	125	...	136
Washington Park National.....	250	...	182
Weirsema State Bank.....	138	...	139
West Englewood Trust & Savings.....	200	225	145
West Side National.....	120	135	120
West Side Trust & Savings.....	300	...	155
West Town State Bank.....	160	...	142
Woodlawn Trust & Savings.....	266	...	213

**CHICAGO SECURITIES**

Quotations October 25, by John Burnham & Co., 41 South La Salle Street, Chicago:

	Bid	Asked
American Light & Traction, com.....	109	112
American Light & Traction, pfd.....	85	87
American Public Utilities, com.....	7	10
American Public Utilities, pfd.....	...	25
Atlas Powder Company, com.....	137	142
Atlas Powder Company, pfd.....	75	78
*Avery Company, com.....	60	63
Avery Company, pfd.....	90	93
Babcock & Wilcox Company.....	104	106
Beatrice Creamery Company, com.....	185	191
Beatrice Creamery Company, pfd.....	95	98
Benjamin Electric Manufacturing, 1st pfd....	97	100
Bordens Company, The, com.....	93	96
Bordens Company, The, pfd.....	82½	84
Brunswick-Balke Coll., pfd.....	90	100
Buda Company, pfd.....	97	100
*Butler Brothers.....	42	43
By-Products Coke Corporation.....	90	100
Cities Service Company, com.....	298	303
Cities Service Company, pfd.....	65½	66
Commonwealth Power, Railway & Light, com.	18	20
Commonwealth Power, Railway & Light, pfd.	45	46
Congress Hotel, com.....	115	125
Consumers Company, com.....	60	64
Consumers Company, pfd.....	77	80
Creamery Package Company, com.....	100	...
E. I. DuPont de N. Company, com.....	210	217
E. I. DuPont de N. Company, debentures....	74	76
Goodyear Tire & Rubber, com.....	55	58
Goodyear Tire & Rubber, pfd.....	71	78
Hercules Powder Company, com.....	200	206
Hercules Powder Company, pfd.....	90	93
Holland-St. Louis Sugar Company.....	13½	14
Inland Steel Company.....	52½	54
*Kellogg Switch'rd & Supply.....	43	48
Linderman Steel.....	17	22
*McCord Manufacturing Company, com.....	21	23
McCord Manufacturing Company, pfd.....	73	80
Oscar Mayer & Company, 1st pfd.....	90	94
Oscar Mayer & Company, 2nd pfd.....	92	97
Michigan Sugar.....	10¼	10¾
Moline Plow Company, 1st pfd.....	79	82
Nash Motors Company, com.....	300	320
Nash Motors Company, pfd.....	94	97
National Grocer Company, com.....	115	125
National Grocer Company, pfd.....	88	92
National Motors Company.....	14½	17½
Northern States Power, com.....	39½	43½

Northern States Power, pfd.....	79	81
Semet-Solvay Company.....	145	152
Simmons & Company, pfd.....	91	95
Smyth Company, John M., pfd.....	98	102
Soden, G. A. & Co., com partic. rec.....	48	50
Soden, G. A. & Co., 1st pfd.....	92	97
Soden, G. A. & Co., 2nd pfd.....	98	102
Stearns Motors.....	19	21
Standard Gas & Electric, com.....	15	17
Standard Gas & Electric, pfd.....	36	38
*Stover Manufacturing Company, com.....	new 26	29
Stover Manufacturing Company, pfd.....	94	98
Sullivan Machinery Company.....	46	50
Tri-City Railway & Light, pfd.....	60	65
United Light & Railways, com.....	25	28
United Light & Railways, pfd.....	59	61
United States Gypsum Company, com.....	70	73
United States Gypsum Company, pfd.....	85	87

\*Ex-Dividend.

**GETTING READY FOR THE INTERNATIONAL LIVE STOCK SHOW**

Chicago—Preparations for the World's Live Stock Exposition at Chicago during the first week of December, are now well under way. Each season this spectacle of animal life is given a new stage setting, involving the labor of hundreds of men for several weeks and an expenditure of many thousands of dollars. This year a number of scenic novelties have been introduced, arrangement of exhibits has been perfected and a more elaborate setting given the latest addition to this aggregation of spectacles—the Grain and Hay Show, under the auspices of the Chicago Board of Trade.

When the gates are thrown open to the public, November 27th, a month hence, all this elaborate and expensive getting-ready programme will insure a most successful International Live Stock Exposition since the inauguration of that enterprise, which has been effective in promoting the welfare and progress of the live stock industry of all sections of North America.

## LIBERTY BONDS

Wire or call on us for definite bids on blocks which you may have for sale.

### SCHANKE & COMPANY

Established 1900  
422 McKnight Bldg., MINNEAPOLIS

Mason City      Milwaukee      Oshkosh

## ERNST & ERNST

**AUDITS—SYSTEMS**

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

FIRST NAT'L-BOO 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

# John Burnham & Co.

**Wholesalers and Retailers of Investment Securities**

Bonds      Stocks      Notes      Listed and Unlisted

*We have a department for the Exclusive handling of Insurance Stocks*

*Private wire connections with many west and northwest cities*

**CHICAGO**  
Tel. Long Dist. 173

**CHICAGO**  
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**CHICAGO**

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**CHICAGO**  
Tel. Long Dist. 173

# SAINT PAUL GRAMS

## Number 12.

Saint Paul is an important printing and publishing center, with a production in this line of more than \$15,000,000 during the past year.

The largest law book publishing house and the largest advertising novelty house in the world are located in Saint Paul.

Newspapers, magazines and farm journals published in Saint Paul have wide circulation and great influence throughout the Northwest.

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

## THE MERCHANTS NATIONAL BANK Saint Paul

*"For Saint Paul and The Great Northwest"*



### New Banks and Changes

#### MINNESOTA

Lake Park—A charter has been denied the Farmers State Bank.

Evergreen—A charter has been granted to the Evergreen State Bank.

Hines—The Hines State Bank has been chartered with a capital of \$10,000.

Onamia—Application for a charter for the Onamia State Bank has been denied.

Burtrum—Donald Christie has been elected cashier of the First State Bank.

Cologne—Dorothy Dols has been elected assistant cashier of the Citizens State Bank.

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

Hutchinson—L. A. Ritter has purchased an interest in the Hutchinson State Bank and has been elected president.

Minneapolis—H. S. Royshe has been elected cashier and T. H. Jones, secretary of the Lincoln Trust & Savings Bank.

Mahnomen—The Farmers National Bank has voluntarily liquidated, the assets have been absorbed by the Citizens State Bank.

Pequot—H. H. Sievers has been elected vice president of the First State Bank. Mr. Seivers is cashier of the Farmers State Bank of Belview.

Averill—The Averill State Bank has opened for business with a capital of \$15,000. L. I. Grina has been elected president and I. T. Stenerson, cashier. A new building is being erected.

Minnesota Lake—A. F. Ludwig of Minneapolis has been elected cashier of the First National Bank to succeed C. W. Borchert, who resigned. Mr. Ludwig was formerly with the Farmers State Bank of Garvin.

Hampton—The Farmers & Merchants State Bank has opened for business with a capital of \$15,000. The following are the officers: Charles Doffing, president; N. P. Gores, vice president and B. G. Gergen, cashier.

#### SOUTH DAKOTA

Raymond—J. D. Markham has been elected assistant cashier of the Raymond State Bank.

Sioux Falls—James D. Fleckenstein has resigned as cashier of the Sioux Falls National Bank.

Lane—Walter McCurdy and Henry M. Olson who recently purchased the Farmers State Bank, have assumed charge.

#### WISCONSIN

Pembine—Articles of incorporation have been approved for the Pembine State Bank with a capital of \$20,000.

Marathon—A. P. Gertschen has been elected cashier of the Merchants & Farmers State Bank to succeed O. W. McCarthy.

Eau Claire—Leonard Seyberth, J. M. Dodmead, John Oyaas and August Kuhlman, Jr., are the incorporators of the Security State Bank here.

Marengo—The Marengo State Bank has opened for business with a capital of \$15,000. M. L. Ensinger is president; Robert Holmes, vice president and J. R. Shales, cashier.

Green Bay—Irving Backus has been elected cashier of the West Side State Bank to succeed R. C. Bennie, who resigned to become cashier of the Peoples Savings & Trust Company.

#### IOWA

Eagle Grove—The title of the Merchants National Bank has been changed to the First National Bank.

Des Moines—At a meeting of the directors of the Mechanics Savings Bank, John H. Gibson was elected president to succeed the late Gilger MacKinnon.

#### MONTANA

Helena—The new building for the local branch of the Federal Reserve Bank is almost completed. The bank is expected to open for business next month.

Lima—The Security National Bank has opened for business with a capital of \$25,000. The following are the officers: C. C. Thornton, president; F. M. Merrell, Jr., vice president and H. T. Kraabel, cashier. A new building has been erected at a cost of \$12,000.

#### NEBRASKA

McCook—The Farmers & Merchants State Bank has opened for business in temporary quarters with an authorized capital of \$150,000. A building has been purchased on Main avenue and will be remodeled for the bank's use.

#### OREGON

Culver—Application has been filed for a charter for the Jefferson County National Bank with a capital of \$25,000. F. G. Kern of Madras is one of the organizers.

#### UTAH

Ogden—The title of the Pingree National Bank has been changed to the National Bank of Commerce.

#### WASHINGTON

Bellingham—R. P. Loomis was elected cashier of the Northwestern National Bank, at a meeting of the directors.

Kirkland—The First National Bank has been chartered with a capital of \$25,000. Glenn M. Johnson will be the president and O. S. Penney, cashier.

Pe Ell—At a meeting of the directors of the recently organized Pe Ell State Bank, H. W. Mund was elected president and T. Hansen, vice president.

Hillyard—S. A. Anderson has been elected cashier of the organized Farmer-Labor State Bank. Mr. Anderson was formerly president of the State Bank of Portland.

Yakima—At a meeting of the directors of the First National Bank, C. R. Donovan was advanced from cashier to vice president and J. A. Loudon was promoted from assistant cashier to cashier, succeeding Mr. Donovan. H. F. Crawford and E. J. Lemke were elected assistant cashiers. The capital stock was recently increased from \$100,000 to \$300,000.

#### CALIFORNIA

Puente—John R. Paden has been elected assistant cashier of the First National Bank.

Los Angeles—At a meeting of the directors of the Union Bank & Trust Company A. L. Lathrop was elected secretary to succeed Morris Klein, who resigned. P. C. Turman was advanced from cashier to assistant secretary.

Glendora—E. E. Gard has been elected president of the First National Bank to succeed A. M. Bernhard, who resigned. C. C. Warren has been elected vice president. Mr. Warren was also elected vice president of the First Savings Bank.

#### ILLINOIS

Chicaco—At a meeting of the directors of the Continental & Commercial Trust & Savings Bank, J. S. MacFarren was elected assistant cashier and Benjamin Bills, assistant secretary.

#### BANKING NOTES

Ashby, Minn.—The Farmers State Bank has moved into its new building.

# Banks - Bank Stocks - Bank Positions

By merely checking the subject in which you are interested, valuable information will be given by us.

**Remember — No Publicity — Everything Confidential.**

## The Charles E. Walters Company

1422-30 First National Bank Bldg., OMAHA, NEBRASKA

The Charles E. Walters Company, Box 1162, Omaha, Neb. Without obligation on my part please give information on subject opposite which I have placed check mark.

- The sale of a bank.....
- The purchase of a bank.....
- Can use competent bank help .....
- Want a bank position .....

Name .....

Address .....

Braham, Minn.—The Braham State Bank is now occupying its new building.

Tisch Mills, Wis.—A new building will be erected by the Tisch Mills State Bank.

Antigo, Wis.—Improvements on the First National Bank building has been completed.

Chicago, Ill.—The Austin National Bank has increased its capital stock from \$100,000 to \$200,000.

Odessa, Wash.—The Union State Bank building has been remodeled at a cost of about \$18,000.

Lakefield, Minn.—The Jackson County State Bank has opened for business in its remodeled building.

Winner, S. D.—The First National Bank will move soon to its new quarters in the Hotel Winner building.

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

Chicago, Ill.—The West Side Trust & Savings Bank has increased its capital stock from \$400,000 to \$700,000.

Chicago, Ill.—The capital stock of the Mid-City Trust & Savings Bank has been increased from \$500,000 to \$750,000.

Shell Lake, Wis.—The new building of the Bank of Shell Lake has been completed and is now occupied by the bank.

St. Paul Minn.—The stockholders of the Commercial State Bank have voted in favor of increasing the capital stock from \$25,000 to \$50,000.

Holloway, Minn.—The new building of the Peoples State Bank is almost completed, and will be ready for occupancy about November 10.

Chicago, Ill.—The stockholders of the Liberty Trust & Savings Bank have voted in favor of increasing the capital from \$250,000 to \$350,000.

Stillwater, Minn.—At a meeting of the stockholders of the Cosmopolitan State Bank it was voted to increase the capital stock from \$25,000 to \$50,000.

Sacramento, Cal.—Bids have been received for the construction of an 18 story building for the Sacramento Bank. The new building will cost about \$1,500,000.

Tacoma, Wash.—The Puget Sound Bank & Trust Company has purchased the National Realty building. The entire ground floor will be remodeled for the bank's use.

### CLOSING OF UNITED STATES SUB-TREASURIES

Washington—Discontinuance of the sub-treasury at Chicago at the close of business, Wednesday, November 3, was ordered November 1 by Secretary Houston.

Mr. Houston also announced that the Federal Reserve Bank at Chicago would be prepared on that date to handle all exchanges of paper, currency and United States moneys. All outstanding gold certificates issued by the assistant treasurer of the United States in charge of the Chicago sub-treasury will be received for payment by the Reserve Bank or by the Treasurer of the United States.

The Chicago sub-treasury is the second ordered closed by Secretary Houston, the sub-treasury at Boston having been closed two weeks ago pursuant to legislation passed by Congress.

While all the nine sub-treasuries are to be closed under the law, there so far has been no indication when discontinuance of the others would be ordered. They are located at New York, Philadelphia, Baltimore, New Orleans, St. Louis, San Francisco, and Cincinnati.

As each sub-treasury is closed, the office of assistant treasurer of the United States at the particular point is abolished and officers and other employes assigned to duty there are summarily dismissed.

## South Dakota Banks Available

**No. 27,182**—Modern town of 1,500 in Mitchell territory. Fine school and church facilities. Deposits are well over \$500,000 on a capital of \$35,000. The actual value of their stock is well over \$300 a share, and the bank is earning in excess of 50%, exclusive of farm loan, life insurance or real estate profits. About eighty per cent. of the stock is available at a premium about a year's earnings, paper guaranteed. Deal involves about \$90,000, which will all be left on deposit. The salary account is about \$1,000 a month and there will be two positions vacated. Present owner might keep a block of stock, thereby reducing the investment materially.

**No. 29,139**—Fine, modern town of 700 in Sioux Falls territory. Their deposits are about fourteen times the capital. They have practically no bills payable. The bank is clean in every respect and the earnings are attractive. Their book value is not high and the stock, about eighty per cent., is available at about \$220 a share, which represents a premium of about a year's earnings. The investment is about \$45,000, which could be materially reduced by selling some stock locally.

Let us furnish further information if interested.

## BANKERS SERVICE CO.

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

McKnight Building MINNEAPOLIS

*We are prepared to purchase*  
**County, School and Township**  
**Warrants and Orders**

SEND US YOUR OFFERINGS  
**C. B. ENKEMA & CO.**  
*Capital and Surplus \$150,000*  
Security Building MINNEAPOLIS, MINN.



**A REAL BANK**  
in the best southern Minnesota farming district, having about \$300,000 deposits and serving exclusively a large territory, is offered by me at a reasonable price. This bank may be acquired upon very easy terms and I am sure that investigation will prove the offering to have unusual merit. File No. 4175.  
**HENRY F. HINE**  
809 Metropolitan Bank Bldg., MINNEAPOLIS

## Minnesota—County Seat Town

We can offer control in a fine growing institution in one of the most progressive towns in the state. Bank has deposits of \$600,000. Requires about \$50,000 to handle, including residence. This is an exceptional opportunity for a qualified banker.

## M. C. Briggs & Company

**BANKS SOLD CONFIDENTIALLY**  
419 Palace Building., MINNEAPOLIS

## What You Do Counts Big

at this time in hastening better conditions in the live stock industry.

We need you whole-heartedly **with** the movement, which is now under foot, to clean up old obligations and clear the way for a fresh start.

Any information we have, or can get on the current trend of things, is yours for the asking.

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

"LOCATED AT THE STOCK YARDS"

SIoux CITY, IOWA

## Test of Citizenship From An Insurance Viewpoint

H. E. Reynolds, Chairman of the Bemidji, Minnesota, Fire Prevention Committee

Tell me what you do with your rubbish and I will tell you what sort of a citizen you are. If you dispose of your old broken, worn out furniture, old newspapers, oily rags, worn out clothing, and all rubbish of every kind, you are a good citizen, but if you allow them to accumulate you are not only a bad citizen but a menace to your neighbors.

What makes such things catch fire? It may be heat from the furnace, a spark, a cigarette, a candle, a plumber's torch, or perhaps they just catch fire from spontaneous combustion. Don't know what that is? It is a fire that starts itself. Cotton waste, oily rags, moist hay and certain other things, if left to themselves will grow hotter and hotter and finally burst into flame.

### Careless Ladies in the Church

Recently a nice new church was destroyed. It had just been finished and on the afternoon before the day set for the first service, some of the ladies of the congregation wiped the woodwork with oily cloths. When they had finished and were going home, one of them remarked that it was a pity to throw away those new dusters, and accordingly they were put in a closet for safe keeping. That night the church was totally destroyed by fire. The cloth in the closet caught fire by spontaneous combustion.

So remember that if you don't burn your rubbish it may burn all by itself in the middle of the night.

### Carelessness in the Home

Do you see that beautiful house across the way? Its lawn nicely clipped, flower beds well tended, its gravel paths nice and smooth, beautiful vines over the door—and yet that house is more dangerous to its neighbors than a German plane dropping bombs. I made an inspection there recently and this is what I found: In the cellar and under the piazza are barrels and boxes that were used when the family moved in, also excelsior that came around the new parlor clock, a few old broken chairs, tables, a disabled rocking horse, and boxes of papers and magazines. In the garret, a number of old straw hats, two or three old mattresses, a lot of old clothing, a trunk full of old letters and a lot of other stuff. And right now if you look you will see a pile of leaves near the steps of the side door. Even dead leaves sometimes take fire from spontaneous combustion. Do you wonder that every time I hear the fire alarm I think of that house? When it burns the whole block may burn with it if there is a strong wind, and the people will blame the fire department for not being more efficient.

Oh! you live next door, do you? Then I would suggest that you make a little call upon those people and tell them a few things about their duty to their neighbors. They might be interested to know that fires from spontaneous combustion alone cost more than ten million dollars last year.

By the way, before calling on your neighbors, how about your own house? Is there rubbish in the cellar, garret, closets, woodshed or around the yard?

Always remember that a clean house never burns unless a dirty house sets fire to it, and by dirty I mean a house where all kinds of silly junk is preserved.

Also don't forget that accumulations of dirt and rubbish are frequently a source of disease. From every point of view they are wasteful, unsightly and dangerous and they tend to lower the moral standards of people who tolerate them.

Stand in front of your clock and watch the minute hand. Every time it passes a minute mark say to yourself another fire has broken out, somebody's home, some child is being terribly burned—then add: It could have been prevented. That is the way it goes minute by minute, hour by hour, all through the year. There are 1,440 minutes in the 24 hours and there are 1,500 fires each day. There will be 1,500 tomorrow and 1,500 the day after, and these have not yet occurred and would not if people would be careful.

### The Cost of Carelessness

It is not merely the number of fires. It is the damage they do. The Government reports state: "The loss by fire is greater than the combined value of the production of all our gold mines, silver mines, copper mines and oil wells each year." That was bad enough, but the report went on to say that the same fire tax is greater than the value of all the land and improvements of any of the following states: Maine, West Virginia, North Carolina, North Dakota, South Dakota, Alabama, Louisiana or Montana. Like feeding one of these great states into a fire each year.

If the people would really take proper precautions we could save enough to build a Panama Canal each year. An average of 20,000 lives are lost in fires through carelessness.

Are you a good citizen? I think you are or will be.

### COLORADO'S BIG BEET CROP

Denver—The 1920 sugar beet crop will be the largest in the history of Colorado and will put the state first in this production. The estimated crop this year is 2,700,000 tons, an increase of nearly 1,000,000,000 tons over last year's figures. With a 15 per cent. sugar content this will mean a refined sugar output of 400,000 tons with a valuation of between \$75,000,000 and \$100,000,000.

The new factory of the Holly Sugar Company at Delia will be put in operation on November 1. It has some 8,000 acres of beets contracted for and which are now being delivered to the dumps. This is the second factory to be built in western Colorado and is in the center of an excellent agricultural community.



### Safeguarding Our Trade With Other Nations

New York—A great step toward fostering America's world trade through foreign investment is foreseen by the Guaranty Trust Company of New York in the recent authorization by the American Bankers Association of the organization of a \$100,000,000 foreign trade financing corporation under the Edge Law. The company's semi-monthly survey of international trade, "American Goods and Foreign Markets," says, in part:

"The foreign credit situation has reached a point where loans to foreign countries are no longer adequate to meet the needs of the growing foreign trade of the United States. The Edge Law Corporation, as authorized by the American Bankers Association, will not make loans, but will provide a source of long-term credits through investment abroad.

"That foreign investment probably is a nation's greatest asset in the maintenance of a strong position in world trade is evidenced by the position of Great Britain. Although her foreign investments were diminished by about \$5,000,000,000 as a result of the war, she still has approximately \$15,000,000,000 invested in foreign countries, and, through her powerful trade organizations, is striving fearlessly to regain the ground lost during the war. Her investments are so judiciously and widely scattered throughout the world that the slogan 'The sun never sets on the British Empire,' might be appropriately applied to her foreign investments.

#### United States Investments Abroad

"The United States—second nation of the world in foreign investments—is a creditor by a total of about \$11,000,000,000 invested abroad. This amount, as compared with that of British capital invested abroad, is inconsistent with the potential volume of foreign trade of the United States and must be augmented through an increase in the foreign trade financing power of the country, if we are to compete successfully with other nations in disposing of our enormous surplus stocks. On the other hand, of course, we must accept goods from our debtors, because that is the only means by which they can pay their obligations to us. And we must use these goods as a basis for granting loans to other countries so that new markets may be built up for our products.

#### Our Exportable Surplus Products

"The surplus of the United States this year will include about 8,000,000 bales of cotton, 300,000,000 bushels of wheat, \$750,000,000 worth of semi-manufactured raw materials and finished manufactured products, and about \$250,000,000 worth of packing house products. European countries are in the market for the major part of this surplus, but payment in gold before the goods are shipped cannot be made in any significant amount. The natural commercial course for the United States to follow under the circumstances is the course which Great Britain has so profitably taken through the years of her foreign trade development—the investment of capital in foreign countries through foreign trade financing corporations.

#### Field for the New Corporation

"The general export corporation organized under the Edge Law, authorized by the American Bankers Association, probably will be established early in 1921 with an initial capitalization of \$100,000,000. Its capital will be distributed as widely as possible throughout the United States, so that all localities may receive the benefit of its operation.

"With a capital of \$100,000,000, the power of this corporation for benefiting the foreign trade of the United States will be almost unlimited. Under the provisions of the Edge Law, a corporation organized in accordance with its specifications may issue debenture bonds for sale in the United States and the extension of credits abroad up to 10 times the amount of its capitalization. The maximum possible financing power of the corporation just authorized will therefore be \$1,000,000,000, an amount equal to more than nine per cent. of this country's total foreign investments today."

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## Question of Credits, Production and Prices of Commodities

From the Monthly Business Review of the National City Bank of New York

Upon what theory can it be urged that the country has needed so much more credit to handle its business in the period following the armistice than during the war? The physical volume of business has not increased; production has not increased; the output of coal has not increased; the tonnage handled by the railroads has not increased. The only reason that can be given is that wages and prices have been advancing, and every student of monetary science who has any standing as an authority will agree that an increase of the amount of money in circulation, or of bank credit circulating as money, will have of itself the effect of raising prices. If the medium of exchange or of purchase is increased in volume without a corresponding increase in the amount of commodities to be handled the former will be depreciated.

The phenomena of tight money does not prove that there is a lack of money to do the business of the country. Tight money will result from rising prices and from a demand for goods in excess of the supply, causing a competition among buyers, who run up prices on each other. That is precisely the situation which existed in this country last year.

### Effect of Competitive Demands

This country last year was trying to do more business than it was capable of doing. It was trying to make up all the arrears of war-time forthwith. There was more work to be done than there were workers to do it, and greater demands upon the industries than they had the equipment and facilities to meet. In a situation of this kind the scarcity is exaggerated by the efforts of buyers to make purchases in different quarters and through different agencies. Every producer and dealer is persuaded that he can do more business if he is given more credit to work with, but if they are all given more credit to work with, the effect is not to increase production, which is already at capacity, but simply to finance their scramble for labor and materials, with the result that wages and prices are driven higher.

There can be no relief from tight money so long as prices continue to rise, and no end to rising prices so long as more credit is being granted, until the situation eventually gets out of balance, consumption somewhere is checked, confidence is disturbed and the whole artificial structure comes down in a crash.

### The Banker's Function

The idea which many people seem to have, that bank loans should be expanded to take care of any and all demands that may develop, provided the borrowers have property behind them and wish to use the credit in legitimate business, is erroneous. The banks are not entitled to create floating credit in great quantities on their own account. They are the custodians of credit, and entitled to handle the liquid credit of the community which is deposited with them. The public, by its earnings and savings, supplies the funds which a banker has to lend, his own capital and credit being only a safe margin to safeguard the public against the mistakes he may make. It is a mistaken view of his function, arising from the methods of war-time government finance, which expects him to create credit to do the work of capital. Business should adapt its operations to the normal amount of credits available, and not expect the bank to manufacture it to suit indefinite demands.

### The Old Story of Debts and Prices

Every one who is familiar with the course of credit expansion and collapse knows that an abnormally large

volume of bank credit and an abnormally high level of prices together create a dangerous situation. Every business crisis ever experienced in this country or elsewhere has come under those conditions. And they have all come in the face of a clamorous demand for more credit to "increase production" and for other "legitimate business." The trouble always is that rising prices do not go on rising forever; sooner or later they turn into falling prices, which result in shrinking assets while the indebtedness against those assets does not shrink at all. The inflationists are always wanting facilities for creating more indebtedness, and the fact that an increase of \$7,000,000,000 since the armistice has not satisfied them, should be ample proof that their wants are insatiable.

### Inflation Outside of Reserve Bank

The Federal Reserve Board was aware of the danger inherent in continued expansion, but delayed action upon interest rates until November, 1919, although it had uttered warnings before. On October 31, 1919, the total earning assets of the Federal Reserve Banks were \$2,824,156,000, and on January 2, 1920, \$3,181,808,000. Since then there has been a steady effort to hold the situation in check, perhaps all that wisely could be done on the part of the Reserve Banks, but the above figures show that with 30,000 independent banking institutions in this country a vast expansion of credit has been possible under the Reserve Act and amendments without the direct aid of the Reserve Banks. Of the \$5,800,000,000 increase in bank loans since June 30, 1919, only \$818,237,000 has been through the facilities of the Reserve Banks, and of the \$9,814,978,737 increase since June 30, 1917, only \$2,777,083,000 has been through them. The remainder has been handled by the individual banks, but made possible by the reduction of reserve requirements provided for in the Reserve Act, and by the concentration of reserves and currency-issuing powers of the central banks. Evidently deflation will be a long ways from complete when the Reserve Banks are deflated.

### The Inflation Period Has Culminated

It is safe to say that the danger of further inflation is over for the present. The decline of prices will put an end to the appeals for more credit for the purpose of buying things and starting things. People do not care to borrow money to buy land, speculate, enlarge their operations or go into new enterprises when prices are falling. They will proceed now to earn and save and apply the proceeds on their debts. Therefore it may be expected that as liquidation proceeds money will tend to become easier, until the strain which has been felt since 1917 is quite removed.

It is a significant fact that for the first time in the history of this country a period of expansion has culminated and prices have turned decisively downward without a banking panic. Heretofore the turn has been always accompanied and the downward pace accelerated by a collapse of bank credit. This time instead of the situation being aggravated by the efforts of thousands of banks to reduce their loans and increase their cash reserves, the situation will be supported by an adequate banking system. Business houses who are entitled to credit will continue to receive it. Valuations will necessarily have to undergo revision, but the whole financial situation is altogether different from that which has existed at any other time of business reaction. The business community is protected from the shock, alarm and stress which results from a general contraction of credit. Not only has there been none up to this time, but there will be none; liqui-



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dation will follow its natural course as shaped by conditions in the markets.

It is a principle of modern banking that the time to restrict credits is when prices are rising and credit expansion is under way, and that after the turn has been definitely made, when business is known to be receding, it is sound policy to grant credit freely to concerns of assured strength, to maintain stability and the orderly processes of trade.

## Big Growth in Our Trade With the Orient

New York—No feature of our export trade—which is likely to exceed \$8,000,000,000 in the calendar year, 1920, as against 2,500,000,000 in the year before the war—is more striking than that of the growth in our sales to the Orient. To Asia and Oceania the total exports of 1913 were \$208,000,000 and in 1920 will considerably exceed \$1,000,000,000. To South America the total for 1920 will exceed \$500,000,000 against \$147,000,000 in 1913; to Africa \$140,000,000 against \$29,000,000 in 1913; to North America, other than the United States, about \$1,800,000,000 against \$601,000,000 in 1913, and to Europe over \$4,000,000,000 as against \$1,500,000,000 in 1913.

Exports to the Orient are thus, says a statement by The National City Bank of New York, more than five times those of the year preceding the war. This is not surprising when we consider that manufactures form the chief imports of the Orient, except in the case of Japan which buys large quantities of cotton, chiefly from the United States, and as the Orient found difficulty in obtaining its manufactures from the European countries from which it had formerly drawn largely, it turned to the United States, and of the more than \$1,000,000,000 worth of exports to Asia and Oceania in the calendar year 1920 over \$800,000,000 are manufactures.

### Increase in Our Exports

To every country of the Orient, including both Asia and Oceania in this term, our exports show enormous gains. To China in the eight months of 1920 for which detailed figures are available the total is \$96,000,000 against \$18,000,000 in the same months of 1913; to Japan in the eight months of 1920 \$329,000,000 against \$37,000,000 in the same months of 1913, to British India \$66,000,000 in the eight months of 1920 against less than \$7,000,000 in the same months of 1913; to the Dutch East Indies \$35,000,000 against less than \$2,500,000 in the corresponding months of 1913; to Hongkong \$18,000,000 against \$7,000,000 in the corresponding months of 1913; to Australia and New Zealand \$100,000,000 against \$30,000,000 in the same months of 1913. Even to the area formerly designated as "Turkey in Asia," the total for the eight months of 1920 is \$8,000,000 against less than \$1,000,000 in 1913.

On the import side we have fully reciprocated this friendly attitude on the part of our oriental friends, for our total imports from the Orient in the calendar year 1920 will approximate \$1,600,000,000 as against \$316,000,000 in 1913.

### MANY CARS OF FRUIT FROM BITTER ROOT VALLEY

Hamilton, Mont.—It is estimated that fully 200 cars of fruit, principally apples, have been shipped out of Hamilton valley in the past three weeks. Many of the packing houses are working night shifts in order to care for the large quantity of apples that are being shipped in each day.

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## Recent Legal Decisions

Prepared by Thomas B. Paton, Jr., Assistant General Counsel, American Bankers Association

### "Not payable through a Federal Reserve Bank"—

As we understand the question from your correspondence, customers of the First State Bank of Blank are in the habit of drawing checks on that bank with a condition as follows:

"Not payable through a Federal Reserve Bank or its agent."

stamped, written, or printed on the face of the check.

Your correspondent states that it has a disagreement with the Minneapolis Federal Reserve Bank in the method of collecting checks on it; that for a time they had an agent who collected the checks in currency over the counter; that the checks are now going through the Federal Reserve Bank the same as before; that they have no objections to this as long as they send them in the regular way and at Minneapolis exchange, but that they want to know whether, in case an agent is sent to collect the money in cash over the counter, they can legally refuse to cash them. Just what the disagreement between the Reserve Bank and the bank consists of does not appear.

Answer: We are, however, of the opinion that if a check containing the above provision comes legally into the possession of the Federal Reserve Bank it has a right to collect it from the bank upon which it is drawn by presenting it to the bank, properly endorsed for payment.

### Minority stockholders in national banks—

"A" owns stock in a National Bank in another state and the charter will soon expire. Those in control of the bank wish to take over all stock not owned locally, and threaten to liquidate the bank and start a new one if the outside stockholders refuse to sell.

Can they compel the outside stockholders to sell? If not, can they use the old bank name in the new bank if organized?

Answer: Subdivision Second, Section 5136, 6 Fed. Stat. Ann. (2nd Ed.), reads as follows:

"Second. To have succession for the period of 20 years from its organization, unless, it is sooner dissolved according to the provisions of its articles of association, or by the act of its shareholders owning two-thirds of its stock, or unless its franchise becomes forfeited by some violation of law."

Sec. 5220, 6 Fed. Stat. Ann. (2nd Ed.), provides:

"Any association may go into liquidation and be closed by the vote of its shareholders owning two-thirds of its stock."

The above quoted sections are part of the Federal Laws relating to the organization and liquidation of National Banks.

The courts hold that the owners of two-thirds of the capital stock of a National Bank, may, contrary to the wishes of the owners of the minority of the stock, liquidate the bank.

In an opinion given by the United States Attorney General in 1882, it is stated:

"The National Bank Act does not forbid the stockholders of an expiring corporation from organizing a new

banking association, nor from assuming the name of the old corporation with the approval of the comptroller."

The existence of a National Bank does not entirely cease with the expiration of its charter limitations. It still continues to be a corporation with power to sue and be sued, and to wind up its affairs.

We can think of no reason why the owners of two-thirds of the capital stock of a National Bank cannot force liquidation of the bank's affairs at the expiration of its charter, even though a minority of the stockholders object. In fact, that is the only thing that can legally be done. Any group of persons may apply for a charter for a new bank under the name of the bank whose charter has expired.

The holders of a majority of the capital stock of a National Bank cannot legally force minority stockholders to sell their stock in the expiring bank, but they can, as already shown, put the bank into liquidation and then apply for a new charter under the same name, or some different name. If several groups of the stockholders should apply for a new charter under the same name it would be for the banking authorities to decide between them.

### Guarantee of endorsements on checks—

John Doe issues a check drawn on our bank, payable to "John Jones and Mary S. Jones." The check comes to us from the clearing house and is endorsed on the back, "John Jones, Mrs. John Jones," (not Mary S. Jones). The check also has the endorsement stamps of two banks on it, without the words that the banks guarantee previous endorsements.

If we had failed to notice the improper endorsement, and charged the check to our customer's account, and if he objected to the endorsement when he received his statement at the end of the month, could we then hold the banks who endorsed the check?

Answer: It is our opinion that if Mary S. Jones and Mrs. John Jones are the same person, then the drawer of the check would have to pay the same, as the endorsement would be regular. If they are not the same person and the drawer looks to the bank, the bank in turn would have a right to look to the prior endorsers on the check for reimbursement, although they had omitted to state on their endorsement that the prior endorsements were guaranteed.

### Real estate loan on city property—

The Federal law provides for real estate loans on city property not to exceed one year. This is too short time for real estate loans. Would it be legal in Minnesota to have the mortgage drawn with a clause reading as follows:

"This mortgage is given to secure a note of even date for.....due....., and all renewals of said note."

In other words, would it be permissible to renew the note at maturity and would the mortgage still hold and secure the renewals?

Answer: Yes.

### Personal use of corporation checks—New York.

The president of a corporation deposited in his personal account checks payable to the corporation and indorsed by him as president. The bank in which the account was opened paid out the proceeds thereof on his personal checks. The facts showed that the president had authority to indorse the checks, but only for the purpose of the corporation's business, and the bank is sued for conversion. The court held that the bank must determine at its peril the authority of such officer, saying that the president "had general authority to indorse checks for the plaintiff's corporate purposes. This clearly does not authorize him to indorse checks to his own personal use, and the nature of this transaction was such as to warn defendant that the checks were being diverted from usual business channels." *Wagner Trading Co. v. Battery Park National Bank*, 126 N. E. 347.

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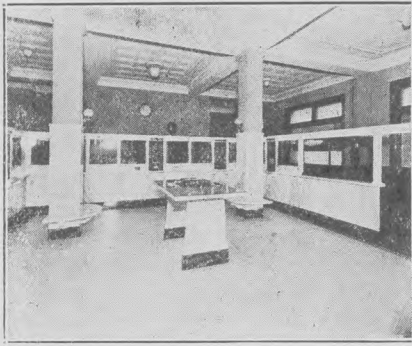
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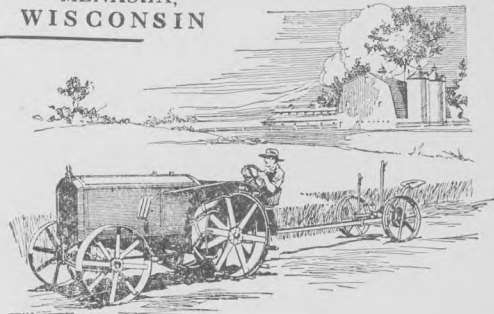
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1897—South St. Paul's Pioneer Bank and Still in the Lead—1920

South St. Paul, Minn.

### What Will be Gained by Construction of the Great Lakes-St. Lawrence Ship Canal

A waterway from the heart of North America to Europe by way of the St. Lawrence is offered as a solution of the nation's power and transportation problems by Horace C. Gardner of Chicago, in an exhaustive survey for the American Society of Mechanical Engineers. Immigration to Canada and the United States, particularly from northern Europe, Mr. Gardner says, will be greatly facilitated by such a waterway.

Mr. Gardner's findings will be published in the Journal of the American Society of Mechanical Engineers.

"For centuries the rapids of the St. Lawrence have been regarded as a drawback to the development of the surrounding country," says this journal's preface to the statement, "but with the existing demand for power and inland transportation systems already breaking down under the stress of traffic, the river and its rapids should furnish a solution to both power and transportation problems. With the development of this waterway, an ocean steamer can be loaded at ports on the Great Lakes and the cargo not shifted until it reaches Europe. This would relieve the annual congestion in railway traffic when the crops from the West and Middle West are shipped to the seaboard, lessen the expense of shipping and free cars for other parts of the country."

#### Wealth Only Partly Realized

Mr. Gardner says the great wealth of both the United States and Canada is only partly realized because of the lack of transportation.

"There are many reasons for this condition, but the fundamental one is that such an enormous part of the total production must travel long distances by rail and the railways are congested progressively as one moves eastward. The greatest transportation demand comes at the crop moving season. As a rule cars are well distributed in the Spring, but when the crop moving begins there is always an abnormal movement toward the seaboard. This condition prevails for several months during the Fall and early Winter.

"There is a very natural disposition for the railroads to hold empty cars for westbound loading to save the sending of empty trains over long distances and to meet the demand for cars to move merchandise westward in the Winter and early Spring, when this traffic is heaviest. To some extent no doubt the railroads delay empty car movement longer than this dead expense warrants.

"Fundamentally, however, it is wrong to impose upon the railroads the enormous peak load of tonnage that the yearly crop moving means, requiring the roads to build up their carrying capacity equal to the peak and to have much of their rolling stock and power idle for several months in the year.

#### Would Avoid Great Mileage

"If we could load vessels at the lake ports and send them direct to Europe practically all of the peak load could be absorbed and a tremendous car mileage could be avoided.

Furthermore, any railway system upon which tonnage of this sort originates that could deliver directly to the docks without leaving its own rails could have much better control of the disposition of empty cars."

Mr. Gardner favors the St. Lawrence River route as against the all-American route by the Hudson and Lake Ontario for reasons of economy.

"The following comparisons of distance," he says, "should be of interest: Rochester is nearer than New York to Liverpool; Buffalo is but a few miles further. Toledo is nearer than New York to Glasgow, Belfast, and all Scandinavian countries, and Detroit is but a few miles further. From all our ports on Lakes Ontario and Erie it is 250 miles further to Liverpool, the Northern French ports and all North Sea ports by New York than by the St. Lawrence route; to Glasgow, Belfast and the Scandinavian countries this differential is 500 miles."

Mr. Gardner says the Canadian government's estimate of the cost of the St. Lawrence improvement, exclusive of machinery for power and distribution of power, is \$60,000,000 for the international section and \$50,000,000 for the Canadian section of the river.

"The saving of coal," he says, "would amount to 40,000,000 tons, and to this must be added the saving of fuel to transport that amount from the coal fields."

This element of saving he reckons at from 10 to 25 per cent. of the primary coal tonnage, and to Canada and the United States the total saved would amount to 100,000,000 tons a year.

### WOOD PRESERVATIVE OUTPUT MAKES LARGE GAIN

Washington—Investigation by the Forest Service of the United States Department of Agriculture shows that the use of wood preservative has increased to a large extent in the United States. Valuable work on wood preservation has been done at the Forest Products Laboratory of the department at Madison, Wis.

In 1919 there were 65,556,247 gallons of creosote, 2,412,592 gallons of paving oil, 102,011 gallons of miscellaneous preservatives used in the United States, in addition to 43,483,000 pounds of zinc chloride, the largest quantity of this preservative ever reported by the industry. Of the creosote, 6,493,000 gallons were imported.

Prior to 1917, the plants of this country depended upon foreign manufacturers for approximately 50 per cent. of the creosote consumed. Most of this oil came from Germany and England. During the war, however, this supply was cut off, and the plants looked to domestic producers for their supply. Nearly all of the importations in 1919 were from England and Canada.

The material treated consisted of cross-ties, poles, wood blocks, crossarms, construction timbers, and miscellaneous material, largely for railroads, mines, and telegraph and telephone companies. The total amount of wood subjected to preservative treatment by the 108 plants that were active during 1919 was 139,878,584 cubic feet, or 17,265,694 more than the previous year. About 80 per cent. of this wood consisted of railroad crossties.



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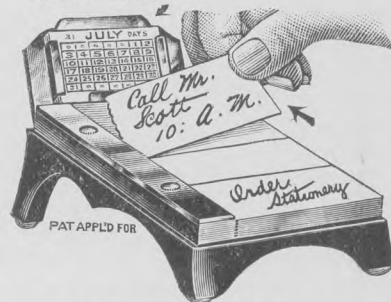
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### Sheep-Growing Industry Increasing in North Dakota

Fargo, N. D.—North Dakota is becoming more and more important each year as a sheep and wool producing state, due primarily to climatic conditions, according to J. W. Haw, assistant state leader of county agents, and secretary-manager of the North Dakota Wool Growers Association.

During the last two years the state has more than doubled its number of sheep and last year about 55,000 head of sheep were brought to this state from the dry regions of Montana, according to Mr. Haw.

Within the next two or three weeks, which is the proper time for the purchase of sheep to be kept over the winter, Mr. Haw expects that the farmers of the state will go further into the sheep industry, many of them buying their flocks from Montana.

"North Dakota is exceptionally well suited for the raising of sheep," says Mr. Haw, "because of its long winters, the fact that it produces a good class of wool in large quantities, has a dry climate which is adapted to sheep raising and because of the fertility of the soil. Although the price of wool has not returned to pre-war figures, wool growers look for a better price before spring and present indications are that more farmers will take up the sheep raising industry as one of the principal resources of the farm.

"One of the drawbacks to the sheep industry in the past has been the tendency of the middleman to advertise the sale of lamb chops when he meant mutton chops. This has been largely overcome by the National Wool Growers Association in the west which, being a cooperative organization, has opened its own meat shops in many cities for the sale of its own meats, lamb and mutton being sold as such."

Mr. Haw, to a large extent, has charge of the state's wool pool, which has close to 750,000 pounds of wool stored in its Fargo warehouse. Wool will be accepted up to November 1, when the wool in the warehouse will be graded and prepared for auction, this work to take about two months. The wool has been shipped to the Fargo warehouse by county wool growers associations and by individuals, with the object of pooling their produce to obtain a better price.

#### INCREASE IN NORTH DAKOTA TAX DISCLOSED BY STATE REPORT

Bismarck, N. D.—A graphic chart showing the remarkable increase in taxation in North Dakota under the Nonpartisan League regime is shown in a table in the report of the state auditor submitted biennially as required by law.

It refutes the statements of league leaders that the state tax has not increased—that only the local taxes have gone

up. The statement shows that the state tax per capita has more than doubled under the Nonpartisan League regime. In the year 1915 the total tax was \$16,192,169, and the state tax was \$1,633,683, with the total valuation of all property \$379,870,788, and the tax rate for all purposes was 4.62. Thus the state tax per capita was 2.57. In 1919 the total tax was \$33,289,457, the state tax \$3,742,616, the total valuation \$1,533,746,929; the tax rate was 2.18 and the per capita tax 5.46.

The figures show the amount of tax is more than doubled since 1915, that the amount of state tax has more than doubled, that the per capita tax has more than doubled. League leaders point to a lower tax rate, but in accomplishing this valuations are more than tripled.

The per capita tax of \$5.46 was based on an estimated population of 685,056. The 1920 census population is 645,730, so that the per capita tax is actually even greater on the basis of actual population.

The amount of taxes in 1920 is increased by new indirect taxation measures. And each dollar raised by indirect taxation is paid by the ultimate consumer.

The Socialist newspapers have printed what purports to be a comparison of North Dakota tax figures with other states, but neglects to state the figures were taken for 1917, before the high league taxes came on.

#### NORTH DAKOTA'S SUIT AGAINST MINNESOTA

St. Paul—Clifford L. Hilton, attorney general for Minnesota, has received word from Washington that the hearing on the damage suit for \$1,000,000 brought by North Dakota against Minnesota, would be held in Washington on January 3.

The case never has been tried and will come before the United States supreme court as an original action. North Dakota contends that valuable lands have been flooded as the result of the drainage of Minnesota lands by the Mustinka ditch, which flows into Lake Traverse, on the western border of Minnesota.

North Dakota is attempting to seek an injunction to prevent the pouring of drainage waters into the lake by Minnesota, and says that as a result much land in Richland county and southeastern North Dakota has been flooded and made worthless.

South Dakota has a similar action pending, as it is contended that lands in northeastern South Dakota also were damaged by being flooded. The South Dakota case involves facts similar to those of the North Dakota case, and it will not be taken into court until after the disposition of the North Dakota case.

#### CLOSE MANAGEMENT OF BANK OF NORTH DAKOTA

Devils Lake, N. D.—W. H. Stutsman, independent candidate for railroad commissioner in an address made here, answered the Nonpartisan League contention that the present law requires an examination of the Bank of North Dakota. He cited the fact that the only examination made is by the state bank examiner appointed by the governor, and his report is made to the governor, and he also cited the fact that the Bank of North Dakota is subject to the governor's directions.

"This is like hiring a cashier to examine the bank in which he is employed," said Mr. Stutsman.

The speaker asserted that the law which has been initiated calling for examination of the bank and all other state industries by the state board of auditors would prevent the biased examination that is now made and would open the books of the state to the taxpayers.

"The Bank of North Dakota," said Mr. Stutsman, "is your bank and my bank and we have a right to know how it is being managed."

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## Motor Vehicles Licensed in 1920 in South Dakota

Pierre, S. D.—The report of the secretary of state will show the receipts of that department to have been \$33,109.26 for the fiscal year ending June 30 last, a net gain of \$8,621.75 over the receipts of the previous year.

The highest receipts for any one month were over \$4,000 in January of this year.

The automobile department shows that for the fiscal year there were 117,320 motor vehicles licensed. In addition 1,156 dealers were licensed, and 1,012 cycles were granted authority to operate.

From January 1 to July 1, 1916 trucks secured licenses called for by private owners, and 372 were issued on state and federal used trucks.

### LIVE STOCK RECEIPTS INCREASE AT SIOUX FALLS

Sioux Falls, S. D.—Persistent efforts to build up the Sioux Falls stockyards to a position fitting the importance of this section as an agricultural country, are having their effect. The receipts at the yards are still showing a splendid gain month by month and although other markets have suffered decreases in their receipts, due to financial stringency and similar causes, the receipts here continue to grow.

The comparative figures best tell the tale:

Cattle: October, 1920, 1914; October, 1919, 713; increase, 1201.

Hogs, October, 1920, 10,834; October, 1919, 2,471; increase, 8,363.

According to General Manager Glenn W. England, the hog receipts here are better proportionally and more steady for this time of the year than at other competitive markets and the prices maintained here are invariably as high as at Sioux City.

### BUILDING ACTIVITY AT SIOUX FALLS

Sioux Falls, S. D.—Sioux Falls has already exceeded its 1919 building permit record, according to the figure given by George P. Harris, city building inspector. For during the 10 months of 1920 just ended there has been issued by Mr. Harris permits calling for \$2,014,736 while in 1919 for the 12 months the total was \$2,006,747.

During the month of October there were 38 permits for a total of \$738,651, the bulk of which was included in the Columbus college buildings which call for \$603,351 and the Longfellow school of \$59,000.

### GAME FISH FOR LAKE ANDES

Lake Andes, S. D.—Lake Andes, a body of water near here, has been heavily stocked with black bass and blue gill sunfish, which were shipped here from a government fish hatchery. The stocking of the lake will maintain it as one of the leading fishing resorts of South Dakota.

### VOLGA, S. D., BECOMES RENTER OF ELECTRIC SERVICE

Volga, S. D.—Arrangements have been made by the Volga city council with O. M. Olson, for some time owner of the local electric light plant, whereby the plant is taken

over by the city, which will operate it in the future. For the present the city will rent the plant, but it has the privilege of buying and thus embark in permanent municipal ownership. The new arrangement goes into effect November 10, when the city will place two men in charge of the plant to operate it for the city.

### DAVISON COUNTY, S. D., MAKES CORN CROP RECORD

Mitchell, S. D.—Davison county's corn crop this year will total more than 2,500,000 bushels, more than has been raised in this county for many years, but in spite of the size of the crop, farmers of Davison county stand to lose in the neighborhood of \$1,250,000 because of the prevailing low prices.

Figures compiled by the state tax commission show that there are 73,163 acres of land in this county given over this year to the raising of corn. This crop will yield on the average of 35 bushels.

### SOUTH DAKOTA COMMERCIAL CLUB ELECTS OFFICERS

Madison, S. D.—At the annual meeting of the members of the Madison commercial club the following officers were elected for the coming year: President, R. E. Scudder; vice president, V. R. Wadden; secretary, George Beck; treasurer, C. A. Stensland. The commercial club is planning a number of activities for the upbuilding of the city during the winter.

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## Extensive Road Building Plans for Montana

Helena, Mont.—“During the year 1920 up to October 20, the state highway commission has placed under construction agreement, 71 projects in 32 counties, representing 560 miles of road and 26 bridges, at a total cost of \$5,505,245.51,” says Chief Engineer John N. Edy, in a report submitted to the commission at the annual meeting to be held here November 1. He adds:

“The road improvements include the following: Earth or roadside material grading projects, 174.7 miles; gravel and macadam surfacing projects, 354.6 miles; bituminous concrete pavement, 1.37 miles; Portland cement concrete pavement, 29.37 miles.

“Of these projects 41 in 22 counties were let by contract to road and bridge contractors and 30 in 18 counties were let counties by agreement that the counties will build at the estimated cost. Prior to January 1, 1920, the commission had contracted 20 projects in 15 counties, representing 96.5 miles of road and four bridges at a contract cost of \$789,630.24.

“In addition 69 projects are today actually under construction or completed. Projects under way represent 442.7 miles in 28 different counties. In addition the commission has 24 projects in 19 counties, representing 128.1 miles at a cost of \$1,580,272 ready to bring to contract as soon as counties can finance their share of the cost. Engineering costs averaged 6.1 per cent. of the value of the work performed. Since October 1, 1920, the commission has surveyed 838 miles in 38 counties and prior to that time had surveyed 486 miles of road and had detailed plans for 147 miles.

“In surplus war equipment the commission has received 409 motor trucks, 17 caterpillar tractors, 276 tons of T.N.T. and other equipment of an estimated value of \$1,524,000 and has in turn redistributed 247 trucks and two caterpillars to counties on a perpetual lease basis at a cost of approximately 20 per cent. of the value of the equipment. In addition 65 trucks and 15 caterpillars have been rented to contractors, for use on state projects.

“This office has compiled an amortization table showing that the entire issue of bonds can be retired by a reasonable increase in motor vehicle license fees without having recourse to direct taxation,” Mr. Edy points out in his reference to the proposed \$15,000,000 road bond issue.

### NEW SILVER STRIKES IN MONTANA MINES

Helena, Mont.—Strikes of gold and silver values in the Bell Boy mine at Marysville in a drift on the 160 foot level, gave returns in a car of picked gold and silver ore of \$77,660.80, according to assay reports received here. The average ore from the same vein is carrying gold and silver values from \$4,529.10 to \$5,112.10. The strike was made by leasers who are operating the property under lease with the Philadelphia Mining Company.

The rich vein is four inches wide and in addition carries goding milling ore from four to seven feet wide. The strike is considered on a par with other rich discoveries in the district. The Bell Boy is near the Towsley gulch group of claims.

### BIG FLOWING WELLS IN MONTANA OIL FIELDS

Lewistown, Montana, correspondent of The Wall Street Journal says: The new Cat Creek field, about 20 miles out of Winnett, is the most important oil discovery during the year. The oil tests 51.8 gravity, making it the richest crude oil produced in this country, probably in the world.

Under ordinary refining methods this grade of crude oil

will yield 75 per cent. to 80 per cent. gasoline, and further extraction of gasoline is possible under cracking methods.

The Cat Creek field, which is controlled by the Elk Basin Consolidated Petroleum Company, through its ownership of the Frantz Oil Corporation, and the Midwest Refining interests, at present looks to be the biggest thing in the Northwest outside of Salt Creek.

The original Frantz well, brought in on May 17 last, is easily a 2,500 barrel producer. It is producing oil from the top of the said so that it is difficult to say just how big this well would prove to be if drilled in. It fills the present tankage of the company at the rate of at least 5,000 barrels a day, but lack of tanks forces the well to be shut in. When this well is nearly drilled into the sand, its actual productive capacity will be known, and not until then.

A Midwest Refining well, some distance away from the Frantz well, seems to be a better producer than the latter. The Midwest well is three feet in the sand.

The Frantz Corporation, owned by the Elk Basin Consolidated Petroleum Company, controls 24,000 acres of land in this district, some of it right in the heart of the field.

With sufficient pipe line and trackage capacity, it is believed that the Elk Basin Consolidated Company can secure a production of at least 15,000 barrels of oil a day in the next several months. This would rank the company as one of the large producing companies of the country, and its prominence would be further increased by reason of the rich quality of the oil.

Present producing wells in the Cat Creek field are in the first sand. It is estimated this sand is 100 to 150 feet thick. Geologists in the field are of the opinion that there are seven oil sands in Cat Creek and that probably the fifth sand will prove to be the most productive.

One thing is certain, which is that Cat Creek is the big prospective oil area of the Northwest, outside of Salt Creek, and that there is a reasonable assurance that big production will be obtained.

### MONTANA GROWERS MARKETING POTATOES

Kalispell, Mont.—Nineteen carloads of potatoes were shipped out of Kalispell during the week of October 17-23 by the Northwest Potato Exchange, the potatoes having been sold at prices ranging from \$1.25 per 100, for Nettle Gems to \$1.10 for Gold Coin.

The warehouse has a storage capacity of 90 carloads and growers are rushing their potatoes to the warehouse in order that they may have them ready to ship whenever the market is attractive.

### ANACONDA COMPANY MAY MANUFACTURE ALUMINUM

Spokane, Wash.—The Anaconda Copper Mining Company, the largest producer of copper on the continent, may establish a mining and metallurgical department in the Inland Empire.

It seeks a source of aluminum and to this end has been engaged in the investigation of clay deposits near Mica, a few miles southeast of Spokane. Tests have been made over an important area, but with what results has not yet been announced. That the conditions developed are encouraging is claimed by the report that options have been taken on several farms at Mica. The total area acquired is 800 acres.

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**Need of American Cables**

New York—Lack of an adequate American cable system is a handicap to this country's foreign trade which must be removed if we are to maintain our position in the commercial world, the National Bank of Commerce in New York declares.

"Until some effective international agreement for the neutralization of the world's cable system has been reached the pressing need of American commerce is the extension of American cable facilities," Commerce Monthly says. "Without such a system American foreign trade is faced with the difficulties inseparable from doing business over a system largely owned and managed by the commercial rivals of the United States.

"The present system of international communications, largely cable, while comprehensive and efficient, has been built primarily on the basis of connecting the commercial world with the old world centers of finance, commerce and industry. National interests and prestige, competitive enterprise and local influence have governed location, extensions and combinations so that these facilities have not been in all cases arranged to be productive of the maximum efficiency or economy.

**Cables Congested**

"In certain regions present cable facilities are so congested that, apart from national considerations, new American cables would serve a present international need. The most acute need for additional cable facilities at the present time is in the Pacific Ocean. While over the north Atlantic cables traffic has practically quadrupled since 1915 in the same period Pacific cable traffic has increased nearly nine fold. Proposals for the laying of a new Pacific cable have been considered tentatively. The cost of the new Pacific cable is a large sum of money, but the \$40,000,000 which it is estimated Japan and the United States will expend upon each of their newest battle cruisers, would probably suffice to duplicate the entire existing plant.

**British Cable Monopoly**

"British interests own and operate more than half of the cables now in use. At the present time, too, Great Britain possesses a practical monopoly of cable manufacture, which is strengthened by British control of the gutta percha market. Although far behind the British system in the point of mileage, the American owned cables are second in importance, and connect all the American possessions, as well as the Canal Zone and the Naval Base at Guantanamo, Cuba, with the continental United States, thus providing the nucleus of a comprehensive American system. Next in importance at present to the American owned cable lines is the French system. Prior to the war, Germany had developed ambitious plans for a cable system connecting the Fatherland with all the German colonies. Under the reparations section of the Treaty of Versailles, Germany was compelled to renounce on her own behalf and on behalf of her nationals, all rights to the effective portion of these cables.

"The experience of the last five years has conclusively demonstrated that the amount of business which is available for the cables is limited only by the physical capacity of the lines and the ability of the operating companies to keep rates at a point which will attract business."

**CROP CONDITIONS IN CALIFORNIA**

San Francisco, Cal.—In its November financial letter, The American Bank of San Francisco says:

"Weather conditions in California during the month have been generally favorable to farming interests. While early rains have fallen in nearly all parts of the State, the slight damage to drying fruits, to tomatoes and rice

was more than offset, on the whole, by the good accomplished in starting grass growing and in furnishing water to the streams in the mountains. Already there is snow in the high Sierras, and the earnest hope is that a wet winter will make up for the deficiencies of three dry years. Reporting as of October 1, the Federal Bureau of Crop Estimates fixes the composite condition of all California crops as 7.7 per cent. lower than their 10-year average on that date. Last year at the same time the composite condition was .5 above the 10-year average. The most disappointing yields are in beans, almonds, apples and cotton, while hops, oranges, lemons, corn and peaches are above the average in yield and quality.

"The immediate movement of fruit is chiefly concerned with grapes, which are going to market in large quantities. Close upon 15,000 carloads already have been shipped out of the State, with very satisfactory results to the growers. The importance of the grape industry in California is shown by the fact that in 1919 the crop of 411,970 tons was sold at figures which brought the producers approximately \$15,041,200, according to figures compiled by the Viticultural Service of the California State Department of Agriculture.

"The California rice crop of over 4,000,000 bags is causing concern to the growers. Last year the producers received as high as \$7 per cental. This year the offering price is \$3.30, with very few takers at that figure. Estimates of the cost of producing rice vary from three to four cents a pound, and unless market conditions change there is every indication that many will sustain severe losses."

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## The Importing of Canadian Securities from Britain

Wide difference of opinion exists in Canada with reference to the desirability of permitting the free purchase by Canadians of Canadian bonds now held in Britain.

Such purchases are rendered attractive as a result of the unprecedented condition of exchange. When \$3.80 or thereabouts in Winnipeg brings \$4.86 in London, unusual results in finance may be expected to follow.

The government of Canada is deeply interested, owing to the fact that holders of Victory bonds are selling them and taking British-owned Canadian securities.

It is naturally not the small holders who are doing this, but the large holders, the transactions running into millions.

The marked depreciation in the market value of Victory bonds is due in some measure to this cause.

It is not only that Canadian holders of Victory bonds are selling them and investing in British-held Canadian securities, but that new money in Canada, as it accumulates, for instance in the treasuries of insurance and other companies, is similarly attracted to these British bonds. It was the consideration of these and other facts that has led the finance minister to place an embargo on the importation these securities.

On the other hand, it is urged and argued that any interference with the free purchase of securities of any kind is almost certain to work out to the disadvantage of the countries interested. There are certain laws of finance which it is unwise to interfere with. It is, in a word, the law of supply and demand. It is the course of nature.

It is pointed out by bond dealers that most of the British-owned Canadian securities, which are brought to Canada, are eventually sold in the United States.

An interview was secured recently in Montreal from I. W. Killam, of the Royal Securities Corporation, in which the latter strongly opposed the proposal of Sir Henry Drayton and set forth his reasons for believing that the embargo was not in the interests of the Canadian people and that it would work an especial hardship on the Canadian wheat grower.—Manitoba Free Press.

### THE OIL STRIKE NEAR FORT NORMAN

Toronto—President C. O. Stillman, of the Imperial Oil Company, limited, in a statement made public referring to the oil strike near Fort Norman on the MacKenzie river, says that from a commercial point of view, the strike is not of immediate value as it will probably be years before it can be made available in quantities for the use of the Canadian market.

"It would be necessary to demonstrate by actual drilling and production," says President Stillman, "that there is sufficient quantity of oil to justify laying a pipe line, which, in itself, would probably cost fifty million dollars."

The point where oil has been struck, President Stillman points out, is 900 miles out from the nearest calling point of a river boat; 1,200 miles from the nearest railroad, and 1,500 miles north of Edmonton, the nearest city. The only

means of access to the location at the present time is down the northern rivers, which will only float boats of four or five foot draught, and several rapids necessitate unloading and transporting the cargoes overland and re-loading on barges. This precludes bringing oil up the river in any quantities until adequate transportation facilities are provided.

President Stillman's statement recounts that the drilling machinery was moved in 1919. The drilling crew remained on the ground all winter and drilling operations began early in the spring and proceeded all this season. On the 25th of August, at a depth of 783 feet, oil was encountered which flowed out of the six inch pipe for 30 minutes, when the well was capped and shut in. Any estimate as to the amount of oil the well would produce is only a guess, as there was no tankage available, and an accurate estimate could not be made.

Besides transportation difficulties, the severe cold mitigates very much against commercializing any oil found in that territory, reducing the period of navigation to three or four months a year, and making it difficult to handle the oil. It will require great study before any means can be devised of getting the oil out to compete with crudes from other centers of production.

### IDLE LABOR SEEKING EMPLOYMENT IN CANADA

Toronto—The Monthly Commercial Letter, issued by the Canadian Bank of Commerce, says:

"In practically all business centers in Canada a condition is developing in which labor has to seek employment, whereas from the beginning of the late war until the present time the supply of labor has not been equal to the demand. Employers are now in a much better position to adjust their labor forces so as to obtain more efficiency, and the effect of this has been in evidence for some time past. On the other hand, there has been a marked diminution in the demand for many classes of commodities. These two tendencies—the one towards greater efficiency in production, and the other towards more careful purchasing—will accentuate the trend towards lower prices. In the absence of any marked changes in wage schedules, however, and with only a slight surplus of labor on the market, it would appear that the decline in prices cannot be rapid. Retail merchants in all parts of the Dominion continue to purchase on the basis of their day to day requirements, and as a rule are taking steps to reduce their stocks to conform to the present situation. Public discussion of the downward trend of prices in the case of certain commodities has left an impression that the country has entered upon a period of sharp decline in all markets. This view has apparently been accepted by a large section of the general public, but does not appear to be justified so long as wages, transportation charges and other factors in the cost of production remain on their present basis.

"Slackness exists only in a limited number of industries; the majority continue active and have orders on hand

# THE BANK OF NOVA SCOTIA

Established 1832

Capital paid up, \$9,700,000; Surplus and Undivided Profits over \$18,000,000. Total Assets over \$230,000,000.

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



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

With our chain of 330 branches in all the principal cities throughout Canada and in Newfoundland, Cuba, Porto Rico, Dominican Republic, Jamaica and in the United States

at Boston, Chicago and New York we are fully equipped to render excellent banking service. London, Eng. Branch: 55 Old Broad Street, E. C.

## PRINCIPAL BRANCHES IN WESTERN CANADA

<b>BRITISH COLUMBIA</b>	<b>ALBERTA</b>	<b>SASKATCHEWAN</b>	<b>MANITORA</b>	<b>ONTARIO (West)</b>
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	
		Prince Albert	Swift Current	
		Rouleau	Tisdale	
		Regina	Wilcox	

**CORRESPONDENCE INVITED**

which will keep them busily occupied for some months. It is obvious, however, that output is nearer the point at which it will be equal to demand than has been the case for some years. This is due in a measure to the moderating of demand, a tendency which may be reversed by the distribution of the proceeds of this season's crop. Cognizance must also be taken of the fact that labor generally is becoming more settled, so that there is less industrial strife and more evidence of efficiency."

### DEMAND FOR CANADIAN FLOUR

Ottawa, Ontario—Information received by the Dominion Government indicates that there are a number of prospective buyers in foreign countries for Canadian flour. A letter received from the Canadian Trade Commissioner in Paris asks for quotations from Canadian millers on 10,000 tons, or roughly 100,000 barrels of flour, for shipment to Hamburg, Germany. Recently 1000 barrels of Canadian flour were sold to a firm in Greece.

### BUILDING ACTIVITY AT WINNIPEG

Winnipeg, Manitoba—From January 1st to the end of September this year the total value of the building permits issued in the city was \$8,498,400. This is the highest figure that has been reached over a similar period since 1912, indicating that the city is getting back to its pre-war stride of prosperity.

### CANADIAN FINANCIAL AND INDUSTRIAL NOTES

The net debt of the Dominion on September 30 was \$2,276,511,143. Revenue from taxation during the current year is expected to meet ordinary requirements and provide a substantial surplus for debt reduction. The internal revenue for the seven months ended September 30 amounted to more than \$29,000,000, about four times as much as for the corresponding period last year. This large increase is due mainly to the luxury and sales taxes, effective in Canada this year for the first time. Commencing November 1, collection of these taxes will be made by stamps.

According to official opinion American capital is being invested in Canadian industries and securities at the rate of \$200,000,000 a year. About 30 per cent. of the \$275,000,000 invested in Canadian pulp and paper enterprises is American. Last year 200 American branch factories were established in Canada, making a total of 600.

An arrangement has been concluded between the Canadian National Railways, the Canadian Government Merchant Marine, Ltd., and Messrs. A. Holt and Company, Liverpool, whereby a joint steamship service is established between Vancouver and the Orient, each steamship interest having an equal number of steamers for the service. This arrangement is expected to foster Canadian trade in the Far East.

### TWO CROPS OF POTATOES IN ONE YEAR

Jamestown, N. D.—Two crops of potatoes in one season in North Dakota is an achievement accomplished by Charles Yetterdahl, near Jamestown.

The two crops were raised on the same plot, the first

crop being planted May 1 and harvested July 3 and the second planted July 15 and harvested October 15.

The potatoes in both crops were of good size and the yield above the state average.

**JAMES L. BALLANTYNE**  
BARRISTER, SOLICITOR, NOTARY, ETC.  
Regina, Saskatchewan

Solicitor for  
Drake-Ballard Company, Minneapolis, and  
Drake-Ballard Company, Ltd., Regina  
Farm Loan and Debenture Companies

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

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SWIFT CURRENT, SASKATCHEWAN  
Reference: Union Bank of Canada

## 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, 3 cents per word. Initials, name, address, location and abbreviations count as one word, each. Copy paragraphed, 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

#### Minnesota Bank Wanted

Wanted—To purchase the control of a small northern or northwestern Minnesota bank. Address "D57" Commercial West. (49-19)

### BUSINESS CHANCES

#### BANKERS. ATTENTION!

The Southwest with its enchanting beauties and mild climate invites you. Our country is young, but resourceful and offers unlimited opportunities in lines of banking.

We need capable and energetic bankers with capital of from \$10,000 to \$200,000, and to those, offer controlling interest in banks various in size and location at premiums of less than one year's earnings. Make Dallas your winter resort and see us or write us for further information.

BANKERS INVESTMENT COMPANY,  
Dallas, Texas.

#### Bank Safe For Sale

A large Herring-Hall-Marvin safe, really a portable vault. Weighs three tons. Just the thing for a bank without a vault or for court house use. Are selling because we have just finished construction of a new vault. Will sell at a bargain if taken soon.

FIRST STATE BANK,  
Of Clyde Park,  
Clyde Park, Mont. (48-TF)

### BUSINESS CHANCES

FOR SALE.—Eighteen foot straight bank fixtures, glass and grille above counter, two wickets, counter full length with drawers underneath; also wall check desk, standing bookkeeper's desk, roll top desk, legal blank file, 24 compartments, all golden oak and in very good condition will sacrifice for quick sale; will sell separately. C. F. Reifsteck, Calumet, Iowa. (49e-19)

### HELP WANTED

We have opening for cashier eastern North Dakota, small town. \$4,000 investment. Briggs & Co., 419 Palace Bldg., Minneapolis. (49-19)

### SITUATION WANTED

Young man desires position as assistant cashier; experienced; Montana or Minnesota preferred; now employed as assistant cashier; excellent references, good reasons for making change. Address "E58" Commercial West. (49-21)

Owner and manager of South Dakota bank, desires executive position with good bank in large town or medium sized city; would prefer working interest. Young man, married, American. Address "G60" Commercial West. (49-20)

## A REVIEW OF THE ECONOMIC CONDITIONS IN PERU

(Continued from Page 17)

the past, more than 80 per cent. of her lumber was imported from United States, consisting principally of Oregon pine. The construction of numerous frame buildings by the large mining and oil companies and structures to be erected by the government for the 1921 celebration will require large amounts of imported lumber.

#### Peru's Commerce

Peru's commerce is in a prosperous condition. Although it was greatly expanded during the war, statistics show a greater gain in values than in the quantity of goods. However, both exports and imports increased during 1919, and figures for the first six months of 1920 show an increase of \$5,993,744 for exports from Peru to United States, over those of the corresponding period in 1919. Copper bars, both in quantity and value, showed a slight decrease in 1920, but silver bars and coins, goat skins, sugar, and vanadium ore showed a decided increase for this year. Sugar showed an increase of \$5,409,318, and vanadium of \$320,509, whereas wool showed a decrease of \$250,916.

#### In Good Financial Condition

Financially, Peru is in splendid shape. On January 1, 1920, her total public debt was \$46,158,955, having been reduced by \$1,935,000 from June 30, 1918. Her monetary system is one of the most solid in existence. The Peruvian bank notes, amounting to more than \$30,000,000, are backed by deposits in gold equal to 91.21 per cent. of the total issue. The banks are prospering and are on a safe basis. The publication in newspapers twice monthly of the balance sheets is required by law.

Credits of 60 to 120 days, and even longer, were allowed before the war, but terms reverted to a cash basis during that period. Recently, however, credit has been extended again, though not to the extent prevailing before the war. Bankruptcy has been unknown there for the last five years.

Recently, money being short, Peru has recalled \$3,155,000 in gold bars from her New York deposits. Export taxes are collected on all important products including minerals and a surcharge of 10 per cent. on imports is now required in the schedule of customs duties. This regulation was recently established to provide funds for carrying on the government's vast sanitation scheme.

Parcel post shipments between the United States and Peru can now be made, and this is a source of considerable satisfaction to American merchants.

## WE HAVE

Several Clients who desire to purchase controlling interests in good Dividend paying banks in Minnesota.

(Our Motto "Confidential Service")

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MINNEAPOLIS

J. W. Overstreet, President H. C. Jackson, Secretary

## RECEIVERS NAMED FOR KANSAS RAILWAYS COMPANY

Kansas City, Mo.—Judge Kimbrough Stone, of the United States Circuit Court of Appeals October 26 appointed Fred W. Fleming and Francis M. Wilson receivers for the Kansas Railways Company.

Mr. Fleming formerly was president of the Kansas City Life Insurance Company. Mr. Wilson is United States District Attorney here.

The Kansas Railways Company was organized under the laws of Missouri on June 6, 1914, and on February 15, 1916, took over the properties of the Metropolitan Street Railways, the Kansas City Elevated Railway and the Kansas City and Westport Belt Railway in accordance with the plan of reorganization of the Kansas City Railway and Light Company. The company owns and operates the entire street railway system serving Kansas City and Independence, Missouri; Kansas City and Rosedale, Kansas, and Jackson County, Missouri.

The capital stock, fully paid up, is in the nominal sum of \$100,000, and it has been made the basis of 62,716.7 preferred and 63,620.5 common certificates of participation at no par value. It has a funded debt of approximately \$30,000,000.

## AGGREGATE OF ORE SHIPMENTS FROM HEAD OF LAKES LARGE

Duluth—A gratifying showing was made in iron ore shipments from the Head of the Lakes docks and Ashland for October and for the season to date. For October an increase of 2,170,621 tons was shown, with shipments aggregating 7,335,356 tons. For the season up to October 31, shipments mounted up to 43,490,899 tons, an increase of 5,801,313 tons over the corresponding period last year.

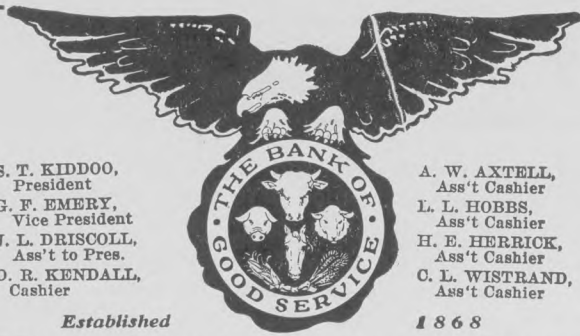
Mining operators predict that shipments for the present season will equal or exceed 55,000,000 tons. Last year the season closed early owing to cold and stormy weather conditions. Shipments during November were only 3,152,319 tons and the total for the season was 48,812,000 tons.

## PEOPLE KILLED ON RAILROADS

Washington—Fewer persons were killed on railroads during 1919 than in any year since 1898 and fewer were injured than in any year since 1910, said a statement issued November 2 by the Interstate Commerce Commission.

During 1919, 6,978 persons were killed and 149,053 injured, compared with 6,859 killed in 1898 and 119,507 injured in 1910. Of the killed during the year, 277 were passengers; and of the injured, 7,456 were passengers. Employees killed during 1919 numbered 2,138, and 131,018 were injured.

Fewer trespassers on railroads were killed in 1919 than during any year of the commission's records, which go back to 1890. Last year 2,553 trespassers were killed and 2,658 injured.



S. T. KIDDOO,  
President  
G. F. EMERY,  
Vice President  
J. L. DRISCOLL,  
Ass't to Pres.  
D. R. KENDALL,  
Cashier

A. W. AXTELL,  
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L. L. HOBBS,  
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H. E. HERRICK,  
Ass't Cashier  
C. L. WISTRAND,  
Ass't Cashier

Established

1868

## THE LIVE STOCK EXCHANGE NATIONAL BANK

CAPITAL AND SURPLUS \$2,250,000

Correspondence Invited

CHICAGO, ILL.

### Corn belt banks

find it advantageous to maintain their active accounts at the point where proceeds of live stock shipments become immediately available as Chicago exchange and reserve.

## Review of the Live Stock Markets

South St. Paul—Sharp curtailment of cattle receipts here and at Western markets today due to stormy weather and the approach of election puts sellers in a position to advance prices further after the 25@50 cents gain scored last week. The up-turn today averaged fully 25@50 cents on medium and fair killers and good stockers and feeders.

The local supply was only a little over 12,000 exclusive of calves, and the decrease locally was no more in proportion to the total than at other Western points where the aggregate stood at only about 73,000 cattle and calves against 113,500 one week earlier. Shrinkage of the Western runs accounted in part for the falling off.

Local supplies last week included only a small proportion of really good stock and killer sales up to \$10.00@11.50 were isolated. No test has been afforded here for good corn-fed beeves and last week there was but a small sprinkling of "warmed-up" beef material, most of which sold below \$10.

Bulk of all steers, both killers and feeders, sold between \$5.50@9.50. With ordinary quality prevailing today the general run of stuff again sold inside those limits but in view of the plain average merit the trade actually averaged higher. Poor light steers were not wanted for shipment to the country and proved meanest to sell although even these cleared more readily than at most times late in October.

For cows and heifers today's sales extended from \$5.00 to \$9.00 and kinds making \$5.00 to \$7.50 were sorts which had recently sold at half a dollar less. Only a few lots reached \$8 and higher figures but such terms were within easier access than on most days last week.

Cutter and canner cows moved mostly at \$3.25@5.75 today whereas at the late October low point \$2.75@4.25 was the ruling basis. Bulls which have been saggy firmed up some but few passed \$4@5.75. Stock and feeding cows sold at \$3.75@4.50 with heifers at more. Dairy cows have been slow sellers, local demand furnishing about the only outlet for milkers and springers. Prices range between \$60@85 a head mostly. Veal calves have held at \$3.50 to \$11.50.

Trend of hog trade last week was lower at the start with some reaction later. Supplies today were considerably lighter than at the start last week at this point as well as around the Western market loop generally. Higher trend of prices developed with sales averaging 15 to 25 cents above last week's finish.

This established a range from \$11.50 to \$12.60 with bulk at \$12.25 to \$12.40. The demand for stock pigs continues active at prices from \$6 to \$12.50 and relatively large shipments have been made from this point.

Healthy conditions have ruled in the sheep division where the general basis of prices was advanced fully a dollar last week. Opening trade today was steady to strong with a fairly liberal supply on hand. Lamb prices extended from \$2.50 to \$12.50 with feeders salable around \$11.50 and over for the best kinds. Fat ewes ranged from \$4 to \$6.50 with canners down to \$1. Wethers opened the week on a \$4@7.50 basis and yearlings at \$7@9.50.

Chicago—Following last week's uneven advance in cattle prices a further bulge of 25 to 50 cents occurred today. Light receipts were favorable to sellers' efforts to boost prices and packers' requirements increased with the colder turn in weather which stimulated beef demand. Top beef steers reached \$18 today and sales ranged on down to \$7.50, rangers selling from the latter mark up to \$13 or better. Canner steers drew \$4.50@6.25 and stocker and feeder grades earned \$5 to \$12.25. There is seasonable call for finishing stuff. Butcher cows and heifers opened the week on a \$5.25 and \$13.25 basis with Westerns quotable at \$5.25@9.50. Stocker cows and heifers commanded \$5.25@9.50. Veal calves earned \$5.50 to \$14.

Hog prices started off in strong fashion this week with advance of 25 to 50 cents over the close last week. Extreme top was \$13.60 while bulk of the business was at \$12.75@13.35. Medium grades sold somewhat better on the average than either heavy or light droves.

Last week's gain of \$1@1.50 for fat lambs, 75 cents to \$1 for sheep and 50 to 75 cents for feeding grades was fully retained today and rates ruled strong to 25 cents above the close of that period. Choice native and fed Western lambs sold at \$13.50@13.75 and others ranged down to \$9.50. Fleecy ewes drew \$3.50@7.50, feeding grades \$4.50@5.75 and breeding ewes \$6@8.50. Feeding lambs opened at \$12.50@13.50. Aged wethers command \$7.75@8.90 and yearling sorts \$10@12.

### SIoux CITY

Sioux City—Under the influence of moderate marketing here and stronger outside news cattle trade displayed strength today. Values ruled strong to a quarter higher. Best carlot sales last week were at \$11.00@12.50 with no choice corn-feds on sale. Few grass beeves have recently passed \$9 here while \$6.50@8 took bulk. Feeder trade has been dull here and range steers at \$7@9 late in the period showed 50 cents cut or more. Stock steers sold largely at \$6@6.75. Butcher cows and heifers sold only in occasional instances beyond \$5.25@7.75. Hog trade opened 10 to 25 cents higher today with range from \$12 to \$13.10 and bulk at \$12.35@13. Sheephouse trade was very light today with prices nominally a quarter up from last week's close when good lambs stopped at \$11.75 and \$12 and fair ewes cashed around \$5.75. Rates are about \$1 higher than a week ago.

### COTTON GINNED OF THE 1920 CROP

Washington—The Census Bureau in a report issued October 25 places the amount of cotton ginned from the growth of the crop of 1920 prior to October 18 at 5,712,057 running bales, counting round as half bales, and excluding linters, compared with 4,929,104 bales on the same period in 1919 and 6,811,351 bales in 1918. The number of round bales included this year is 138,554, against 55,555 bales in the corresponding period a year ago and 110,605 bales in 1918. The number of American Egyptian bales included this year is 14,312, against 8,890 bales in 1919 and 2,736 bales in 1918. The number of Sea Island bales included this year is 340, against 1,792 bales in 1919 and 10,583 bales in 1918.

# GRAIN AND MILLING

Office of the Commercial West—Whether it was occasioned by the effects of the election yesterday or other factors, dullness was reported in the grain markets today, with wheat showing a drop of about three cents at the close. But it appears that the principle reason for this was the report of the Canadian Dominion Bureau of Statistics placing the Canadian yield at 293,000,000 bushels, an increase of 35,000,000 to 40,000,000 bushels greater than any estimate heretofore made and approximately one-third greater yield than the final estimate for 1919. This means that Canada will have a surplus of approximately 250,000,000 bushels for export.

## Mild Weather in the Northwest

The weather throughout the Northwest has been slightly colder and a light snowfall has been reported in different sections, though throughout Minnesota the early part of the week there were heavy rains which presage a good condition of the soil for the coming crops. Reports as to fall seeding of wheat are variable. So far there is little to indicate that the acreage is much reduced under last year. There is one complaint that is absent this season and that is the lack of farm help; in fact, there is now plenty of labor and at more reasonable rates than since the pre-war period.

## Plans of the Farmers

Notwithstanding that the farmers are fairly well organized for the purpose of withholding their grain, the movement does not indicate that their plans are turning out in the manner which they hoped they would. On the part of the farmer, a greater disposition to dispose of his wheat is in evidence; in fact, in many sections it is necessary that farmers sell in order to obtain money for the cancellation of their obligations. Another thing is that the better informed among the farmers are giving greater consideration to the general world situation and are wisely following out the plan to dispose of their holdings at prevailing market prices.

## British Buying in Other Markets

Julius Barnes was a visitor in Minnesota during the week and in an interview at Duluth gave out the statement that British buyers are practically out of the United States wheat market and have been making light purchases during the past three months because of the fact that arrangements have been made for securing their supplies in other countries at a rate 25 cents a bushel below United States offerings.

## In Argentine and Australia

Another factor in the wheat situation just now is that within another month harvesting will commence in Argentine where the crop is an abundant one and where there will be a large surplus for export. Late news from Australia indicates that the crop there will be good, but not so large as formerly reported. The review of the International Bureau of Agriculture at Rome indicates that the world's food supply will be adequate. The same authority places the exportable world's wheat surplus for 1920 and 1921 at about 620,000,000 bushels and the world's requirements at 570 to 620,000,000 bushels.

## Average Wheat Exports

Broomhall in reviewing the world's wheat exports from years 1914 to 1920 shows a range of 390,000,000 bushels to 652,000,000 bushels (the latter in 1914) the average being 560,000,000, but it must be understood that during this period, vast areas were not producing and a great percentage of these areas of Europe are now in crop, which will make considerable difference in European wheat requirements. With such a situation and general deflation which is world-wide, there can be only one view taken of the wheat price situation and that is there will likely be no upward trend.

During the week a slight increase has been noted in

the flour output which still is only about two-thirds of the output for this period last year.

## Corn

This week two Chicago crop reporters, B. W. Snow and G. W. Goodman, issued estimates on the corn crop. The Snow report places the total crop at 3,157,000,000 bushels or 40,000,000 bushels less than indicated on October 1st, while Goodman estimates the crop at 3,267,000,000 bushels—110,000,000 bushels more than Snow's estimate—and 350,000,000 bushels larger than last year's final estimate. Snow places the quality at 91.1 per cent., the highest on record, while Goodman also places the quality the highest on record and the percentage 96.4 per cent., or 15 points over the ten-year average. Snow estimates the stocks of old corn at 100,000,000 bushels and Goodman estimates the stock of old corn at 115,000,000 bushels. With farmers threatening to burn corn instead of coal in Nebraska and some of the other western states, this little discrepancy in the report of experts amounting to something like 100,000,000 bushels should not cut much of a figure. So far, very small amounts of the new crop have been reaching the market, the chief shipments being from the carry-over of last year's crop.

## Oats

The oats movement so far this year shows shipments of some 6,000,000 to 10,000,000 bushels above the corresponding period last year. The oat market remains considerably dull. Very little development in export business and domestic trade is light.

## Rye

The rye market maintains unusual strength, notwithstanding that shipments in comparison with wheat have been heavy, but are not up to the usual record for this period of the year. Just now the United States has little competition in the rye field. It is evident that the domestic demand combined with the requirements of Europe will keep rye on a close parity with wheat. The carry-over of rye was comparatively small. The first nine months of this year the exports of rye from the United States were 43,945,000 bushels or 16 million bushels greater than during the corresponding period of 1919.

## Barley

The tone of the barley market continues strong. The demand from the malting trade and for manufacturers is increasing and top grades are bringing the premium. From eastern markets reports come that stocks of better grades are small. Reports from California indicate that receipts of barley are comparatively light with the corresponding firmness in the market.

## Flax

Flax continues spasmodic in price. During the past few days a gain of four to seven cents developed in the Minneapolis and Duluth markets. This was caused mainly through reports from Argentine as to damage by frost. However, cables from that country indicate that the damage is slight. Receipts at both Duluth and Minneapolis are increasing and are large compared with a year ago.

In its market letter of October 30th, the Archer Daniels Company says:

"The local seed situation has changed sharply, practically all crushers competing for the spot seed at marked premiums compared with discounts prevailing for some time. In our opinion this indicates light stocks of seed in the mills."

## BRAZILIAN IMPORTS OF TEXTILES INCREASE

Washington—Brazil imported \$33,000,000 worth of textiles in 1918, of which the United States furnished nearly \$5,750,000, as compared with only \$176,500 during the last normal year before the outbreak of the war, according to a special report on the textile markets of Brazil, published by the Bureau of Foreign and Domestic Commerce.



### Greater Need for Protecting the Cotton Crop

Washington—A series of experiments to determine the extent to which, under various conditions, baled cotton is destroyed by weather was recently conducted by the Bureau of Markets, United States Department of Agriculture, at Jefferson, Ga. In one instance, a bale of cotton placed out in the open, flat on the ground with no covering, was damaged to the extent of 370 pounds at the end of eight months. Another bale placed on edge with no further attention lost 167 pounds. A bale on edge and turned over once a week lost 110 pounds. A bale placed on end and not turned lost 78 pounds. A bale placed on timbers off the ground and turned once a week lost 49 pounds, and a bale placed on timbers and covered with tarpaulin lost but 14 pounds. A warehoused bale of cotton during the same period lost only one pound. Other tests have been conducted from time to time that corroborate these results and prove that the ideal conditions under which cotton may be held by growers before marketing are afforded by properly constructed, efficiently operated, bonded warehouses.

#### Need for Protection Greater

With an enormous over-supply of low-grade cotton in the South at the present time, the necessity for protecting the crop from weather, fire, and other loss is greater than ever before, say specialists of the Bureau of Markets. The potential weather damage and other risks to which exposed cotton is subject increases in direct proportion as the time the cotton remains in the hands of the growers lengthens, and if the cotton growers are not to lose millions of dollars every safeguard against hazard of loss must be employed. In the matter of weather damage alone it has been estimated that in normal times \$70,000,000 worth of baled cotton is lost annually as a result of permitting cotton to remain exposed to the elements months at a time without covering or attention of any kind.

#### VALUE OF FARM LANDS IN DIFFERENT STATES

Lincoln, Neb.—Nebraska cultivated land is now third highest in the big agricultural section of the United States, according to the 1919 yearbook of the Department of Agriculture. The average value per acre of plow lands is given by states as follows: Iowa, \$219; Illinois, \$170; Nebraska, \$125; Indiana, \$119; Ohio, \$105; Wisconsin, \$100; Minnesota, \$100. Other cornbelt states average below \$100. Some of the western irrigated fruit and vegetable lands have high value. California and Arizona averaging \$130 per acre each; with Washington, \$115; Idaho, \$105 and Utah, \$103. States surrounding Nebraska have the following values: South Dakota, \$90; Missouri, \$87; Kansas, \$70; Colorado, \$66. Some of the densely settled eastern states have the following values: Rhode Island, \$85; Massachusetts, \$72; New York, \$64; New Jersey, \$80; Maryland, \$60; Delaware, \$66.

#### BANKS HELP FARMERS TO HOLD WHEAT

Spokane, Wash.—Four hundred wheat growers of eastern Washington and Idaho have borrowed approximately \$1,000,000 from Spokane district banks since the wheat market broke, so as to hold wheat until a reasonable market price is reestablished, according to A. C. Adams, secretary and treasurer of the Washington and Idaho Wheat Growers Associations. "The various banks of eastern Washington and Idaho are very friendly toward the associations and the farmers themselves and we have not been turned down once in the matter of securing loans," declared Mr. Adams. The largest loan to an individual was \$22,000.

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## Chicago Corn Leads Wheat Market

Chicago, November 2—Weakness in wheat at the close and strength and higher prices in coarse grains were features in the grain trade last week. Wheat had its advance early, followed by a reaction, while corn and oats advanced to the highest prices of the week. At the close wheat was up  $8\frac{1}{2}$ @ $8\frac{3}{4}$ c; corn,  $3\frac{1}{2}$ @ $4\frac{1}{2}$ c; oats  $1\frac{3}{4}$ @ $2$ c; rye,  $7\frac{5}{8}$ @ $8\frac{1}{2}$ c; barley,  $7\frac{1}{2}$ c; compared with the previous week.

### Long Side Preferred

There is a feeling that little money is to be made on the short side of the market at the present level of prices and values have had decline enough for the time being. This is a result of the action of the grain markets responding more readily to moderate buying on breaks. For several days many local traders have felt that, while there was nothing tangible other than the big decline in prices, the latter has been on such a long period it is time for a rally. Most traders favor buying grains on sharp breaks and taking fair profits. The general feeling is that the public is not disposed to load up heavily with grains or provisions until there is more to encourage it in the way of confidence in all lines of trade.

### Export Buying Needed

The wheat market is in a position where the bulls need the help of steady export buying to offset the depressing price conditions existing in other grains and other commodities. With this situation existing, buyers for foreign countries evidently are cognizant of conditions and are buying freely only when the market is depressed. The British are either out of the market or are buying under cover. Canadian wheat is being taken freely by mills in this country, while Canadian flour continues to much undersell domestic product.

With the foreign demand spasmodic, the vital consideration is the attitude of the country holders. Developments last week were emphasized by the fact that wheat holders will obtain little sympathy or aid from the banks in their efforts to bolster prices. On several days the country sales were large, and a large amount of wheat was moved to the gulf.

### Bulls Hold December

The center of strength for the bulls still lies in the Chicago December position. Unless a movement starts to this market soon shorts will have little protection in December. A few indications of selling for shipment east were noted in Nebraska, but so far no heavy movement has started. The menacing shadow of the British strike situation was over the market nearly all the week. The settlement of the strike is expected to give the market at least a temporary upturn.

Reports referring to the Southern Hemisphere crop were extremely encouraging, indicating that the period of possible scarcity in world's supplies will be limited to a few weeks. A significant happening abroad was the reported shipment of some wheat and barley out of Russia for France.

### Fluctuations Are Narrow

Fluctuations in future deliveries were narrower and indicative of an early return to stability. The range for the entire week was  $\$1.97\frac{1}{4}$  on Monday to  $\$2.12\frac{1}{4}$  on Wednesday for December and  $\$1.90\frac{1}{4}$ @ $2.05\frac{1}{4}$  for March. This is not wide when the sensationally bull and bear news of the week is considered. There are two contending forces

seeking the mastery of breadstuff values, both, of course, being in sharp contrast to each other. One is the strike of a portion of the American farmers for  $\$3$  wheat and the sympathy expressed for the movement by a large majority of the growers in their fight to get it. Ever-increasing depressing economic conditions the world over is the other.

### Axiom In View

There is an old saying in the trade that no speculator ever gains by holding goods back from the market unless he finally sells them and the longer he holds them back at prices which curtail consumption and stimulate production the more likely he is to lose money. This axiom may have a direct bearing on the farmers of the country this season, for they are almost to a man rabid bulls on wheat. It is true the producers of the country have been hard hit in the drastic decline of commodities, but so also have the agencies devoted to merchandising the products of the soil. They, of course, like the farmers have enjoyed five years of big profits.

### Canada Hedges Here

One of the largest Chicago traders, who was active in buying wheat early in the week, sold out his line through various brokers on Friday. A few others were less fortunate, but they do not look for a sustained decline as long as the strike of the wheat farmers in the Southwest and Northwest is on. Those who are bearish say the farmer is making a wrong move, as the Canadian farmers are selling freely and Canadian wheat is being hedged by sales of futures here, which tends to take the edge off the market at times. Southwestern grain men also sold wheat freely here on the bulge. The dragging tendency in the wheat trade was construed as favoring lower prices, although there was not much pressure from the outside. Southwestern markets are getting a fair run and the Northwest is getting good receipts, and will as long as the weather continues favorable, people in that section say.

### Corn Futures Lead

Corn has advanced  $6\frac{1}{4}$ c for December from the recent low point, which is favorable, considering the depression in all lines of business and the bearish sentiment throughout the country, especially in the grain trade. Farmers in the Kankakee territory are not selling and at a recent meeting of representatives from different parts of the state there was a tentative agreement made to hold for better prices. They believe they will get as much in thirty to sixty days as at present.

Receipts of old corn have kept up at a rate suggesting eagerness on the part of holders to unload ahead of the new crop run. On account of the remarkably mild weather throughout the fall, the new crop run should start in early, with the old receipts overlapping the new. Visible stocks are increasing, and while there is some export business right along, the amount sold so far is small compared to supplies available for this purpose.

### Argentina Ships Freely

Argentina shipped freely during the week, and the Danubian countries are also resuming in a measure their pre-war position as exporters, selling principally corn and barley at this time. Cash prices moved sluggishly compared with the futures, and the demand from industries is disappointing. Considerable corn is being shipped down the lakes preparatory to export, but from present indications the visible supply will show steady increases as there is little holding tendency on the part of the farmers. The present tendency is toward the establishment of a carrying charge basis in both corn and oats.

### Corn Period Bullish

It is the calendar period for buying corn, and many operators, following this line, have found more aggressive bull leadership the last few days. Prices finished the week  $3\frac{3}{8}$ c to  $4\frac{1}{4}$ c higher, the back-spreading between December and May narrowing the difference materially. Shipping inquiry has broadened, and on several days there

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was a liberal amount of corn taken for export. Cash houses are said to have worked much corn to eastern Canada, while hardening premiums denoted a better domestic demand.

No great confidence is placed in the continuance of the export demand owing to the continued enormous shipments from Argentina, that country having put afloat about 12,000,000 bushels the past two weeks. At the end of the week Argentine prices were reported on a lower basis than ours. Receipts dwindled moderately, but are still ample for this time of year, with every expectation of a big and early movement of new corn. Locally the sentiment is more friendly to the buying side, and at present there is no great pressure on the market.

#### Oats Position Sound

Sentiment among most of the oats traders favors a moderate upturn in prices with any encouragement in the way of export and increased outside buying. Exporters, however, are only buying on breaks. The trade did not take seriously the report that the continent will be out of the market as a buyer as it recalls the recent statement from New York that Germany would be out of the market for the next two months, while in reality Germany has been a big buyer of all grains ever since. Such reports have been put out many times to depress prices, and the trade is suspicious.

Although the oats visible is more than 50 per cent. larger than last year, when there was a big total, and prospects for further accumulations, the buying support in this grain is stable. Prices have worked upward from a low basis and commission house buying has been of moderate proportions. Commission houses have bought on declines, and the last few days pit traders have followed the trend of other grains. Shipping sales are of modest proportions, and in this respect the situation has been extremely disappointing.

#### Rye and Barley Rise

Rye scored good gains for the week, barley also working to a higher level. Seaboard interests have been rather persistent buyers of rye futures, but at the same time export sales have been effected at materially lower premiums. Germany has been credited with buying quite a little rye.

C. E. Lewis of Minneapolis, who was on the exchange last week, said it was understood in the Northwest that bankers would begin to force farmers to pay their debts after election. He believes Canadian wheat will continue to come into the sales in good volume for a long time and that the Canadian farmers will not be disposed to hold their wheat all winter for the British to buy it in the spring and dictate prices. They would rather have the money earlier. Some farmers in the Northwest have on hand part of their 1919 crop, which they refused to sell at much higher prices.

The Corn Products Company at Argo is running only three days a week. The other plants are operating only on part time and a number are said to be closed.

Frederick Babcock, with Thomson-McKinnon says: "There are only 108,000 bushels of wheat in Chicago which is deliverable on contract. Further than this, the daily arrivals are insufficient. This does not necessarily mean higher prices, but it is a good reason for avoiding the short side of the December delivery. Inclined to believe December-March spread will widen."

H. B. Slaughter has taken charge of the grain department of Hughes & Dier of Philadelphia and New York, and will make his headquarters in the East.

#### FARMERS OF SOUTH DAKOTA WANT CREDIT EXTENSION

Huron, S. D.—Alarmed at the present condition of farm credit which is forcing many farmers to sell their products at a ruinous figure, the South Dakota Farm Bureau Federation has wired President Wilson, urging immediate relief.

The following is the text of the message sent by P. J. Crandall, secretary of the state federation:

"The present low prices paid for live stock and grain

products to the farmer are a cause of very serious concern. Crops and live stock produced at high cost are bringing on current market only about half the cost of production. Unless proper credit assistance is given and steps taken immediately to relieve the market situation thousands of farmers will be forced out of business and placed among the non-producers. Unrest and discontent are growing daily. We can not too strongly impress the serious possibilities. The power vested in you to cope with this situation, we feel, should be exercised immediately, and we urge most emphatically prompt and decisive action to save American agriculture."

#### Special Chicago Market Letter

Chicago, November 1—A firm opinion of the future of the wheat market is difficult. Some think the determination of the farmers to withhold their wheat from the market will positively advance the price. We must admit scepticism. Country banks are hard up for money. They have borrowed considerable from the large money centers. The money centers are insisting upon these loans being repaid, therefore the country bank must demand payment of the farmers notes and the farmer cannot pay unless he sells grain. Furthermore we doubt the unanimity of this holding movement. Canada will continue to sell wheat and flour to us because they need the money. The outlook for wheat and other food crops in India is not good because of a month without rain, but Australia reports rains and the prospect of a bumper crop. The exportable surplus from the new Argentine crop is estimated at possibly 112 million bushels. Thirty days from now harvest will be on in Argentina and the depreciation on Argentine money will make them anxious sellers. The recent rains over our entire winter wheat belt are of great benefit to the crop.

The corn market has become almost dull. It is waiting for something to turn up, some new incentive to put the price up or down. As a result of the big change in business conditions, the corn products companies are seriously curtailing manufacture. Export business prospects are poor because Argentina continues to export literally and is underselling us. The future of the market in our opinion will be determined by the selling or holding attitude of the farmer. If he should market new corn freely, the price will undoubtedly decline. Corn is now selling below the cost of producing this crop. It is much below its value and in Nebraska it is said to be cheaper than coal and some farmers are talking of using corn for fuel.

There continues to be no independent feature to the oat market. It is simply following the lead of corn.—W. G. Press & Co.

#### TOTAL WHEAT IMPORTS FROM CANADA

Washington, D. C.—Up to October 15 approximately 11,000,000 bushels of Canadian wheat had been received during the present crop season at the markets of Duluth, Minneapolis, Chicago, Milwaukee and Buffalo. Of this amount approximately \$2,890,000 bushels were received at Duluth, 600,000 bushels at Minneapolis, 255,000 bushels at Chicago, 116,000 bushels at Milwaukee, and 7,057,000 bushels at Buffalo.

Of the 7,000,000 and odd bushels received at Buffalo approximately 3,000,000 bushels were received for consumption, not in bond. Upwards of 4,000,000 bushels were received in bond for forwarding in bond to seaboard for export. There is practically no Canadian wheat in store in bond at Buffalo at present.

Of the amount received at Minneapolis about 390,000 bushels were also entered in bond while more than 500,000 bushels of the amount credited to Duluth came in bond. Exclusive of these amounts entered in bond the figures for Duluth, Minneapolis, Milwaukee and Chicago represent direct importations.

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# The Part Insurance Has Contributed to Progress in the N. W.

Job E. Hedges, General Council of the Association of Life Insurance Presidents. From an Address Before the Northwest Congress of Life Underwriters' in Convention at Sioux Falls, South Dakota

Journeying westward my thoughts have been of the east. Returning eastward my thoughts will be of the west—convincing proof that human mingling with a common knowledge of conditions, makes life one in purpose and bridges geographical limitations until their outlines disappear in purpose. Character is the common language of the human race. We round therefore into the same circle with Kipling through our title when he said:

"But there is neither east nor west, border nor breed nor birth when two strong men stand face to face, tho' they come from the ends of the earth!"

## What the Northwest Presents

"This is the Northwest Congress of Life Underwriters covering the activities of the great States of Minnesota, Wisconsin, Iowa, Nebraska, North Dakota and South Dakota, a continent by itself in conception and outpointing in potential wealth the then known resources of the colonies before they merged into states. Curiosity and interest competed in inducing me measurably to inform myself of the location to which your invitation called me. To my astonishment I learned that the crop acreage of these six states, which you represent, in 1918, embraced 99,731,000 acres or 27.12 per cent. of the crop acreage in the United States. These same states in 1909 contained 89,008,202 crop acres or 28.59 per cent. of the crop acreage in the United States. This demonstrates almost to a mathematical certainty that the growth of these great northwestern commonwealths has been consistent and held its own with the general crop acreage growth of a larger number of states. While gaining in their own wealth these states have given in no small measure to the general welfare of the nation and even of other nations, contributing their proportion to the success of the war in sustaining the armies of the allies and our neighbors across the water in dire need of food. To emphasize further, we can note that averaging the crop values from 1912 to 1918 of these same states, they amount to \$1,783,796,000 or 20.10 per cent. of the crop values of the United States, which averaged \$8,876,286,000 during the years just specified. There is no division of my east and your west in the common pride of such an achievement.

## Many Facilities of the Northwest

The transportation of physical commodities and the speedy transmission of information by telegraph and telephone interests me, as I know it does you, although your local information surpasses mine. To my amazement I find that these six states, Minnesota, Wisconsin, Iowa, Nebraska, North Dakota and South Dakota, contain a mileage of telegraph wires of 204,953 and of telephone wires of 2,454,953 out of a total mileage, respectively, for the United States of 1,657,957 for telegraph and 30,718,999 for telephone. You are an eighth of the number of states and therefore, 12.5 per cent. of all the states. You represent 16.7 per cent. of the railroad mileage, 7.9 per cent. of the telephone mileage and 12.4 per cent. of the telegraph mileage of the United States. All this, though junior by many years, in state formation and necessarily, but growing less so, far exceeded in population per square mile by the older states which are dependent on you for much of their life preserving supplies. Certainly, even Kipling would not deny, reflecting on these figures, that east is west and west is east.

## Insurance Plays an Important Part

Satisfying as these figures have been to my curiosity, contributing at the same time to my fund of information, they did not meet fully the purposes of this paper until further investigation disclosed the contribution of life insurance to the development of this vast section and to stabilizing and holding together its great human resources.

On December 31, 1917, in the states of Minnesota, Wisconsin, Iowa, Nebraska, North Dakota and South Dakota the total investments by life insurance companies carrying about three-quarters of the life insurance in force in those

states were \$713,968,503.92. The chief item in these investments is that of real estate mortgage loans, largely on farms, of course, of \$429,339,288.04. The next largest item is investments in interstate railroad stocks and bonds allocated on mileage bases within those states, this sum being \$173,402,110.35. Add to this, investments in stocks and bonds of railroads wholly within your respective states of \$31,686,919.01 and you have a total of \$205,089,029.36 backing the railroads in their development of your section. Add again an investment in state, county and municipal bonds of \$13,999,538.55, an investment in other stocks and bonds and other assets wholly within these states of \$11,259,553.58, with an investment in real estate of \$7,465,500.42, collateral loans of \$700 and cash of \$2,712,367.85. Then add amounts advanced to policyholders in the way of either policy loans or premium notes, of \$44,102,526.12 and you have the ingredients of the remarkable total of \$713,968,503.92, first given. Calling your mind back to my original statement about the differentiation between distribution of reserves and investments in the east and the west let me say that these total investments of \$713,968,503.92 are far in excess of the reserves underlying the life insurance in force in your section. Remember, too, that these figures do not embrace the total investment of all the life companies doing business in your states. There are still to be thrown in, for good measure, the uncomputed investments of companies holding one-quarter of the insurance in force in the northwest.

## Agriculture and Mortgages

From the day of the diminutive prairie schooner to the giant locomotive of this generation your acres have been cultivated continuously to their present production value, while science and art have not yet reduced all your territory to full utility. While nature in some sections still retains her secrets with forbidding aspects they, too, in time may yield to the skill of man. When that day comes your possessions will be a source of general envy. In the six New England states, investments by insurance companies in farm mortgages are approaching the point of disappearance. The reason is simple. The loans are taken by local banks and investing institutions and by the surplus cash accumulations of individuals, many of whom prefer to see their investments within easy range. Besides, farming in the east is a local venture and inheritance. It is retail as compared with your wholesale operations, as are their operations in other activities wholesale compared with the less variety of your occupations.

## Insurance Leaders Have Confidence in the Northwest

The huge investments above indicated measure the confidence of the life insurance companies in the stability and wealth of your rare territory. Thus, once again, Kipling has come to our aid, and the courage of the investing companies with the confidence of their policyholders has in fact bridged a space in the manner described in our poet's fancy. However great the native resources of a locality may be or however tempting for development, requiring substantial funds therefor, investments can neither be properly invited nor protected without the underwriting and stabilizing of consistent, comprehensive, sane legislation. Invitations to invest without laws to protect is like selling bonds without a mortgage. The seller may have the mental excitement of a transaction; the buyer includes a misplaced hope in the inventory of his estate. The gold brick artist pleasantly remembers his victim but never respects him.

## Problems of the Future

As I address you, I am holding a brief only for the Association of Life Insurance Presidents and thus representing only life insurance. It would be hypocritical, as well as insultingly unintelligent for me to say that I agree with all the experiments in legislation that have taken place in various sections of the country, some of which are included within your own domain. However,

differ as I may from some innovations wherever they effect particular locations in particular states, the problems are those of these localities and these states. I am dealing now with the question of investments and the protection of those investments under the law. The sturdy courage which vitalized the spirit of the invading men and women of this vast territory is still exemplified in their successors, who retain the old sense of perspective of their forefathers. Nothing is gained which is not preserved, whether in the realm of ideas or of physical conditions. These same pioneers and their progeny must know that not to adequately protect the investments, which, added to their brain and muscle, have helped make this great section, can reduce confidence until all that has been gained will be speedily lost. Sometimes men construct a house without a foundation and sometimes build a foundation without the construction of the house. Either result is fatal to the idea of permanent occupancy. The structure reared today requires the foundation to have been made for it. The foundation of today is wasted without proper conception of the structure to be built upon it. These simple statements mean nothing more than that the real builders of real things, whether in business or statecraft, require sanity or judgment, patience in effort, continuity in application and an ability to visualize the problems of the future without turning our back upon the complications of the present.

#### CLEARING HOUSE PLAN FOR TRADING WITH RUSSIA

New York—A world clearing house, through which goods can be sent into Soviet Russia by the various foreign countries interested and through which the Bolsheviki can be assisted to ship their goods out of Russia, has been formed in Copenhagen as a result of negotiations between the Danish Committee for the Resumption of Trade with Russia, formed in 1919, and representatives of the Russian cooperative societies. The organization is a Danish corporation known as the International Clearing House, Ltd., and has a capital of 2,000,000 crowns, or \$538,000 at the normal exchange rate. Most of the capital is said to be Danish, and the remainder British. The company plans to increase its capital in accordance with the degree of success attained in trading with Soviet Russia. Shortly after the company was formed, it received from the All-Russian Central Union of Consumers' Societies 2,000,000 rubles (about \$1,000,000) as security for the exchange of goods and credits.

Aside from the reported scarcity of goods available for export in Soviet Russia, a difficulty encountered has been the unwillingness of British banks to accept bills drawn under the guarantee of gold in Denmark. They desire that the Danish banks in Copenhagen individually guarantee the bills, and themselves take the chance of having recourse to the gold deposits. This the Danish banks are unwilling to do. The Danish government has no official connection with the clearing house undertaking, nor does the Soviet Government appear in it as such.

Under the clearing house plan the manufacturer would receive cash for his goods from the bank, which would pay out this money against the gold deposited as security. The clearing house, meanwhile, would make an effort to organize exports, the proceeds from which would pay off the bank credits. The gold deposited would pass into the possession of the bank only if Russia fails after the lapse of at least a year to cover or substantially reduce liabilities for goods supplied.

#### TURPENTINE AND BY-PRODUCTS FROM MINNESOTA PINE

Bemidji, Minn.—The first big shipment of turpentine produced from Minnesota pine was made by a Bemidji firm recently, and in addition to this 45 barrels of tar and many carloads of charcoal are being placed on the market. A shipment of pryoligneous acid, another by-product, was made this week. A tank which will hold 7,000 gallons of tar will be installed soon and this will mean that tar will be shipped in carload lots from the Bemidji plant.

Officials of the company say that the greatest difficulty

to be encountered will be to manufacture enough products to supply the demand. The products manufactured at the plant are of high quality. All is produced from pine stumps.

The company announces that the additions to be made next spring are only a small part of the building program for the future. The company has a factory site of 10 acres which means that there is plenty of room to erect new buildings.

It is the intention of officials of the company to organize land clearing crews next spring which will remove stumps from lands in this vicinity. By using special stump pulling apparatus the company can clear land much cheaper than farmers can and it is expected that a large acreage of land will be cleared in this manner next year.

#### WORLD'S CATTLE SUPPLY

Accurate estimates of the world's shortage of cattle are impossible and estimates vary up to 25,000,000 head. The United States Secretary of Agriculture has stated that the world loss of cattle during the war might be counted in "tens of millions." Investigators sent out by the United States Food Administration estimated that France had lost about 15 per cent. of her cattle and Italy more. In the United States and Argentina there is a surplus as compared with pre-war times. In the United States, cattle on farms January 1 last exclusive of milk cows, amounted to 44,485,000 head compared with 36,000,000 in 1913. Argentina's supply is approximately 27,000,000, a gain of 1,000,000.

There is no doubt that the ravages of war made deep inroads into the cattle supply of Russia and Germany. In France and Belgium desperate efforts were made to preserve the cattle.

It is expected that with the gradual return to normal, the surplus in the United States and Argentina will, for all practical purposes, be absorbed by the shortage which exists in the world as a whole.—Wall Street Journal.

#### AMERICAN CIGAR DECLARES 50 PER CENT. DIVIDEND

New York—The American Cigar Company has declared a 50 per cent. common stock dividend payable December 15 to stockholders of record December 1. A special meeting of stockholders will be held November 24 to vote on a plan to increase the authorized common share capital from \$10,000,000 to \$50,000,000.

The American Tobacco Company owns a majority of the \$10,000,000 stock now outstanding.

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MINNEAPOLIS GRAIN FUTURES

Table showing Minneapolis grain futures prices for Wheat, Oats, Rye, and Barley from Oct. 28 to Nov. 3, 1920.

CHICAGO GRAIN FUTURES

Table showing Chicago grain futures prices for Wheat, Corn, and Oats from Oct. 28 to Nov. 3, 1920.

DULUTH COARSE GRAINS

Table showing Duluth coarse grain prices for Oats, Rye, Barley, and Flax from Oct. 28 to Nov. 1, 1920.

CLOSING OATS PRICES

Table showing closing oats prices for No. 3 White—Minneapolis from Oct. 28 to Nov. 1, 1920.

CLOSING FLAX PRICES

Table showing closing flax prices for Minneapolis, Duluth, and Chicago from Oct. 28 to Nov. 3, 1920.

WHEAT RECEIPTS—CARS

Table showing wheat receipts in cars for Minneapolis, Duluth, and Chicago from Oct. 28 to Nov. 3, 1920.

MINNEAPOLIS RECEIPTS—COARSE GRAINS

Table showing Minneapolis receipts for coarse grains (Corn, Oats, Rye, Barley, Flax) from Oct. 28 to Nov. 3, 1920.

CLOSING RYE PRICES

Table showing closing rye prices for No. 2 Rye—Minneapolis from Oct. 28 to Nov. 1, 1920.

STOCKS OF GRAIN AT MINNEAPOLIS

Table showing stocks of grain at Minneapolis for Spring wheat, No. 1 dark northern, No. 1 northern, No. 1 red, No. 2 dark northern, No. 2 northern, No. 3 dark northern, No. 3 northern, Winter wheat, Private houses, Durum wheat, and All other grades.

WHEAT STOCKS AT DULUTH

Table showing wheat stocks at Duluth for Duluth-Superior wheat stocks and receipts by grade from Oct. 30, 1920 to Oct. 30, 1918.

CROP-YEAR WHEAT RECEIPTS AT MINNEAPOLIS AND DULUTH

Table showing crop-year wheat receipts at Minneapolis and Duluth from September 1, 1920, to October 30, 1920, compared with 1919, 1918, and 1917.

MINNEAPOLIS-DULUTH-WINNIPEG WHEAT RECEIPTS

Table showing wheat receipts in carloads at Minneapolis, Duluth, and Winnipeg from Oct. 27 to Nov. 2, 1920.

STOCKS OF GRAIN AT CHICAGO

Table showing stocks of grain in public elevators in Chicago, comparing last week, previous week, and last year.

UNITED STATES VISIBLE GRAIN SUPPLY

Table showing United States visible grain supply for Wheat, Corn, Oats, Rye, and Barley from Oct. 28 to Nov. 3, 1920.

CANADIAN VISIBLE GRAIN SUPPLY

Table showing Canadian visible grain supply for Wheat, Oats, and Barley from Oct. 28 to Nov. 3, 1920.

GRAIN EXPORTS FROM ATLANTIC PORTS

Table showing grain exports from Atlantic ports for Wheat, Flour, Corn, Oats, Rye, and Barley from Oct. 28 to Nov. 3, 1920.

THE WEEKS FLOUR OUTPUT

Table showing the weeks flour output at milling centers for Minneapolis, St. Paul, Duluth-Superior, Milwaukee, and various aggregate mills from Oct. 23 to Nov. 2, 1920.

FLAXSEED RECEIPTS AND SHIPMENTS

Table showing flaxseed receipts and shipments at Minneapolis and Duluth from September 1, 1920, to October 30, 1920.

### Bankers to Finance the Cotton Crop

Washington—Formation of a \$12,000,000 Foreign Trading Corporation operating under the Edge Act to especially alleviate the cotton situation was presented at a meeting of the southern bankers attending the American Bankers Association here.

Robert F. Maddox, president of the Atlanta National Bank, Atlanta, Georgia, and Haynes McFadden, secretary of the Georgia Bankers Association, were the leaders in calling this conference.

The \$12,000,000 capital represents an assessment of \$1 per bale for this year's cotton crop with one-half of the capital stock paid in.

The following states were represented: Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas and Virginia.

In its report the committee said:

"Your committee does not believe that we should attempt anything on too large a scale but recommends that we start an export financing corporation under the Edge Act and that a capital and surplus of say \$12,000,000 of which only 50 per cent. of their subscribed capital. This would provide an immediate fund of \$6,000,000 which would be represented by \$5,000,000 of capital and \$1,000,000 of surplus and that would be enough to handle a considerable volume of business.

"We will not attempt to go into a discussion of the details of the operation of the Edge Act but will merely mention a few of the fundamental facts to be considered in this connection.

"The Edge Act authorizes the organization of banking corporations to do a foreign banking business with a capital of not less than \$2,000,000 under the general supervision of the Federal Reserve Board. Such banks cannot accept local deposits nor have branch offices in the United States but can have representatives in different states. They can buy and sell foreign bills of exchange and accept bills or drafts drawn upon them subject to certain restrictions. They can, however, at no time have liabilities outstanding in excess of 10 times their capital and surplus. They can establish branches or agencies in foreign countries and with the consent of the Federal Reserve Board own stock in other corporations to the extent of 10 per cent. of their capital and surplus; except in a corporation engaged in the business of banking, then 15 per cent. may be invested.

"It will be seen therefore that a corporation of a capital and surplus of \$6,000,000 could have total acceptance outstanding to the extent of \$60,000,000 and that amount would provide a considerable immediate relief and your committee has no doubt that if the business of the corporation should develop to a point where a larger total were needed, the business would have proved so profitable that there would be no difficulty later to increase the capital should it become necessary.

"Your committee feels that it should not be difficult to get subscriptions for \$12,000,000 of stock in such a corporation of which only half would be expected to be paid in for at least a long time to come—but we feel that even this small amount cannot be raised unless we have the fullest cooperation of every southern state represented here today.

"It is not at all intended to have this export banking corporation limit itself to the financing of cotton exports but for the immediate present that proves to be the greatest need and as cotton is the principal product of the South, your committee feels that perhaps each state should contribute towards this proposed capitalization on the basis, of say one dollar per bale of the amount of cotton raised in the respective state, and pay in 50 cents per bale. As the total cotton crop is estimated 12,000,000 bales at this time, this would provide just exactly the amount above referred to."



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Chicago Board of Trade.	Winnipeg Grain Exchange.
Chicago Stock Exchange.	Milwaukee Chamber of Commerce.
Minneapolis Chamber of Commerce.	Pittsburgh Stock Exchange.



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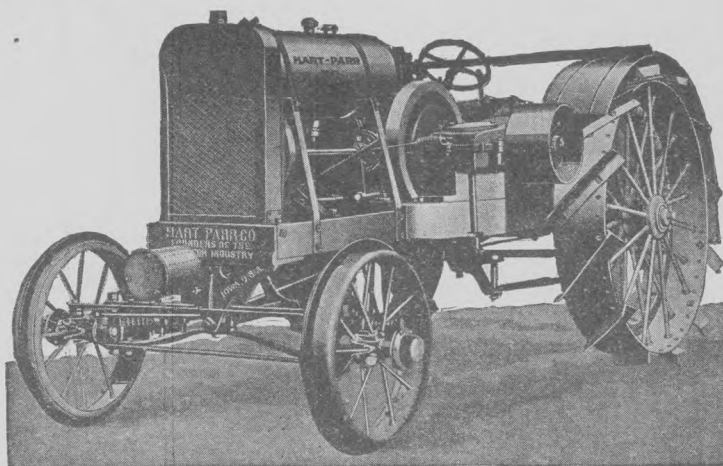
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