

# COMMERCIAL WEST

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INVESTMENTS

INSURANCE

GRAIN AND MILLING

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Minneapolis - Minnesota

# Western Municipal Bonds

## FUTURE BOND ELECTIONS

**June 9**—Pennington County, S. D. (P. O. Rapid City), bonds to take up outstanding warrants.  
**June 11**—Sibley, Iowa, \$5,000 school bonds.  
**June 12**—Wolsey, S. D., \$20,000 school bonds.  
**June 12**—Sioux Falls, S. D., \$250,000 city hall bonds.  
**June 12**—Davenport, Iowa, \$350,000 school building bonds.  
**June 12**—Alexandria, Neb., \$12,000 electric transmission line bonds.  
**June 18**—Red Wing, Minn., \$200,000 paving bonds and sewer bonds.  
**June 21**—Oakes, N. D., \$35,000 school building bonds.  
**June 26**—Scotland, S. D., \$25,000 school building bonds.  
**June 26**—Casper, Wyo., \$275,000 sewer and water bonds.  
**July 3**—Fairbury, Neb., \$40,000 storm sewer bonds.

## FUTURE BOND SALES

**June 9**—Hayden, Colo., \$27,000 refunding waterworks bonds; 10-20 years (optional); 5½ per cent.; certified check \$1,000. A. Anderson, Town Clerk.  
**June 11**—Northfield, Minn., \$30,000 school bonds; 4-14 years; 4½ per cent. M. P. Forbes, Clerk Board of Education.  
**June 11**—Eugene, Ore., \$10,000 paving bonds; not exceeding 6 per cent.; certified check 2 per cent. Alta King, City Recorder.  
**June 11**—Conrad, Iowa, \$150,000 school bonds; denominations \$1,000; 5-20 years; 4¾ per cent.; certified check \$1,000. Address, Secretary Board of Education.  
**June 11**—Buhl, Minn., Independent School District No. 35, \$139,000 building bonds; denominations \$1,000; 4-11 years; not exceeding 7 per cent.; certified check \$2,000. John W. Pasich, Clerk.  
**June 11**—Buhl, Minn., Independent School District No. 35, \$500,000 building bonds; denominations \$1,000; 4-13 years; not exceeding 7 per cent.; certified check \$10,000. John W. Pasich, Clerk.  
**June 11**—Phillipsburg, Mont., School District No. 1, \$50,000 bonds; denominations \$1,000; 12-12½ (optional-average) or 17 years; not exceeding 6 per cent.; certified check \$5,000. W. B. Calhoun, Clerk.  
**June 11**—Hennepin County, Minn. (P. O. Minneapolis), \$750,000 tuberculosis sanitarium bonds; denominations \$1,000; 5-20 years; 4¾ per cent.; certified check 5 per cent. Al. P. Erickson, County Auditor.  
**June 13**—Minneapolis, Minn., \$1,689,056.84 bonds for school permanent improvement, workhouse site, waterworks and bridge purposes; 1-30 years; 4½ per cent. George M. Link, Secretary, Board of Estimate and Taxation.  
**June 13**—Pierce County, Wash., Tacoma School District No. 10, (P. O. Tacoma), \$1,200,000 bonds; denominations \$1,000; 2-21 years; not exceeding 5 per cent.; certified check 5 per cent. George M. Meath, County Treasurer.  
**June 14**—Baker, Mont., School District No. 12, \$8,000 bonds; denominations \$1,000; 10-20 years (optional); 6 per cent.; certified check \$400. W. S. Woods, Clerk.  
**June 20**—St. Paul, Minn., \$1,100,000 permanent improvement revolving fund bonds; denominations \$1,000; 20 years; 4½ per cent.; certified check 2 per cent. Jesse Foot, City Comptroller.  
**June 25**—Bainville, Mont., \$10,500 funding bonds; denominations \$500; 15-20 years (optional); 6 per cent. F. D. Baer, Town Clerk.  
**June 25**—Platte, S. D., \$80,000 improvement bonds; 1-9 years; 6 per cent.; certified check 3 per cent. G. E. Cool, City Auditor.  
**June 29**—Kemmerer, Wyo., School District No. 19, \$100,000 bonds; 5-25 years (optional); 5 per cent. D. D. Lynch, District Treasurer.

## BOND NOTES

Malin, Ore., Malin Irrigation District—An issue of \$100,000 bonds is still unsold.  
 Perry, Iowa—The question of issuing \$24,000 funding bonds is being considered.

Milwaukee, Wis.—City bonds to the amount of \$3,790,000 were offered for sale June 8.

Glenns Ferry, Idaho—The issuing of bonds for a trunk sewer system is being considered.

Canistota, S. D.—The proposition to issue \$30,000 school bonds was defeated by a vote of 86 to 142.

Rockingham, Iowa—A vote of 82 to 18 carried the proposition to issue \$41,000 school building bonds.

Logan, Utah—An election resulted in a vote of 977 to 216 in favor of issuing \$300,000 light plant bonds.

Dupree, S. D.—An election resulted in a vote of 113 to 5 in favor of issuing \$18,000 school building bonds.

Artesian, S. D.—The question of issuing school building bonds will be submitted to the voters this month.

Emerson, Neb.—The White-Phillips Company of Davenport has purchased an issue of \$31,500 sewer bonds.

Dash Point, Wash.—An election was held here to vote on the question of issuing \$168,000 water system bonds.

Pembina, N. D.—The question of issuing bonds for a waterworks system will be submitted to the voters.

Cottage Grove, Ore.—The proposition of issuing \$30,000 city hall bonds was submitted to the voters last week.

Monte Vista, Colo.—The International Trust Company of Denver has purchased an issue of \$25,000 funding bonds.

De Pere, Wis.—A vote of 523 to 211 defeated the proposition to issue \$75,000 bonds for school building purposes.

Sarpy County, Neb. (P. O. Papillion)—The proposition to issue road bonds will probably be submitted to the voters.

Columbus, Neb.—The city council will be asked to call an election to vote on the question of issuing city hall bonds.

Grass Valley, Cal.—An election was held here to vote on the proposition of issuing \$100,000 street improvement bonds.

Selfridge, N. D.—An election will probably be held here to vote on the question of issuing \$70,000 school building bonds.

Tecumseh, Neb.—An election will probably be called to vote on the question of issuing \$5,000 community building bonds.

Iowa Falls, Iowa—An election was held here to vote on the question of issuing \$58,000 liberty memorial building bonds.

Midvale, Utah—Water bonds to the amount of \$100,000 have been awarded to the Central Trust Company of Salt Lake City.

Wyndmere, N. D.—Bonds to the amount of \$50,000 were voted at an election for a new high school building and gymnasium.

Forest County, Wis. (P. O. Crandon)—The First National Bank of Crandon has been awarded an issue of \$24,000 road bonds at par.

Devils Lake, N. D.—An issue of \$70,000 school bonds has been awarded to the Minneapolis Trust Company at a premium of \$276.

Rock County, Wis. (P. O. Janesville)—The Harris Trust & Savings Bank of Chicago was the successful bidder for \$200,000 highway bonds.

State of Iowa (P. O. Des Moines)—A syndicate headed by Estabrook & Company of New York has purchased \$22,000,000 soldiers bonus bonds.

Minneapolis, Minn.—Plans are being made for the sale of \$88,000 bonds the latter part of July, to finance the paving of Superior Boulevard to the city limits.

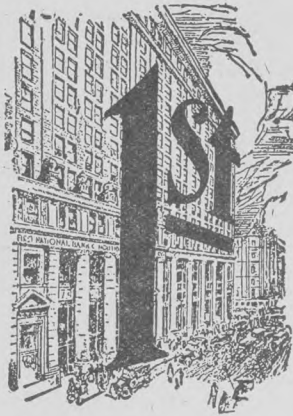
Mills County, Iowa (P. O. Glenwood)—An issue of \$149,000 funding bonds has been awarded to James T. Wachob & Co. of Omaha at a premium of \$3,000-102.01.

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Bricelyn, Minn., Independent School District No. 132—The Minnesota Loan & Trust Company of Minneapolis, Estabrook & Co. and Hannahs, Ballin & Lee of New York and the Northern Trust Company of Chicago were the successful joint bidders for \$1,000,000 road and bridge bonds at a premium of \$14,440-101.44, a basis of 4.58 per cent.

Ramsey County, Minn. (P. O. St. Paul)—The Minnesota Loan & Trust Company of Minneapolis, Estabrook & Co. and Hannahs, Ballin & Lee of New York and the Northern Trust Company of Chicago were the successful joint bidders for \$1,000,000 road and bridge bonds at a premium of \$14,440-101.44, a basis of 4.58 per cent.

#### BANK CONVENTION DATES

June 12-14	IOWA	Ames
June 15-16	UTAH	Logan
June 19-20	SOUTH DAKOTA	Rapid City
June 19-20	WISCONSIN	Milwaukee
June 26-27	ILLINOIS	Rockford
June 27-29	NORTH DAKOTA	Bismarck
July 17-20	A. I. B.	Cleveland
Aug. 9-11	MONTANA	Great Falls
Sept. 24-27	A. B. A.	Atlantic City
Oct. 28-31	INVESTMENT BANKERS	Washington

#### MONEY PLENTIFUL IN SIOUX CITY

Sioux City, Iowa—Money is becoming more and more plentiful in the opinion of Sioux City bankers, who point to the fact that lower interest rates on loans on real estate are being offered. In some cases, they said, the rates have fallen as low as 5½ per cent.

The falling off in building activities is believed by A. B. Darling, vice president of the Security National Bank, to be responsible in a large part for the fact that money is becoming more plentiful and that interest rates are becoming easier.

"Commercial paper," Mr. Darling pointed out, "is remaining steady, although the investment market is easier. The slacking up in building, especially in the East, during these times of high prices, has released money that now is being diverted to loans on real estate."

Several Sioux City financial institutions are advertising the fact that they have large sums of money to be loaned at a low rate of interest on optional payments.

#### PURCHASES OF SILVER UNDER THE PITTMAN ACT

Washington—The Director of the Mint announces that tenders of silver under the act approved April 23, 1918, sometimes known as the Pittman Act, have up to May 29 amounted to over 1,000,000 ounces, thus reducing the total amount remaining to be purchased under the act to about 1,350,000 ounces. In order to avoid any possibility of accepting excessive tenders and at the same time assure the most equitable treatment to American producers of silver, the Director of the Mint will not accept any further tenders until a sufficient examination has been made of the tenders already received to indicate the precise amount of silver remaining to be purchased. The Director of the Mint will, however, continue to receive tenders under the act until the close of business June 15, 1923, filing such

tenders in the order of their receipt, and as soon as the amount remaining to be purchased has been definitely determined will accept tenders up to such amount in the order of their receipt, in accordance with the regulations heretofore prescribed. All tenders in excess of the amount remaining to be purchased will be rejected.

#### BANK TRANSACTIONS

Washington—Bank debits for the week ending May 30 totaled \$7,815,000,000, marking a decrease of \$1,762,000,000, or 18.4 per cent., from the total of \$9,577,000,000 reported for the preceding week. This decrease is due largely to the fact that May 30, Decoration Day, was observed as a legal holiday in the great majority of the clearing house centers. Smaller weekly totals are shown for all the leading cities. For New York City the decrease for the week was \$886,000,000, or about one-half of the total decrease shown. As compared with the corresponding week in 1922, total debits for the report week show an increase of \$288,000,000, or 3.8 per cent. Larger totals are shown for most of the important centers. Los Angeles shows an increase over the corresponding 1922 total of about 60 per cent., Detroit, an increase of 48 per cent., and Chicago, an increase of about 15 per cent. A decrease of \$202,000,000, or of about five per cent., as compared with last year's total, is shown for New York City. Smaller figures than for 1922 are also shown for Baltimore, Richmond, Kansas City, Dallas, and Portland, Oregon. Debits to individual accounts were reported to the Federal Reserve Board for banks in 250 centers, of which 243 are included in the summary by Federal Reserve Districts.

Cities	May 29-30, 1923	Week ending May 23, 1923	May 31, 1922
New York	\$3,762,678,000	\$4,648,279,000	\$3,964,722,000
Chicago	592,331,000	664,618,000	514,686,000
Philadelphia	303,936,000	382,160,000	266,257,000
Boston	287,618,000	360,523,000	272,128,000
Pittsburgh	155,460,000	213,473,000	135,326,000
Detroit	146,455,000	183,709,000	99,052,000
San Francisco	139,668,000	175,439,000	132,258,000
Los Angeles	141,944,000	163,677,000	88,879,000
St. Louis	133,849,000	162,217,000	133,797,000
Cleveland	118,032,000	154,642,000	101,780,000
<b>Twin Cities</b>	<b>96,286,000</b>	<b>112,861,000</b>	<b>83,269,000</b>
Baltimore	69,400,000	88,000,000	78,150,000
Minneapolis	63,627,000	75,133,000	54,085,000
Kansas City	60,005,000	78,741,000	60,371,000
New Orleans	56,337,000	62,791,000	51,562,000
Milwaukee	52,909,000	70,014,000	44,672,000
Washington	47,733,000	48,112,000	38,280,000
Omaha	39,708,000	48,356,000	39,032,000
Denver	34,594,000	35,343,000	30,084,000
St. Paul	32,659,000	37,728,000	29,184,000
Seattle	31,341,000	40,513,000	23,486,000
Dallas	25,196,000	38,204,000	26,475,000
Portland	24,737,000	34,749,000	26,506,000
Duluth	16,016,000	21,843,000	13,123,000
Des Moines	13,937,000	18,624,000	12,019,000
Sioux City	13,551,000	17,669,000	14,110,000
Spokane	8,237,000	10,652,000	10,717,000
Sioux Falls	2,812,000	3,600,000	2,517,000
La Crosse	2,575,000	3,794,000	.....
Fargo	2,189,000	2,883,000	2,199,000
Helena	1,501,000	2,149,000	1,586,000
Billings	1,490,000	1,740,000	1,276,000
Superior	1,438,000	1,824,000	1,366,000
Grand Forks	1,308,000	1,577,000	1,208,000
Winona	809,000	1,202,000	730,000
Lewistown	.....	836,000	621,000
Aberdeen	915,000	1,216,000	862,000
Minot	631,000	943,000	640,000
Red Wing	415,000	522,000	414,000
Jamestown	386,000	461,000	312,000
Dickinson	247,000	313,000	249,000
<b>Total (243 cities)</b>	<b>\$7,815,493,000</b>	<b>\$9,577,211,000</b>	<b>\$7,527,744,000</b>



**FOREIGN GOVERNMENT BONDS**

Reported by Bond Department, Paine, Webber & Co., June 6, 1923.

	Bid	Asked
Argentine Govt., 7s, Oct. 1, 1923.....	100 3/8	100 3/8
Argentine Govt., 7s, Feb. 1, 1927.....	102	102 3/8
Belgium, King, of, 6s, Jan. 1, 1925.....	96 3/4	97
Belgium, King, of, 8s, Feb. 1, 1941.....	100 1/4	101 3/4
Belgium, King, of, 7 1/2s, June 1, 1945.....	102 1/2	103
Canada, Govt. of Dominion of, 5s, April 1, 1926.....	99 7/8	100 1/4
Canada, Govt. of Dominion of, 5 1/2s, Aug. 1, 1929.....	101 3/4	101 5/8
Canada, Govt. of Dominion of, 5s, April 1, 1931.....	99 3/4	100 1/4
Canada, Govt. of Dominion of, 5s, May 1, 1952.....	98 7/8	99 3/4
Chile Republic, 8s, Oct. 1, 1926.....	102 1/4	102 5/8
Chile Republic, 8s, Feb. 1, 1941.....	103	103 1/2
Chile Republic, 8s, Nov. 1, 1946.....	103 1/4	104
Copenhagen, 5 1/2s, July 1, 1944.....	92	92 1/2
Denmark, King, of, 6s, Jan. 1, 1942.....	98 1/4	98 3/8
Denmark, Kingdom of, 8s, Oct. 15, 1945.....	109 1/4	109 3/4
Dutch East Indies, 6s, Jan. 1, 1947.....	97 3/8	97 7/8
Dutch East Indies, 5 1/2s, March 1, 1953.....	93 1/8	93 3/8
Dutch East Indies, 6s, Mar. 1, 1962.....	96 1/2	96 3/4
France, Republic of, 7 1/2s, June 1, 1941.....	95 7/8	96 1/8
France, Republic of, 8s, Sept. 15, 1945.....	100	100 1/4
French Cities "L. B. & M.," 6s, Nov. 1, 1934.....	81 1/4	81 3/4
Japanese Govt. Sterling, 1st 4 1/2s, Feb. 15, 1925.....	92 7/8	93 1/8
Japanese Govt. Sterling, 2d 4 1/2s, July 10, 1925.....	92 1/2	92 3/4
Japanese Govt. Sterling, 4s, Jan. 1, 1931.....	81 3/8	81 5/8
Netherlands, King, of, 6s, ser. A, Mar. 1, 1972.....	101 1/4	101 1/2
Netherlands, King, of, 6s, ser. B, Mar. 1, 1972.....	101 1/4	101 1/2
Norway, King, of, 8s, Oct. 1, 1940.....	110 3/4	111 1/4
Norway, King, of, 6s, Oct. 15, 1952.....	98 1/4	98 1/2
Paris Lyons Med. R. R. Co., 6s, Aug. 15, 1958.....	77	77 1/2
Queensland, State of, 7s, Oct. 1, 1941.....	106 3/4	107 1/4
Queensland, State of, 6s, Feb. 15, 1947.....	101 1/8	101 5/8
Seine, Dept. of, 7s, Jan. 1, 1942.....	88 3/4	89
Swedish Govt. 6s, June 15, 1939.....	105 1/8	105 5/8
Switzerland, Govt. of, 5 1/2s, Aug. 1, 1929.....	100 3/4	101
Untd. King. of Gt. Brit. & Ire., 5 1/2s, Aug. 1, 1929.....	114 1/4	114 3/4
Untd. King. of Gt. Brit. & Ire., 5 1/2s, Feb. 1, 1937.....	103 3/4	103 5/8
U. S. of Brazil, 8s, June 1, 1941.....	96 3/4	97 1/4

**STANDARD OIL STOCKS**

Reported June 6, by Carl H. Pforzheimer & Co., 25 Broad Street, New York.

Company	Bid	Asked	S. Oil Kans.	43 1/2	44
Anglo-Am. .... 15 3/4 - 16			S. Oil Ky., \$25		
Atlantic Ref. .... 120	125		par	89	90
Atlan. Ref. pfd. .... 115	116		S. Oil Neb. ....	215	225
Cheseb. pfd. .... 113	116		S. Oil N. J., \$25		
Continental .... 39 1/2	40 1/2		par	34	34 1/2
Eureka Pipe .... 102	106		S. Oil N. J., pfd.	115	116
Galena-Sig. pfd.			S. Oil N. Y. ....	280	285
New .... 106	108		S. Oil Ohio ....	116	117
Old .... 112	114		S. Oil Ohio. pfd	46 1/4	46 3/4
Humble .... 30 1/2	31		Vacuum Oil. ....	15	14
Imperial .... 104	105		Mountain Prod.	11 1/8	11 1/2
Ohio .... 66	68		Corp. ....	9 1/4	9 1/2
Solar Ref. .... 185	190		Mutual Oil Co.	18 1/4	18 1/2
S. Oil Cal., \$25			Salt Creek ....	18	22
par .... 52 3/4	53		Salt Creek Prd.		
S. Oil Ind., \$25			Assn. par \$10		
par .... 59 1/4	59 3/4		Western States		

**UNITED STATES GOVERNMENT BONDS**

Price range for week ending June 5th as reported by C. F. Childs and Company, 609 Second Avenue South, Minneapolis. Quotations on Libertys are in 32nds in accordance with the practice on the New York Stock Exchange.

Issue	High	Low	Close	Yield
1st Liberty Loan 3 1/2s, 1932-47	100-28	100-16	100-19	3.47
1st Liberty Loan 4 1/2s, 1932-47	98-20	98-6	98-10	4.37
2nd Liberty Loan 4 1/2s, 1927-42	98-18	98-6	98-9	4.37
3rd Liberty Loan 4 1/2s, 1928.....	98-31	98-21	98-24	4.52
4th Liberty Loan 4 1/2s, 1933-38	98-24	98-9	98-11	4.40
Treasury 4 1/2s, 1947-52 .....	99-23	99-14	99-19	4.27

**Treasury Certificates and Notes**

Issue	Bid	Asked	Yield
TJ-3 3/4s, June 15, 1923.....	99 1/8	100	3.75
TS-3 3/4s, Sept. 15, 1923.....	99 7/8	100	3.75
TS2-4 1/2s, Sept. 15, 1923.....	100 1/8	100 1/2	3.80
TD-4s, Dec. 15, 1923.....	99 1/8	100 1/8	3.94
TM-4 1/2s, Mar. 15, 1924.....	100 3/8	100 3/4	4.25
A-5 1/2s, June 15, 1924.....	101 1/4	101 1/2	4.70
B-5 1/2s, Sept. 15, 1924.....	101 1/4	101 1/2	4.55
A-4 3/4s, Mar. 15, 1925.....	100 3/8	100 3/4	4.60
C-4 1/2s, June 15, 1925.....	99 3/4	99 1/2	4.55
B-4 3/4s, Dec. 15, 1925.....	99 1/2	99 3/4	4.50
A-4 3/4s, Mar. 15, 1926.....	100 1/4	100 3/8	4.62
B-4 1/4s, Sept. 15, 1926.....	98 3/4	99	4.58
B-4 1/4s, Mar. 15, 1927.....	100 3/4	100 3/4	4.66
A-4 1/2s, Dec. 15, 1927.....	99 1/2	99 3/4	4.58

**United States Territorial Bonds**

Issue	Bid	Asked	Yield
District of Columbia, 3.65s, Aug. 1, 24	98	100	3.65
Hawaiian Issues .....	4.50 b	4.15 b	4.15
Porto Rican Issues .....	4.50 b	4.15 b	4.15
Philippine Issues .....	5.20 b	4.55 b	4.55

b—Basis price, depending upon maturity.

**URGES BANKS TO JOIN THE FEDERAL RESERVE SYSTEM**

New York—Every eligible bank in the country should join the Federal Reserve System, according to the administrative committee of the National Association of Credit Men.

"A close scrutiny of bank failures in the last 12 months," says a resolution of the committee, "would show conclusively that the independent banking unit isn't strong enough at times to render the service needed by its customers without imperiling its abilities to survive. While some sacrifices may be entailed in this progressive step,

yet the increased powers for service to business as a whole and to our growing productive capacity should lead the banking institutions not now members of the Federal Reserve System and yet eligible for membership to take their places and help us to meet squarely the problems of the future. Aside from the benefits to be derived by the banks themselves, the nation as a whole is in a safer position and better able to develop its full commercial opportunities when there are gathered together the credit powers of all the banks that are so organized as to meet the requirements of the Federal Reserve Act."

The committee declares that, reviewing the courses of our business in the last six years, "we must acknowledge the increase in our productive and financial powers through the good offices of the Federal Reserve System in consolidating our credit and saving that dissipation of our resources in serious emergencies such as heretofore have marked our commercial career. At the present time the nation's credit facilities were never larger. They were never susceptible of better control for the reason that the Federal Reserve banks, acting as reservoirs, are used to control the ebb and flow of credit."

**OFFERING OF DUBUQUE ELECTRIC BONDS**

Chicago—The Dubuque Electric Company has sold \$3,000,000 of its first mortgage 6 per cent. gold bonds due April 1, 1942, to a syndicate including Baker, Young & Co., A. C. Allyn & Co. and R. E. Wilsey & Co. who offer the bonds publicly at a price of 98 1/2 and accrued interest to net about 6.15 per cent. The issuing company does the entire lighting and power and street railway business of Dubuque, Iowa, and East Dubuque, Illinois, serving a population of about 55,000.

**FRANCE'S INCOME FROM THE RUHR**

Paris, France—Up to May 1, France's receipts from the Ruhr exceeded the costs of occupation by more than 3,000,000 francs, according to figures submitted by Premier Poincare to the Chamber of Commerce. M. Poincare informed the Chamber that the French metal industry is now assured of sufficient coke to last until the end of August.

**\$409,192.00**  
**City of Minneapolis**  
**Special Street**  
**Improvement Bonds**

Proposals will be received by the Committee on Ways and Means of the City Council of the City of Minneapolis, Minnesota, at the office of the undersigned, WEDNESDAY, JUNE 20th, 1923, at 2:30 o'clock P. M., for \$409,192.00 Special Street Improvement Bonds. These bonds are to be sold at a rate of interest not exceeding Five (5%) Per Cent per annum, and to be dated June 1st, 1923, and to be payable one-tenth and one-twentieth each year thereafter, as the case may be, the last one being payable June 1st, 1943.

Sealed bids may be submitted up to 2:30 o'clock P. M. of the date of sale. After that hour open bids will be asked for and all bids must include accrued interest from date of said bonds to date of delivery.

The approving opinion of John C. Thomson will accompany the bonds.

The right to reject any or all bids is hereby reserved. A certified check for Two (2%) Per Cent of the par value of the bonds bid for, made to C. A. Bloomquist, City Treasurer, must accompany each bid.

Circular containing full particulars will be mailed upon application.

**DAN C. BROWN,**  
**CITY COMPTROLLER.**

Minneapolis, Minnesota.



## A Public Utility Bond

Yielding 6.75%

We recommend for investment: JERSEY CENTRAL POWER & LIGHT CORPORATION First Lien 6½% Sinking Fund Gold Bonds, Series A. Dated May 1, 1923, Due May 1, 1948. Bonds in denominations of \$100, \$500 and \$1,000. Write or wire reservation, or for information, at our expense.

**THE MINNESOTA LOAN  
AND TRUST COMPANY**  
MINNEAPOLIS

## CAPITAL TRUST & SAVINGS BANK

ST. PAUL

Dealers in Municipal,  
Corporation and  
Public Service  
Bonds.

## THE NORTHWESTERN TRUST CO.

Acts as Executor, Administrator,  
Trustee, Guardian, Receiver and  
Agent, and handles all classes of  
Investment Securities.

*Affiliated with the First National Bank*

ST. PAUL, MINNESOTA

## 6% Mortgages on Minnesota Dairy Farms

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Municipal and Corporation Bonds

Write for lists

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Entire 4th floor, Oneida Building, Minneapolis

## CHAS. E. LEWIS & CO.

Main Office, 412-415  
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MINNEAPOLIS

**STOCKS BONDS GRAIN COTTON**

MEMBERS { NEW YORK STOCK EXCHANGE  
NEW YORK COTTON EXCHANGE  
and all Grain Exchanges.

*Special Attention Given to Futures in Grain*

## June Investments

### No. 1. Municipal Bonds

Yielding from 4½% to 6%.  
Secured by the taxing power of  
the issuing community.  
No Federal Income Taxes.

### No. 2. Corporation Bonds

Yielding from 6% to 7%.  
Direct obligations of the strong-  
est industrial and public serv-  
ice corporations in the country.

Write for circulars descriptive of our  
offerings.

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Colin Thomson, Assistant Cashier  
Edward L. Palmer, Assistant Cashier

of DULUTH

Capital, Surplus and Profits  
**\$3,000,000.00**

OLDEST BANK AT THE HEAD OF THE LAKES

# COMMERCIAL WEST

A WEEKLY JOURNAL

DEVOTED TO

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SATURDAY, JUNE 9, 1923

## The Get-Together Spirit

This week the Thirty-fourth Annual Convention of the Minnesota Bankers Association was held in Minneapolis. As in the case of former meetings, this one was confronted by some "unusual conditions"—as stated by President Leeman in his address—which received the attention of the bankers. These conditions may be described as "only ordinary problems" which usually confront the banker, though perhaps presenting different aspects year after year.

Since the last annual meeting of the Minnesota bankers there have been changes in the financial machinery of the country, including the establishment of the Federal Rural Credits Board, and provisions for the establishment of Intermediate Credit banks in various Federal Reserve districts. It is only in order that these innovations should receive some attention from the bankers, as they are sincerely interested in means of financing agriculture.

There is much for Minnesota bankers to be thankful for, such, for example, as failure of the passage of the proposed bank guaranty law, and the excellent work of the War Finance Corporation, which has cooperated with banking interests in helping over the rough places farmers who needed financial assistance. But what the bankers are most thankful for is the new spirit developing in the Northwest which means better pulling together of all interests, commercial and agricultural, for improved farming and marketing conditions, and, generally, for greater progressiveness. Reports made by the different committees at the convention sounded notes of optimism most encouraging, particularly as to farming conditions and the changed attitude of farmers regarding diversification and more extensive dairying.

A get-together and pull-together spirit was in evidence, and a better understanding of the relationship of banking to all other lines of industrial endeavor.

This meeting, while perhaps not the largest in the history of the Minnesota Bankers Association— notwithstanding the different opinions expressed by members on such subjects as branch banking and the like—was noted for the harmony of its membership in the matter of coordination of effort in all things for public welfare and the progress of the Northwest.

Owing to the convention being held during the latter part of this week an entire report of its proceedings cannot be given in the pages of this issue of the Commercial West. However, a fairly complete report of the business transactions of the convention will be printed in the Commercial West of June 16.

## Electricity to Lighten Farm Labor

In many parts of the Western country where hydro-electric power is in general use, a large number of farms are equipped with electricity used for lighting and for running machinery in the household. In fact, for many years, in Idaho and parts of Montana, the large ranchers as well as many small farmers have been utilizing this power profitably.

Recently Robert F. Pack, vice president and general manager of the Northern States Power Company, broadcasted an address from the WLAG radio station, Minneapolis, dealing with the progress in the use of electricity. He particularly called attention to the problem of carrying electric energy to the farms where the transmission lines run close to the farmer's home. The Northern States Power Company have undertaken to acquaint farmers with the problems involved and are working with the Minnesota Farm Bureau Federation to solve the difficulties. The matter of installation is the principal cost, the heavy volt transmission lines must be tapped and transformers installed that will reduce the voltage sufficiently low to be safely used on the farm for lighting purposes and for running farm machinery. It is estimated that in each case where such an installation is made the cost will range from one thousand to twelve hundred dollars. There is the matter of loss in current, the question of investment and depreciation to be taken into consideration. At the present time these costs are almost prohibitive, and, in Minnesota the use of electricity on farms is confined to districts lying near the towns. In summing up the situation Mr. Pack made a comparison between farm electrical service and city service. He said:

"In cities the average number of customers to a mile of distributing line is fifty, while in rural communities the average is less than three per mile. In other words, it costs as much to reach three customers in the rural districts as to reach fifty in the city."

Working towards greater electrification of farms the Rural Lines Committee of the National Electric Association have been diligently at work investigating the practicability of such power development. Agricultural engineers are experimenting and devising means to bring down the costs so as to make electricity an economical servant for the farmer.



They have estimated that there are six and one-half million farmers in this country, each requiring four horses to supply power. Thus we find the total power required is 26 million horse power. This, Mr. Pack pointed out in his address, is equal to the combined capacity of all steam generating central stations of the electric public utilities in the United States. As soon as the problem of distribution is solved, so as to make electric power available to the farmer, no doubt there will be a rapid increase in the use of electricity on the farm and with its increased use, as in the cities and densely populated districts, the cost, per kilowatt-hour, will decrease.

The announcement has been made by the Northern States Power Company that in connection with a committee appointed by the Farm Bureau Federation, an experimental line will be constructed in some typical farming community and a test of the economic use of electricity on farms will be made. It is estimated that if the work of experimentation now being carried on proves that electricity can be cheaply supplied to farmers it will tend towards revolutionizing farming methods, and not only will it make farm life more attractive but it will also make farm operation more profitable.

### Why Doth the Dollar Slump?

In 1913 the great American dollar, from a physical standpoint—if such description may be applied—was just the same size as it is today. As one writer puts it: "The weight and size, and the definition of the dollar are just the same when it is in the pocket, but in changing hands it has been losing its power from month to month." To note the value of the American dollar—it was worth one hundred cents in 1913; that is, basing its value upon what it would buy in the way of commodities and labor. In 1917 it was worth only fifty-six cents; in 1919, forty-eight cents; in 1920, forty-four cents; but in 1921 it began growing more valuable, and was worth sixty-eight cents. The next year, 1922, its value came down one cent, and in 1923, we find the dollar worth only sixty-three cents.

The American dollar is based upon a definite weight of gold, 25.8 grains of standard gold, nine-tenths fine. This weight of gold makes a dollar, because a Federal law passed in 1837 so directs. Since that date the physical characteristics of the dollars have not changed. Then why the fluctuation in the value of the dollar? It is simply on account of the operation of the law of supply and demand. When dollars are cheap prices are high, and when prices are low dollars are high. With high prices go high wages; with low prices, low wages. Dollars do not shrink, but the dollar, when it is cheap, will buy a lesser quantity of any commodity, whether it be goods or whether it be labor. The dollar today cannot be invested so that it will be equal in value to the dollar of 1913. Even if you wish to buy Government bonds you will find that your dollar will not buy an amount of bonds equal to that which could have been purchased with the dollar in 1913.

The ups and downs of the American dollar are nothing new in history. At the time of the Civil

War there was a slump and there have been many inflations and deflations since that time. Just at the present time the reason for the slump in the value of our dollar is because of the excess of gold in our country. As the dollar is a definite weight in gold, the greater our gold supply the more there is to spend and to be used as a basis of credit. Thus we find the law of supply and demand at work. The gold itself does not budge, but its value is fixed by the force of prices of commodities whether these prices go up or down.

There have been many plans advanced for the stabilization of the dollar. The dollar is already stabilized. If it were possible to stabilize prices there might not be a shrinkage in the dollar's valuation, but all the scientists that the world has produced, with all the economists and the theorists thrown in, have not been able to evolve a workable system for preventing inflation and deflation of the American dollar. It is doubtful whether such a system can be devised. When we commence tampering with natural laws we are dealing with a force that is greater than our power to control it.

### Gathering in the Grafters

During the past week some thirty bucket shop operators in Chicago were charged with operating fraudulently and contrary to the Illinois blue-sky laws. Among the number were some who in the past have been prominently identified with so-called investment banking in Chicago. The renewed interest in prosecuting sellers of fake stocks was given an impetus by the failure of Jones & Baker of New York, well-known as curb operators, in fact, leaders in their line. Their liabilities are estimated at more than twelve millions of dollars, and their assets an unknown quantity.

How extensive have been the operations of fake promoters in Chicago is well known to the legitimate trade which for many years has been strenuously opposed to the wild-cattling of these operators. It is estimated that the shady stock-selling concerns in Chicago have caused a loss to investors exceeding a hundred million dollars annually. In the investigations made by the Illinois blue-sky department many revelations were made of how people had been robbed of their lifetime's savings by these financial bloodsuckers.

The housecleaning that has been started in Chicago, let it be hoped, will afford a lesson to the blue-sky departments of other states. However, the prospects of eliminating dishonest concerns from the investment field are not very promising because of the gullibility of the general public. For a long time the Vigilance Committee of the Associated Advertising Clubs of the World has been industriously at work exposing the unscrupulous promoters of oil companies. Through investing in worthless oil stocks alone the people of this country have been swindled out of from three to four hundred million dollars annually. In other promotions, most of which have been fostered for the sole purpose of stock selling, an even greater amount has been lost by investors. Undoubtedly the publicity work being carried on in the press today has had its effect upon investments in these classes of securities and has

been the cause of saving to the people vast sums of money, but so long as the gambling instinct is inherent in individuals just so long will bucket shops and fake stock sellers manage to subsist.

One feature of the fraudulent stock selling proposition is the leniency with which those found guilty are dealt with by the courts. From a moral standpoint it is difficult to draw a distinction between the person who will rob another of his money by roughshod holdup methods and the one who will rob through oily, deceiving schemes. The holdup man takes a chance of getting hurt should his victim prove to be of a pugilistic nature, but the cowardice of the fake stock seller, and his methods of procedure, are such as to leave him immune from any attack which might result in physical harm to him.

There has been much tinkering with blue-sky laws when they have been found inefficient in heading off fraud, but so far no legislative body has been able to devise suitable laws that will protect the fool against the knave. It might prove efficacious and be rather discouraging to the dishonest ones if the law should impose more severe penalties, in fact, make the punishment for robbery through misrepresentation in stock selling equal to that provided for those who rob in a more roughshod manner.

### The Trend of the Times

If there is one subject which receives more attention than another whenever there is a body of men gathered to discuss business propositions, it is the prevailing conditions and the prospects for the future.

At different bankers association meetings subjects pertinent to the changing conditions have received considerable attention. Among the addresses made is one by Thomas R. Preston, president of the Hamilton National Bank, and the Hamilton Trust and Savings Bank, of Chattanooga, Tennessee, delivered before the Georgia Bankers Association, which for its length, covers an exceedingly wide field. With the crux of his discourse centered on the fact that the country is "waterlogged" with surplus laws, Mr. Preston pointed out that during the past 16 years there have been proposed in Congress 179,902 new laws, and that during a recent two and one-half months session of the legislature in one of the states 2,400 new laws were proposed. Being somewhat of a dabbler in statis-

tics he has figured out that, taking this as an average, there have been proposed by the legislatures of the 48 states and by Congress in the past 16 years more than one million new laws, a great many of them intended to regulate the lives and business of the people. During the 16-year period 132,000 new laws have actually been put upon the statute books. The creation of these laws means a more centralized and autocratic government than was ever contemplated by the founder of this republic. He points out that 700,000 civilians are employed by the United States Government and that there are, all told, more than two million paid officials in our national and local governments and approximately 15 millions of our people employes or otherwise supported by the national, state, municipal, and other lesser divisions of our Government. During his speech he pointed out how power intoxicates most men and leads them to believe that they are the masters of their neighbors. He also called attention to the frightful weight of taxation—how the people are now contributing eight billion five hundred million dollars annually in taxes.

While Mr. Preston's address is particularly interesting because of the important facts it contains, it is also interesting because of its political significance. He predicts that taxation will be an issue in the coming presidential campaign. He was not speaking from a partisan standpoint nor was he criticizing either the Democratic or Republican parties, but he pointed out that if these two old parties do not give assurance of a sane and economical policy in the conduct of governmental affairs, and that a third party will undoubtedly be formed which will attempt to have the people throw the two old parties in the scrap heap.

To those who are thinkers and have watched the progress of socialism in this country such a third party as is hinted at by Mr. Preston should be considered with alarm. Socialism has been fast gaining a foothold in Congress, in the state legislatures, and in the governments of cities and towns. If a third party comes into the field is there not danger that it may be dominated by the fanatical and the irresponsible radicals who are masquerading under the guise of reformers of various kinds?

At bankers' conventions it would be well to sound notes of warning as to what menace lies in making the way easy for such radicals to control our governmental affairs.

#### THE BULL'S EYE BY THE SHARP-SHOOTER

Certain that the literalists in the recent Presbyterian General Assembly, led by William Jennings Byran, have undertaken to purify the denomination by reading out of the pulpits, all men do not subscribe without dissent to certain doctrines the fathers laid down as essential to the Christian life. This action was directed primarily against Dr. Harry Emerson Fosdick, pastor of the First Presbyterian church of New York.

Laymen of the church it is generally understood are not held to so hard and fast a belief in the church tenets as are clergymen. It so happens that I am one of the laymen of the denomination who hold a very loose allegiance toward some few of the doctrines. For example I have no more use for the extreme interpretation of the doctrine of fore-ordination, or predestination, than I have for a grain

of sand in my eye. There is no place in any creed for any mention of this old snag. It has no more to do with a man's Christianity than does the belief in the divine inspiration of the Song of Solomon.

I see no reason for believing in the resurrection of the body. What difference does it make in a man's behavior whether he believes that the particles of the body he wears when he dies will be raised from the grave when the general resurrection—whatever that may be—takes place? The matter is not worth a moment's thought, for no one "by taking thought can make even one hair of his head white or black" much less determine in what body he shall be clothed in the world to come. If the body completely changes every seven years, I shall have had several suits of clothing to my credit or charged to my account. If I were to choose which one of these suits of flesh I would pick out to be raised from the dead in, I

(Continued on page 17)



## Hibbing, Minnesota's Largest and Richest Village

Hibbing, Minnesota originally incorporated in June, 1893, is the largest incorporated village in Minnesota, and is generally known as the wealthiest municipality of its size in the United States.

This village, embracing an area of approximately 13½ square miles, lies in the center of the world famous Mes-sabe Iron Range in Northern Minnesota, about 75 miles Northwest of Duluth. It far exceeds in the value of proven iron ore deposits any village or city on the Messabe Range.

Over 23 per cent. of the total tonnage of iron ore of merchantable grade found within the State of Minnesota is located within the boundaries of the Village of Hibbing, and is to be taxed for the provision of principal and interest of this issue of bonds.

The Minnesota State Tax Commission finds, as of May 1, 1921, a total of 303,976,643 tons of merchantable iron ore within the Village of Hibbing. Among the larger and better known mines within the village are:

Mine	Tonnage
*Hull Rust Mine (Rust)	53,289,282
Sellers Townsite Mine	33,032,040
Mahoning Mine	28,366,335
Northern Pacific Reserve	23,670,520
Scranton Mine	18,046,418
Susquehanna Mine	17,317,200
Hull Rust Mine (Hull)	16,378,960
Morris Mine (Day)	14,750,695
Sellers Mine	14,348,290
Webb Mine	8,964,170
Penobscot Reserve	7,982,955
Mahoning Reserve	7,152,026
Longyear Mine	6,157,552
Day Mine	5,603,310
Albany Mine	5,464,629
Rust Reserve	5,151,962
Agnew No. 3 Reserve	5,095,565
Iron Range No. 3 Reserve	4,102,520
Nassau Mine	3,901,766
Burt Pool Mine (Burt)	3,007,580
Bourne Mine	2,890,795
Morris Mine (Burt)	2,479,353
Longyear Reserve	2,062,355
Philbin Mine	1,890,283
Alworth Land Reserve	1,759,631
Laura Mine	1,615,282
Bennet Reserve	1,533,411
Oliver Reserve	776,671

\*Believed to be the largest iron mine in the world.

Unmined iron ore of merchantable grade is taxed by the Minnesota Tax Commission on the basis of a general average true value of approximately 43 cents per ton (\$1.25 per ton discounted at 7½ per cent. for 35 years) or a general average assessed value of 21½ cents per ton.

It is generally estimated that this enormous deposit of high grade iron ore will not be exhausted for from 40 to 50 years. Shipments from the iron ranges of Minnesota have varied in recent years from 18,000,000 tons in 1908 to 46,000,000 tons in 1916; the 1920 shipments was approximately 37,000,000 tons and the 1921 shipment was only about half this amount. The remaining tonnage in the Minnesota iron range was estimated by the State Tax Commission at 1,191,000,000 tons in 1907 and 1,311,000,000 tons as of May 1, 1921, sufficient new deposits of ore being drilled and proven to more than offset the amount of ore removed.

Approximately 95 per cent. of the iron deposits in the Village of Hibbing are held in fee or lease by the United States Steel Corporation (through its operating subsidiary, the Oliver Iron Mining Company); this corporation's principal ore reserve is in the Messabe field and the center of its operations is at Hibbing. Other companies operating in this district are the Inter-State, M. A. Hanna, Pickands-Mather, Todd-Stambaugh, Shenango Furnace and Midvale.

### ST. PAUL FEDERAL LAND BANK COMPLETES PERSONNEL

St. Paul, Minn.—Organization of the Federal Land Bank under the agricultural credits act of 1923, which requires a board of directors of seven instead of five, was completed at the bank offices at St. Paul June 4. Four of the directors are elected by the farm loan associations, as representatives of the borrowers, and three are appointed by the Government through the farm loan board. The four are B. F. Fast of Eau Claire, reelected, and A. C. Erickson, of Albert Lea, E. J. Van Leuven of Mount Pleasant, Mich.,

and Samuel Torgerson of Grand Forks. The three are E. G. Quamme, reappointed for a three year term as president; Paul A. Preus, reappointed for one year as treasurer, and H. K. Jennings, reappointed for a two year term as secretary.

### RECEIPTS OF COAL AT DULUTH

Duluth, Minn.—Approximately 1,600,000 tons of coal were received at the Duluth-Superior harbor last month, which is regarded as one of the biggest months on record by local marine men.

Last year when unusual circumstances led to enormous effort on the part of coal dealers and shippers to bring coal to the head of the lakes, a total of 1,771,535 tons was shipped up in October.

The larger part of the coal unloaded here last month was soft coal. A total of 179 vessels, averaging 8,000 tons of soft coal each, unloaded an approximate total of 1,502,000 tons. Last month twenty-four boats carried a total of 192,000 tons of hard coal making a total of 1,694,000 tons of coal received at the local docks in May.

The docks were ready to receive an enormous amount of coal because the stocks were practically dissipated due to the shortage last winter.

### NORTHERN PACIFIC GRANTS WAGE RISE

St. Paul—It has been announced that the Northern Pacific has reached a settlement of the controversy with its maintenance of way employees, whereby the latter will withdrawn their wage increase demands now pending before the Railroad Labor Board. Ten thousand men are affected and about \$3,000,000 will be added to the payroll of the company by the advances granted.

Typical prior wages and increases thereon include: Carpenter foreman, \$160 month, increase \$10; section foreman, \$100 to \$125 a month, increase \$6.84. Carpenters were granted an advance of 3¼ cents from the previous level of 57¾ cents an hour; track watchmen with one year seniority were increased two cents an hour; crossing watchmen, flagmen and gatemen one cent. Common laborers with one year of service were advanced from 37 cents to 39 cents an hour. As a result of a recent prior agreement all common labor in this department this season will receive 39 cents an hour, regardless of length of employment.

### NATIONAL RETAILERS' MEETING AT ST. PAUL

St. Paul, Minn.—The tentative programme of the National Retail Grocers' Association Convention at St. Paul on June 25 to 28 is out and presents a rather impressive list of speakers, covering a much wider range than customary. Every branch of the food business will be represented— assembling, manufacturing, distributing, even down to "getting the money," as will be shown by the cost accounting and credit men who are to speak. Among the more prominent are:

J. H. McLaurin, president American Wholesale Grocers' Association; W. W. Frazier, Jr., president American Specialty Manufacturers Association; Charles P. Whitman, president National Food Brokers Association; J. W. Herscher, president National Wholesale Grocers Association; Charles A. Clark, president National Coffee Roasters Association; James A. Anderson, president National Canners Association.

Hon. Cylde M. Kelly, member of Congress; W. P. McBain, general counsel National Association of Retail Grocers; Donald K. David, assistant dean, Bureau of Business Research, Harvard University; Sidney A. Linnekin, vice president Babson Institute; Thomas K. Kelly, banker and sales expert.

Windfield Hartzell, of Colorado; John Coode of Tennessee; E. S. Berthiaume, of Wisconsin; Ernest Buffet, of Omaha; T. Johnson Stewart, of Washington, and other leaders in the retail grocery trade will appear on the programme.

Fred Mason and the Governor of the State will be the speakers at the official convention banquet.



### Minnesota Federal Income Tax Returns of Individuals for 1921

The total number of Federal income tax returns filed by individuals throughout the United States reporting incomes for the calendar year ended December 31, 1921, was 6,662,176. The net income amounted to \$19,577,212,528 and the tax (normal tax and surtax) was \$719,387,106.

For the State of Minnesota the number of returns was 124,501 which reported net income amounting to \$340,833,699 and tax (normal tax and surtax) \$8,697,117.

As compared with 1920, the figures for the United States show a falling off of 597,768 or 8.23 per cent. in the number of returns filed, as well as a reduction in the total net income reported amounting to \$4,156,416,655, or 17.52 per cent. and a decrease in the tax (normal and surtax) of \$355,666,580 or 33.08 per cent.

For the State of Minnesota the falling off in the number of returns was 29,617 or 19.22 per cent., the reduction in the total net income amounted to \$112,378,542 or 24.80 per cent. and the decrease in tax (normal and surtax) was \$6,472,752 or 42.67 per cent.

The growth in the number of personal income-tax returns, as well as the expansion in the net income and the variation in the amounts of tax, for the period 1916-1921 for the United States and for Minnesota separately, can be visualized from the following tables, which show for each of the years the number of returns filed, the amount of net income and tax reported, as well as the average for each return:

#### United States

Year	Number of returns	Net Income		Tax	
		Total	Average for each return	Total	Average for each return
1916*	437,036	\$6,298,577,620	\$14,412.03	\$173,386,694	\$396.73
1917	3,472,890	13,652,383,207	3,931.13	691,492,954	199.11
1918	4,425,114	15,924,639,355	3,598.69	1,127,721,835	254.85
1919	5,332,760	19,859,491,448	3,724.05	1,269,630,104	238.08
1920	7,259,944	23,735,629,183	3,269.40	1,075,053,686	148.08
1921	6,662,176	19,577,212,528	2,938.56	719,387,106	107.98

#### State of Minnesota

Year	Number of returns	Net Income		Tax	
		Total	Average for each return	Total	Average for each return
1916*	7,556	\$93,201,384	\$12,335.00	\$1,553,282	\$206.00
1917	80,009	275,510,103	3,443.00	8,356,172	104.00
1918	84,515	291,074,629	3,444.00	15,262,760	181.00
1919	123,914	333,920,683	3,098.00	15,696,465	127.00
1920	154,118	453,212,241	2,941.00	15,169,869	98.00
1921	124,501	340,833,699	2,738.00	8,697,117	70.00

\*The figures for 1916 are from returns reporting net income of \$3,000 and over, whereas for the subsequent years the figures are from returns of \$1,000 and over.

#### Personal Returns State of Minnesota

Filed for the calendar year ended December 31, 1921. Distribution by income classes:

Income classes	Number of returns	Net income	Total tax
Under \$1,000	4,009	\$2,073,930	\$4,308
\$ 1,000 to 2,000	51,140	73,190,328	553,894
2,000 to 3,000	43,002	104,765,835	294,146
3,000 to 4,000	13,706	46,549,270	282,000
4,000 to 5,000	4,426	19,874,629	238,247
5,000 to 6,000	2,048	11,231,290	219,922
6,000 to 7,000	1,406	9,085,392	231,916
7,000 to 8,000	987	7,269,860	230,850
8,000 to 9,000	654	5,538,901	201,509
9,000 to 10,000	494	4,690,711	192,671
10,000 to 11,000	362	3,797,414	174,853
11,000 to 12,000	299	3,432,591	167,271
12,000 to 13,000	217	2,706,301	143,706
13,000 to 14,000	197	2,657,280	146,723
14,000 to 15,000	156	2,262,950	130,168
15,000 to 20,000	555	9,512,443	638,083
20,000 to 25,000	268	5,961,931	482,201
25,000 to 30,000	167	4,579,744	421,969
30,000 to 40,000	171	5,910,784	640,274
40,000 to 50,000	84	3,751,152	494,823
50,000 to 60,000	44	2,434,996	378,986
60,000 to 70,000	43	2,771,421	516,305
70,000 to 80,000	26	1,959,344	381,300
80,000 to 90,000	11	929,481	198,117
90,000 to 100,000	11	1,055,225	267,819
100,000 to 150,000	9	1,070,397	334,492
150,000 to 200,000	5	843,323	341,192
200,000 to 250,000	*3	*	*
250,000 to 300,000	*1	*926,776	*389,371
300,000 to 400,000	..	..	..
400,000 to 500,000	..	..	..
500,000 to 750,000	..	..	..
750,000 to 1,000,000	..	..	..
1,000,000 to 1,500,000	..	..	..
1,500,000 to 2,000,000	..	..	..
2,000,000 to 3,000,000	..	..	..
3,000,000 to 4,000,000	..	..	..
4,000,000 to 5,000,000	..	..	..
5,000,000 and over	..	..	..
<b>Total</b>	<b>\$124,501</b>	<b>\$340,833,699</b>	<b>\$8,697,117</b>

\*Classes grouped to conceal net income and identity of taxpayers.

### W. B. FOSHAY COMPANY BUY TRI-STATE UTILITIES

Purchase of the control of the Tri-State Utilities Company by the W. B. Foshay Company of Minneapolis has been announced by W. B. Foshay. General offices of the Tri-State Utilities Company, which operates in 38 towns in Iowa, South Dakota and Nebraska, will be moved to Minneapolis.

The company was started by Mr. Foshay in 1917 in Dallas and Winner, S. D. Illness forced him to sell two years later and the present purchase is the realization of plans he laid in 1917.

The company has total assets of \$1,102,607, including two waterpower and four steam and diesel plants and 350 miles of transmission line. It serves a population of 26,000 people.

A transmission line is being constructed to connect the Nebraska properties of the Tri-State Utilities Company with the South Dakota properties of the Minnesota Electric Distributing Company in the southwestern part of the state. Both companies are owned by the Foshay Company. The two utilities have a physical value of \$1,942,000, with total assets of \$2,460,000. They serve 84 cities and have more than 1,100 miles of transmission line.

### REGULATION OF INDUSTRY BY LAW

There is now altogether too much tendency here at home among our own people to force matters, to regulate and control by law every form of business activity rather than to leave things to follow their natural courses. Our country is too large for uniform regulations to be applied suc-

cessfully over every part of it. Uniform railroad rates are grossly unfair when applied equally in Maine, Pennsylvania, Florida and Wyoming, and this is true also of railroad wages. We have learned that we cannot by statute fix the price of wheat in Chicago and expect the same price will necessarily hold in the Liverpool market. Many persons would like to see even the rates of money regulated by statute. The tendency is always towards elaborate bureaus to be built up in Washington to control, regulate and direct the manufacture and distribution of all commodities.

This country developed through the free initiative of the individual. In transportation, coal mining and certain other industries, however, the limit of safety in individualism has been reached and the rights of the public have begun to suffer from such freedom of action, so that government regulation here becomes necessary, but this by no means leads to the conclusion that we will be better off if we have all our business activities under bureaucratic direction and control. In buying and selling both at home and abroad individual initiative and natural economic laws must be allowed free scope.—George S. Mumford, president Commonwealth Trust Company, Boston.

### MILCH COWS IN THE UNITED STATES

Washington—The number of milch cows on farms January 1, 1923, is placed at 24,429,000 as compared with 24,082,000 cows on farms January 1, 1922. To the average of these two figures is added 1,250,000 cows in towns, making a total of 25,505,000 milch cows producing approximately 103 billion pounds of whole milk or an average production of 4,020 pounds per cow. Average production per cow in 1921 was 3,945 pounds.



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## Chicago Strikes at Bucket Shop Evil

Chicago, June 5—Rather tardily, but no less effectively, Chicago financial interests have begun a campaign against bucket shops and fly-by-night banking houses which have been in operation during the past two years in defiance of the blue sky laws of Illinois, flagrantly fracturing the ordinances of the city and the legislative acts of the state until the monumental failure of Jones & Baker last week brought them into the limelight. Why the state and city authorities did not wipe out these cesspools of financial vice when the Kardos-Lawrence-McMasters group was dying by the roadside in 1921 and 1922 has not been touched upon by the authorities, but it is no less true that they were "catching suckers" by the carload in spite of the boasts of gum-shoe squads supposed to be wiping them out. But when Jones & Baker failed with liabilities approximating \$12,000,000, there was a sudden awakening in La Salle Street.

### Many Brokers Arrested

Subpoenas were issued for the following firms, all of whom have been more or less tainted with suspicion as they worked openly and flaunted their advertising to supply attractive bait for suckers:

H. P. Arthur & Co., 608 S. Dearborn Street.  
W. F. Bradley & Co., 220 S. State Street.  
F. R. Case, 29 S. La Salle Street.  
H. A. Conway & Co., 166 W. Jackson Blvd.  
Jones, Decker & Co., 66 W. Washington Street and 111 W. Jackson Blvd.  
Harry Donald & Co., 30 N. La Salle Street.  
J. W. Griffin & Co., 166 W. Jackson Blvd.  
Lawrence Harvey & Co., 17 N. La Salle Street.  
Hill & Co., 166 W. Jackson Blvd.  
Landis & Co., 10 N. Clark Street.  
Lea Fairbanks & Co., 166 W. Jackson Blvd.  
Lloyd Brewster & Co., 10 N. Clark Street.  
M. L. Mayer & Co., 166 W. Jackson Blvd.  
Penn Tobin & Co., 108 S. La Salle Street.  
Perdue & Co., N. Clark Street.  
H. L. Phillips & Co., 166 W. Jackson Blvd.  
Ryer, Whitney & Co., 181 Quincy Street.  
O. R. Scott, Inc., 111 W. Jackson Blvd.  
A. E. Slono & Co., 159 N. State Street.  
L. Slater & Co., 159 N. State Street.  
A. E. Truxell & Co., 309 S. La Salle Street.  
Warren, Lois & Co., 123 W. Madison Street.  
G. Joy Weiner & Co., 166 W. Jackson Blvd.  
Winton & Co., 166 W. Jackson Blvd.  
Victor Phillips & Co., 123 W. Madison Street.  
Young Commission Co., 11 S. La Salle Street.  
Zimmerman, Anderson & Carr, 111 W. Monroe Street.  
Charles Manney & Co., 123 W. Madison Street.  
J. J. Edwards & Co., 166 W. Jackson Blvd.  
Standard Securities Company. (Address not known).

While action was taken in Federal court for placing the Chicago office of the Jones & Baker brokerage firm in the hands of a receiver, detectives from State's Attorney Crowe's office visited two brokers' offices and seized books and records. The firms were the M. L. Meyer & Co., 166 West Jackson Boulevard, and C. H. Milton & Co., 209 West Jackson Boulevard.

All of the offices indicated hasty departure of principals and an endeavor to cover up their tracks by mysteriously disposing of their books and accounts. Some of them were working under false titles. Others apparently had no heads or basis for existing, and against many of them were lodged complaints that valueless securities had been substituted for good stocks and bonds after clients had been attracted by specious offers of ample security and liberal dividends. All told, over forty bucket shops have been working the susceptible public for the last cent without being disturbed by a constabulary which is supposed to be on the lookout for violators of the public's financial morals, and it was only when the Chicago Stock Exchange, the Investment Bankers Association and the Board of Trade brought their case before the state's attorney that action was taken. For many years The Commercial West has called attention to the slipshod methods of public prosecutors in taking the offensive against bucket shop keepers and plain, every-day cheats working under the guise of "investment bankers." Several years ago in this correspondence spades were called spades and names of get-rich-quick-Wallingfords were printed with the purpose in view of driving out the bucketeers, and the elimination of this coterie was accomplished for the time being, but the authorities did not believe in watchful waiting and when the bucketeers slipped back into Chicago they were not promptly apprehended and run out of town as they were in the neighboring city of Milwaukee, where an efficient police force keeps shady brokers on the move toward the city limits whenever they appear.

### Bond Market Improves

There is a better bond market in sight here. During the last week the buying by small investors reached a total of liberality and some of the larger buyers of bonds also took hold more freely whenever bargains appeared on the counters. This resulted in a hardening of quotations in spite of the weakness apparent in the stock market and it was largely due to the increase in the supply of idle money and lower rates of discount at which funds were offered to borrowers. Without a ready outlet over the counters, banker's began to buy bonds more freely in addition to making liberal purchases of commercial paper, using this means to take up the slack in the money market. Offerings of new bonds and notes were meager, amplified only by an emission of \$17,000,000 State of Illinois bonds, including \$10,000,000 of service compensation bonds carrying 4½ per cent. and \$7,000,000 of 4 per cent. highway bonds, the first-named being offered at prices to return 4.35 to 4.25 per cent. to the buyer and the last-named returning 4.25 to 4.20 per cent. The National Bank of the Republic was included in the syndicate which brought this state issue before the public, which liberally over-subscribed the amount shortly after the books were opened.

### Simmons Notes Placed

Then a syndicate including the Continental & Commercial Trust & Savings Bank and Halsey, Stuart & Co., brought out an offering \$10,000,000 Simmons Hardware 6½ per cent. notes maturing in ten years at 98 and inter-



est, yielding over 6.75 per cent. This emission also met with a prompt acceptance as the character of the parent corporation vouched for its liability in the immense commercial undertaking which is memorable for the fact that it is the largest jobber of hardware on this continent. Net tangible assets are \$19,629,982 and the net earnings on an average available for interest and Federal taxes have approximated \$1,355,000 annually. The organization authorizing this note emission owns practically all of the capital stock of the Simmons Hardware Company of St. Louis and other affiliated companies. These stocks have been deposited as collateral security for the \$10,000,000 note issue, the proceeds of which will be used to retire \$7,456,000 of 7 per cent. notes now outstanding and for other corporate purposes.

#### New Issues Scarce

Halsey, Stuart & Co., were included in a syndicate offering \$3,900,000 of Potomac Edison Company first mortgage 6½ per cent. bonds due in 1948 at 97 and interest, yielding 6.75 per cent. The company serves Cumberland, Md., and vicinity with electric light and power and also operates the street railway company. There was also offered \$2,250,000 Metropolitan Power Company 6 per cent. bonds at 96, \$3,500,000 Utah Power & Light 6s at 99, \$1,000,000 Ramsey County, Minn., 4¾ per cent. road and bridge bonds to yield from 4.60 to 4.40 per cent.; \$750,000 First Texas Joint Land Stock Bank 5s at 102¼, \$2,460,000 Winston-Salem 4½s, 5s and 5½s to yield 4.85 to 4.60 per cent., and an issue of \$4,000,000 of Central States Electric Corporation 7 per cent. notes at par by a syndicate headed by Dillon, Read & Co. Halsey-Stuart & Co. also brought out an offering of Wisconsin Power, Light & Heat Co. 6½ per cent. notes, yielding more than 6.75, at 99¼ per cent. to the investor. All of the common stock of this corporation is owned by the Northwest Utilities Company, a subsidiary of the Middle West Utilities Company.

#### Motor Issues Lend Rally

Stewart-Warner's rapid recovery and rise of 7½ points on the Chicago Stock Exchange last week stimulated business in La Salle Street, but it could not minimize the losses suffered elsewhere and the sluggish character of the Chicago investment market. There is no doubt but that the next dividend declaration of Stewart-Warner will be an expansion over the one previously announced and that a stock distribution may make this security all the more popular with the investing public. There were some betterments of 1 to 2 points in Borg & Beck, Bassick-Alemite, Hydrox, Great Lakes Dredge, Hayes Wheel, Union Carbide, and Yellow Cab, but Chicago Motor Coach, which moved upward with grandiloquence at its premiere a week ago, dropped back 12 points under rather free profit-taking. There was a sympathetic slip downward in Inland Steel when it was announced that Kuhn, Loeb & Co., came to the relief of a syndicate formed several months ago and had taken over all of the unsold portion of the \$10,000,000 of 7 per cent. preferred and 168,540 shares of common, the latter being taken at 40½. Eaton Axle directors announced the declaration of an annual dividend of \$2.60 a share, the dividend for the quarter being 65 cents, and the Wanner Malleable Castings Company placed its Class A stock on a \$2.50 dividend basis by the declaration of a dividend of 62½ cents for the quarter.

#### International Lamp Slumps

Meanwhile International Lamp continued sluggish and without a leader, again falling back. Concerning the criticism which appeared in this correspondence last week of the Chicago Stock Exchange governors for admitting this issue to the trading list, one member of the board has resigned and the remaining members show contrition of spirit. However, this tardy display of penitence does not reimburse the people who paid \$32 a share for the issue when it was brought out. Weakness on the New York exchange was sympathetically reflected in La Salle Street late in the week and yesterday all of the issues with the exception of Bassick-Alemite and Stewart-Warner displayed additional losses. United Light & Railways did not

respond to the declaration of extra dividends, and Boone Woolen Mills, which has been extraordinarily boosted here by pools, had displayed signals of distress and sank steadily. Listed bonds were quiet although a steady undertone was displayed by the tractions and other public utilities. Chicago City & Connecting Railways gained a point, although there are signs visible of an impending strike this week.

#### Tax-Exempt Issues Wanted

"The Chicago unlisted market has been comparatively steady throughout the week," said John Burnham & Co., in review. "The general tone of the market, however, seems to be firming up. Buying has been of an even nature, stocks, apparently falling into strong hands. There probably never has been a time when securities could be bought with less risk for summer holdings than at this time. The market after the few days of depression, is in a position to advance easily. Business reports continue good from the various companies whose stocks are traded in the unlisted market. The Illinois tax exempt preferred issues have been in fair demand. Buda preferred sold at 103, very little stock being offered. Hurley Machine sold at 110, no stock being offered at the close. G. A. Soden first preferred is in demand at 100 with no stock being offered. The Soden second preferred is quoted at 105 bid, offered for sale at 110. Stover Manufacturing & Engine Company preferred is slightly lower with 90 bid and no stock offered. Oscar Mayer first preferred sold at 93¼ without the quarterly dividend of \$1.75. The second preferred was in demand at 92 ex-dividend. Albert Pick has been in demand around 96, some stock during the week being sold as low as 94. Benjamin Electric first preferred is wanted at 104 with no stock being offered at that figure.

"With the common stock, Hurley Machine has been in strong demand at 45, sales being made as high as 46¼. Beatrice Creamery Common holds firm at 63 bid, stock offered for sale at 66. McCord Manufacturing Company common was slightly weaker, 4¾ being bid for stock and

(Continued on page 47)

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## Chicago Bank Profits Reflected in Shares

Chicago, June 5—Profits in the last year by Chicago banks are fully reflected in their enhanced book values and advances in the shares of the institutions ranging from ten to fifty points. Although interest rates have been lower than at any time in the last five years, the earnings of loop and outlying banks have been increased, owing to the amplification of borrowing by clients. This gain in the demand for money has been taken care of without inconvenience and rediscounts at the Chicago Federal Reserve Bank, which were a year ago down to about \$56,000,000, have since risen to \$100,000,000, but are now only about \$80,000,000 owing to the slackening in the movement of grain and live stock to this center and toning down of stock market operations. In the past year deposits have expanded \$219,305,000, but loans and discounts increased only \$113,837,000. Not only have the loop institutions profited liberally by the improvement in industrial and commercial business, but the outlying banks have prospered also, carrying nearly one-half of Chicago's total of \$564,000,000 in savings deposits and commercial deposits of about \$500,000,000.

### Armour Largest Stockholder

A compilation of the list of stockholders in Chicago banks shows that J. Ogden Armour, chairman of the board of Armour & Co., is still the largest individual holder of Chicago shares, owning \$4,715,000 in seven banks, compared with holdings amounting to \$390,400 more last year in ten institutions. Frederick H. Rawson, president of the Union Trust Company, has risen from fourth to third place with total holdings of nearly \$3,000,000 in three banks, and the Marshall Field estate, by increasing its holdings in five banks, is in fourth place, its stocks having a valuation of \$2,942,700. The McElwee family is fifth and James A. Patten sixth, his holdings in ten banks approximating \$2,300,000, while Albert W. Harris has fallen back to eighth place with holdings of \$2,000,000. The Edward Morris estate owns shares in seven banks valued at \$2,200,000, while Elbert H. Gary, who was in tenth place a year ago with holdings of 4,691 shares of Continental & Commercial shares, has, through the creation of trusts for the benefit of his grandchildren, cut down his quota to 2,481 shares. The Mitchells, Shedd, Fields, McCormicks, Blairs, Borlands, Hamills, Haskells, Hutchinsons, Pattens, Leiters, Keeps, Lawsons and Ryersons are the largest holders of shares in the Illinois Merchants banks. George Woodruff, by his purchase of 4,000 shares of the National Bank of the Republic, has become an important factor among Chicago bank stock owners and his presence on the official staff of the bank has largely contributed to the strength of the institution, which in another year will occupy the building in which the Corn Exchange National is now housed.

### Country Bankers Advised

J. H. C. Templeton, assistant cashier of the First Trust & Savings Bank gives some timely advice to outlying and country bankers relative to handling bonds and other investments. "In building up your bond account a proportion of your securities should run off in five years or less," he said. "By this method, as time goes on, there will be a portion of your bonds maturing at regular in-

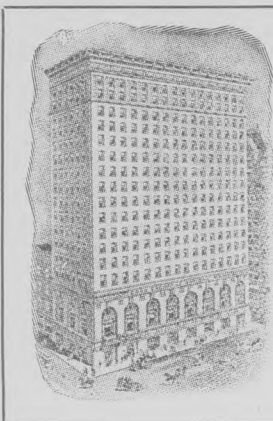
tervals. This will keep your bond account liquid. There can then be added bonds of longer maturity, but ready marketability, bought from time to time as the opportunity offers. Such a time occurred about eighteen months ago. Bonds purchased then could now be sold for considerably more than they cost and, in my opinion, unless the time is right, you should confine yourselves to short-time securities as it is the interest return you want and not to gamble in bonds. You will find the market price of a security, which is the consensus of opinion regarding that security, very accurately indicates its investment position. For this reason a periodical valuation of the entire bond account is vitally necessary. Any changes in prices can be noted and if, after making proper allowances for changing conditions, any unaccountable differences show up, these should at once be investigated and the cause ascertained through any high class investment house having the proper facilities. The big controlling force in the bond market is the loaning price of money. As money is needed for business it is slowly withdrawn from investment bonds. Banks that have been carrying blocks of securities find their customers' demands more and more insistent and finally part with their holdings. As this process becomes general, bids for bonds go lower and the decline goes on until the yield on securities is in line with what money can earn in other channels."

### Surplus Ratio Rises

Chicago banks are in a stronger position than they were a month ago and the Chicago Federal Reserve Bank fully reflects the changes which have brought about easier money conditions. Most commercial paper sold here last week was on the basis of 5 per cent., collateral loans ranged at 5¼ to 5½ per cent., and over the counter's loans were made from 5½ to 6 per cent. Some cream names continued to sell at 4¾ per cent., and bankers were generally willing to pay 5 per cent. for the signatures they preferred. The Chicago Federal Reserve Bank now reports its highest ratio of reserve to liability since last November, loans showing a reduction of \$3,224,000 for the week, bills bought falling off \$3,496,000 and total bills reflecting a shrinkage of \$9,918,000. Total deposits diminished \$11,670,000 and member banks' reserve credits were reduced \$13,850,000. Gold reserves expanded \$9,601,000 and total reserves were \$7,753,000 greater than in the preceding week. Note circulation increased \$5,630,000 to more than \$400,000,000 for the first time since early this year, and the ratio of reserves to liabilities rose from 81.4 per cent to 83.3 per cent. In the last week Chicago clearings increased nearly \$23,000,000 in spite of the holiday occasioned by the observance of Memorial Day, and they were also \$42,000,000 more than a week ago and \$140,000,000 in excess of 1921 for the corresponding week. As an indication of the strong growth in general business, May clearings were \$380,000,000 more than last year.

### Business out of Danger

"There has been a sufficient reduction in raw material prices in the last month," said David R. Forgan, president of the National City Bank of Chicago, "to show that the buying demand has become cautious and is governed largely by a recognition of the difficulties that may be



# The Corn Exchange National Bank

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encountered if the rise in wages continues unabated. There is an undoubted labor shortage, but the situation does not justify a rise in production costs such as could be borne only in a war market or under circumstances of national emergency. It is fortunate that the check has been applied at the psychological moment, when depleted stocks had been pretty well restored and the industrial output must be adjusted to day to day requirements. It is therefore probable that the danger point has been passed and the whole industrial situation made safer by a frank recognition that the pace was too rapid, and, if not checked, would bring about various troublesome complications. It is most difficult to force such a readjustment at a time when business is active and the nation's purchasing power very great, but the reaction was overdue and now that it has come the outlook is clarified and conditions have been greatly improved."

**McDougal Analyzes Conditions**

John B. McDougal, governor of the Chicago Federal Reserve Bank, finds that employment last month remained about the same as it had been in the two preceding months, after displaying large gains in the three preceding monthly periods. "Compared with a year ago," he said, "it increased 24.7 per cent., and some increases in the wage scale were also reported, but the average weekly payroll of reporting firms continued at about the same level as in March. The largest increase in payrolls was 20.5 per cent. in the contracting and building group, which also indicated a decrease of 1.5 per cent. in employment. In this district April business failures told of a reduction in the number compared with the previous month, but an increase of liabilities, which were about 63 per cent. heavier than in the month before. Savings deposits have mounted steadily upward and in the last year show a gain of about 11 per cent. for twelve months. Sales of agricultural machinery and equipment were 5 per cent. more than in the month before and also indicate a further gain for the first five months of the year compared with 1922. Production based on the average number employed was 67.7 per cent. of normal, against 66.4 per cent. in April, and shipments were equal to 95.9 per cent. of production, while unfilled orders continued to increase."

**Banks in Clearing House**

Greater safety for depositors and investors in Chicago bank stocks is now apparent in the enrollment of members in the Chicago Clearing House Association, which has been campaigning with remarkable success since the first of the year to obtain the admission of more outlying banks into its circle. There are now twenty-eight banks here completely organized under the control of the clearing house examiner and 116 outlying banks are affiliated members. They have no vote in the management of the organization, but they submit to the examination of the clearing house examiners whenever they are demanded. The conservative banking element here, which is largely in the majority, is a unit in expressing the belief that the complete analysis every bank is subject to under the clearing house system is the best antidote in the world against suspicion and is a sure cure for bad bank-

(Continued on page 49)

The Officers in charge of our *Banks and Bankers Department* have served the bankers of this country for many years and have developed a highly specialized Department.

The services of this Department and the advice of the Officers in charge of it are at the disposal of our correspondents.

*Accounts of Banks and Bankers invited.*

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# Question of United States' Recognition of Mexican Republic

From the Monthly Review of the Mercantile Trust Company of California

The question that apparently is uppermost in the minds of most thoughtful Mexican citizens today is that of recognition by the United States.

Every day fresh reports of the progress of the movement toward recognition are published in the newspapers of Mexico City and other cities. Mostly they are mere rumors, bearing some such heading as "Recognition Believed Nearer," but they are interesting as evidence of the apparently deep desire in Mexico for re-establishment of official relations between the two republics.

The writer was in Mexico only two weeks, and although unusual opportunities were provided for discussion of the Mexican situation with both Mexican officials and business men and Americans and other foreigners long resident there, the time was not adequate to permit the formation of independent judgment as to whether or not recognition at this time would be wise.

## Questions of Land Titles

It is obvious even to the most casual traveler in Mexico, however, that the first step toward solution of that country's problems, domestic as well as international, must be full recognition of property rights. Property rights are not now clearly defined; there is no assurance that the landowner today will be a landowner tomorrow; and this is true of Mexican citizens as well as foreigners.

Of course, confiscation of property—as by the application of the agrarian laws, for example—has not been carried out to any great extent in most parts of the country. But the point is that as long as there is no clear definition of the rights of private property the possibility of confiscation exists.

That is why a man owning, by title handed down for generations, one hundred thousand acres of productive land, cannot borrow 5,000 pesos with his land as security. That is why, in a land of great agricultural possibilities, hundreds of thousands of acres of land are lying idle; the landowner is unwilling to incur the expense of cultivating crops when his land may be taken away from him before the harvest.

Article 27 of the Carranza constitution of 1917 commonly is blamed for the situation. The agrarian laws, which provide that the Government may seize farm lands and redistribute them among the peons, and the questions of title to mining and oil claims, have arisen from this article of the constitution.

The Supreme Court of Mexico is said to have ruled five times that provisions for the confiscation of subsoil rights acquired before the constitution was adopted cannot be made retroactive, and five such rulings are considered as final. The Mexican Government has specifically ruled that the article does not relate to titles acquired prior to May 1, 1917. Nevertheless Mexicans and foreigners alike are uncertain, and their uncertainty has served to retard progress.

## Application of Agrarian Laws

Early in May an agrarian congress was held in Mexico City. It was attended by more than a thousand farmers, representatives of some 2,000,000 peons. Press dispatches said the opening speeches of leading delegates expressed the determination of these men to obtain a patch of land for the head of each family—and a rifle to defend the property.

A large part of the most desirable land in Mexico is held, and has been held for generations, in large parcels running into hundreds of thousands and even into millions of acres. This is the land from which the small farms demanded by the peons must be provided. And it was the original purpose of the agrarian laws, carried out to some extent in some parts of the country, to obtain these small farms by "buying" the property from the large landowners, with or without their consent, payment being made in bonds. There are notable instances of payment in cash, but these are few.

Such administration of the agrarian laws as there has

been has admittedly been unsatisfactory, to the government and the peons as well as to the landowners. The government plan of distribution of land has fallen far short of producing the desired results.

In the first place, the average peon has neither the capital, the experience in management nor the inclination necessary to make a small farm support him and his family and at the same time return economic benefits to the country. He wants the land, but does not use it efficiently when he has it.

## The Peon and His New Farm

The first problem that confronts him is how to live, even at the surprisingly small outlay that supports a Mexican peasant family, while his crop is maturing. He has no capital and no means of borrowing. He must work for wages or subsist on the earnings from odd jobs. He cultivates only enough of his five or ten acre tract to raise enough food for himself and his family, and the rest is wasted.

The peon has been a farmer for centuries, and does the work admirably—under direction. But he has always taken orders from someone else, and farming on his own account is beyond him.

Application of the agrarian laws has not been very widespread, and it is common talk in Mexico City that in some cases efforts to confiscate and distribute lands have been frustrated by armed resistance organized by the landowners. It is not the extent to which seizure has gone, but the extent to which it might go that is the great disturbing factor in Mexico.

The same Article 27 of the constitution has caused confusion as to mining rights. Among mining men, however, there is evident an increasing confidence that operations may be resumed without much danger of interruption, and this is reflected in plans to restore production in properties that have been idle or virtually so since the revolution.

Titles to a large number of the smaller mining properties in Mexico have lapsed since 1912, and others suffered destruction of plants and mills during the disorders. Restoration of mining to the prerevolutionary scale therefore will be beset with many difficulties and complications, legal as well as physical.

Toward many of the mining companies that suspended operations in the second decade of the twentieth century, Mexican and foreign alike, the Obregon government has taken a broad, liberal attitude. In point is the case of an English company whose properties were destroyed and which, perforce, abandoned operations. The company was unable to pay taxes over a period of years, and its title was declared forfeit. On appeal to the President, the title was reinstated, time for the payment of taxes was extended a year, and arrangements were made to make good the damages suffered in the revolution.

Among the handicaps that the mining companies now planning to restore operations must bear are a shortage of trained labor and increased costs of labor, material and transportation. Transportation facilities throughout Mexico have improved vastly in the last year, however, and the extension of the line of the Southern Pacific Company of Mexico so as to connect the United States, by way of Nogales, Arizona, with Mexico City, via Guadalajara, will be of immense benefit.

## Rail Line to Help Mexico

Under arrangement with the Mexican government, the Southern Pacific is already beginning construction of the 85-mile stretch of line south from Tepic, in the west coast state of Nayarit, that will connect with a line running north from Guadalajara and fill the last gap in direct rail connection between the west coast of the United States and Mexico City.

This road will tap rich mining and agricultural lands that have long been handicapped by lack of adequate transportation facilities. It will give to western Mexico two outlets for its products—the United States and the interior of Mexico.

Commercially, Mexico is handicapped by lack of bank-

ing and credit facilities. Many houses also complain that the commercial law of the nation needs revision. A small example of present restrictions is the law that requires that an employe discharged for any reason except proved dishonesty receive three months' pay from his employer.

#### Credit Scarcity Hurts Business

A series of bank failures in Mexico City and other cities recently did not serve to improve the banking situation. Credit in the American sense of the word is virtually unknown outside a few exceptional cases, and firms with borrowing ability almost invariably find they can obtain money cheaper in the United States. One reason for the credit scarcity is the Mexican law requiring banks to keep a 50 per cent. reserve against deposits. Deposits are small, the amount of money available for loans is restricted, and interest rates, even when credit is offered, are so high as to be prohibitive to commercial borrowers.

As far as may be judged after a necessarily short examination, the Mexican "state of mind" is fundamentally sound. There is evidently a sincere desire to do everything necessary to a restoration of prerevolutionary stability and prosperity. Certainly most of the country has had enough of revolutions.

Mexico is lacking in good roads, in "feeder" railways, in sanitary arrangements, in schools, in hospitals and in many other facilities that would be regarded as essentials in some other countries. It suffers the great handicaps that are inevitably consequent upon widespread illiteracy. Thorough education of two generations would revolutionize the country without disorder or bloodshed.

Despite its handicaps, however, Mexico is fabulously rich, and its riches have scarcely been scratched. It needs foreign capital for its development, and once proper safeguards have been assured it will get foreign capital. Even now the movement is beginning. The effect on every phase of national life will be salutary.

#### THE BULL'S EYE

(Continued from page 9)

would take the one I had at about the age twenty-one, that is to say the fourth suit. That, as I remember it, was much handsomer than the one in which I shall die. But thus far I have had to take no anxious thought as to the body I wear. He who has given me these successive bodies, I believe, will be pleased to give me the best I deserve in the world to come, and that will be plenty good enough.

Believing things like this does not necessarily make people better behaved or better willed. Some of the most disagreeable and unsatisfactory respectable folks I have ever known, believed in all these tenets with a stone-blind and pig-headed faith.

God who made the hearts of men also made their brains—brains to search for the truth; hearts to believe it, and love it. One has just as much right and duty to ask questions of the Bible as of any other book. The Bible invites questions. It can stand all sorts of research. If a church has a right to establish a creed ("Credo," meaning "I believe") so has an individual, for an individual is the only entity that can believe. A church cannot. Moreover the Bible is a direct appeal to the individual. It has nothing to do primarily with churches. It was written to convict men of sin and to show them the way back from sin to righteousness. It is every man's privilege then, to examine the Bible for himself, and to say after examination, "I believe," or "I do not believe."

Christ's creed was very brief—"And behold a certain lawyer stood up and tested him, say, Master, what shall I do to inherit eternal life? And he said unto him, what is written in the law; how readest thou? And he answering him said, Thou shalt love the Lord thy God with all thy heart and with all thy soul and with all thy strength and with all thy mind, and thy neighbor as thyself. And he said unto him, Thou hast answered right. This do and thou shalt live."

Dr. Harry Emerson Fosdick is only repeating What Our

(Continued on page 47)

## Meeting the Growing Needs of the Great Middle West



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**Petroleum Resources of the Northwest**

From the Northwestern National Bank Review, Minneapolis

The development of the petroleum resources of the plains east of the Rockies has gradually pushed northward during the past few years, beginning in Texas, extending to Oklahoma, then to Wyoming, and now to Montana. The latest field proving to be commercially profitable is situated just below the Canadian line. That it extends across the border the Canadians are anxious to prove, as their country is dependent for petroleum almost wholly on imports. As with the coal deposits which extend across the international boundary to such a magnificent extent, so it may be with petroleum. Drilling in Alberta is going forward near the Montana border, and many believe that the discovery of oil is but a question of time, while a well which is already producing in small volume in a field which may prove profitable is situated just below the Arctic Circle. Numerous promising fields are being explored in the territory between these extremes. The possible additional northward stretch of the advancing line of wells that already extends from Mexico to Montana, is therefore enormous. The distance from Coutts, Alberta, to Fort Norman, in the Mackenzie district, which are the prospective southern and northern ends of the Canadian section of the chain, is about the same as that from New Orleans to Winnipeg.

**Oil in Canada**

Although indications of the presence of oil throughout western Canada are frequent, drilling has not yet been carried on in any field in the intensive way that is common on the American side of the boundary. The Monetary Times of Toronto summarized the 1922 situation by stating that "at the end of 1922 there were distributed over the entire vast area from Montana to the Arctic Circle, a total of 60 drilling tests, most of them relatively inactive. Far more extensive drilling will be required to prove or disprove definitely the existence of commercial oil. The only real approaches to oil production have been found in two areas: the Fort Norman district, close to the Arctic Circle, and the Okotoks field, southwest of Calgary." As a matter of fact, comparatively few wells have yet been completed. In a large majority of cases, according to Prof. John A. Allan, of the Alberta University, drilling has stopped before possible production horizons were reached. Difficulties encountered are said to be greater than on the American side, and in the far north they assume heroic proportions. The Imperial Oil Company, a subsidiary of the Standard Oil Company of New Jersey, has been most active, and is carrying on valuable exploratory work. It expresses itself as "naturally disappointed, but not wholly discouraged," and as "losing a great deal of its original optimism, but not altogether without hope." "One thing is clearly established," this company asserts, in a statement that has the ring of a pledge, "and that is the necessity of carrying on the work until the last possibility has been tested, and a definite conclusion reached." The Imperial Oil Company is now building a refinery in Calgary at a cost of \$2,500,000. The work is well under way and the plant should be in operation by fall. The crude oil will come from Montana, as well, of course, as from whatever Canadian sources are available.

That oil in commercial quantities will eventually be found is the common belief of our western Canadian neighbors. Drilling has been most extensive in Alberta, where operations in 1922 were conducted in several fields, but boring has also been carried forward in the Mackenzie district, in the railway belt of British Columbia, in Saskatchewan and Manitoba. Although oil has been elusive, what is characterized by the Government News Bulletin of Alberta as "one of the greatest gas fields of the world," the output of which amounts to 180,000,000 cubic feet a day, has been developed in that province. This gas is used for domestic and industrial purposes in many of the towns and cities of southern Alberta, particularly in the cities of Medicine Hat and Calgary. Seventy miles southeast of Edmonton there is a group of gas wells with a capacity of more than 32,000,000 cubic feet per day, from which the city of Edmonton expects to be supplied. In central-eastern Alberta, situated on a major structure known as the Irma-Viking-Birch Lake monocline, several wells are being drilled for oil. Gas has also been encountered here, in an Imperial Oil Company well which gave a tremendous flow. A similar flow was encountered in the Pouce Coupe district on the western boundary of the province. In the Okotoks or Turner Valley field, 35 miles southwest of Calgary, in the foothills of the Rockies—one of the two "only real approaches to oil production" in Canada—there is a good production of wet gas from which gasoline is extracted at the rate of some 1,500 gallons a day. "These wells," a Calgary correspondent informs us, "are more than 3,000 feet deep and drilling is being continued in them in order to get down to the oil which, it is estimated, will be found at a depth of about 4,000 feet."

The most excited recent attention, however, has been given to the Sweetgrass-Coutts district in Alberta, near the Sunburst-Kevin field of Montana. A great number of claims have been taken up and a certain amount of drilling has been done. No definite favorable results have yet been reached but quoting from a communication from the Canadian Department of Mines, "it is probable that sufficient work will be done in this area during the summer of 1923 to decide definitely whether the Montana field extends northward into the province of Alberta. In the opinion of Mr. A. W. Dingman, an oil expert who is thoroughly well acquainted with conditions in the Province, the bringing in of but one well of modest volume of production would make "available the financial factor which alone is required to make Alberta an oil producing area of world-wide importance." "Altogether there are about forty wells (in Alberta) at which active drilling operations are being conducted," writes a Canadian banker, "and it is confidently expected that oil will be got in large quantities at some of these wells if drilling is continued to the depth at which geologists say oil bearing sands are situated." Another banker states that "there is no doubt that the large oil companies feel confident that Alberta will eventually be one of the big producing districts."

South of the line in the Sunburst-Kevin field there are about 45 producing wells with daily production ranking

from a few barrels to about 1,000 barrels each. In the Cat Creek field in central Montana the production in April was running about 7,000 barrels a day, and sometimes higher.

### American Institute of Banking Annual Convention

The Twenty-first Annual Convention of the American Institute of Banking will be held this year at Cleveland, July 16-20.

The Institute was organized at Cleveland in 1903 and this year's meeting will be in the nature of an anniversary celebration. An effort is being made to get to Cleveland for the convention all of the men who pioneered in the organization. D. C. Wills, chairman of the board of the Federal Reserve Bank of that city, and one of the Institute's organizers and staunch supporters, is chairman of a Pioneers' Committee. The Bankers' Club of Cleveland will tender a banquet in their honor during the convention. J. H. Puelicher, president of the American Bankers Association and himself a pioneer, will be one of the speakers.

Invitations to attend the convention are being broadcast literally as well as figuratively and more than 2,500 delegates are expected to attend from all sections of the country. Advance reservations are the largest in the history of the Institute.

Tuesday morning the first general session will be held in Engineers' Hall. Carter E. Talman, president of the institute and assistant cashier of the American National Bank, Richmond, Virginia, will preside. This will be followed, starting at luncheon, with departmental conferences continuing through until 4 o'clock. These conferences are a feature of institute conventions and cover all phases of banking and finance. The arrangements for these conferences, which are held each day, will be in charge of H. B. Reed, Union Trust Company, Pittsburgh, Penn.

Tuesday evening the annual debate will be staged in Cleveland's new public hall. It will be preceded by an organ recital and followed by an informal dance attended by delegates and Cleveland bank people.

Wednesday plans call for an all-day outing and boat trip to Cedar Point, four hours' ride on Lake Erie from Cleveland.

Thursday morning, presidents of the Institute's 140 chapters hold a conference and discuss local chapter problems. The women of the convention have a breakfast and get-together meeting. In the evening the delegations caucus and select the candidates they will support for office in the Institute for the coming year.

Friday, the last day of the convention, is featured by the annual election of officers and business session. A farewell ball will be held at Hotel Cleveland in the evening.

The Institute has more than 54,000 members in 140 chapters in cities from coast to coast. It was organized as the Educational Section of the American Bankers Association.

### FINANCING OF CORPORATIONS DURING MAY

New York—Corporate corporations in new financing in May made a grand total of \$348,220,300, according to a compilation made by the Journal of Commerce. This sum is \$52,479,850 less than the total of \$400,700,150 of May, 1922. The decline was most noticeable among industrial bonds of which only \$86,916,000 are recorded for May, 1923, as compared with \$247,181,000 a year ago. Bankers consider this difference results from a smaller need for new capital as contrasted with the requirements in May, 1922, in the beginning of the business revival. Industrial stock issues continued to exceed the amount for the corresponding month last year.

Railroad issues made a notable increase. The total for last month is \$80,311,700, a gain of \$50,817,450 over May, 1922. The increase in railroad notes, which amounted to \$55,047,000 issued compared with \$3,900,650 in May last year, reflects the purchase of equipment by the carriers, a policy which is expected to continue.

The grand total of new financing since January 1 is \$1,806,965,500, an increase of \$264,933,920. Reliable es-

timates indicate that about 35 per cent. of the former sum was necessitated by refunding operations. Recent tendencies toward easiness in the money market encourages bankers to expect a moderate amount of new flotations, especially in foreign issues, as current American money rates are less of a handicap in international financing than they were a short time ago.

### WARRANTS ISSUED FOR TWO WISCONSIN BANKERS

Lancaster, Wis.—A shortage has been discovered in the People's State Bank here, which was closed June 2, according to C. Edwards, state bank examiner. He did not make public the amount missing.

Warrants were issued June 4th at Madison by the state banking department for the arrest of L. A. Clark, vice president and J. Harold Pugh, cashier of the bank, according to Dwight T. Parker, commissioner of banking.

Both Clark and Pugh are said to have absconded.

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## Labor in the Banking Business

George Soule of the Labor Bureau, Inc., in the June Number of the Atlantic Monthly

Will the entrance of labor organizations into banking convert unions into capitalists or will it convert capitalism into something different, something more in accord with the aspirations of labor?

There are now no less than 11 banks in various sections of the United States a controlling interest in which is owned by labor organizations or their members. Their combined resources amount to many millions. About 10 more banks of the kind are definitely projected. The Brotherhood of Locomotive Engineers Cooperative National Bank in Cleveland is said to have received requests for advice on the possible establishment of labor banks in no less than 62 cities in 32 states. This institution, established in 1920 with a capital stock of \$1,000,000, now has resources of \$20,000,000. The first labor bank to be established was the Mt. Vernon Savings Bank in Washington, D. C., in which the International Association of Machinists and its members own a controlling interest. Its paid in capital is \$160,000, but from this modest beginning its resources have grown to over \$2,700,000. In 1922 the Amalgamated Clothing Workers of America opened the Amalgamated Trust & Savings Bank in Chicago, receiving deposits of almost \$1,500,000 in its first nine months.

### Organization and Policies

Not all these banks are organized in the same way or are following precisely the same policies. But there is general agreement upon certain essentials. In virtually all cases either the central organization of the union or a group of its members, or both, own a majority of the stock. In almost all cases the board of directors contains, in addition to union representatives, practical business men who combine knowledge of the business world and of banking with sympathy for the union point of view. In all cases the salaried officers and staff consist of trained bankers.

Most of the banks are organized with at least some concessions to the principles of Rochdale consumers' cooperation. Dividends to stockholders are limited in most cases to about 10 per cent.; profits above this are shared with the depositors. It has been the policy to attract as wide a circle of depositors as possible, and in few, if any, of the banks are a majority of the depositors members of the controlling organization. The special inducements to small depositors mark the first break with tradition in the practice of the new banks. This is a shrewd policy for numerous reasons. In the first place it is good advertising and is calculated to attract a large volume of deposits within a short time. In the second place it increases the factor of safety by avoiding the possible danger of placing the bank at the mercy of a few large depositors, who might be caught in adverse commercial current or might wish deliberately to injure it. In the third place it relieves the bank of the peril which might otherwise appear in case it were necessary suddenly to withdraw the funds of the union or its members for use in a strike or lockout.

Aside from the theories about labor banking, it is enlightening to look into the immediate causes which prompted unions to enter upon these enterprises. Too often the person who has not known the union movement at short range thinks of it as a mass of untutored workmen under the control of unstable or even vicious agitators. As a matter of fact, most of the higher union officials are extremely able, practical men, who are entrusted with the duties of daily administration in a large organization which frequently combines the activities of an insurance company, a publishing staff, an organizing staff and other businesses aside from the peculiar trade union functions of representation and negotiation in active disputes. These men are accustomed to handling for their organizations large sums of money and are as familiar with banking processes as the average business executive. The advantage of owning one's own depository is just as obvious to them as it has been to the heads of large industrial corporations who have acquired control of banks in the past. Why should a national labor union, regularly depositing some hundreds of thousands of dollars, allow its balance to be in the hands of men who might, and sometimes do, aid employers who are hostile to the union? Why should not this money be put to work in ways which would be of help to the members of the organization? With this balance as a nucleus, could not the confidence of the man with a small income be so enlisted as to tap entirely new fields of savings which the purely commercial banks have not attracted?

### Must Conform To Banking Laws

Rapid as is the growth of the labor banks they cannot for a long time, if ever, achieve a sufficient control of credit to accomplish any of the more ambitious aims which may theoretically be possible. For the time being they must nourish their growth within the industrial and financial system as it is; they are subject to the banking laws; they must, if they are to compete with other banks, practice banking based upon an order which permits the profitable and safe investment of capital. Only as they can, little by little, seize upon and put into effect principles which may modify the present structure in detail, principles which offer even a sounder development than is attained by the non-co-operative banks, can they prosper and grow.

One of these principles is the cooperative plan of sharing profits with depositors. Another is what a private banker would call extreme conservatism in loaning policy. The labor banks are not likely to be parties to speculative ventures in private interest; they are not likely to look for profits at the expense of safety. The tendency as so far developed is to lean over backward in refusing loans for business enterprises where there may be a risk and, on the other hand, to purchase the safest of bonds and issue notes only on the highest security. Since the stockholders are not looking for large profits, but rather for safety and the opportunity for service, the temptations of the more

commercial banker are reduced. The result of such a policy is naturally to encourage stability in industry and to turn the investors' money into channels where the larger profits are not realized.

**Labor Policy of Borrowers**

Naturally, the labor banks will be interested in the labor policy of the business enterprises to which they loan or in which they invest. They will be quick to detect the financial insecurity which is likely to accompany hostility to organized labor, and will favor those establishments which have by an enlightened policy insured themselves against aggravated labor trouble. They certainly will not lend money to any employer who is wasting his resources on detective agencies and an anti-union war chest. On the other hand, the employer whose policy is approved by organized labor will be made more secure by any financial interest which labor's banks may take in his business. In this respect the loaning power of the labor banks is probably sounder than that of the ordinary commercial money lender.

**Probable Lines of Development**

It is probable also that the labor banks will develop funds for many non-commercial enterprises which have a wide basis of safety but do not offer a large enough prospect of profit to attract money in a competitive market. Cooperative housing, for instance, is sorely needed in industrial centers, but it is an enterprise which can be undertaken to best advantage only on a large scale. The cooperators cannot themselves as a rule finance a large scale operation—there is needed the reservoir of credit and of managerial ability to start the development in a proper way. Here is a tremendous field for the labor bank. There are possible numerous types of insurance benefiting wage-earners which the banks may encourage. Credit unions offering small personal loans on personal security are capable of more development. Other cooperative undertakings, established on a sound basis, will naturally make use of the labor banks.

**An Eastern Banking View**

According to the facts and figures made public by the Federal Reserve Bank of New York in its current monthly review of business conditions there is no serious recession either of business or credit. Enough reaction has occurred to cause some serious thought, especially with regard to the future development of prices, but that is about all. There is still abundant activity at many plants and banks have in most parts of the country active demand for their resources. Money rates in this section are easier rather than higher, and there are other indications that no stringency need be anticipated.

All this is favorable; and there is no good reason to doubt the survey of conditions thus carefully and truthfully set forth. The regrettable aspect of the case is found in the circumstances that there is so little to indicate an active share on the part of the Federal Reserve System in any phase of general credit and banking development. Much might be done, or might have been done, in the direction of leadership of the community, both with regard to interest and discount rates as well as with respect to the volume of credit and the movement of prices.

This, of course, is a matter pertaining directly to the central management at Washington, but the situation is clearer and clearer with each issue of information on the current situation by Federal Reserve banks. The recent upward movement of credit and business and the present backward movement in the same fields have taken place without much, if any, participation by the Federal Reserve System. Whether this is a state of things that coincides with the proper conception of a central banking system is a question which may well receive thoughtful attention from our bankers and financial thinkers.—An editorial from the Journal of Commerce, New York.

**REPAYMENTS TO WAR FINANCE CORPORATION**

Washington—From May 16 to May 31, inclusive, the repayments received by the War Finance Corporation on

account of its advances for agricultural and live stock purposes totaled \$3,679,957.

The repayments received by the corporation from January 1, 1922, to May 31, 1923, inclusive, on account of all loans totaled \$235,321,347.

From May 16 to May 31, 1923, inclusive, the corporation approved 37 advances, aggregating \$695,000, to financial institutions for agricultural and live stock purposes.

**Certified Valuations**

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Single \$3.00, Double \$4.00	
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## Farm Mortgage Service

The SOUTHERN MINNESOTA JOINT STOCK LAND BANK operates exclusively in the corn belt districts of Minnesota and South Dakota, and is daily giving farm mortgage service to the bankers and farmers of its territory.

All loans are closed through banks and a reasonable commission is paid to correspondents for the business.

### SOUTHERN MINNESOTA JOINT STOCK LAND BANK

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Authorized to do business in Minnesota and South Dakota.

**Capital Stock \$1,250,000.00**

**Total assets in excess of \$19,500,000.00**

## History of Early Banking in North Dakota

Samuel Torgerson, Cashier of the Northwestern National Bank of Grand Forks, reprinted from Quarterly Journal of the University of North Dakota

North Dakota has more banks per capita than any other state in the union, in spite of the number of banks that have been closed the last two years. In the early days, before the boom, banks were rather slow in appearing and seemed to await the establishing of other lines of business when there would be a legitimate demand for them.

Fargo, for instance, was founded in the early '70s and rapidly grew to a business point of some importance, but there was no bank, properly so-called, until 1878, when the First National Bank was organized.

#### First Bank at Bismarck

The city to which the honor of having the first bank in the state must be accorded, is Bismarck. In John J. Knox's "History of Banking," in the chapter entitled "Western Banking," is a subdivision referring to North Dakota from which I will quote as follows: "The first person to engage in the banking business was in all probability J. W. Raymond, who commenced business July 3, 1873, in Bismarck. \* \* \* Later Mr. Raymond associated himself with George H. Fairchild, and under the title of what was the only bank in what is now North Dakota for a considerable period." In 1878 the above partnership was dissolved and Mr. Fairchild, who was the son of the president of Oberlin College, opened the Merchants Bank, and a year later, together with Walter Mann of St. Paul, organized the First National Bank of Bismarck which was the second national bank organized in the state.

Mr. Raymond continued the Bank of Bismarck until 1882 when he organized the Merchants National Bank. This was liquidated in 1889 and succeeded by the Bismarck Bank under the management of Capt. I. P. Baker, who has been connected with the bank ever since. Mr. Raymond was treasurer of the Territory of Dakota for one term.

#### Mellon, Once a North Dakota Banker

As to bank conditions in Bismarck in the early '80s, I wish to quote from a letter of Mr. J. L. Bell, vice president of the First National Bank of Bismarck.

"In the boom of 1883, there existed a speculative mania quite unparalleled in western history. There were five banks doing business in the City of Bismarck: the First National Bank, the Capitol National Bank, the Merchants National Bank and T. Mellon & Sons Bank."

It is of special interest to note that the present secretary of the treasury, Andrew W. Mellon, was at one time interested in the banking business at Bismarck. Let me again quote Mr. Bell: "T. Mellon & Sons Bank was opened in the fall of 1882 by Thomas Mellon of Pittsburg, the original founder of the present Mellon National Bank, and was directly under the control of R. B. Mellon, now the president of that big Pittsburg institution. During the time the present secretary of the treasury, Andrew W.

Mellon, was an occasional visitor here and presumably interested in the bank."

#### First National Bank at Fargo

As stated above, Fargo has the honor of having started the first national bank in the state, that being the First National Bank of Fargo. This has from the very beginning been the largest banking institution in the state and has maintained this prestige during good times and hard times.

Prior to statehood, many private banks were organized, but the first state legislature abolished private banking.

The first bank organized in Grand Forks was on August 29, 1879, when S. S. Titus and J. Walker Smith opened for business as the Bank of Grand Forks. In 1881 they incorporated as the Citizens National Bank of Grand Forks and in 1890 changed the name to the National Bank of Grand Forks.

The first bank established in Wahpeton was the Richland County Bank in 1881. The next year the Bank of Wahpeton was established and the following year the Northwestern Bank.

The first bank established in Jamestown was in 1881 by William M. Lloyd as "Lloyd's Bankers," later nationalized as Lloyd's National Bank. In 1882 the First National Bank was organized, the following year the bank of Dakota, and the next year the Jamestown National Bank. All were forced to liquidate, some due to the panic of 1893, and some to other causes. The James River National Bank, organized in 1881 by E. P. Wells, has weathered all panics and crop failures and has been in successful operation ever since its organization.

#### Banks at Valley City

Valley City beat Jamestown by about a year in the establishment of banks. In 1880 Chas. F. Kindred and Herbert Root organized the Valley City Bank, which was the next year converted into the First National Bank of Valley City. In 1882, Mr. Root withdrew from the First National Bank and organized the Farmers and Merchants Bank of Valley City.

The first bank at Mandan was the predecessor of the present First National Bank, which was organized in 1881 and for some years was the only bank in the state west of the Missouri River. It served a vast territory, extending 200 miles west and 100 miles north or south.

From 1882 up till statehood most of the towns in the Red River Valley and some outside of the valley had one or more banks established and most of these banks are in operation today. The principal ones were located at Hillsboro, Mayville, Grafton, Lakota, Hope, Cooperstown, Devils Lake and Minot.

#### Banking Methods Different from Now

The banking methods of those early days differed much

from our modern methods. These were the days before the adding machines, posting machines, typewriters, addressographs, etc., were in use. As a result, all the work had to be done by hand and it took two or three people to do the work that is now done by one man, or by a young lady. The depositors in the banks were small so that the banks did not have much money of their own to loan. The local banks often acted as brokerage offices for other banks or individuals who had money for investment at high rates of interest and to get any profit on the business they had to charge the contract limit of twelve per cent. and a bonus of ten or more per cent. on money thus loaned.

#### "Frenzied Finance"

North Dakota had its experience of "frenzied finance" in the early days. A man named E. Ashley Mears came into the state to organize a string of banks. He opened the National Bank of North Dakota at Fargo, and then established banks in several smaller towns. The business of these banks was not primarily to accept deposits and make short time loans, but to engage in the mortgage loan business. In those days many took claims and proved up in the shortest possible time and then proceeded to sell the land by making as large a loan as possible on it. Mears would make such loans and sell the mortgages in the East. He did a big mortgage business for a few years, but in the panic of 1893, his banks failed.

Mears disappeared. Some years afterwards, we read in the newspapers about a man of the same name who had been arrested in the State of Washington. He had worked the same game and was convicted and made to serve a few years in the penitentiary.

### Excess Gold in the United States a Financial Problem

New York—The administration of our excess gold fund constitutes our greatest unsolved financial problem, according to Dr. Henry A. E. Chandler, economist of the National Bank of Commerce, in the June issue of "Commerce Monthly."

"The present hesitation in our business movement coming so suddenly upon our recent rapid expansion is an example of the kind of uncertainty that is inevitable, so long as the basic factor in our credit situation is so abnormal in character. Unless we can once more bring into operation the automatic system of credit regulation that prevented abnormal credit disturbances before the war, we must construct a new gold policy.

"Ever since the close of the war hopes have been entertained that some means would be found whereby this excess gold could soon be returned to Europe. However, it must now be admitted that in the present international situation there exists no basis for the confident expectation that we shall soon be relieved of our disturbing excess of gold.

"The breakdown of the old automatic system has thrown upon the Federal Reserve System a responsibility never contemplated by its founders. This system presupposed the working of normal forces that automatically adjusted the greater dislocations in the credit mechanism. No central bank has ever been called upon to face the particular problem now confronting the system.

"In expressing our Federal Reserve ratio we treat the entire amount of gold in the system as if it all possessed the same character. This is clearly misleading. Our present gold holdings are made up of three funds. The first represents the portion that normally belongs to us for the use of credit extensions to domestic business units.

"The second part constitutes what may be called our international fund. It represents the part that is normally used in foreign exchange transactions to keep American international relations substantially in equilibrium with the rest of the world.

"The third fund belongs to us legally. In an economic sense it cannot be said to belong to us. It constitutes the fund of European nations and until it can be returned to them under conditions enabling them to use it for credit

purposes we cannot expect them to return to the full gold standard.

"Let us set aside the excess gold as a special fund to be returned to Europe as soon as she is able to utilize it. In the meantime we shall have a regular reserve fund ample for domestic credit purposes and ample funds for normal foreign exchange purposes. Whenever the outflow of gold for foreign exchange purposes assumes abnormal proportions we can then draw on the excess fund in proportion to the excess demands of foreign exchange."

#### BIG DEAL IN PHONOGRAPHS

New York—Gimbel Brothers, Inc., has purchased the entire madeup wholesale stock of Columbia Grafonolas in the United States from Columbia Graphophone Company of New York, in a transaction said to involve about 53,000 instruments, present retail value of which is estimated about \$7,500,000. The sale is probably the largest single purchase of musical instruments ever made by one organization.



Merchants National Bank, Fargo, N. D.

### MERCHANTS NATIONAL BANK Fargo, N. D.

July 28, 1921.

KOEHLER & HINRICHS MERC. CO.,  
St. Paul, Minnesota.

Gentlemen:

We had the formal opening of our new bank building Monday, July 25th, at which time we estimate ten thousand visited the bank during the day and evening. It was more than gratifying to us to hear the very favorable comments on the general appearance of the bank, from the hundreds of these visitors with whom we were able to talk personally.

The Officers and Directors are more than pleased with the prompt manner in which our equipment was installed and the general high class character of the work throughout.

Very truly yours,

(Signed) FRANK R. SCOTT,  
Cashier.

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## Northern Minnesota

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## The World Court Proposal

Benjamin M. Anderson, Jr., Ph.D., Economist of the Chase National Bank. From a Speech Before the Virginia Bankers Association at Richmond, Virginia

The proposal of the President of the United States that, with careful reservations, we should give our adherence to the new World Court, seems to me to be a very easily analyzed and simple proposal, regarding which the country should not have much difficulty in making up its mind. We can, of course, complicate the question by bringing in a great many irrelevant issues. A good deal of ingenious speculation has been engaged in, for example, concerning the effect of the World Court proposal on nominations and the election in 1924. I hope that we may succeed in lifting the discussion to a higher plane than that.

There is also the danger that the simple issues will be confused in the larger issues involved in the League of Nations controversy, and that the intensity of feeling which that issue involved in 1920 may be again aroused. This is quite unnecessary. Friends of the League of Nations and opponents of the League of Nations may equally support the World Court proposal, if they will consider it as the simple, practical matter that it is.

There are both exaggerated hopes and exaggerated fears regarding the World Court. It will not, on the one hand, straighten out the immense economic and political difficulties with which Europe is wrestling today. It will help a little toward doing that. It will not, on the other hand, involve us or entangle us in European affairs to any greater extent than we are already involved and entangled. It is simply a device for handling somewhat more effectively by peaceable means, a kind of international complication which we have already agreed, in a great number of treaties, to handle by peaceful means.

### Jurisdiction to Proposed World Court

In the statute, constituting the World Court, it is provided that the jurisdiction of the Court shall cover legal disputes between nations "concerning (a) the interpretation of a Treaty, (b) any question of International Law, (c) the existence of any fact which, if established, would constitute a breach of an international obligation, (d) the nature or extent of the reparation to be made for the breach of an international obligation." Now, we are already committed, in a multitude of treaties, to submit disputes of this kind to international tribunals for arbitration. If disputes of this sort arise, the first step is to try to settle them by diplomacy. If direct negotiations between the United States Government and the Government of Great Britain should fail to bring about an adjustment, we should now be committed, by an existing treaty with Great Britain, to submit the matter to a court of arbitration. If we give our adherence to the World Court, the only difference involved would be that the dispute would go to a permanent world court, rather than to a special arbitration commission organized for the purpose of hearing the particular dispute. The primary question to consider is whether the permanent court would be a better court, and would be more likely to give a just decision, than a special board of arbitration would be.

### Proper Balance Essential

Experience with a great many arbitrations has convinced those who have studied the matter most closely that a permanent court, composed of men of high standing and

great learning, jealous of its reputation for integrity, devoted to the life-long study of international law and international relations, and composed of representatives of many nations, would handle these cases better than they have in the past been handled by the temporary boards or courts of arbitration. It has happened more than once that a board of arbitration, composed of representatives of each of the two contending governments, with a third member representing some disinterested power, has had only one impartial member. It is the belief of advocates of the World Court plan that decisions by the new World Court would be made by a court, all of whose members, or at least most of whose members, were impartial.

Certainly it appears that the nations, in choosing the present membership of the World Court, have done their best to select distinguished, honest, and able jurists for the position. I am sure that Virginia will join New York in recognizing the high character, commanding abilities, and judicial impartiality of that distinguished son of the University of Virginia, John Bassett Moore, whom Latin-Americans nominated and the nations of Europe and Latin-America chose, to sit in the new World Court.

### A Better Machine for Settling Disputes

The essential point about the World Court proposal is, therefore, that it is a better way of doing something that we have already agreed to do. We are already committed to the policy of settling international disputes without fighting if it can be decently done. The World Court offers a better machinery than our existing machinery for accomplishing this end.

The proposal, as explained by Secretary Hughes, under the limitations which he has proposed, does not commit us to submit any dispute to the World Court which we are unwilling to submit to it. There is an optional clause which has been accepted by a good many nations in their ratification of the World Court plan, which binds them to accept the jurisdiction of the court as compulsory in all cases of disputes with other nations which have agreed to accept that jurisdiction. Portugal, Switzerland, Denmark and a number of other countries have accepted this optional clause. President Harding and Secretary Hughes do not propose that the United States shall accept it and Secretary Hughes states explicitly that "the signature of the protocol and the consequent acceptance of the statute, in the absence of assent to the optional compulsory clause, does not require the acceptance by the signatory powers of the jurisdiction of the court except in such cases as may thereafter be voluntarily submitted to the court."

In sum, the President's proposal is merely that we shall adopt an improved way of doing a good thing, to the doing of which we are already committed as part of the policy begun long before the League of Nations was thought of and long before the great World War.

This, I believe, is all that the World Court proposal amounts to, except that, in an intangible way, adherence to the World Court will contribute to improving world sentiment, and to strengthening the moral position of those who prefer peace to war.

## New York Women Bankers Hear a Discourse on Honesty

New York—There are strange characteristics which are considered signs of honesty by men who take a money chance on that quality, F. N. Withby of the National Surety Company told a gathering of young women bankers—women members of the New York Chapter, American Institute of Banking—at a recent meeting. The man who swears and the man who is a "nut" are among the good risks, he said. The speaker began by classifying people by nationalities.

"The Continental European is not considered to have as high a standard of honesty as the Anglo-Saxon," said Mr. Withby, "or as the Dutch, Swedes, Danes or Finns. The Latin races are much more susceptible to temptation, but in smaller ways. When the men of the Northern races make up their minds to leave the straight and narrow path they do the thing thoroughly. The Chinese have the reputation for great honesty and business integrity. There have been times in China when a man who stole 25 cents would have his head chopped off, and such forceful methods tend to bring results.

### Average Woman Is Honest

"Women are much more honest than men in their business relations. They do not have as much temptation. Sometimes a woman will spend everything she earns on her family and on clothes, and when an emergency comes she has nothing to meet it and she may fall. The surety companies, where a person has been subjected to some great stress, try to be humane.

"Of the men embezzlers, fully 70 per cent. are 30 years old or under. They usually fall for from \$10,000 or under. Middle-aged men seldom fall but when they do they go the limit. They seem to throw off all restraint. A bonding company does not like to bond a man with an extravagant wife. There was one in Canada whose wife was a charming woman, delightful in every way, but she had the social bee in her bonnet. Her husband embezzled \$60,000 and now he is behind the bars.

"The man who saves is the best security in the world. The man who is inclined to save lives within his income and he has no incentive to become an embezzler. The man who cannot live on \$5,000 cannot live on \$7,500 when he gets it, and he is no better off on \$10,000. He is not inclined to save, he is a four-flusher who tries to make people believe that he is richer than he is. He is not bad, but no surety company wants to go his bond for any time he may be tempted. A married man is a much better risk than one who is unmarried. Society at large has never regarded the bachelor as much of an asset. That is a historical fact.

### "Cranks" Good Bonding Risk

"The 'nut' or 'crank' is a good risk. There is usually one in each community. He may be interested in science, in religion, in what not, but he is a man of one idea and he is usually too busy to take another man's money. The profane man is also a good risk. He may violate our ideas of propriety, but he seems to take things out in cussing and he doesn't go into further wrongdoing. Another good risk is the fat man. You see him in a restaurant and getting away with it. Between meals he is thinking of what his next one will be, and when he is full his mind is a blank.

"You will hear it said that 'every man has his price.' That is not true. The majority of men in business are of the highest integrity. If it was not so the surety business could not exist six months. There is only one man out of a hundred who goes wrong, but beware of the man who says that the business man has his price. It indicates that he is speaking from intimate knowledge of just one man—himself. There is a very small proportion of men who go wrong and a much smaller proportion who go wrong with criminal intent. So many, when they take money, think they will put it back. One of the hardest things a surety company has to do is to deal with men of this class, but the law says that when a man takes the property of another man he must be prosecuted."

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# Stock and Bond Quotations

## MINNEAPOLIS BANK STOCKS

	Div. Rate	Bid	Asked
	Pct.		
Northwestern National	12	244	255
First National	*12	270	280
Midland National Bank	8	170	180
Metropolitan National Bank	6	140	150
Gateway State	8	145	150
Mercantile State	6	100	110
Merchants & Manufacturers State	10	140	150
Central State	10	...	150
Union State	8	140	...
Camden Park State	10	180	...
Millers & Traders State	6	170	...
Marquette Nat. & Marquette Trust	...	250	...

\*3 per cent. extra dividend.

## DULUTH BANK STOCKS

	Bid
First National Bank of Duluth	\$225.00
American Exchange National Bank	170.00
Northern National Bank	200.00
City National Bank	200.00
Duluth National Bank	150.00
Minnesota National Bank	130.00
St. Louis County State Bank	200.00
Western State Bank, West Duluth	200.00

## MINNEAPOLIS CORPORATIONS

Reported by William W. Eastman Company, Minneapolis.

	Div. Rate	Bid	Asked
	Pct.		
Crown Iron Works, pfd.	7	98	100
Minneapolis Brewing, com.	6	35	50
Minneapolis Steel & Mach., com.	...	...	...
Minneapolis Steel & Mach., pfd.	7	...	...
Minneapolis Syndicate	6	45	50
Minneapolis Threshing Machine, pfd.	7	95	100
Munsingwear Corporation, pfd.	7	95	100
Northern States Power, pfd.	7	91	93
North American Telegraph	6	80	90
N. W. Fire & Marine	10	160	180
Pillsbury Flour Mills	...	93	...
Real Estate Title Ins.	...	110	...
Rogers Lumber, pfd.	7	...	...
Russell-Miller Milling, pfd.	6	87	97
Shevlin-Hixon, pfd.	7	100	...
Twin City Telephone, pfd.	6	8½	9

## ST. PAUL BANK STOCKS

	Div. Rate	Bid	Asked
	Pct.		
Merchants National	10	240	260
Capital National	8	150	165
American National	6	142	150

Central Metropolitan Bank	5	115	120
St. Paul State	10	250	...
Capital Trust & Savings	...	160	...
National Exchange	6	130	...
Payne Avenue State	10	...	225
Mounds Park State Bank	20	250	...
Great Northern State	10	200	...

## ST. PAUL CORPORATIONS

	Div. Rate	Bid	Asked
	Pct.		
Tri-State Telephone, pfd. (par \$10)	6	8½	...
West Publishing, com.	10	400	...
West Publishing, pfd.	6	100	110
St. Paul Fire & Marine Insurance	*20	475	...
Foote, Schultz & Co., pfd.	7	98	100
St. Paul Union Stockyards	6	85	100

\*2 per cent. extra quarterly dividend.

## LOCAL BONDS

Reported by William W. Eastman Company, Minneapolis.

	Int. Rate	Bid	Asked
	Pct.		
Dakota Central Tele.	6	99	101
Dakota Light & Power Co.	6	8.00 B	7.00 B
Donaldson Realty Co., 1st Mtge.	6	6.50 B	6 B
Duluth & Iron Range, 1st Mtge.	5	100	101½
Duluth, Missabe & Nor. Gen.	5	99¼	100
Duluth Street Ry., 1st Mtge.	5	91	92
Duluth Street Ry., Gen. Mtge.	5	81½	83½
First Natl. Soo Line Bldg., 1st.	5	6.00 B	5.85 B
Hormel & Co., 1st.	6½	100	101
Journal Printing Co., 1st	6	98½	100
Marshall-Wells Bldg. Corp.	6½	102½	104
Minneapolis General Elec., 1st.	5	97¼	99
Minneapolis Gas Light Co., 1st.	5	88	90
Mpls. Lyndale & Minnetonka Ext.	7	100½	102
Mpls. Str. Ry. & St. P. City Joint	5	92	94
Mpls. & St. Paul Sub. Ry.	5	97	99
Minnesota-Ontario Power Co.	6	6.50 B	6.00
Minnesota Tribune, 1st.	6½	98½	100
Minnesota Valley Power Co., 1st	6	91	93
Montana Power Co., 1st & Ref.	5	95	95½
Northern States Power Co.	6	98¾	100
Northern States Power Co., 1st.	5	88	88½
Northwest Light & Power Co., 1st	6	93	96
N. W. Elevator Co., Ltd.	6½	...	...
Ottertail Power Co., 1st & Ref.	6	98	...
Pillsbury Washburn Flour Mills.	5	92	95
Powell River Co., Ltd.	6	...	6.00 B
Red River Lumber Co., 1st.	5	6.50	6.00 B
Rochester Tele. Co.	6	99	100½
St. Croix Power Co.	5	93	94
St. Paul City Ry. Cable Cons.	5	91½	93½
St. Paul Gas Light Co., 1st.	5	91½	93
St. Paul Gas Light Co. Gen.	6	99	100½
St. Paul Union Depot Co.	7	100¼	101
St. Paul Union Depot.	5½	99¾	100½
St. Paul Union Stockyards 1st.	5	91	92½
Shevlin-Mathieu Lumber Co., 1st	5	6.50 B	6.00 B
Tri-State Tel. & Tel. Co.	5½	98	99¾
Twin City Tel., 1st Mtge.	5	97	98
Watab Paper Co., 1st.	6½	98	100

## CHICAGO BANK STOCKS

Quotations June 5, by John Burnham & Co., Inc., 41 South La Salle Street, Chicago, Ill.:

	Bid	Asked	Book Value
Albany Park National Bank	137	141	139
Alliance National Bank	145	155	124
Atlas Exchange National	110	120	130
Austin National Bank	138	150	134
Bowmanville National Bank	150	...	115
Calumet National Bank	200	...	152
City National, Evanston	280	...	276
Cont. & Com. National	270	274	234
Drovers National Bank	200	215	140
First National Bank	457	462	361
Fort Dearborn National	55	...	...
Irving Park National Bank	215	...	133
Jefferson Park National	150	...	149
Kenwood National Bank	285	...	302
Live Stock Exch. National	265	275	235
Mutual National Bank	230	240	140
National Bank Republic	201	...	190
National Bank of Commerce	150	160	158
National City Bank	160	164	186
Ravenswood National Bank	140	150	193
Washington Park National	250	...	146
West Side National	105	115	123
Aetna State Bank	170	...	181
American State Bank	202	...	169
Ashland State Bank	125	...	120
Austin State Bank	200	...	157
Boulevard Bridge Bank	155	...	125
Builders & Merchants	125	...	117
Calumet Trust & Savings Bank	145	150	120
Capital State Savings Bank	190	200	126
Central Mfg. District	310	...	207
Central Trust Company	189	192	164
Century Trust & Savings Bank	120	125	125

Chicago City Bank	310	...	300
Chicago Joint Stock Land	145	150	129
Chicago Morris Plan	90	...	111
Chicago Trust Company	155	...	163
Citizens State of Chicago	225	232	155
Cosmopolitan State	175	...	145
Crawford State Savings	133	140	129
Depositors State Bank	192½	...	180
Devon Trust & Savings	...	120	124
Drexel State Bank	215	...	194
Drovers Trust & Savings Bank	310	...	258
Equitable Trust Company	130	135	120
Fidelity Trust & Savings	...	150	118
First Englewood State	150	155	133
Franklin Trust & Savings	195	205	233
Fullerton State Bank	150	...	147
Garfield Park St. Savings	...	203	120
Greenebaum Sons Bank	400	410	289
Guarantee Trust & Savings	215	...	173
Hamilton State	105	112	122
Halsted Street State	175	...	161
Harris Trust & Savings	350	...	231
Hegewisch State Bank	150	175	124
Home Bank & Trust Company	...	274	151
Howard Avenue Trust & Savings	...	123	117
Humboldt State Bank	150	175	128
Hyde Park State Bank	200	...	183
Illinois Merchants Trust	397	404	...
Immel State Bank	135	140	128
Independence State	175	210	129
Inland Trust & Savings	...	132	119
Kaspar State Bank	220	...	138
Keystone Trust & Savings	120	130	126
Kimbell Trust & Savings	173	...	142
Lake Shore Trust	200	...	132
Lake State Bank	...	100	117
Lake View State Bank	150	...	142
Lake View Trust & Savings	260	...	227
Lawndale State Bank	410	...	305
Liberty Trust & Savings	290	298	145
Lincoln State Bank	125	...	117
Lincoln Trust & Savings	160	...	157
Madison Square State	150	...	123
Madison & Kedzie	150	200	143
Marquette Park State	195	...	153
Mercantile Trust	125	130	140
Metropolitan State	240	250	129
Mid-City Trust & Savings	180	200	122
Noel State Bank	165	175	145
North Avenue State Bank	350	...	338
Northern Trust Company	105	115	113
North Shore Trust	290	...	187
Northwestern Trust	190	...	166
Oak Park Trust & Savings	...	140	134
Ogden Avenue State Bank	290	305	132
Peoples Stock Yards	225	...	170
Peoples Trust & Savings	150	...	141
Phillips State Bank	...	...	...

## Lane, Piper & Jaffray

INCORPORATED

INVESTMENT BONDS  
COMMERCIAL PAPER

First Nat'l-Soo Line Building  
MINNEAPOLIS

Merchants Nat'l Bank Building  
SAINT PAUL

Pinkert State	150	...	135
Pioneer State Savings	250	...	167
Prudential State Bank	175	...	170
Pullman Trust & Savings	225	...	261
Reliance State Bank	250	...	135
Rogers Park Trust	95	105	110
Roseland State Bank	190	...	168
Scheubert & Amberg	140	...	141
Schiff & Co., State	275	300	116
Second Citizens State	155	...	122
Security Bank of Chicago	350	365	274
Sheridan Trust & Savings	300	310	158
63rd & Halsted State	175	...	151
South Chicago Savings	225	...	157
South Side Trust	210	...	142
South West State Bank	143	...	154
South West Trust	145	...	159
Standard Trust & Savings	166	...	185
State Bank of Chicago	420	...	313
State Bank & Trust, Evans.	265	...	266
State Bank W. Pullman	...	110	122
Stockmen's Trust	175	...	178
Stock Yards Savings	500	525	240
Union Bank of Chicago	140	...	151
Union Trust Company	315	330	263
United State Bank	150	...	151
University State	120	125	126
West Englewood-Trust	200	250	154
West Side Trust & Savings	315	325	134
West Thirty-First St.	125	...	117
West Town State Bank	230	...	144
Wiersema State Bank	170	...	175
Woodlawn Trust & Savings	260	270	143

National Grocer, com. (\$10 par)	7 1/4	7 3/4
National Grocer, pfd.	85	90
National Tea Company, pfd.	97	100
Northern States Power, com.	95	100
Northern States Power, pfd.	91	94
Northwestern Yeast	198	202
Packard Motor Car, com. (\$10 par)	12	13 1/4
*Packard Motor Car, pfd.	90 1/2	93
Paige-Detroit, com. (\$10 par)	19	21
Paige-Detroit, pfd.	83	86
Pick, Albert & Co., pfd.	94	97
*Reo Motors (\$10 par)	15 1/4	16 1/4
Sefton Mfg. Company, pfd.	104	...
Cimmons Company, pfd.	98	99 1/2
Smyth Company, John M., pfd.	101	...
Soden, G. A., com. part. cert.	38	41
Soden, G. A., 1st pfd.	99	102
Soden, G. A., 2nd pfd.	105	110
Spalding, A. G. & Bros., 1st pfd.	100	103
Standard Gas & E., com. (\$50 par)	28	29
*Standard Gas & E., pfd. (\$50 par)	48	49
Stearns, F. B. Company	19	21
Stover Mfg. & Eng., com. (\$25 par)	...	17
Stover Mfg. & Eng. Company, pfd.	90	95
Sullivan Machinery Company	57	60
Tri-City Ry. & Light, pfd.	83	87
United Light & Rys., com.	150	155
United Light & Rys., pfd.	84	86
U. S. Gypsum Company, com. (\$20 par)	68 1/2	69 1/2
U. S. Gypsum Company, pfd.	103	104
Utah-Idaho Sugar Company (\$6 par)	3 3/8	3 7/8
Wahl, The Company, pfd.	84	89

\*Ex-Dividend.

CHICAGO SECURITIES

Quotations June 5, by John Burnham & Co., Inc., 41 South La Salle Street, Chicago, Ill.:

	Bid	Asked
Ame Steel Goods Company (no par)	65	70
American Chicle Company, pfd.	45	50
American Light & Tract, com.	119	120
American Light & Tract, pfd.	89	92
American Piano Company, com.	105	107
American Piano Company, pfd.	99 1/2	102
American Shipbuilding, com.	58 1/2	60
American Type Founders, com.	75	78
American Type Founders, pfd.	97	101
Avery Company, pfd.	28	32
Babeock & Wilcox Company	106	110
Barnhart Bros. & Spindler, 1st pfd.	95	99
Barnhart Bros. & Spindler, 2nd pfd.	86	92
Beatrice Creamery Company, new	63	66
Beatrice Creamery Company, pfd.	102	105
Benjamin Elec. Mfg., 1st pfd.	103	105
Borden Company, The, com.	115	117
*Borden Company, The, pfd.	102	104
*Brennan Packing "A" (no par)	46	49
Brunswick-Balke-Coll., com.	99	103
Brunswick-Balke-Coll., pfd.	98	102
Bucyrus Company, com.	32	34
Bucyrus Company, pfd.	103	...
Buda Company, pfd.	102	...
Bunte Bros., com. (\$10 par)	9 1/2	10 1/2
Bunte Bros., pfd.	90	94
Burrough Adding Machine	127	131
Butler Brothers, (\$20 par)	35 1/2	36 1/2
By-Products Coke Corp., com.	58	61
By-Products Coke Corp., pfd.	103	106
H. Channon Company, 1st pfd.	81	86
H. Channon Company, 2nd pfd.	78	82
Chicago Cold Storage, com.	50	54
Chicago Cold Storage, pfd.	86	...
Chicago Mill & Lumber, pfd.	101	103
Chi. Ry. Equip., com. (\$25 par)	31	32
Chi. Ry. Equip., pfd. (\$25 par)	24 1/2	25 1/2
Cities Service Bankers	15	16 1/2
Cities Service Company, com.	154	156
Cities Service Company, pfd.	67	68 1/2
Columbia Sugar (\$10 par)	6 3/4	6 3/4
Commonwealth Power Ry. & Lt., com.	30	34
*Commonwealth Power Corp., pfd.	66	70
Congress Hotel Company, com.	110	...
Consumers Company, com. (\$20 par)	5 1/2	6
Consumers Company, pfd.	61	63
Creamery Package, com. (no par)	33	35 1/2
Creamery Package Company, pfd.	99	...
Elgin Natl. Watch, (\$25 par)	47	50
Fairbanks Morse, com. (no par)	54	55 1/2
Fairbanks Morse, pfd.	99	...
Federal Electric Company, com.	3 1/2	4 1/4
Federal Electric Company, pfd.	30	35
Federal Motor Truck Company	...	30
Firestone Tire & Rub., com.	74	76
Firestone Tire & Rub. 6% pfd.	95	99
Firestone Tire & Rub. 7% pfd.	...	93
First State Pawnors Society	114	118
Ford Motor Company of Canada	437	445
Goodman Mfg. Company, (\$50 par)	57	62
Goodyear Tire & Rub., com.	13	14
Gillett Safety Razor (no par)	273	275
Godchaux Sugars, 1st pfd.	88	92
Gossard Company, H. W., pfd.	95	98
Great Lakes Dredge & Dock	84	86
Great Lakes Tran., com. (no par)	40	42
Great Lakes Transit, pfd.	88	90
Hayes Mfg. Company, pfd.	65	71
Hercules Powder Company, com.	103	108
Hercules Powder Company, pfd.	103	105
Holland-St. Louis Sugar (\$10 par)	4 3/4	5 1/2
Hurley Machine Company, com.	44 1/2	46
Hurley Machine Company, pfd.	108	...
Illinois Traction, com.	50	52
Illinois Traction, pfd.	84	88
Inland Steel Company, (\$25 par)	37	39
Inland Steel Company, pfd.	...	104 1/2
Insurance Exchange Bldg., pfd.	100	103
Interstate Iron & Steel, pfd.	...	68
Kellogg Switchboard (\$25 par)	46	47
Kellogg Company, com. (no par)	20	21
Kellogg Company, pfd.	101	103
McCord Mfg. Company, com.	4 1/2	5 1/4
McCord Mfg. Company, pfd.	29	34
Oscar Mayer, com.	7	11
Oscar Mayer, 1st pfd.	92 1/4	94 1/4
Oscar Mayer, 2nd pfd.	91	94
Michigan Sugar Company	5	5 3/4
Montgomery Ward "A" (no par)	97	99

LIABILITIES OF BANKRUPT IOWA BANK OVER A MILLION

Council Bluffs, Iowa—Total liabilities of the West Side Bank, a private institution at West Side, Iowa, against which bankruptcy proceedings were started in Federal court here, amount to \$1,021,107, according to a schedule of liabilities and assets filed here by Cheals W. Payne, of Sioux City, owner of the bank. Assets of the institution are listed at \$1,466,204.73, consisting mostly of mortgaged land and other securities. The schedule is said to be the largest ever filed here in United States court. Payne's petition admits the bank's insolvency.

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FEDERAL TAXES

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MINNEAPOLIS

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Philadelphia	Houston	Kansas City	Minneapolis	Grand Rapids
Dallas	Toledo	Atlanta	Fort Worth	Indianapolis
Washington, D. C.	Richmond	Cleveland	Providence	Buffalo
New Orleans	Chicago	Toledo	St. Paul	Denver
Boston	Cincinnati			

John Burnham & Co.

(INCORPORATED)

Investment  
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CHICAGO, ILL.



## A Sentry on Guard

This bank, when named as Executor and Trustee of your estate, is like a sentry on guard to protect the interests of your heirs. It is always faithful to its trust.

Unwise investments and unwarranted extravagance are not allowed to pass. The same caution you exercise now to protect your property will continue when we take up the work where you leave off.

**MERCHANTS TRUST AND SAVINGS BANK**  
FOURTH NEAR ROBERT SAINT PAUL

## New Banks and Changes

### MINNESOTA

Lockhart—A. J. Anderson, formerly vice president of the Citizens State Bank of Grygla has taken up his new duties as cashier of the First State Bank here.

Jasper—A. K. Hansen of Jasper has been elected cashier of the Farmers State Bank succeeding E. U. Iverson, who resigned. F. M. Conklin was elected vice president.

St. Paul—The following are the officers of the newly organized Manufacturers State Bank: E. E. Connor, president; M. R. Knauff, vice president, and S. L. Oberg, cashier.

### NORTH DAKOTA

Tower City—J. A. Remboldt of Medina has been elected cashier of the Tower City State Bank succeeding E. W. Beardsley.

Wilton—T. H. Steffen has been promoted from assistant cashier to cashier of the Wilton Bank, succeeding John A. Pitzer, who resigned.

Bowman—H. E. Meyer has been advanced from assistant cashier to cashier of the State Bank to succeed J. P. Tembruell, who resigned. H. M. Thomas was elected assistant cashier.

### SOUTH DAKOTA

Rutland—V. W. Abeel has resigned as assistant cashier of the Farmers Savings Bank.

Vienna—S. W. Dixon has resigned as vice president of the First State Bank. Mr. Dixon will engage in the farm loan and insurance business here.

### WISCONSIN

Campia—The Bank of Campia capitalized at \$10,000 has been closed by the state banking department.

Lancaster—The Peoples State Bank capitalized at \$25,000 has been closed by the state banking department.

Tomahawk—Application has been filed to organize the First National Bank with a capital of \$50,000. V. E. Labbe is one of the organizers.

Clayton—Lloyd B. Thompson has been elected assistant cashier of the Citizens State Bank. Mr. Thompson was formerly assistant cashier of the First State Bank of Prairie Farm.

Pembine—H. S. Wendels of Green Bay has been elected cashier of the Pembine State Bank succeeding Roy R. Riley, who resigned to accept a position with the First National Bank of Marinette.

St. Francis—The newly organized St. Francis State Bank has opened for business at Kinnickinnic and Pennsylvania Avenues. The new bank is capitalized at \$50,000 and R. W. Czechorski is the cashier.

### IOWA

Kinross—E. E. Grahma has purchased the Hetzler interest in the Kinross Savings Bank. Mr. Grahma will become cashier.

Logan—The State Savings Bank capitalized at \$50,000 has voluntarily closed on account of over extension and lack of reserve.

Vinton—Joseph C. Carrier has been promoted from assistant cashier to cashier of the State Bank succeeding Walter S. Goodhue, who resigned.

Magnolia—The following are the newly elected officers of the Magnolia Savings Bank: Thomas Chatburn, president; William Herman, vice president, and J. C. Arnold, cashier.

### MONTANA

Cut Bank—The Glacier County State Bank capitalized at \$20,000 has been closed.

Livingston—The First State Bank has been closed. A receiver will be asked and the bank's assets liquidated. The bank is capitalized at \$150,000.

Harlem—J. M. Warren of Dodson has been elected cashier of the First National Bank here succeeding G. O. Brandvold, who resigned to accept a position with a bank at Los Angeles.

### NEBRASKA

Omaha—George Gregory has been elected cashier of the local branch of the Federal Reserve Bank.

Maskell—The Security State Bank which was recently organized with a capital of \$25,000 has been granted a charter.

### CALIFORNIA

Fresno—The title of the Growers National Bank has been changed to the First National Bank.

Livermore—The First National Bank capitalized at \$50,000 has gone into voluntary liquidation.

Truckee—The Auburn Savings Bank of Auburn will establish a branch here which will open for business this month.

Long Beach—The following are the officers of the recently organized Citizens State Bank: O. Jensen, president; W. H. Walker, vice president, and Ray Clayton, cashier.

Los Angeles—Application has been approved to organize the National City Bank with a capital of \$1,000,000. Malcolm Crowe, 1049 S. Hill St., is one of the organizers.

San Francisco—George Tourny has been promoted from vice president and manager of the San Francisco Savings & Loan Association to president, succeeding the late John A. Buck.

Lennox—The Lennox State Bank has been organized with a capital of \$50,000. The following are the officers: L. O. Calkins, president; Adolph Leuzinger, vice president, and R. M. Stevens, cashier.

Los Angeles—John J. Mitchell, president of the Illinois Merchants Trust Company of Chicago and Edward F. Swift also of Chicago, together with their Western associates have purchased an interest in the Citizens National Bank and the Citizens Trust & Savings Bank.

### ARIZONA

Patagonia—The First State Bank capitalized at \$15,000 has voluntarily suspended business and has been taken over by the state banking department.

### ILLINOIS

Batavia—Arnold Bensen is the newly elected assistant cashier of the First National Bank.

Chicago—At a meeting of the directors of the Liberty Trust & Savings Bank Jacob Landon was elected vice president and cashier.

Harvey—Fred G. Hudson has been elected cashier of the First National Bank. Mr. Hudson was formerly cashier of the First National Bank of Charleston.

Cuba—At a meeting of the directors of the State Bank the following officers were elected: Frank Heller, president; Ransom Tompkins, vice president; J. E. Herbert, cashier, and F. H. Cole and Bertha Shiery, assistant cashiers.

Chicago—C. O. Fetscher has been elected president of the Fidelity Trust & Savings Bank to succeed E. C. Hart, who

## Control—Wisconsin Bank

We offer bare control in exceedingly attractive bank in two bank modern town in western Wisconsin, in strictly dairying section, located within sixty-five miles of Minneapolis.

Bank has capital and surplus of around \$30,000, deposits very nearly ten times capital. No borrowed money, 30% reserve. Splendid plant and equipment. Paper guaranteed. Price contemplates very small premium including commission. Deal aggregates about \$21,000. Part terms. Inquire file No. 283.

We have competent cashiers, assistants, stenographers, posing machine operators and bookkeepers available for points Montana, North and South Dakota, Wisconsin, Minnesota and Iowa.

Write us if in need of help.

### THE CHARLES J. DAWSE COMPANY

835 Palace Building, Minneapolis, Minn.

resigned. Mr. Fetscher was formerly president of the West Side Trust & Savings Bank. This vacancy is filled by L. H. Heyman.

Chicago—A charter has been issued to the North Center Trust & Savings Bank with a capital of \$100,000. Daniel V. Harkin will be the president and A. C. Wilhund, cashier. The new bank will be located on Robey Street, between Lincoln Avenue and Irving Park boulevard.

#### BANKING NOTES

Boise, Idaho—The quarters of the Pacific National Bank will be enlarged.

Chicago, Ill.—The quarters of the First Englewood State Bank will be enlarged.

Yakima, Wash.—The new building of the Yakima Valley Bank is almost completed.

Litchfield, Ill.—The First National Bank has awarded the contract for the erection of a new building.

Garner, Iowa—The building of the First National Bank is being remodeled at a cost of about \$6,000.

Pocatello, Idaho—The capital stock of the Citizens Bank has been decreased from \$300,000 to \$200,000.

Neenah, Wis.—The National Manufacturers Bank will move into its new building about the middle of this month.

Milwaukee, Wis.—The capital stock of the Mitchell Street State Bank has been increased from \$50,000 to \$200,000.

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

LaGrange, Ill.—The building of the LaGrange Trust & Savings Bank is being enlarged at a cost of about \$30,000.

Sunnyvale, Cal.—The local branch of the Bank of Italy is now occupying its new building which was erected at a cost of about \$50,000.

Portland, Ore.—The capital stock of the Oregon-Washington Joint Stock Land Bank will probably be increased from \$250,000 to \$500,000.

Marshfield, Ore.—Work will commence at once on the erection of a two-story building for the Coos Bay National Bank to cost about \$60,000.

Albert Lea, Minn.—The new building which is being erected by the Albert Lea State Bank is expected to be ready for occupancy about July 1.

#### H. L. PRATT TO HEAD NEW YORK STANDARD OIL

New York—Herbert L. Pratt May 31 was elected president of the Standard Oil Company of New York, succeeding Henry C. Folger, Jr., who was made chairman of the board, a new office created by the directors. Mr. Pratt has been a vice president of the Company since its reorganization in 1911 and becomes the third president in its history. William Rockefeller headed the company from its organization in 1882 until 1911.

Charles M. Higgins, former secretary, succeeds Mr. Pratt as vice president, and Frederick S. Fales, a director, was named as secretary. C. F. Meyer and Howard E. Cole were re-elected vice presidents and R. P. Tinsley was re-elected treasurer. No changes were made in the board of directors. An amendment to the by-laws of the company, creating the office of chairman of the board, provides that he is to be the chief executive officer.

#### LOBDELL RESIGNS AS UNITED STATES FARM LOAN HEAD

Washington—Resignation of Charles E. Lobdell as head of the farm loan board and appointment of Louis J. Pettijohn of Dodge City, Kan., to succeed him was announced June 4 at the White House.

### TWIN CITY CASHIERSHIP

We offer cashiership and substantial working interest in old established Twin City bank. Deposits over \$500,000; investment about \$15,000. Satisfactory guaranty on paper. This is an attractive proposition. File CW-931.

### BANKERS SERVICE COMPANY

634 McKnight Building

Minneapolis, Minn.

### WANTED—

#### BANK EXECUTIVE

Have A-1 connection for capable Scandinavian Banker—about 35—married.

Minnesota town 6,000—strong bank.

Minority Interest.

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CONTROLS - MINORITY INTERESTS - POSITIONS

We now want

Minnesota North Dakota  
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### County and School Warrants

Any Amount - - Prompt Service

### C. B. ENKEMA & CO.

Capital and Surplus \$200,000

Security Building MINNEAPOLIS, MINN.

"Service with Secrecy"

### MINORITY INTEREST

CASHIERSHIP—Eastern North Dakota, town of about 400, splendid farming district. Must invest \$5,000 or may buy control if desired.

CASHIERSHIP—Town of 500 in Western Minnesota, population mixed, strong protestant community. Excellent proposition for right man. 20 to 30 shares available at actual value.

CASHIERSHIP—Southeastern N. Dak. Good modern town. Bank has deposits of \$240,000. Splendid opportunity for capable man desiring an investment of three or four thousand.

### ALLEN R. BAERTSCH CO.

523 New York Life Building  
Minneapolis

SUCCESSORS TO

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# FEDERAL SURETY COMPANY

## DAVENPORT, IOWA

*A Stock Insurance Company Writing:*

Accident and Health, Workmen's Compensation, Automobile, Teams, Elevator and General Liability, Automobile and Teams Property Damage, Burglary, Theft, Larceny, and Plate Glass Insurance. Fidelity and Surety Bonds.

**Surplus to Policyholders over \$900,000.00**

*"A National Institution of Service"*

**A. J. SCHUNK & CO., General Agents**

Minnesota, North and South Dakota

743-749 Security Building,

MINNEAPOLIS, MINN.

## How Regulars View the Bank Agencies

In the report of the executive committee of the National Association of Insurance Agents, the general attitude of the association members is set forth as follows:

"We believe that the part-timers, the side-liners, the incompetents and the irresponsible in the agency field are an economic waste, and that the business will be much better off if it is confined to those who believe in it, have time for it, and are making it their life work. In any elimination of annexes, it should always be remembered that the insurance volume must not suffer. \* \* \* The problem of decreased representation and maintained volume must go hand in hand."

### Bank Agencies

Declaring again that the entrance of the banking interests into the insurance business, as competitors of the legitimate insurance agent, was in opposition to and a direct attack upon the American agency system, the executive committee called attention to the setting up of insurance companies by bankers' associations and the entrance of a labor organization into the banking field. It continued:

"Financial institutions \* \* \* should attend to the business for which they are designed and leave the insurance business to those who are competent and qualified to handle it. We have a right to assume that when any corporation enters a line foreign to the object for which it was created its purpose is a greedy one, without any intention of rendering a public service or meeting a public need. We very much doubt the advisability of any insurance company lending its aid and comfort to those who are attempting to dissect its business."

### Causes of Disturbances

"The greed for artificial volume," the committee continued, "on the part of many insurance companies is unquestionably a disturbing factor. Both companies and agents should give attention to influences which are apt to cause trouble. We question the wisdom of the doctrine of the survival of the fittest from the viewpoint of might."

"The agents are not entirely free from these influences. It may be a little more convenient for agents to concentrate a premium volume in one or a few companies, but the elimination of smaller companies from an agent's office as a means to bring about this convenience is a questionable practice. And questionable practices are just as harmful when carried on by an agent as by the company."

"We are of the opinion that a community of interest in the insurance business is not only of the greatest importance, but an absolute necessity for its success. This community of interest is threefold.

"First: Sound indemnity can only be furnished by those companies soundly organized and efficiently managed.

"Second: Insurance can only be successfully handled in the field through a local representative, and experience

has shown that the qualified local agent is the most efficient and economical instrument.

"Third: The test of whether an insurance company or an insurance agent is an economic waste, is that of public interest and public service. If the public interest is best served by sound insurance through and by the aid of an intelligent and efficient insurance agent, then the question of economy has been fully answered."

### VAST AREA IN WOODS DESTROYED BY FIRE

Denver, Colorado—Eight million acres of forest land in the United States are destroyed annually through fires and 85 per cent. of these fires are caused by human carelessness according to figures issued here at the office of the district forester of the Rocky mountain region.

As a result of the wanton devastation of the timber lands in the country as a result of fires, the virgin forests, once common everywhere, have disappeared, according to Allen S. Peck, district forester here. With the progress of destruction have come inordinate increases in the price of forest products.

Forest protection week in April has been established in a presidential proclamation issued at the White House. In his proclamation, President Harding declared that fires continue to take their toll and threaten to deplete our forests to such an extent that they no longer serve the nation adequately as a source of timber supply or for watershed protection, and for recreation.

### RAILROAD CASUALTIES INCREASED LAST YEAR

Washington—Trespassers and non-trespassers killed in train service accidents in 1922 on steam railroads totaled 5,852, as against 5,587 in 1921; injured totaled 47,990 in 1922 as against 43,324 in 1921, according to steam railway accident statistics made public by the Interstate Commerce Commission.

Trespassers killed totaled 2,431 in 1922, and 2,481 in 1921, while the injured totaled 2,845 in 1922 and 3,071 in 1921.

Non-trespassers killed in 1922 totaled 3,421 as against 3,106 in 1921, while the injured totaled 45,145 in 1922 as against 40,253 in 1921.

### WANT INHERITANCE TAX INCREASED

Life insurance men are interested in the agitation by leaders of the farm bloc in the United States Senate who are preparing to demand an increase in inheritance taxes. Senator Capper of Kansas, who is head of the bloc in the Senate, declares that the present rates are too low. Secretary of Treasury Mellon is opposing an increase in inheritance taxes. In fact he favors a decrease.

Secretary Mellon takes the position that the present rate frequently compels heirs to sell securities in order to

pay taxes. Often, he says, such sales have to be made at a period when the market value is small. Secretary Mellon points out that an increase in inheritance taxes would sometimes make it necessary for beneficiaries of an estate to sell part of an inherited business in order to make payments to the government. He also contends that in case the testator should bequeath to his heirs a bare majority of the stock in an incorporated business a forced sale would cause the inheritors to lose control of this business, built up over many years.

Life insurance men find in Secretary Mellon's argument a wonderful bolstering of their cause. They have pointed out from time to time that in case of inheritance taxes, life insurance is about the only means that testators have to provide liquid funds to meet the death demands. The tendency of the times is to increase estate and inheritance taxes. It is one of the easiest lines of attack because there is so little resistance. The state looks upon inheritance as a most desirable source of taxation.—National Underwriter.

### Florida's New Anti-Bucket Shop Law

Chicago—After a 16-year business suspension, commission merchants who are members of recognized commodity and stock exchanges are to resume operation in Florida. A law recently enacted by the Florida legislature, patterned after the 1919 anti-bucket shop law of Tennessee, and signed by the governor, terminates one of the most curious chapters in the history of American finance.

John R. Mauff, executive vice president of the Chicago Board of Trade, who was called to Florida in connection with the proposed legislation, declares the law "is of tremendous public significance as it clarifies an archaic situation that truly handicapped the progress of the entire state."

"It was Florida's aim back in 1907," said Mr. Mauff, "to pass a law eliminating the bucket shop, which has always been the deadly enemy of all legitimate exchanges, of all commission houses that are members of these exchanges and of the public generally. The law that was enacted, however, failed to discriminate between the bucket shop and the legitimate commodity and stock exchange houses. As a result Florida has since been legally deprived of information and service essential to the present-day conduct of financial and investment business, whether securities or commodities were involved.

"Congress defined the bucket-shop and its destructive influence, and also the legitimate commission houses and its high place in the field of commerce and finance in 1898 in amending the War Revenue Act. Other states took like action, but Florida failed to so deal with the issue.

"The significance of the new law is not generally understood. It safeguards and facilitates operations on the recognized exchanges through commission merchants who hold membership in such exchanges. It permits the people of Florida again to take part in investment operations in exchange markets, long recognized as the most free, open and competitive markets in the world. A few other states still having confusing statutes are planning corrective measures.

"Florida's new law will be a club over the head of the bucket-shop operator, and at the same time will permit the resumption of a business that is deemed necessary wherever civilization thrives."

### SAFETY IN TRANSPORTATIONS OF EXPLOSIVES

Washington—In 1922 the railroads of the United States transported 168,301 tons of commercial explosives, a very large but unknown tonnage of fireworks and salvaged war ammunition, says the Chief Inspector of the Bureau of Explosives in his annual report. A summary of the report reproduced by the Chamber of Commerce of the United States in its bulletin for May says:

"The total losses were one man injured and \$75 property loss. This is much below the average of previous records. During 1922 the total number of accidents incident to the transportation of all classes of dangerous articles

was less than the average for the last seven years (excluding war outrage at Black Tom in 1916) by 139 accidents, a decrease of 9.3 per cent. from the average. The total property loss was less than the average by 21.4 per cent.; total number killed less by 76.5 per cent.; total number injured less by 56.1 per cent.

### IOWA SAVINGS SHOW A GAIN

Des Moines, Iowa—Savings deposits in 55 Iowa banks reporting to the federal reserve bank, Chicago, show an increase of slightly less than 1 per cent for the month April 1 to May 1, according to a statement issued by the Seventh Federal Reserve Bank. The total deposits in the 55 Iowa banks was \$91,417,840.

The increase between May 1, 1922, and the same date of this year amounted to a little more than 12 per cent., which would indicate that money is becoming more plentiful and that prosperity is at hand. Iowa's increase for the past year is larger than that of the other states in the district, with the exception of Michigan, where deposits bounded upward nearly 18 per cent.

### BANKERS MAKE ASSESSMENT FOR COUNTY AGENT'S SALARY

Spokane, Wash.—Word is received from Odessa, Washington, that about 40 bankers attended the meeting of the Lincoln County Bankers Association, which was held recently. Representatives from 14 of the 16 Lincoln county banks were present. Following a number of addresses at a banquet served by a ladies' organization, the bankers voted to assess all Lincoln county banks one per cent. of the capital stock to aid the Lincoln county commissioners in providing a salary for a county agent.


*Annual Statement*  
**Federal Insurance Company**  
 Jersey City, New Jersey  
 January 1st, 1923

Assets .....	\$6,938,054.92
Liabilities .....	4,038,919.97
Cash Capital.....	1,000,000.00
Surplus to Policyholders.....	2,899,134.95

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# Federal Income Tax Department

Herman C. P. Peisch, Certified Public Accountant, Minneapolis

[This is the twelfth of a series of articles on Federal income taxes by Mr. Peisch which will appear in the Commercial West. Mr. Peisch will answer in these columns the income tax problems of our readers. Address such questions to this paper.]

## Recent Ruling of the Bureau of Internal Revenue

Article 1507: Joint ownership and joint adventure.

Revenue Acts of 1918 and 1921—A and B made a verbal agreement to associate in the practice of medicine. Since that time all money received from this practice has been deposited in a joint bank account from which the expenses of the business have been paid and the balance at the end of the year has been divided between them. The manner in which the business was conducted made necessary the existence of a mutual agency.

Held, that a partnership relation existed.

A and B made a verbal agreement to associate in the practice of medicine. Since that time all money received from this practice has been deposited in a joint bank account from which the expenses of the business have been paid and the balance at the end of the year has been divided between them. Separate offices have been maintained but a joint reception room has been used. At present four other doctors are associated with A and B on a salary basis.

In view of the fact that an agreement to share profits and expenses has existed between A and B and they have maintained a joint bank account out of which the obligations of the association are payable, neither A nor B could have disposed of his interest in the business to a third person without affecting the continuity of the business and without the necessity of a new agreement between the successor and the surviving member. For this reason and because the manner in which the business was conducted made necessary the existence of a mutual agency, it is held that a partnership relation has existed between A and B since their agreement and that they should be required to file partnership returns.

Article 1566: Exchange of property which results in no gain or loss.

## Exchanges of Property—Article 1566 and 1568 of Regulations 62 Amended

Treasury Department,  
Office of Comm. of Int. Revenue,  
Washington, D. C.

To collectors of internal revenue and others concerned:

Subdivisions (c) and (e) of section 202 of the Revenue Act of 1921 were amended, to take effect January 1, 1923, by an act approved March 4, 1923 (Pub. No. 545), to read as follows (The part added by the amendment is in italic, and the part eliminated by the amendment is stricken through):

(c) For the purposes of this title, on an exchange of property, real, personal or mixed, for any other such property, no gain or loss shall be recognized unless the property received in exchange has a readily realizable market value; but even if the property received in exchange has a readily realizable market value, no gain or loss shall be recognized.

(1) When any such property held for investment, or for productive use in trade or business (not including stock-in-trade or other property held primarily for sale, and in the case of property held for investment not including stock, bonds, notes, choses in action, certificates of trust or beneficial interest, or other securities or evidences of indebtedness or interest), is exchange for property of a like kind or use.

(2) When in the reorganizing of one or more corporations a person receives in place of any stock or securities owned by him, stock or securities in a corporation a party to or resulting from such reorganization. The work "reorganization," as used in this paragraph, includes a merger or consolidation (including the acquisition by one corporation of at least a majority of the voting stock and at least a majority of the total number of shares of all other classes of stock of another corporation, or of substantially all the properties of another corporation), recapitaliza-

tion, or mere change in identity, form or place of organization of a corporation (however effected); or

(3) When (A) a person transfers any property, real, personal or mixed, to a corporation, and immediately after the transfer is in control of such corporation, or (B) two or more persons transfer any such property to a corporation, and immediately after the transfer are in control of such corporation, and the amounts of stock, securities, or both, received by such persons are in substantially the same proportion as their interests in the property before such transfer. For the purposes of this paragraph, a person is, or two or more persons are, "in control" of a corporation when owning at least 80 per centum of the voting stock and at least 80 per centum of the total number of shares of all other classes of stock of the corporation.

(e) Where property is exchanged for other property which has no readily realizable market value, together with money or other property which has a readily realizable market value, then the money or the fair market value of the property having such readily realizable market value received in exchange shall be applied against and reduce the basis, provided in this section, of the property exchanged, and if in excess of such basis, shall be taxable to the extent of the excess; but when property is exchanged for property specified in paragraphs (1), (2) and (3) of subdivision (c) as received in exchange, together with money or other property of a readily realizable market value other than that specified in such paragraphs, the amount of the gain resulting from such exchange shall be computed in accordance with subdivisions (a) and (b) of this section, but in no such case shall the taxable gain exceed the amount of the money and the fair market value of such other property received in exchange.

Consequently, paragraph (a) of article 1566 and article 1568 of Regulations 62 are amended, effective January 1, 1923, to read as follows:

Art. 1566 \* \* \*

(a) Where property held for investment (not including stock, bonds, notes, choses in action, certificates of trust or beneficial interest, or other securities or evidences of indebtedness or interest) is exchanged for other property of a like kind, or where property held for productive use in trade or business is exchanged for other property of a like use. The words "like kind" are defined as having reference to the nature or character of the property and not its grade or quality. Under this paragraph no gain or loss is realized by one other than a dealer from the exchange of real estate for other real estate. One kind or class of property may not, under this paragraph, be exchanged for property of a different kind or class, as real estate for personal property. The fact that any real estate involved in an exchange is improved or unimproved makes no difference for such fact relates only to the grade or quality of the property and not to its kind or class. There is excluded from the provisions of this paragraph stock-in-trade or other property held primarily for sale. Unproductive real estate held by one other than a dealer for future use or future realization of the increment in value is held for investment and not primarily for sale.

Article 1568: Exchange of property for other property and money.

Article \* \* \* 1568 of Regulations 62 are amended, effective January 1, 1923, to read as follows:

Art. 1568. Exchanges of property for other property and money—where property is exchange for other property which has no readily realizable market value, together with money or other property which has a readily realizable market value, then the money or the fair market value of the property having such readily realizable market value received in exchange shall be applied against and reduce the basis described in articles 1561, 1562, and 1563, of the property exchanged, and if in excess of such basis shall be taxable to the extent of the excess; but when property is exchanged for property specified in paragraphs (a), (b), and (c) of article 1566 as received in exchange, together

with money or other property of a readily realizable market value other than that specified in such paragraphs, the amount of the gain resulting from such exchange shall be computed in accordance with article 1565, but in no case shall the taxable gain resulting from such exchange exceed the amount of the money and the fair market value of such other property received in exchange. The amount of the money and the fair market value of such other property received in exchange which is in excess of the taxable gain under the above, should be applied against and reduce the basis for ascertaining the gain or loss from the subsequent sale of the property specified in paragraphs (a), (b), and (c) of article 1566 as received in exchange.

(1) A exchanged certain property which he had purchased subsequent to March 1, 1913, for \$5,000, for real estate having no readily realizable market value and \$2,000 in cash. No gain or loss is realized from such exchange. However, if A subsequently sells the real estate, the difference between the amount realized therefor and \$3,000, the basis of the property exchanged reduced by the amount of cash received in the exchange, is taxable gain or deductible loss, as the case may be. See also article 1564.

(2) A exchanged certain property which he had purchased subsequent to March 1, 1913, for \$14,000, for stock having no readily realizable market value and bonds having a readily realizable market value of \$16,000. A realized a taxable gain of \$2,000, the amount by which the fair market value of the bonds exceeds the cost of the property exchanged. The entire amount received from the subsequent sale of the stock received in the exchange constitutes taxable income. See also article 1564.

(3) A, in connection with the reorganization of a corporation, received in place of stock purchases by him subsequent to March 1, 1913, for \$9,000, stock of a fair market value of \$8,000 in a corporation a party to the reorganization, together with cash in the amount of \$4,000. A realized from the exchange a taxable gain of \$3,000, the amount by which the sum of the cash and the fair market value of the stock received exceeds the cost of the property exchanged. If A subsequently sells the stock, the difference between the amount received therefor and \$8,000, the \$8,000 representing the basis of the old stock, \$9,000, reduced by \$1,000, the amount of cash received in the exchange which was in excess of the taxable gain, constitutes taxable gain or deductible loss, as the case may be. See also article 1566.

(4) A transferred to a corporation, all of the outstanding stock of which was owned by him, property purchased by him subsequent to March 1, 1913, for \$40,000, in exchange for stock of the corporation of a fair market value of \$50,000, together with Liberty bonds of a fair market value of \$10,000. A realized from the exchange a taxable gain of \$10,000, the amount of the fair market value of the Liberty bonds received in the exchange. The actual gain from the exchange was \$20,000, the excess of the sum of the fair market value of the Liberty bonds and the fair market value of the stock received in exchange over the cost of the property exchanged, but since the fair market value of "such other property received in exchange" is only \$10,000, the limitation that the amount of the taxable gain derived shall not exceed the amount of the money or the fair market value of such other property received in exchange must be applied. Consequently, the taxable gain is limited to \$10,000. Upon the subsequent sale of the stock the difference between the amount received therefor and \$40,000, the cost of the property exchanged, constitutes taxable income or deductible loss, as the case may be.

It is assumed in the above examples that the property exchanged was not of a kind properly to be included in inventory. If the property exchanged was acquired prior to March 1, 1913, or by gift, devise, bequest, or inheritance, see articles 1561, 1562, and 1563.

The amount of taxable gain or deductible loss, if any, resulting from exchange effected prior to January 1, 1923, should be determined under the statutes and regulations in effect prior to the amendments; exchanges effected subsequent to January 1, 1923, are controlled by the statute and regulations, as amended.

Approved April 21, 1923. A. W. Mellon, Secretary of the Treasury, D. H. Blair, Comm. of Internal Revenue.

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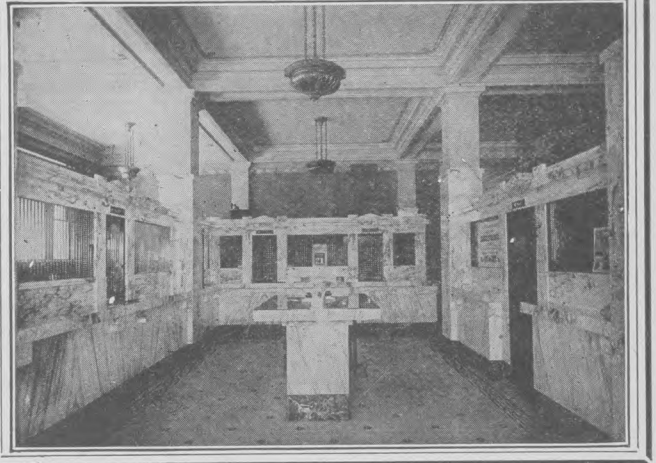
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## Late Legal Decisions

### Stockbroker's Refusal to Repurchase Stock From Buyer As Agreed

To properly appreciate the intent of the Blue Sky Act (Code Supplemental Supp. 1915, Sections 1920u-1920u22), (Iowa) the conditions which inspired its enactment and the evil sought to be corrected or suppressed must be considered.

It is a matter of common knowledge that, when the Blue Sky Act (Code Supplemental Supp. 1915, Sections 1920u-1920u22), (Iowa), was enacted, Iowa was being made the field for exploitation of a myriad of speculative schemes generally without merit or substantial foundation, and was swarming with salesmen of stocks, shares, and interests in get-rick-quick enterprises, the subscribers to which rarely, if ever, received any return or consideration beyond a worthless receipt or certificate.

Interests in a "common-law company" organized under a trust agreement vesting in the trustees even more than the powers usually conferred on corporations, giving them absolute control of all the company's property and assets, and practically excluding the shareholders from any voice in its management, are "stock" within the Blue Sky Act (Code Supplemental Supp. 1915, Sections 1920u-1920u22), (Iowa), requiring permits to sell stocks and that dealers therein give a bond (section 1920u16) forfeitable on violation of the act.

A "common-law company" organized under a trust agreement excluding shareholders from exercising any authority or control and vesting legal title, management, and control in the trustees absolutely and exclusively held not a partnership exempt from the operation of the Blue Sky Law (Code Supplemental Supp. 1915, Sections 1920u-1920u22), (Iowa), requiring permits to sell stocks, and that dealers therein give bonds (section 1920u16).

Stockbrokers' refusal to repurchase stock sold by them on the buyer's demand within 60 days, as agreed by them, if the buyer became dissatisfied, held a default in a matter "appertaining to the broker's business" within the terms of a surety bond conditioned on strict compliance with the Blue Sky Act (Code Supplemental Supp. 1915, Sections 1920u-1920u22), (Iowa), and payment of all damages sustained by the purchaser "growing out of any transaction appertaining to the broker's business."—Wagner vs. Kelso, et al. Supreme Court of Iowa, 193 Northwestern Reporter, 1.

### Bank Not "Holder of Note In Due Course"

In an action on a promissory note given in payment for phonograph records, evidence that maker and indorser were corporations engaged in same line of business, that many stockholders in one owned stock in the other, that president of maker was also vice president of indorser, and that shipments of such records were often invoiced to indorser, who accepted them, held sufficient to warrant finding that indorsement was for value and not for accommodation.

Where indorsee of note did not receive notice of defense to the note until after its transfer to him, such notice did not affect the question of bona fides of the indorsee.

In an action at law the rights and liabilities of the parties are ordinarily to be determined as they stand at the time of the commencement of the action.

Where plaintiff bank, having no notice of any defense by maker, credited payee's account with amount of promissory note, and such account was kept in excess of the face of the note, held, the bank, having the legal right to charge the amount of the note and accrued interest to payee's account and return note to payee, on failing to do so when maker refused to pay the note, was not a "holder in due course" under the statute.—Port Washington State Bank vs. Polonia Phonograph Company, et al. Supreme Court of Wisconsin. 192 Northwestern Reporter, 472.

### Liability For Signature on Note

In a suit against defendant as surety on two notes, each of which had been several times renewed, defendant admitting liability on one note, but disclaiming knowledge of the existence of the other note, to which his name was

also signed, and it appeared that the holder of the note had procured his signature, allowing him to believe that it was a renewal of the note for which he was in fact liable, evidence held sufficient to take the question to the jury as to whether he was fraudulently induced to sign, believing it was a renewal of the note for which he was liable.—Altoona Savings Bank vs. Pace, et al. Supreme Court of Iowa. 192 Northwestern Reporter, 251.

### Notes Sued On Accommodation Paper

In action to foreclose a mortgage on chattels securing notes, and to foreclose a real estate mortgage securing another note collateral to the notes securing the chattel mortgage, evidence held to show that the notes sued on were accommodation paper.—First National Bank of Mobridge vs. Fort Donaldson. Supreme Court of South Dakota. 193 Northwestern Reporter, 143.

### Agister's Lien Cannot Be Asserted Against Mortgagee

In the absence of claim in pleading or testimony of fraud or deception, held that it must be assumed that everything that a mortgagor of chattels did, in connection with signing, he did with full knowledge of all the facts, also held that one or two mortgagors of cattle entitled to an agister's lien, as against the other, cannot assert it as against the mortgagee.

In the case of Wells vs. Booth, et al. Supreme Court of South Dakota, evidence showed that defendant Booth originally purchased the cattle from a Sioux City bank, and that he gave to such bank, notes and a mortgage to secure the same. It also appears without dispute that these notes and mortgage were in turn transferred by assignment to the plaintiff, Wells, who thereupon brought this action for the possession of the security for purposes of foreclosure.

The evidence shows that the cattle purchased by Booth were taken to Dewey County and placed with Blasingame. After such mortgage indebtedness became due, Booth and Blasingame went to Stock Growers' Bank of Timber Lake and requested said bank to advance money to take up these mortgages and provide further money for the expense of running the stock. To obtain such loan from said bank, Booth and Blasingame made property statements, whereupon the bank loaned them \$53,040, for which notes were executed and signed by Booth and Blasingame. To secure the notes a chattel mortgage was executed by them covering the cattle involved, which mortgage was also signed by both of them. Booth and Blasingame then entered into an agreement by which it was provided that Blasingame's liability on the notes and mortgages should be limited to his interest in the cattle, which was to be a one-half interest in the profit arising from the transaction after the cattle were sold and the indebtedness against the cattle and expense of running same paid. When said notes became due, both Booth and Blasingame were unable to pay, and the notes were renewed. The renewal notes were signed by Booth alone. The notes and mortgages signed by Booth and Blasingame were held and were neither paid nor cancelled. The mortgage signed by Blasingame contained this provision:

"It is mutually agreed that this mortgage and the lien thereof shall cover and secure said indebtedness until fully paid, and all extensions and renewals of the note or notes above described."

The indebtedness being unpaid, the plaintiff, who had taken the notes and mortgage by assignment, brought this action to obtain possession of the property for purposes of foreclosure. Defendant Blasingame claims to be entitled to an agister's lien. Trial was had to the court and a jury, and, at the close of the evidence, the court, pursuant to motion, directed a verdict for plaintiff upon all the issues. Judgment was duly entered.—192 Northwestern Reporter, 489.

### Liability In Case of Agreement Between Payee and Indorser

Under R. L. c. 73 Section 85 (G. L. c. 107 Section 91), providing that indorsers are liable prima facie in the order in which they indorse, but that evidence is admissible to

show that as between themselves they have agreed otherwise, nothing less than an actual agreement will change the apparent liability.

In action by payee of note against prior indorser, charge held to sufficiently cover the contention that the payee and those indorsing before him agreed that among themselves they should be equally liable in case the note was not paid by the maker.

If there was agreement between payee and those indorsing note prior to his indorsement that they should be equally liable if maker did not pay the note, the payee's remedy against an indorser was not on the note, but by suit for contribution based on the agreement.

Where directors of a corporation voted to deposit money in its account, and it was so deposited and partly used to pay current expenses, and a balance was thereafter deposited in a special account, but directors subsequently voted to use it for current expenses, treasurer held guilty of no unauthorized expenditure.

Though treasurer of corporation was instructed by other officers and members to retain proceeds of note for its payment at maturity, his liability for an unauthorized expenditure would presumably be to the corporation, and not to stockholders who were also indorsers on the note.—Davis vs. Elwell. Supreme Judicial Court of Massachusetts. Essex, 138 Northeastern Reporter, 833.

**Right of Intervener By Reason of Prior Mortgage**

Where a bank as intervener claims possession of attached property by reason of a prior mortgage given its president and assigned to it, and the plaintiff to defeat the effect of the mortgage attacked the validity of its recording on the grounds that the acknowledgment was invalid, because at the time of accepting the mortgage the mortgagee was not acting individually, but for his bank, and that therefore the acknowledgment which was taken by one interested as a stockholder and director in the bank was invalid, and rendered the recording invalid, held, that the burden of proof was on the plaintiff alleging such defect.

Where an intervener claiming under a prior mortgage asserts a right to possession of attached property, and the defense attacks the validity of the mortgage, evidence held to admit of conflicting inferences and be sufficient to go to jury on the issue of the intervener's rights.—Gates Tire Company vs. Behrends (First National Bank, Forest City, Intervener) Supreme Court of Iowa. 192 Northwestern Reporter, 291.

**INJUNCTION AGAINST LABOR UNION PICKETING**

The owner of a small butcher shop whose union employes went on strike continued to conduct his business with the aid of his wife and son. Members of the union to which the striking employes belonged picketed the store in an attempt to force the owner to hire union help, and, according to affidavits of customers, endeavored to intimidate them and threatened to ruin the butcher's business. The Appellate Division of the New York Supreme Court for the First Department held, in the case of Yablonowitz vs. Korn et al., reversing a decision below, that since the picketing was not for the purpose of assisting union employes, as there were none, but to force the owner to hire union help by intimidating customers and attempting to ruin the business, an injunction restraining the picketing should be granted.

**NEW MINNESOTA AND DAKOTA PATENTS**

The following patents were issued May 29, 1923, to Minnesota inventors, as reported by James F. Williamson, patent attorney, 925-935 Metropolitan Life Bldg., Minneapolis, Minn.:

A. J. Holle, Rushford, Minn., motor-vehicle tilting apparatus; H. L. Johnson, Dawson, Minn., holder; A. W. Olson, McIntosh, Minn., fastening device for cables; B. F. Orear, Minneapolis, Minn., folding camp table and stool set; Gustave Vergote, Marshall, Minn., can lifter and ice tongs; B. B. Foster, Renville, Minn., attachment for can closures.—Advertisement.

**Patent Attorney**  
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## North Dakota Re-establishing Confidence

There has never been a time during the past six or seven years, when North Dakotans have lost faith in the ultimate readjustment of business conditions so far as they are controlled within the state.

Until the time Governor Nestos' administration took hold of affairs at Bismarck, however, it was impossible to place the North Dakota political situation before the people of the East who are investors of money, and expect them to indorse any financial program for North Dakota which would keep up the steady development to which the state was entitled.

Money is timid. That is axiomatic. When Nonpartisan League officials were jeopardizing the credit of the state by throwing good money which had been raised by taxation into "rat holes," when they were plunging the state into a program of state socialism which, all economic reasoning would indicate, could not succeed; when they were keeping business within the state, in constant fear of oppressive measures and policies and causing the curtailment of business expansion, is it any wonder that Eastern money in North Dakota was withdrawn and invested elsewhere?

When the Nestos administration took charge, however, it indicated at the start that it would follow a safe and sane policy; that it would cooperate both with the farmers and businessmen in the work of development; that it recognized that there was a point beyond which government could not safely go in mixing in business.

Such policy has restored confidence. Eastern businessmen are reassured. A statement made by the Wells-Dickey Company of Minneapolis, shows how the financial world is renewing its faith in North Dakota. It says:

"It was rather reassuring to receive today a fine order for North Dakota municipals from one of North Dakota's own banks—convincing evidence that the old state is coming back strong.

"It is interesting to know that the March tax collections in North Dakota were about \$1,000,000 heavier, and that state treasurer's balance is about \$1,500,000 in excess of what it was last year. There is no question about the ultimate return of the farming communities of the Northwest, which have suffered so severely the past few years."

This is but one indication of the feeling which exists today among the financial men outside of the state. There must be other things besides sound government to maintain such sentiment, but it is true, and a majority of the people of North Dakota recognize that fact now, that the state must have sound government or the other influences which inspire confidence can accomplish little.—Editorial from the Fargo Forum.

### NORTH DAKOTA TO PAY \$85,000 BONDS

Bismarck, N. D.—Eighty-five thousand dollars worth of bonds of the State of North Dakota, due in 1925, are to be retired by State Treasurer John Steen. The bonds, part of a total issue of \$125,000, are held by the board of university and school lands.

The payment of this obligation will release \$85,000 for the board to invest in bonds and farm loans, according to Land Commissioner C. R. Kositzky. The timely payment, he said, would permit payments on bonds of school districts purchased and held pending payment.

The board, in a meeting yesterday, bought \$28,500 of five per cent. farm loans with funds of the agricultural college.

### NORTH DAKOTA'S 1922 INCOME TAX PAYMENT DOUBLE 1921

Bismarck, N. D.—The 1922 income tax payments from corporation to the State of North Dakota will be more

than double the 1921 collections, according to figures announced by Tax Commissioner C. C. Converse.

Mr. Converse said: "The work of auditing income tax returns of corporations has progressed far enough so that it is possible to make a comparison of corporation income taxes of this year with those of last year. A final result has not been reached as to a few corporations, but the taxes on corporations whose taxes have thus far been determined, amount to \$237,684.44 as compared with \$113,517.18 in 1922.

"This increase is not due to a change in the law for the new law does not apply to this year's tax, but is due entirely to improved business conditions. Banks continue to show smaller incomes than corporations engaged in certain mercantile lines, but no detailed analysis of the figures for comparative purposes has been made as yet."

### INCREASED PRODUCTION OF NORTH DAKOTA'S LIGNITE PREDICTED

Bismarck, N. D.—Lignite production in North Dakota in 1923 will be 50 per cent. greater than in 1922, according to figures given out today by V. E. Smart, traffic expert for the State Railroad Commission. Mr. Smart's estimates are based upon shipments from August 5, 1922, to April 1, 1923, during which period the amount of coal shipped equalled the entire production for the coal year which ended October 31, 1922.

During that period, the mines in North Dakota shipped 1,053,506 tons of lignite, 18 per cent. of which went to points outside of the state.

Of the 1,057,823 tons produced in 1922, the statement shows that 158,650 tons were delivered locally to consumers, 36,327 tons were used by the mines themselves, leaving 862,848 tons actually shipped over the railroads, or 160,000 tons less than have been shipped during the 35 weeks of this year covered by Mr. Smart's compilation.

The public utilities have installed modern grates and stoker apparatus at several cities in the state, making their plants able to produce electricity more cheaply per unit with lignite than with other coals, resulting in a consumption of lignite during the summer months of about 7,000 tons per week.

Based upon the average efficiency of a ton of lignite being 60 per cent. of bituminous coals, the increased consumption of lignite in North Dakota during the 35 weeks displaced 242,000 tons of bituminous coals, and Mr. Smart shows that on this basis lignite constituted 65.7 per cent. of the fuel used in North Dakota during that period, Eastern coal shortage, strikes, and increased prices of those coals resulted in many new people using lignite during the past winter. Mr. Smart estimated the year's production to reach 1,500,000 tons, and a much more rapid growth of the industry in another year.

Mr. Smart estimated that the increased use of lignite during the 35 weeks resulted in a financial saving of over \$1,000,000 to the people of the state, at the same time furnishing winter work for many of its people.

### NORTH DAKOTA BANKERS' COUNTY ASSOCIATION MEETS

Williston, N. D.—At a meeting of the bankers of Williams County, held in this city, H. N. Peterson of Wheelock, was elected president, T. E. Erickson of Zahl, vice president, and O. J. Morken of Buford, secretary-treasurer.

The Williams County Bankers Association was formed a number of years ago, but for the last few years no meetings have been held, and this meeting, attended by bankers from all parts of the county, has revived interest in the organization.

### BISMARCK WILL OFFER WATERWORKS BONDS

Bismarck, N. D.—Bismarck will offer for sale on June 11, \$225,000 of waterworks bonds and \$475,000 of special improvement warrants for the financing, purchase and enlargement of the present privately owned water plant or for the building of a new plant, it announced.

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SOUTH DAKOTA

## South Dakota Banker Made Director of Federal Land Bank

Sioux Falls, S. D.—A. Kopperud of Webster has been elected a director of the Federal Land Bank of Omaha.

Mr. Kopperud was born and raised on a farm in Kingsbury county, near Lake Preston, and it is significant that the National Farm Loan Association at Lake Preston, Huron, Madison, Howard, Armour, Beresford, Dell Rapids, Flandreau, Platte, Sioux Falls and all the associations in the northeast corner of the state, where Mr. Kopperud has lived the last nine years, except one association that had a candidate of its own, voted for Mr. Kopperud.

He was nominated for director by the National Farm Loan Association of South Dakota and Wyoming, which comprises the first division of the Eighth District. Mr. Kopperud is president of the Security Bank and Trust Company of Webster and vice president of the South Dakota Bankers Association.

The Federal Land Bank at Omaha now has total resources of over \$800,000,000, and is considerably larger than the Federal Reserve Bank of Minneapolis. Under the new intermediary credits act, an auxiliary bank, will be organized with a capital of \$5,000,000 to handle chattel mortgages on live stock and grain products. The land bank now can loan \$25,000 to one individual and can also make loans to banks and cooperative associations on live stock and farm product securities.

### SOUTH DAKOTA FARMERS PACKING PLANT FACES CRISIS

Huron, S. D.—A meeting of the stockholders of the Farmers Cooperative Packing Plant of Huron, is called for June 12. The notice to the stockholders reads, in part: "On account of our trust notes being past due, a large number of accounts past due, and our inability to collect on notes due the company, and the apparent apathy on the part of the stockholders, we are brought face to face with a most serious situation which requires a constructive line of action immediately."

A movement has been started by the trustees of the trust deeds to foreclose on the packing plant, which action automatically gives the stockholders a year in which to redeem the notes or lose the plant.

The local plant, built at a cost of \$1,000,000, is all ready to run, but has no operating capital.

### SOUTH DAKOTA FARMERS FAVOR TARIFF ON CANADIAN CATTLE

Huron, S. D.—Replies received from South Dakota farmers to the questionnaire sent over the state by the South Dakota Farm Bureau Federation, are unanimously in favor of retaining the tariff on Canadian feeder cattle. Farmers as well as bankers who have written the Federation office here relative to the matter assert that profits are already low enough to the producer without letting in cheaper cattle for eastern feeders. The Farm Bureau will oppose the move being made in certain quarters to remove the tariff. In this, as in all other questions, the policy of the state office is guided by what the members themselves desire, according to Geo. A. Starring, secretary, who directed the query.

### SOUTH DAKOTA INDIANS GRANTED CLAIM

Rapid City—Major James McLaughlin, veteran inspector of the Indian Bureau, is visiting Western South Dakota for the purpose of locating descendants of the Santees Indians, who have been granted a payment of \$347,000, ordered by the United States Court of Claims.

According to Major McLaughlin there are about 2,000 Santees among whom the \$347,000 will be divided. The Santees are descendants of Indians who went on the warpath

in Minnesota in the summer of 1862 and committed a massacre that practically wiped out all the whites in the vicinity of New Ulm. A number of the 303 hostiles who were captured were later executed at Manakto.

In his search, Major McLaughlin states he is finding these Indians in parts of North and South Dakota, Minnesota and other states.

### GOVERNMENT ROYALTY ON MONTANA'S CRUDE OIL

Lewistown, Mont.—The royalty due the Federal Government for the month of March from lands in the Cat Creek field in which the Government has an interest is \$33,500.

The local refining company pays a bonus for the crude over the regular field price, the Government receiving for its oil \$2.80 a barrel during the entire month. Since March crude has taken several drops in price.

The total production of oil on Government land during March was 168,000 barrels as against 151,000 for February. The two tracts showing the largest production were the Wildschultz and Green lands, the former producing 64,000 and the latter 44,000 barrels.

### SALE OF SOUTH DAKOTA INDIAN LANDS A SUCCESS

Rosebud Indian Agency, S. D.—The annual spring sale of Indian lands on this reservation was the greatest success since the big \$1,000,000 land sale at this agency in October, 1919. Several hundred tracts were offered, and bids were received for practically all the good land, the only land remaining unsold being small tracts which were not regarded as desirable for farming. Most of the land was sold at prices higher than the official appraisal.

### MILK SHIPMENTS SHOW INCREASE IN SOUTH DAKOTA

Sioux City, Iowa—Milk and cream shipments to Sioux City markets are showing an increase over shipments of last year. Crop conditions and prospects in South Dakota are brighter than ever.

M. M. Betzner, general agent of the Chicago and Northwestern Railway, states that in place of two milk cars in South Dakota service last year, three are in service now, and in place of one Nebraska milk car in 1922 the company is operating four cars now.

Two hundred steel underframe milk cars have been ordered by the company, Mr. Betzner said. To take care of the increased freight shipments 4,200 box cars and 1,050 gondolas or coal cars have been ordered.

### EXPECT BETTER BIDS ON NORTH DAKOTA BONDS

Bismarck, N. D.—Members of the State Industrial Commission are confident they will obtain lower bids on state bonds to be offered for sale June 28. Upon news of the disappointing bid made to the commission last week for real estate bonds, a large New York bond house wired Governor Nestos, offering to take the real estate issue at a lower rate than had been offered and the mill and elevator operating fund bonds, it was learned. Because the commission had taken steps to call for new competitive bids, the offer will not be accepted, in fairness to other financial houses.

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## Montana Bankers Association Group Meetings Held

Glendive, Mont.—Paul J. Wedge of Miles City, president; R. H. Watson of Glendive, vice president, and W. J. Flachsenhar of Terry, secretary-treasurer, are the new officers of Group Two of the Montana Bankers Association, which concluded its annual meeting here recently. Mr. Wedge, who is cashier of the First National Bank of Miles City, succeeds S. F. Donaldson.

Optimism concerning the future of Eastern Montana, particularly for the present year, was the keynote of addresses made by banking men of this part of the state.

Curtis L. Mosher, of the Minneapolis Federal Reserve Bank, the principal speaker, urged a greater dissemination of news of economic conditions in other lands as a means of showing how prices are fixed by the world market. He pointed out the futility of price fixing and urged a better organization of farmers. While many farmers had not made a great deal of money, he said that Federal Reserve Bank reports indicated that a large number had not gone broke.

State Treasurer, O. H. Junod explained to the bankers the financial operations of his department. The bankers heard F. M. Kerr, a farmer of Burns, tell of the profit possibilities of corn when fed to live stock. He said it was wasted effort for farmers to devote their corn crop entirely for market purposes.

A trip through the Kevin-Sunburst oil field was planned for the meeting, June 5, of the members of Group One of the Montana Bankers Association at Shelby.

The program, as announced by Bert K. Johnson of Geraldine, secretary, included talks on banking problems and reports from each county on conditions of business and crops. Speakers were named as follows:

Mayor James A. Johnson of Shelby, F. E. Stranahan, president of the Stockman's National Bank at Fort Benton. O. F. Tate, president of the First National Bank at Carter. "Canadian Banking" was the subject of a talk to be given by a representative of the Lethbridge clearing house.

Other speakers were G. G. Howard, geologist, O. H. Junod, state treasurer to discuss state finances and Curtis L. Mosher of the Federal Reserve Bank of Minneapolis.

Group Six of the Montana Bankers Association, representing five counties of Western Montana in convention here recently, attacked the ruling of the State Depository Board which recently increased the interest on state loans to banks from 2½ to 4 per cent.

Speakers at the meeting were in doubt as to whether banks would continue to handle state funds on that basis. They asserted that large banks would probably not. The money they predicted would go to small country banks which at no time were safe places for state money.

The state side of the question was explained to the bankers by State Treasurer A. H. Junod. He defended the action of the board, and said it would ultimately result in benefit to both the state and the bankers.

Officers of the Association were elected for the ensuing year. Those selected were: President, M. A. Fulmor of the Anaconda National Bank, Anaconda; vice president, J. E. Monroe, vice president of the State Bank of Dillon; treasurer, P. B. McClintock of Twin Bridges.

"New agricultural Credits" was the subject of a talk by W. M. Buckles of the Federal Intermediate Credit Bank, Spokane, Washington, at the thirteenth annual convention of Group Five of the Montana Bankers Association, held at Helena recently. "Rainbows and Green Cheese" was the subject allotted to W. W. Gail of Billings. Convention hosts were: The Union Bank and Trust Company, National Bank of Montana, Montana Trust and Savings Bank, American National Bank, Conrad Trust and Savings Bank,

Farmers and Mechanics State Bank and the Federal Reserve Bank.

The Ninth Group of the Montana Bankers Association held their twelfth annual convention in Gregory, May 29.

### WORK AT THE GARIBALDI AND PROSPECTOR MINES

Butte, Mont.—A. M. Chisholm of Duluth, president of the Midwest-Butte Mining Company, has recently been looking over the properties of the company. The Midwest-Butte Company owns the Prospector and Garibaldi claims. In both of them silver ore of good paying grade has been uncovered and some shipments made. Mr. Chisholm gave orders to commence the sinking of the shaft of the Prospector to a depth of 600 feet and the Garibaldi to an additional forty feet. It is now down to a depth of 500 feet. "While conditions in the copper market are not exactly to our liking just at present," said Mr. Chisholm, "the basic position is strong and we are going ahead as rapidly as possible. At the Shattuck mine in the Bisbee district, we have 125 men at work, and the Denn mine will be in full operation before Sept 1. From the Garibaldi mine in this district we have shipped some ore and we have been very much pleased with the results of the work done so far."

### DECISION IN BUTTE & SUPERIOR CASE

Butte, Mont.—A decision of the State Supreme Court requires the Butte & Superior Company to pay the net proceeds tax on the Elm Orlu ore wrongfully extracted from the latter property. The court held that the state board of equalization improperly permitted the Butte & Superior Company to deduct payment of the net proceeds tax on \$2,719,372.93 worth of ore, which ore was extracted from the Elm Orlu and on which no net proceeds tax was paid. The case originally came up in the district court on a writ of mandamus to require the collection of the tax. The lower court quashed the mandamus proceedings, which decision the Supreme Court reversed. The county board of equalization directed the county assessor to levy the assessment on the net proceeds, but he declined. The matter next was taken up by the state board of equalization and the action of the assessor was sustained. Next the question was in the district court on a writ of mandate requiring the assessment to be made. The district court denied the writ and then followed the appeal to the Supreme Court, which decision requires that the Butte & Superior Company must pay the tax. The \$2,719,372.93 worth of ore was the amount adjudged to have been illegally extracted by the Butte & Superior Company from the Elm Orlu property. The question of the net ore tax arose out of the suit of the Elm Orlu against the Butte & Superior Company, which was heard in the Federal Court and in which it was decided that the Butte & Superior had extracted ore from the Elm Orlu ground.

### MONTANA'S IRON ORE PRODUCTION SHOWS EXPORT SURPLUS

Washington—Montana is a producer of iron ore in sufficient quantities to show an export surplus, according to figures compiled by the United States Geological Survey. A total of 21,726 tons of iron ore, valued at \$59,560 was shipped from the Treasure state in 1922.

In 1921 Montana ranked twelfth in iron mined, with an output of 26,174 tons, valued at \$91,729. That production dropped considerably in 1922, is shown by the decrease in the shipments to the Eastern smelters.

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### Montana Power Company Offers to Reduce Rate

Helena, Mont.—In answer to the citation to show cause why there should not be a substantial reduction of electric power rates and charges in Montana, issued by the public service commission, the Montana Power Company has filed an offer to make voluntary reductions.

The new schedules which the power company offers to put into effect, provide for a reduction ranging from two cents per kilowatt for the first 100 kilowatts used in private households, to four cents per kilowatt for all additional power used for domestic purposes over 150 kilowatts. The last mentioned rate would then be two cents a kilowatt whereas under the old rate it would have been necessary to use more than 5,000 kilowatts in households to get the two-cent rate.

If the commission so directs, said rates will go into effect July 1, and will apply uniformly in these classes to all customers of the company, some 40,000 in number, in the large and small towns and cities alike.

The present rate from which the reduction is contemplated, is, for cities, 10 cents per kilowatt hour for the first 100 kilowatts, nine cents for the next 100, eight cents for the next 300, six cents for the next 500, four cents for the next 1,000, three cents for the next 5,000 and for all additional, two cents.

The old rate for towns: 12 cents per kilowatt hour for the first 50; for the next 50 11 cents; 10 cents for the next 100, eight cents for the next 300, six cents for the next 500, four cents for the next 1,000; three cents for the next 5,000 and all additional, two cents.

The schedule offered for lighting, heating and incidental small power in hotels, rooming houses, churches, halls, schools, public buildings, stores and other places of business is: For the first 100 kilowatt hours per month, eight cents; for the next 400, six cents; four cents for the next 1,500, and for all additional, two cents.

### FORMER OFFICER OF MONTANA BANK APPOINTED ITS RECEIVER

Livingston, Mont.—Alban Bodine, who has been president of the First State Bank of Livingston since its reorganization, a year ago, and which closed its doors a few days ago for the second time, was appointed receiver of the bank in district court.

### CANADIAN BANK OF COMMERCE OPTIMISTIC AS TO CONDITIONS OF PRAIRIE PROVINCES

Winnipeg, Man.—Officials of the Canadian Bank of Commerce, in discussing conditions in Manitoba and Saskatchewan with a representative of the Manitoba Free Press, expressed a cheerful view of the situation.

As a result of extended observation bank officials reach the conclusion that 80 per cent. of the farmers of Manitoba and Saskatchewan are clearly above the line of trouble. Of this 80 per cent., a considerable number have deposit accounts with the bank, their farms are free of

debt, and their wealth is increasing. The worst off farmers included in this 80 per cent. are those who must exercise much care in all their expenditures, but who, by exercising such care, are able to get along without difficulty. Their burden is not too heavy, and with reasonable crops in future years, will make their way to comfort.

Twenty per cent. is said by the Bank of Commerce to be a generous estimate of the proportion of farmers who are in difficulties. These farmers could have stood reverses for one, two or three years. It was, however, unfortunately true that in some isolated sections of the country bad seasons had succeeded each other for six years. This had proven too much for competent and hard working farmers in these areas. The most of them have not given up, but their borrowing powers, so far as the bank is concerned, are limited.

With reference to the position of the municipalities, the bank had recently examined the records of twelve such municipalities selected at random, and it was found that the arrears of the payment of taxes in these municipalities was 51 per cent. less than in the previous year.

With reference to the future, the bank is hopeful. At the present time buyers are very conservative all through the West. Even those farmers who have ready money in fairly large amounts, are not spending. If, however, the returns from seeding are reasonably good for the next year or two, both buying power and confidence will be restored, and retail and wholesale trade will feel the benefit.

### FALSE REPRESENTATIONS IN SALE OF GOODS

A person fraudulently represented that he was organizing a corporation, and another induced by the misrepresentation sold and shipped goods to the supposed corporation. The first party obtained possession of the goods and sold them to a third party, a bona fide purchaser, against whom the second party, the seller, brought an action to replevin the goods. The Supreme Court of Indiana held, in the case of Indianapolis Saddlery Company vs Curry, that the plaintiff never intended to pass the title to the goods to the party making the misrepresentations, and that therefore the latter obtained no power to pass title to the third party.

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## Closing Many Bank Branches in Canada

Winnipeg, Man.—For many months there has been a steady decrease in the number of branches of the Canadian chartered banks. In the month of May, there was an estimated loss of ten offices. In the month of April, a total of 28 offices were closed and only six new offices were opened, a net loss of 22 offices. In the month of March there was a net loss of 13 offices, three branches being opened as against 16 closed. The total number of offices in Canada at the present time is close to 4,600, a large diminution from the peak.

It is supposed by some readers, says the Manitoba Free Press, that the closing of these offices is due to some depression in trade which marks Canadian business. It is pointed out by bankers that this is not the case and that what has happened in connection with Canadian branch banks in the past ten years has been due to a cause which was not always perceived.

Up to the time of the outbreak of the war there had been quite a steady increase in the number of Canadian branch banks and the total number at that time had grown to almost 3,100.

During the war the banks, so far as branches were concerned, stood practically where they were. Very few changes were made and very few new offices were opened. It was stated in the press through the war period that the failure to open any new branches was due to an understanding among the banks. They had agreed, it was said, to open no new offices until the war was over. The real reason, as it is pointed out, was that the banks had no men to man new offices. Hundreds of managers and other employees of the banks had enlisted and apart from the opening of new offices it was difficult to operate those which had been opened. Hundreds of girls were engaged

and many of them discharged important duties. Girls could not be employed however, to open new offices and few were opened.

### Rush To Open Branches

Immediately at the close of the war, there was a most extraordinary rush to open new branches. All of the banks joined in this remarkable movement to which there had been nothing similar in the history of the country. Every promising point was examined and inspected and in most cases premises were secured and business set going. At many points, especially in the West, surprise was expressed that a bank would think it worth while to secure a connection there, and the opinion was expressed that the time might never come, when such offices would pay the operating costs. The rust however, continued and new offices were opened in considerable numbers in all the larger provinces.

It was thought at the time by many people that this great movement was due to the growth of the country, to the briskness of trade, and to the high expectations which were entertained regarding the progress which the country was to make in the coming few years.

Bankers however, point out that there was another and more pressing reason for action. Just as in the war period it had been impossible to open offices for the lack of men, so after war it was essential to open offices to provide for the former employees who had been released from the army, and to whom the promise of employment had been made at the time of their departure.

It was necessary that immediate action be taken and that provision be made for all these men. It was for this reason that the banks explored every remotest part of the country and opened branches in places where the prospects in some cases were certainly poor. This course of action was continued until all the managers and clerks who had been in the service at the time of enlistment were replaced in suitable positions. The cost to the banks was considerable, but there was no alternative.

### Not Caused By Depression

At the present time the reverse process is taking place. Branches of the banks are being closed not because of business depression, but because too many were opened immediately after the war to provide employment for the returning former employees. Hundreds of natural changes are taking place, many clerks leave the service for other callings, and as a result offices which do not pay can be closed. This process will, according to Sir John Aird of the Bank of Commerce, continue for two or three years. By that time the class of the unnecessary and non-paying offices will be gone and the country in this regard will be on a normal basis.

### CANADA STANDS SECOND IN AUTOMOTIVE INDUSTRY

Canada is firmly established in second place in the countries of the world regarding the various phases of the automotive industry, according to reports published by the National Automobile Chamber of Commerce. For several years Canada has stood second to the United States in the number of motor vehicles in use and as the result of the growth of the industry has moved into second position in the countries of the world as manufacturer and exporter of automobiles and trucks.

At the end of 1921 Canada exported ten per cent. of the world's output of cars, while United States exported 40 per cent. and France 25 per cent., the latter including the re-export of war cars. Italy was fourth with nine per cent., Germany exported seven per cent. and England four. During 1922 the relative positions were completely changed. United States exported 50 per cent., while Canada jumped into second place with a total of 37,958 cars exported, or 23 per cent. France dropped to ten per cent., Italy to eight, Germany to six, and England to two per cent. of motor vehicles exported.

In 1922 the United States lead in the manufacture of motor vehicles, the various factories turning out 2,561,000, while the Canadian factories were second with an output

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of 98,000. Other countries manufactured cars to the following extent: France, 75,000; United Kingdom, 50,000; Germany, 46,300; Italy, 25,000; Czechoslovakia, 3,000, and Belgium, 2,600. In motor vehicle registration the United States leads with 12,239,114, Canada is second with 509,670 and the United Kingdom third with 498,271.

OPENING OF NEW IRRIGATION DISTRICT IN ALBERTA

Lethbridge, Alta.—Official opening of the new Lethbridge Northern Irrigation District, bringing 105,000 acres under water for farming will take place June 15, according to an announcement by the provincial government.

The new irrigated district lies between the Old Man and Little Bow Rivers north of Lethbridge and extends as far west as the town of MacLeod. The land aggregates about five townships.

Until recently farmers in the area have followed dry farming methods and individual holdings have been about 640 acres. Under irrigation, it is believed, more intensive methods will be used, reducing individual holdings to an average of 160 acres and opening the remainder to new settlement.

The new project is one of several now under way. A smaller district comprising about 25,000 acres and known as the United Irrigation district lying in the foothill country, west of Cardston, will be opened within several months. All irrigation work is being done by the provincial government under the Alberta Irrigation district act. Financing has been made possible by the Government's guaranteeing bonds to the extent of \$6,000,000 at six per cent. covering all operations.

Irrigation has been practiced in Southern Alberta for twenty years with considerable success. It has been proved that irrigation makes it possible to produce heavier yields and grow a greater variety of crops than on dry land. Several million acres in Southern Alberta are now under water and settlement in irrigated areas has been rapid in recent years.

UNIQUE PLAN OF COLONIZATION IN QUEBEC

Quebec, P. Q.—Quebec has adopted a unique plan of colonizing its vacant lands which is said to be the most advanced step ever taken by a Canadian province to promote land settlement.

A new government enactment, announced by Premier Taschereau, provides that the province will pay new settlers a bonus of \$4 per acre for land cleared on colonization lots. Additional aid will be given for building colonization roads, bridges, schools and churches. The new plan, it is believed, will have a pronounced effect on the movement of settlers to Eastern Canada and in inducing younger men in the older settlements to seek out new lands and pioneer them.

The province, according to Premier Taschereau, has spent the sum of \$7,000,000 in opening up and colonizing new lands since 1920. It has laid out roads penetrating hitherto undeveloped areas. It has mapped out colonization lots and made ready for the incoming settler by breaking a small acreage and erecting a house and barn on the property for him. The bonus for clearing will be in addition to these provisions.

Mr. Taschereau pointed out that while Quebec is one of the oldest established provinces in the Dominion, only 24,571,330 acres out of its total land area of 218,723,687 acres is settled upon. This means that there are millions of acres still awaiting development. Much of this, he said, is still in timber or brush and when cleared would be well adapted to mixed farming. Completion of railway extensions in Northwestern Quebec has opened up new areas for settlement and provided transportation and marketing facilities.

TRANS-CANADIAN HIGHWAY

Edmonton—Plans for the Trans-Canada Highway were recently laid before Hon. Alex. Ross, the Minister of Public Works. So far as Alberta is concerned there will be two branches of the main highway. This highway is to run from Halifax to Regina, where it forks, one branch going by way of Moose Jaw, Medicine Hat, Calgary and Banff to Vancouver, and the other through Saskatoon, Bat-

tleford, Edmonton and Jasper Park to Vancouver. This will put a main line highway through each of Alberta's great National Parks.

TROPHY FOR WINNIPEG BANKERS' GOLF TOURNAMENT

Winnipeg, Man.—C. W. Rowley, of the Canadian Bank of Commerce, has donated a trophy for the third year for competition in the Bankers' Golf Tournament. All members of the chartered banks of the city are eligible to take part in this event.

A NEIGHBOR WORTH KNOWING

A country which, with less than 9,000,000 population, has an annual trade with the United States of over \$800,000,000, is a neighbor worth knowing.

CANADA

With only one-sixth of her arable land under cultivation, is the world's second greatest wheat producer, and has already a greater trade with the United States than any other country except Great Britain. Canada is a neighbor worth knowing. Inquire from

Department of Immigration, Room 111, Norlite Bldg. Ottawa Canada

THE ROYAL BANK OF CANADA HEAD OFFICE, MONTREAL December 1917. RISING prices have characterized the money market during November, and transactions have been but a large scale. The strength displayed in our unrepented. Declining commodity prices and other business losses the demand for investment capital and lower the rate of interest which such capital commands. In future the good seasons, which cause in the holder a certain loss of interest each year, may appear in value. As time goes on, and prices decline, the actual interest payments have a constantly increasing purchasing power in terms of goods. The following table gives a good idea of the movement in Victory Bonds. The prices given for December and April are the best prices for these months.

Our Monthly Letter

is a review of agriculture, trade and finance in Canada and abroad. You will find it of considerable value to you in your business.

A post card to our Supervisor at Winnipeg will place your name on our mailing list.

THE ROYAL BANK OF CANADA

Head Office - - - Montreal, Que.



**Business Want Department**

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

Rates for advertisements in this department are 4 cents per word each insertion. Words displayed in capitals, 8 cents per word. Initials, name, address, location and abbreviations count as one word each. Copy 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 a two-cent stamp. Address Commercial West Co., Minneapolis, Minn.

**MUNICIPAL BONDS**

**NOTICE OF SALE OF BONDS**

Notice is hereby given that the City Council of the City of Platte, South Dakota, will receive bids for purchase of \$80,000.00 improvement bonds of the City of Platte, South Dakota, payable \$5,000, June 15th, 1924; \$7,000, June 15th, 1925; \$8,000, June 15th, 1926; \$9,000, June 15th, 1927; \$10,000 June 15th, 1928; \$10,000, June 15th, 1929; \$10,000, June 15th, 1930; \$10,000, June 15th, 1931; \$11,000, April 23, 1932, with interest at the rate of six per cent, payable semi-annually, which said bids will be received by the City Council at the council rooms in the City of Platte, South Dakota, not later than 8 o'clock P. M. on Monday, June 25th, 1923, at which time said bids will be opened. Certified check of Three (3) per cent. of the amount of bonds must accompany all bids. The City Council reserves the right to reject any and all bids.

Dated this 31st day of May, 1923.  
G. E. COOL,  
Auditor.

**\$70,000**  
**GREGORY, S. D.**  
**GREGORY SCHOOL DISTRICT**  
**BONDS**

Official statement regarding \$70,000 of five per cent. bonds to be sold at sealed bids at Gregory, South Dakota.

**June 11, 1923.**

at 8:00 P. M. Name of municipality is Gregory School District, State of South Dakota. Deposit required is unconditional certified check for five per cent. of the bid. Proceedings are being prepared by the Morrison & Co., Minneapolis, Minn., bond house. Purpose of the issue is to build a new grade school. Date of bonds is June 1, 1923. Interest will be payable semi-annually. Denomination will be \$1,000 each. Principal and interest payable at the First National Bank, Minneapolis, Minn. Bonds mature in twenty years. No option before maturity. Bonds to be issued under South Dakota state law. No principal or interest of any previous bond issues have been contested or compromised, or at any time have been in default.

**Statistics**

Total equalized assessed valuation for taxes for the year 1922 was \$2,004,573. Population, 1920 census, 1,200. Population, 1922 estimated, 1,500. Area 15½ sections. Total bonded debt including this issue \$112,000. No floating debt, warrants, etc. No special assessment debt. No city indebtedness.

Total debt \$112,000  
Deductions—Sinking funds on hand for bond retirement... 20,000  
\$92,000

**Net Bonded Indebtedness**

No additional bonds will be issued within one year. Principal products or exports of municipality are cattle, hogs, grains, corn, poultry and cream.

I certify that there is no litigation pending or threatened questioning the rights of the members of the Board of Education to their respective positions on the Board of Education or of the officers to their respective offices nor is there any litigation pending or threatening questioning the existence of boundaries of said School District, nor is there any litigation pending or threatened to restrain the issuance of any proposed bonds, nor the levy of a tax to pay the same.

I further certify that the above statement is true and correct, and the proceedings have been in all respects regular and in conformity to law, all to the best of my knowledge and belief. In testimony whereof I have hereunto set my hand at Gregory, South Dakota, this 26th day of May, 1923.

L. H. SEDLACEK,  
Clerk.

**MUNICIPAL BONDS**

**CALL FOR SEALED BIDS FOR THE PURCHASE OF SCHOOL BUILDING BONDS OF INDEPENDENT SCHOOL DISTRICT NO. 35 OF ST. LOUIS COUNTY, MINNESOTA**

Notice is hereby given that on the 11th day of June, 1923, the School Board of Independent School District No. 35, St. Louis County, Minnesota, will hold a special meeting on the said date, in the High School Building, in the Village of Buhl, at 8 o'clock P. M., for the purpose of opening and considering bids for the sale of Five Hundred Thousand (\$500,000.00) Dollars worth of school building bonds, of said Independent School District No. 35, said bonds to be dated January 30, 1922, and to bear interest at a rate of not to exceed seven (7%) per cent per annum, interest payable semi-annually, and to consist of 500 bonds in the denomination and face value of One Thousand (\$1,000.00) Dollars each, numbered and to mature as follows, to-wit:

- Nos. 1 to 50, inclusive, to mature January 30, 1927.
- Nos. 51 to 100, inclusive, to mature January 30, 1928.
- Nos. 101 to 150, inclusive, to mature January 30, 1929.
- Nos. 151 to 200, inclusive, to mature January 30, 1930.
- Nos. 201 to 250, inclusive, to mature January 30, 1931.
- Nos. 251 to 300, inclusive, to mature January 30, 1932.
- Nos. 301 to 350, inclusive, to mature January 30, 1933.
- Nos. 351 to 400, inclusive, to mature January 30, 1934.
- Nos. 401 to 450, inclusive, to mature January 30, 1935.
- Nos. 451 to 500, inclusive, to mature January 30, 1936.

The said bonds will be sold for not less than par and accrued interest to the highest bidder for cash. All bids must be enclosed in a sealed envelope addressed to John W. Pasich, Clerk of Independent School District No. 35, St. Louis County, Minnesota, Buhl, Minnesota, marked on the outside, "Bids for School Building Bonds of Independent School District No. 35, of St. Louis County, Minnesota." Each bid must be accompanied by a certified check in the sum of Ten Thousand (\$10,000.00) Dollars drawn on some State or National Bank having banking connections in the County of St. Louis, Minnesota, payable unconditionally to the order of Lee Raustad, Treasurer of Independent School District No. 35, as liquidated damages for breach of contract of said bidder if he fails or refuses or neglects to take said bonds in accordance with his bids.

Each bid must be in writing and must be received on or before 8 o'clock P. M., on Monday, June 11th, 1923.

The School Board reserves the right to reject any and all bids.

Dated at Buhl, Minnesota, May 24th, 1923.

John W. Pasich.

(76-23)

**MUNICIPAL BONDS**

**CALL FOR SEALED BIDS FOR THE PURCHASE OF SCHOOL BUILDING BONDS OF INDEPENDENT SCHOOL DISTRICT NO. 35 OF ST. LOUIS COUNTY, MINNESOTA**

Notice is hereby given that on the 11th day of June, 1923, the School Board of Independent School District No. 35, St. Louis County, Minnesota, will hold a special meeting in the High School Building in the Village of Buhl, 8 o'clock P. M., for the purpose of opening and considering bids for the sale of One Hundred and Thirty-nine Thousand (\$139,000.00) Dollars worth of school building bonds of said Independent School District No. 35, said bonds to be dated August 9th, 1921, to bear interest at a rate of not to exceed seven (7%) per annum, interest payable semi-annually, and to consist of 139 bonds in the denomination and face value of One Thousand Dollars (1,000.00) each, numbered and to mature as follows, to-wit:

- Nos. 1 and 12 to 20, inclusive, to mature August 9th, 1927.
- Nos. 106 to 108, inclusive, to mature August 9th, 1928.
- Nos. 110 to 120, inclusive, to mature August 9th, 1928.
- Nos. 172 to 175, inclusive, to mature August 9th, 1929.
- Nos. 246 to 247, inclusive, to mature August 9th, 1930.
- Nos. 251 to 266, inclusive, to mature August 9th, 1931.
- Nos. 274 to 283, inclusive, to mature August 9th, 1931.
- Nos. 301 to 306, inclusive, to mature August 9th, 1932.
- Nos. 312 to 319, inclusive, to mature August 9th, 1932.
- Nos. 345 to 349, inclusive, to mature August 9th, 1932.
- Nos. 351 to 356, inclusive, to mature August 9th, 1933.
- Nos. 401 to 425, inclusive, to mature August 9th, 1934.
- Nos. 451 to 457, inclusive, to mature August 9th, 1935.
- Nos. 476 to 500, inclusive, to mature August 9th, 1935.

The said bonds will be sold for not less than par and accrued interest to the highest bidder for cash. All bids must be enclosed in a sealed envelope addressed to John W. Pasich, Clerk of Independent School District No. 35, Buhl, Minnesota, marked on the outside, "Bids for School Building Bonds of Independent School District, No. 35, of St. Louis County, Minnesota." Each bid must be accompanied by a certified check in the sum of Two Thousand (\$2,000) Dollars, drawn on some state or national bank, having banking connections in St. Louis County, Minnesota, payable unconditionally to the order of Lee Raustad, treasurer of Independent School District No. 35, as liquidated damages for breach of contract of said bidder if he fails or refuses or neglects to take said bonds in accordance with his bid.

Each bid must be in writing and must be received on or before 8 o'clock P. M., on Monday, the 11th day of June, 1923.

The School Board reserves the right to reject any and all bids.

Dated at Buhl, Minnesota, this 24th day of May, 1923.

John W. Pasich.

(76-23)

**BUSINESS CHANCES**

**Bank Fixtures For Sale**

One set of cherry bank fixtures in good condition; a real bargain. C. B. Fekema & Co., 236 Security Building, Minneapolis. (76-26)

**SITUATION WANTED**

Wanted: Cashiership in small country bank; four years' experience; best references; can invest. Address "M14" Commercial West. (76-23)

Young lady desires stenographic position, bank preferred; some experience; good references. Address Box 255, Amboy, Minn. (76-23)

**SITUATION WANTED**

Wanted—Position of cashier or assistant cashier by young man; eight years' experience in country banking; capable of taking full charge; speak German and Norwegian; can invest and available at once. Address "N15" Commercial West. (76-25)

Wanted—Cashiership Minnesota, Dakotas or Montana by North Dakota banker, 15 years' experience, capable taking full charge; speak Norwegian and German; desire location with high school; available at once. Address "G9" Commercial West. (75-24)



## FEED LIVESTOCK and market your crops in a FINISHED PRODUCT

We Specialize in  
**LIVE STOCK BANKING**

### STOCK YARDS NATIONAL BANK

South St. Paul, Minnesota

Alex Highland, President  
J. S. Bangs, Vice President

F. A. Birch, Vice President  
J. C. Kohl, Cashier

N. L. Felton, Assistant Cashier  
O. W. Raynum, Assistant Cashier

## Review of the Live Stock Markets

By Minnesota Department of Agriculture, A. B. Smeby, Market Reporter

South St. Paul, Minn., June 5, 1923—Receipts of cattle totaled about 5,300 head the first two days of the week or practically the same as the corresponding days last week. The better offerings of grain-fed fat steers, yearlings and she stock were scarce and sold at practically steady prices. The supply of the lower grades of killing cattle and stockers and feeders was greater than the demand and buyers for the large packers and other interests met with little difficulty in lowering prices. Sales of such kinds today showed discounts of around 25c or more compared with last week's close.

The top of \$10.00 established in last week's trade was lings averaging around 950 pounds sold to a packer at this price. Load lots of the best fat yearlings and matured steers sold at \$9.60 to \$9.75 with bulk of fat steers and yearlings selling between these prices and \$7.50, those of a common grade on down to \$6.50.

A few of the best fat heifers sold from \$7.75 up to \$8.50 or higher with bulk of fat heifers going at \$6.00 to \$7.50. A small number of the best fat cows sold from \$6.75 up to \$7.50 with the bulk at \$4.50 to \$6.00, some low grade beef cows around \$4.00.

Old "shelly" canners of doubtful health were moved at \$2.50 with the popular price for canners \$2.75. Cutters sold largely at \$3.00 to \$3.50, a few strongweights \$3.75 or somewhat higher. Bologna bulls brought prices ranging from \$4.00 to \$4.75 with most medium and heavyweights going at \$4.25 to \$4.50, some medium to good heavy fat bulls sold around \$5.00.

Prices of veal calves were discounted sharply on opening days. Best lights sold today from \$7.50 to \$8.50 for the most part, a few extra choice vealers \$9.00 with the practical packer top \$8.00. Seconds sold largely at \$4.00 to \$4.50.

Trade in the stocker and feeder division continued dull under a light country demand. Practically nothing of a choice grade was offered and only small numbers of a good grade. Bulk of offerings were of weight and quality to sell from \$5.00 to \$6.50 within a price range of \$4.00 to \$7.50.

Hog receipts for the first two days this week total 22,500 against 26,700 a week ago and 17,800 corresponding days a year ago. The market ruled strong today, being strong to 10c or more higher on the average compared with last Tuesday. Several loads of choice light sorts weighing from about 130 to 180 pounds sold for shipment at \$6.85, with light butchers ranging from about 190 to 240 pounds to shippers at \$6.75. Packers purchased bulk of the receipts from \$6.60 to \$6.75, several droves of mixed lights and butchers selling at \$6.70 straight with the rough packers and stags out, real heavy or rough packers cashing mostly at \$5.00, rough stags \$4.00. The pig market has held steady all week, bulk of sales being made at \$6.25.

Fat shorn lambs are strong to 25c higher than a week ago, desirable handyweights being quotable up around

\$13.00 to \$13.50, seconds \$7.50 to \$10.00, heavies around \$10.00. Better grades of spring lambs are selling around \$14.00 to \$14.50 or weak to 50c lower than last Tuesday. Number two spring lambs are selling mostly around \$10.00 to \$10.50. Fat ewes are about 25c lower than last Tuesday, bulk of the heavies cashing today at \$4.00 and light and handyweights at \$5.25.

#### CHICAGO

Chicago, Ill., June 5, 1923—Cattle receipts while somewhat lighter on opening days this week than last were still liberal. Marketings here the first two days totaled around 32,700 compared with actual receipts of 39,231 the same days a week ago. The two-way tendency in cattle prices is still in evidence. The better grades of fat cattle are relatively scarce and prices are gradually advancing while the lower grades are working toward lower price levels.

Best matured beeves passed the \$11.00 mark in last week's trade, and a rampant demand again featured the trade on heavy bullocks on opening days this week. Top heavies on Monday were urged to \$11.25, the price paid by local killers for three loads of strictly choice eight months fed Iowa beeves, 17 head averaging 1,470 and 36 head averaging 1,600 pounds. Several strings, most of them carrying considerable weight, cashed at \$11.00 and \$11.10. Best mixed yearlings sold at \$11.00. Bulk of fat steers and yearlings cashed at prices ranging from \$8.75 to \$10.25 with common grade offerings, mostly lightweights, selling from \$7.00 to around \$8.50.

A few highly finished kosher cows landed at \$8.00 and better. Beef heifers were most numerous at \$7.50 to \$8.50 although there were a few thin-fleshed lightweight heifers downward to \$6.50 and below. Bulk of fat cows sold at \$5.25 to \$6.50.

The canner and cutter offering was liberal. Sales of canners were most numerous at \$2.60 to \$2.75, light kinds rarely exceeding \$2.50. Cutters sold upward to \$3.75 with a few strongweight kinds above that mark. Most of the good bologna bulls turned at \$4.75 and only the best heavy Holsteins are eligible to a bid of \$4.90 to \$5.00. Thin, light and medium weights sold from \$4.00 to \$4.25.

Bulk of light vealers sold to packers today around \$9.50 with outsiders paying upwards to \$11.00 for handpicked selections.

Offerings of thin steers suitable for stocker and feeder purposes were scarce and demand was almost absent. There was practically nothing doing in the stocker and feeder division on opening days this week. The market was called steady, asking prices ranging from \$6.75 to \$7.75 for the bulk. Best kinds were quotable up to \$8.40 and \$8.60 with commonest lightweight kinds salable from \$5.25 to \$6.50.

Hog receipts on opening days were again extremely

(Continued on page 47)



# GRAIN AND MILLING

Office of the Commercial West, June 5—Copious rains throughout nearly all parts of the Dakotas and Minnesota, and extending eastward to Lake Michigan and southeast to the Oklahoma line, have vastly improved the crop outlook. Reports from Kansas and Nebraska complain of too much moisture.

In a report issued today, Paul H. Kirk, Minneapolis Federal Crop Reporter, says:

"While local showers were general they were not heavy, and with the lack of subsoil moisture more rain would be beneficial.

"The growth of all small grains has been fairly good the past week. Rye and winter wheat are reported heading somewhat short in certain districts," the report continues.

"Planting of corn and potatoes is practically completed, except in some of the most northern territory.

"Hay and pastures are not as satisfactory as should be expected at this time of the year."

An Omaha authority estimated the Nebraska wheat crop around 30,000,000 bushels against 57,000,000 bushels harvested last year. Burton Hungerford, crop expert, in a wire from Omaha, Neb., says that there was about 800,000 acres winter wheat in the Hessian fly infected area in that state and Nebraska. There will probably be a loss of 25 per cent. on 450,000 acres, but damage in the balance of the area will be light.

North America has a prospective wheat crop this year of around 1,125,000,000 bushels, as shown by the Clement, Curtis & Co. report, a decrease of 125,000,000 bushels as compared with last year.

"Wheat in this territory will probably average 10 to 12 bushels per acre," said R. W. Kinyon's report to Jackson Bros. & Co., from Snyder, Okla. "Harvest will start in a week or ten days."

## Canadian Estimates

Spring wheat crop in the three Canadian northwestern provinces is estimated at about 300,000,000 bushels, or 75,000,000 bushels less than last year's bumper yield, according to Nat' C. Murray's report compiled for Clement, Curtis & Co. Acreage is the same to a trifle less than in 1922 in the aggregate. Condition is 95. Oats acreage increased three per cent. and is slightly over 9,000,000 and with a condition of 91 suggests a crop of 250,000,000 to 260,000,000 bushels or 30,000,000 to 40,000,000 bushels less than last year.

"It is hard for the majority of the traders," a report from Chicago says, "to see anything really bullish in the wheat situation the world over. There is more than enough to go around and leave a surplus. Importing countries will not buy as much from exporting countries as during the last season and the United States and Canada will have a good surplus from the old and new crop unless there is a material fall down in the present crop prospects."

## Corn

Corn planting is about 85 per cent. completed in Illinois and Indiana, and about 50 per cent. completed in Michigan and Wisconsin, as shown by the semi-monthly crop reports from the four states as received by George C. Bryant of the Department of Agriculture. Considerable will have to be replanted. In Minnesota and the Dakotas, corn planting is nearly completed.

"When selling corn short do not forget what is behind it. There are the small receipts, high cash premiums, light stocks, and visible supply of 6,734,000 bushels with indications of it being dissipated before the first of December." This is the way one of the leading Chicago corn traders puts the situation.

## Oats

Reports from all sections of the Northwest, and in fact all the states of the West and Central West, indicate that oats is backward, and the yield will be light.

## Rye

Rye promises to fall little behind last year's record in

North Dakota, notwithstanding the fear of winter killing. Harvesting will soon be the general order.

## Flax

In its letter of June 2, the Archer-Daniels Linseed Company says:

"In many sections the weather this week in the Northwest has been too dry for flax seeding. Canada has been favored with good rains. Planting will continue for two or three weeks. Price changes have mainly followed the changes in wheat values and are some lower than a week ago. Offerings of either old or new crop seed are very light. It is thought by some that receipts would increase when seeding is over. This was true in 1920, but it was not the case in 1921 and 1922."

## Dairy Products 1922, Show Increase

Washington—The production of creamery butter aggregated 1,153,515,000 pounds for 1922 as against 1,055,000,000 in 1921, an increase of practically 98,000,000 pounds, or 9.3 per cent. The extent of the increase in butter consumption is appreciated when compared with the increased population in the United States, which is approximately 1.5 per cent. per year. The receipts of butter on the four principal markets in the United States showed an increase in 1922 over 1921 of more than 60,000,000 pounds. As the net export of butter was small, about 2,000,000 pounds, the consumption of creamery butter was materially increased. The per capita consumption of butter for the year 1921 was 16.1 pounds and 16.55 pounds for 1922.

There was an increase in the production of butter for the year 1922 over 1921 for each of the first nine months of the year. The greatest percentage of increase was in January and July, which showed an increase over 1921 respectively of 24.8 and 20.8 per cent.

Production of cheese in the United States for the year 1922 was 14,000,000 pounds more than in 1921. The receipts on the four principal markets, New York, Chicago, Boston, and Philadelphia, were 14,494,072 pounds more in 1922 than in 1921. The production of American cheese was heavier in 1922 in each month except April, May, and June. Swiss cheese production exceeded 1921 production in the months of January, February, April, May and July. The amount of condensed and evaporated milk produced in the United States for 1922 was 1,431,349,000 pounds; in 1921 it was 1,464,163,000. This was a considerable decrease, which was to be expected as foreign manufacturers were rapidly getting back to normal production. Condensed, sweetened whole milk, however, showed an increase over the previous year for each month except August. Evaporated unsweetened whole milk, showed an increase over 1921 for the months of January, February, March, and December only. Increase in the production of powdered whole milk, skim milk, and ice cream continues.

The production of a number of the principal manufactured products indicates that the quantity of milk produced increased considerably, compared with 1921.

## VAUCLAIN SEES PROSPERITY IN WEST

Philadelphia—Samuel M. Vauclain, president of the Baldwin Locomotive Works who recently returned from a trip through a large portion of the West and Northwest, including Denver, Colorado Springs, Kansas City, Omaha, St. Louis and Chicago, stated that he had never seen the West looking more prosperous, the entire territory covered by his trip showing the most wonderful improvement since his last visit to that section. The agricultural, cattle and lumber industries in the Northwest are doing a much larger business than last year, Mr. Vauclain stated, and the crop outlook is excellent throughout the territory traversed. According to Mr. Vauclain the great difficulty will be in the transportation situation, but the railroads are confident of their ability to meet the demands that will be made upon them.

# Barnes-Ames Company

## GRAIN MERCHANTS

Correspondents of

Ames-Barnes Co., New York  
 Zenith Grain Co., Ltd., Winnipeg  
 Barnes-Irwin Co., Inc., Philadelphia  
 Barnes-Jackson Co., Inc., Baltimore  
 Smyth-Barnes & Co., Ltd., London, Eng.

DULUTH and NEW YORK

### Van Dusen-Harrington Northwestern Crop Report

Minneapolis, June 6—As usual at this time of the year, the crops of the Northwest are in that period of development when they present a fine appearance. General conditions recently have been good and in spite of some delay occasioned by earlier cold and wet weather small grain and corn have made rapid growth.

During the past week it has been quite warm and sufficient moisture is reported from most districts. There are a few local dry spots in South Dakota, but nothing is suffering up to this time. North Dakota and eastern Montana have had heavy rains over a large part of their territory.

Spring wheat, oats and barley continue to show a generally satisfactory condition. Reports, however, indicate that some fields in North Dakota and northern South Dakota, are very weedy and others show a rank growth of wild oats.

Our correspondents in the Judith Basin still advise a very promising prospect for winter wheat in that district, but other sections of Montana report conditions as from fair to good. Grasshoppers are appearing in alarming numbers in the North Central part of the state.

Farmers are still seeding flax on new and old ground in North Dakota and Montana and it is now believed the flax acreage will be the largest for several years. Early sown flax appears to have made a good start except in a few instances where it has been affected by frost.

Farmers are cultivating corn for the first time in South Dakota and Minnesota, and our reports are very favorable as to stand and general condition. A large acreage has been planted in North Dakota and Montana. We have a few advices as to damage done by cut worms, but the recent hot weather has put an end to their activities.

The winter rye crop shows no improvement. Information from practically all important rye districts indicates that it is very thin on the ground, is heading out short and is generally very disappointing in its development.

Aside from the unfortunate condition of winter rye we consider the general crop situation as very promising at the present time.

### INCREASED PRICES OF FARM PRODUCTS SEEN

Washington—Increased cost of production on account of higher farm wages resulting from shortage of farm labor now confronts the agricultural industry, according to the United States Department of Agriculture in its monthly agricultural review issued today. The effect of such a situation is normally in the direction of higher prices for farm products or curtailment of production, or both, the review indicates. The department points out, however, that it is still so early in the season that definite forecasts regarding either supply or demand cannot be made. An influx of Mexicans into the sugar beet regions to relieve in part the shortage of farm labor is reported.

Agricultural prices show relatively little change. Slightly higher prices for some products are shown but most of

these products have left the farm. The index of purchasing power of farm products stood at 70 for April as compared with 69 in March. The general industrial situation is receiving considerable attention by the Department in charting the prospective demand for agricultural products. Competitive bidding for labor and materials and strikes in the textile and building industries suggest that the industrial boom may be entering the phase of highest costs, the department says. The building boom has already received some preliminary shocks in the shape of strikes and suggested curtailment of credit, it is stated.

### CATTLE IN NEBRASKA.

Lincoln—Reports to the State Board of Agriculture from the cattle growing section show that the scarcity in range cattle caused by wholesale selling of herds in the last two years to meet loan obligations no longer exists. A large number of cattle have been shipped this spring from the south and southwest, and with the rains giving pastures their best growth in years a large production is assured.

## The Peavey Company

### Handlers of Grain

Minneapolis

### BANKERS

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# ROSENBAUM GRAIN CORPORATION

## GRAIN MERCHANTS

Order for Cash and Futures  
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Chicago  
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## Government Supervision Discourages Speculation in Grain

Chicago, June 5—Government supervision of grain on the Chicago Board of Trade has effectively discouraged speculative business and an order from Dr. Duvel, Chicago representative of the Department of Agriculture in the enforcement of the grain act, directed Board of Trade members to disclose the names of their clients having open accounts of 1,000,000 bushels or more created a wave of liquidation which carried prices to the lowest level of the week. This formidable selling has carried wheat down 12 to 13c, corn  $6\frac{1}{2}$  to  $9\frac{1}{2}$ c, oats 7 to 8c, and rye 24 to 26c, and there does not appear to be sufficient support visible to check the riot of selling. Of course, the existing hot weather and lack of rain may bring about rumors of crop havoc, but confidence in the market's structure has been disrupted and buying has come solely from short-sellers, while the shipping and export demand has been only moderate.

### Publicity Scares Traders

Dr. Duvel signalized his appearance in the grain pits by demanding commission houses and scalpers to display individual open accounts of more than 1,000,000 bushels for Federal scrutiny. This is intended to disclose the names of the large traders in the market, but its mission failed as all of the replies returned to the government stated that their open accounts were less than 1,000,000 bushels. Speculative interests inclined toward constructive operations have closed out their lines and retired from the market, being unwilling to be posed before the public as malefactors, and therefore there is a lack of leadership. In La Salle Street 90-cent wheat, 70-cent corn and 30-cent oats are being talked of as nearby probabilities now that rye is selling at a discount of record proportions under wheat. From harvester manufacturers also comes the story that Russia is a large buyer of agricultural machinery and that it will figure as a great exporting country in another year, offering great quantities of wheat, rye and barley to continental Europe and the United Kingdom in competition with North and South America, India and Australia. If the former domain of the czars again comes into its own as an exporter of wheat and coarse grains and through the use of modern machinery and new agricultural methods amplifies the crops of years preceding the World's War, other countries will come into cheap labor and lowered production costs, and the American farmer will suffer, particularly with trading machinery paralyzed by federal supervision which is menacing the methods through which crops are marketed as fast as they are harvested.

### Bullish Factors Missing

Without hedging facilities, cash grain houses will be hampered as they were during the war, when wide margins were the rule and the seller and ultimate consumer had to pay the price of governmental regulation which fixed the minimum price of wheat at terminal markets and banished future trading in wheat. Export buying of wheat has again fallen off in spite of the bargains now offered on seaboard and interior counters. Millers have been buying sparingly, and recessions have not brought into sight any constructive operation which might tend to stabilize the wheat market. Crop news came to view of a more favorable character until the hot wave hit the country last Friday and drought marked the progress of time. There

is now considerable apprehension that the heat may blight the winter wheat and cause further deterioration, and with the decrease of nearly 7,000,000 bushels in the world's available supply, the statistical side of the market carries more bullish sidelights than formerly, as Argentine shipments were smaller, while North American exports gained more than 2,600,000 bushels for the week, but stop-loss orders were uncovered in profusion. Wheat and corn receipts at primary markets were larger than in the preceding week, but they fell far short of those of last year for the corresponding period, while oats fell 500,000 bushels short of the week previous and were 2,300,000 bushels less than a year ago. The delay in seeding spring wheat has cut down the area sharply in comparison with a year ago, and the outlook for a winter wheat yield is very spotted.

### Corn Shorts Run In

Corn was spunky on the last day of May and caused the shorts in that month to pay heavily for their disregard of pit traditions. A reduction of nearly 3,000,000 bushels in visible stocks and decrease of 6,000,000 bushels in arrivals at primary markets left little to comfort the bears and prices ran up smartly until the last minute, and then there were shorts who defaulted to the extent of 50,000 bushels when settled the next day. Subsequently, however, there came a decisive reaction as the more distant futures felt the influence of warmer and growing weather and even the fairly good support which came from commission houses could not stem the tide of weakness. There was some export buying and industries bought without stint as prices receded, influenced by the fact that the visible supply is now well under 10,000,000 bushels for the first time in a considerable period, and this sustained cash premiums while the more distant months were slipping downward. Planting has gone forward under the most favorable conditions possible in the last ten days, and the bear party now anticipates that the cash situation, light country stocks, steady feeding operations on farms and visible supply only one-third the size of a year ago will be lost sight of in crop prospects and the weakness in corn and oats.

### Oats At Low Level

Oats continued to sink with wheat and rye and September reached a new low level on the present declining movement. Crop news was almost entirely favorable and the area of 40,800,000 acres shows very little change from last year. The cool and wet weather last month was favorable for plant growth and in spite of the lateness of the season the condition of the crop of 89.9 per cent. compares with 86.1 per cent. last year, suggesting a yield of about 1,330,000,000 bushels. Visible stocks have been cut down about 2,500,000 bushels, and they are about 38,000,000 bushels smaller than last year at this time. Receipts, too, show a decline of 2,300,000 bushels at primaries compared with a year ago and the spot market is steady. At the same time the futures are sadly lacking in support and foreign buying is not comparable with the selling which comes from all points of the compass based upon the expectation that this year's yield will be larger than that of a year ago. On the bulges the selling contained an impressive note and buying was scattered, with elevator interests buying December and selling September at a premium of one cent for the more distant future.

The Rosenbaum Grain Company's Liverpool correspondent anticipates exports of about 16,000,000 bushels from Russia this season. Some time ago a British statistician estimated Russian exports at 140,000,000 bushels.

### Transit Billing Demanded

Transit billing must be furnished to buyers of grain delivered in public warehouses by operators who have the Class A elevators as well as private. This decision was reached by the directors of the Board of Trade after it had been pointed out that there are 700,000 bushels oats in store here, that had been delivered last month without

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 FIELD SEEDS      SEED GRAINS  
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billing, the grain having come from private elevators originally.

Commission merchants who are members of recognized commodity and stock exchanges will resume business operations in Florida after a suspension of business for sixteen years. Vice President Mauff of the Board of Trade announced to members that the governor of that state has signed a bill patterned after the 1919 anti-bucket shop law of Tennessee.

Deliveries on the Board of Trade last month included 8,074,000 bushels wheat, 4,183,000 bushels corn, 4,893,000 bushels oats and 2,966,000 bushels rye. On the last day of May, deliveries of wheat totalled 1,088,000 bushels.

"At this minute a great deal of attention is being given to the Russian situation," said Thomson & McKinnon. "While many are inclined to belittle claims of a substantial exportable surplus in that country, importing Europe persistently refuses to replenish depleted stocks in North America, and this may be due to knowledge of impending exports from Russia."

### CHICAGO STRIKES AT BUCKET SHOP EVIL

(Continued from page 13)

being offered at 5¼. Kellogg Switchboard is active with sales ranging between 46½ to 47½, at which price it closed. American Stove Company stock is wanted at 125½, offerings at 128½. American Type Founders common is offered for sale at 78 with buyers at 75 and very little trading."

Figures available for the first quarter indicate a profit of from \$60,000 to \$65,000 for McQuay Norris Manufacturing Company. This is several thousand dollars better than for 1922.

For the second quarter of the year, net profits should approximate \$115,000. For the entire year, from \$340,000 to \$400,000.

#### Mail Orders Increase

Mail order house sales for May of Sears, Roebuck & Co. and Montgomery, Ward & Co. show substantial increases over a year ago, although a slight recession was noted in sales as compared with April.

Tentative discussions looking to a consolidation of the Stewart-Warner Speedometer and the Bassick-Alemite corporations have been abandoned. Several weeks ago a plan was broached by mutual interests in both companies for a merger on the basis of Stewart-Warner giving one share of its stock for two shares of Bassick-Alemite.

In a letter to stockholders of the various Root & Van Dervoort companies, H. A. Holder, president, announces that all old outstanding bank loans of approximately \$1,900,000 are to be settled in full in cash and by the use of the Moline Plow Company securities now in the company's treasury. To accomplish this a temporary advance of \$300,000 has been made by Boston interests in the company.

### THE BULL'S EYE

(Continued from page 17)

Lord said as to the essentials of a godly life: "This do and thou shalt live."

A quatrain in the May Scribner, by Arthur Guiterman, fits well into this discussion:

If God had willed he could have made me meeker;

But God, my God, who orders all things well

Said, "You shall be a rebel and a seeker";

And, God be praised, I seek and I rebel."

When I cease being a rebel and a seeker, I shall know that I am entering upon my second childhood.

### REVIEW OF THE LIVE STOCK MARKETS

(Continued from page 43)

heavy but the run of about 104,000 showed a decrease of around 6,000 compared with the same days of a week ago. The hog market strengthened slightly toward the close of last week but opened somewhat lower this week, prevailing prices showing little change compared with last Tuesday. Today's top was \$7.30, with bulk of the 180 to 240-pound averages selling from \$7.20 to \$7.25, and 250

to 325-pound butchers at \$6.90 to \$7.15, packing sows mostly \$6.00 to \$6.25. Desirable 110 to 130-pound pigs sold at \$5.50 to \$6.15 against \$5.75 to \$6.75 last Tuesday.

Sheep receipts for the first two days this week totaled about 21,000 or a decrease of about 6,000 compared with the same days last week. The fat lamb market is strong to 25c higher than a week ago with sheep holding about steady for the period. Eight doubles of California spring lambs sold under a light sort today at \$15.85, with bulk of the best natives at \$15.00 to \$15.25. Five decks of choice handyweight clipped lambs brought \$14.50 to \$14.85. Medium to choice ewes are quotable from \$3.75 to \$6.25.

### SIoux CITY

Sioux City, Ia., June 5, 1923—Attractive styles of fed beef cattle are meeting a healthy outlet while plain kinds on the grassy order are working towards lower levels. There were about 3,000 cattle here today, best offerings selling about steady with plain lights and butchers weak to 25c lower, stockers strong. Fed steers are quotable from \$8.00 to \$10.50, with warmed-up steers quotable from \$6.75 to \$8.00. Fed butcher cows and heifers are salable from \$5.50 to \$9.00, grass butchers \$4.00 to \$5.75, veals \$6.00 to \$11.00. Quotations on feeders range from \$7.00 to \$8.25, some warmed-up light and handyweight steers selling as feeders around \$7.75 to \$8.00 or better. Stockers are quotable from \$5.00 to \$7.50, feeding cows and heifers \$4.00 to \$6.25.

Hog receipts were estimated at 14,000 and the market was steady to 5c higher. The range was \$5.50 to \$6.70 with the bulk at \$6.55 to \$6.65.

Sheep receipts were limited, today's market being quoted about steady after a stronger opening on Monday. Some 79 pounds clipped lambs brought \$13.75 Monday with another lot of good but weightier lambs at \$13.00. Spring lambs sold today up to \$15.00. Good light ewes are quotable up to \$5.00 with heavies around \$3.00 or better.

### REPORT LARGE GAIN IN GAS CONSUMPTION

Atlantic City, N. Y.—As a result of a campaign which it started last fall, the executive board of the American Gas Association, here to attend a meeting on gas consumption, reports the American public is using much more gas for cooking and lighting.

The gas companies in some cities now are striving to popularize gas as a household heating agency. In Denver, great success has been realized in the direction, it was stated. The officials foresee that if there should be another coal situation within the year like that which began last fall, there would be a widespread demand for gas heating apparatus all over the country.

It is announced that this meeting will be the last of the executive board until the convention that will be held here next October. The officials have received data from all sections of the country that discloses a total capital investment of \$650,000,000 will be necessary for extensions of plants to get the call for gas service. During the war extension work had to be halted and since the close of the conflict there were developments undertaken only in some places. Now there will be general period of extension in many states, it was asserted.

## LONDON JOINT CITY AND MIDLAND BANK LIMITED

CHAIRMAN:

The Right Hon. R. McKENNA

JOINT MANAGING DIRECTORS:

FREDERICK HYDE EDGAR W. WOOLLEY

Subscribed Capital	-	-	£38,117,103
Paid-up Capital	-	-	10,860,852
Reserve Fund	-	-	10,860,852
Deposits (Dec. 31st, 1922)	-	-	354,406,336

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

OVER 1,670 OFFICES IN ENGLAND AND WALES

OVERSEAS BRANCH: 65 & 66, OLD BROAD STREET, LONDON, E.C.2

Atlantic Offices: "Aquitania" "Borengaria" "Mauretania"

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## Cutting Operating Costs of Tractors in Corn Belt

Every farmer who owns a tractor naturally is interested in the cost of operating his machine and in reducing that cost wherever possible. Cost of use, according to investigations made on corn belt farms by the United States Department of Agriculture, depends chiefly on depreciation, fuel, repairs and upkeep, interest, and lubricating oil. The relative importance of these elements of cost may vary in different sections and on different farms in the same locality, but they make up the greater part of the cost of using the tractor, and the possibilities of reducing the cost of use lie almost entirely in cutting down the size of these items.

While the cost per year and per day of operating three-plow machines is considerably greater than for two-plow machines, the greater amount of work done by the larger outfits, at least on drawbar operations, makes the cost per unit of work approximately the same for both sizes.

Depreciation is wholly dependent upon the length of life and the first cost of the machine. The depreciation costs as determined by the department's investigations are based on a first cost of \$500 and a life of 6.4 years for two-plow machines and of \$900 and 7 years for three-plow machines. The depreciation cost for the two-plow outfit per year is given as \$78; for one day, \$2.41; for the three-plow outfit per year, \$129; and per day, \$4.53.

Fuel and oil costs are dependent on the amount of work done, and while this cost may be large for the season it will not be out of proportion to the work done. From the same investigations fuel and oil costs for the two-plow outfit was given as \$99 per year and \$3.06 per day; for the three-plow outfits \$108 per year and \$3.79 per day. Interest on the small machines amounts to \$17 per year and on the larger ones \$31. Repairs and upkeep costs are influenced by the care and attention given to the tractor and the ability of the operator to do his own repairing. In these investigations there have been found to be \$35 for the small machines per year and \$33 for the larger ones. Other costs on the average will amount to not far from five per cent. of the total cost of operating the tractor.

The annual depreciation, repair, and interest charges do not increase in proportion to the amount of work done per year; consequently the daily cost of these items will be least for machines which do the greatest amount of work.

### ADDITIONAL SMALL ELEVATORS FOR CANADA

Winnipeg, Man.—Grain handling facilities of Western Canada will be augmented by the construction this summer of 200 additional country elevators with a combined capacity of nearly 1,000,000 bushels. Cost of the new elevators will be \$2,250,000, according to reports received by the provincial department of agriculture.

The new construction will bring the total elevators in the prairie provinces to 3,930 and in all Canada to 4,100 with a capacity of 233,257,000 bushels. Included among these are the terminal elevators at Port Arthur and Fort William at the head of the Great Lakes, among the largest in the world, which are now being extended, and the elevators at Vancouver and Montreal.

Development of the elevator system of Western Canada in recent years, it is pointed out, has made it one of the most important Canadian industries. A decade ago there were fewer than 1,000 elevators in the prairie provinces. Though the days of the wheat barons have passed and Western Canada is becoming rapidly a rich diversified farming country, the amount of grain raised by the little farmers has held up the average of former years.

Under the terms of the Canadian Grain Act, the owners of the elevators, mostly private individuals or cooperative farming companies, must accept all grain offered by farmers unless wet or unstorable. The conveniences the elevators offer to farmers have popularized the system and resulted in the building of a chain that reaches half across the continent.

Formerly nearly all the grain from the West passed to foreign markets through the ports at the head of the lakes,

but a considerable portion of the grain grown in Alberta and Saskatchewan is now being exported to Europe by way of Vancouver and the Panama Canal.

### THE WORLD'S SUPPLY OF WHEAT

With the American winter wheat crop preliminarily estimated at 578,000,000 bushels, and the spring wheat acreage unofficially figured 12 per cent. below last year's total, it is unlikely that the United States harvest will total more than 800,000,000 bushels in 1922. The carry-over may be than 800,000,000 bushels in 1923. The carry-over may be sufficient to bring the aggregate supply up to 875,000,000 bushels, which would provide for home consumption, normal stocks and exports around 200,000,000 bushels. Exports for the crop year now expiring will be about 215,000,000 bushels.

Europe is not worrying over the prospective drop of 56,000,000 bushels in the American wheat yield, and it also expects some reduction in the Canadian crop. Foreign importers—the English especially—are consoling themselves with references to the increase of 56,000,000 bushels in the recent Indian harvest, Russia's promise to become a liberal shipper of rye and wheat next autumn, good crop prospects in North Africa, and the probability that the southern hemisphere will continue to grow and export freely. Besides, the wheat productions of Western Europe, including the United Kingdom, is forecast to be larger than a year ago. The world's reserves of old wheat at harvest this year are likely to be of large proportions. Broom-hall places them at 216,000,000 bushels.—Manitoba Free Press.

### Grain Shipping via Vancouver

A feature of the Canadian export trade which has attracted special attention recently, particularly in the West, is the possibility of diverting the flow of a portion of the western grain to the Port of Vancouver, rather than to the ports of Eastern Canada. The construction of the Panama Canal has had a far-reaching effect in determining international trade routes, and it is well within the realm of possibility that interesting adjustments in Canadian trade routes may yet result from the opening of the canal.

There can be no doubt that the farmer in the area just east of the Rockies has been seriously handicapped in the production of grain by virtue of the long and expensive haul, by land and water, from Western Canada to the eastern ports. Alberta wheat is worth less than the corresponding grade of Manitoba wheat, on account of the distance from the European market, and the Alberta farmer has, in addition, a shorter period of navigation. It is stated that during the height of the grain shipping season last fall, points in Western Alberta were able to deliver grain to Liverpool, by way of Vancouver, at a saving of nearly ten cents per bushel, in comparison with the cost of shipping by the eastern route. The distance by rail from points in Central Alberta to Vancouver is from six to seven hundred miles, in comparison with twenty-three hundred miles from those points to Montreal. The freight rate on wheat from these points to Vancouver probably averages 15 cents per bushel as against about 36 cents, by the lake-and-rail route, to Montreal. The ocean rate from Vancouver to Liverpool is about 19 cents per bushel, and from Montreal to Liverpool about six cents. These rates however are subject to variation.

That the change in the routing of Canadian grain outlined above is seriously considered, is evidenced by the fact that steps already are being taken to improve the harbor facilities in Vancouver for handling large quantities of grain. At time of writing, the House of Commons had just passed a resolution for a loan of five million dollars to the Vancouver Harbor Commission for port development. A large part of this amount is to be used to improve the facilities for handling western grain. In discussing the resolution in the House, it was pointed out that the grain handling facilities were inadequate to handle the increasing quantity of grain going to Europe via Vancouver, and also to take care of the growing demand for Canadian grain in the Orient.—The Royal Bank of Canada.

**CHICAGO BANK PROFITS REFLECTED IN SHARES**

(Continued from page 15)

ing domination, as it has been frequently exerted here and in other cities in the past. Two years ago, when the entire country was in the throes of financial decrepitude as a result of the maladies which had afflicted some badly managed banks, there was an earnest effort made here to stem the license of one-man banking and great progress was made at that time, but more recently the work has been carried forward under the leadership of Oscar G. Foreman, president of the Chicago Clearing House Association, and the best results have been attained.

George R. Roberts, vice president of the National City Bank of New York and well remembered as the president of the Commercial National Bank of Chicago prior to its merger with the Continental, with which he was subsequently identified as vice president before he responded to the New York call, welcomed 20,000 members of the Music Industries Chamber of Commerce at their annual convention at the Hotel Drake last night. He delivered an address to the delegates attending the session, which continues until Thursday. One of the features of the convention was the school band contest which attracted entrants from all sections of the country.

**Publicity Men Go East**

Publicity managers attached to Chicago banks left for the East last Saturday on the Broadway Limited over the Pennsylvania road for Atlantic City. They composed the section of the division of the Financial Advertisers Association attending the annual convention of the Associated Advertising Clubs of the World, where the last word in advertising will be uncorked. The participants from Chicago included A. D. Welton of the Continental & Commercial National, Miss Jessamine G. Hoaglund of the National City of Chicago, Carl A. Gode of the Illinois Merchants Trust, Paul L. Hardesty of the Union Trust, Gaylord S. Morse of the State Bank of Chicago, Guy W. Cooke of the First National, and Lloyd L. Kuhn, secretary of the Chicago organization.

Craig B. Hazlewood, vice president of the Union Trust Company, has been elected president of the Association of Reserve City Bankers, which recently held their annual convention at French Lick, Ind. The next convention will be held at Dallas, Texas. J. U. Lademann, vice president of the Second Ward Savings Bank of Milwaukee, was elected a member of the directorate.

**Banking News Notes**

At the annual meeting of the Bank Cashiers Club of Chicago, Edward F. J. Lindberg of the Stony Island State Savings Bank, was elected president.

More than two-thirds of the 1,800 depositors of the Graham Bank have signed an agreement favoring the opening of the institution under the title of the Graham & Sons State Bank and deposited their notes in order to permit the new institution to open.

Cuthbert T. Adams, former assistant manager of the bond department of the Merchants Loan & Trust, has retired from the Illinois Merchants Trust to accept the vice presidency of Hill, Joiner & Co.

Joseph R. Noel, president of the Noel State Bank, left last week for Europe and will not return to Chicago for three months.

J. Howard Leman has become a member of the firm of Paine, Webber & Co., and retired from Merrill, Oldham & Co. He will remain in Chicago.

Louis B. Ferguson, for twelve years manager of sales of the Continental & Commercial Trust & Savings Bank, has resigned to become manager of the bond department of F. S. Moseley & Co., and a member of the firm.

C. E. Schlytern, chairman of the board of the Union Bank, will leave for Europe at an early date to enjoy a vacation.

Leon L. Loehr, vice president of the Illinois Merchants Trust, returned to Chicago yesterday from Wisconsin, where he spent two weeks in the black bass country.

Chicago bank stocks were dull and weak all week.

Continental & Commercial declined and sold from 271 to 269, Illinois Merchants sold at 405 and First National at 457 to 459.

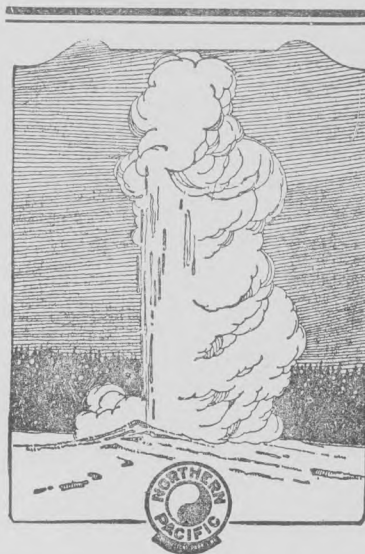
Consolidation of the Market Trust and Savings bank, 100 North Halsted Street, and the Mechanics & Traders State Bank, 641 Washington Boulevard, has been effected. The combined institution will occupy the present quarters of the Market Trust & Savings Bank. It will have \$400,000 capital stock, a surplus of \$100,000 and deposits of about \$3,000,000.

Formal opening of the Northcenter Trust & Savings Bank at Irving Park Boulevard and Lincoln Avenue is announced. The officers of the bank are: President, Daniel V. Harkin; vice president, Albert C. Buehler and Frank Beck, and cashier, Arthur S. Wiklund.

**REPUBLIC TRUCK ELECTS NEW DIRECTORS AND OFFICERS**

Alma, Mich.—Republic Motor Truck Company new directors and officers are announced as follows:

M. N. Buckner, chairman of the board of directors of the New York Trust Company of New York, has been elected chairman of the board. With Mr. Buckner on the board of directors are J. A. Bowers, vice president of the New York Trust Company; Maurice Rothschild, Chicago capitalist; George W. Morgan of Breed, Abbott & Morgan, New York attorneys, and O. W. Hayes, the new president of Republic Motor Truck Company.

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Yellowstone Season—June to September

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STOCKS OF GRAIN AT MINNEAPOLIS

Table with columns for grain types (Wheat, Durum, etc.), June 2, May 26, and Last year. Includes sub-headers for 'Wheat' and 'Total, all wheat'.

WHEAT STOCKS AT DULUTH

Table showing Duluth-Superior wheat stocks, receipts by weeks ended Saturday, and wheat stocks/receipts by grade (1, 2 dk n, 1, 2 n, etc.).

CROP YEAR WHEAT RECEIPTS AT MINNEAPOLIS AND DULUTH

Table comparing receipts of wheat in Minneapolis and Duluth from September 1, 1922, to June 2, 1923, with comparisons in bushels (000's omitted).

MINNEAPOLIS-DULUTH-WINNIPEG WHEAT RECEIPTS

Table showing wheat receipts in carloads at Minneapolis, Duluth, and Winnipeg for six days (May 29 to June 4).

STOCKS OF GRAIN AT CHICAGO

Table with columns for Public, Private, Total, and Last year for Wheat, Corn, Oats, Rye, and Barley.

UNITED STATES VISIBLE GRAIN SUPPLY

Table showing United States visible grain supply for Wheat, Corn, Oats, Rye, and Barley, with columns for This week, Last week, and Last year.

NORTH AMERICA'S GRAIN EXPORTS

Table showing North America's grain exports for Wheat, Corn, Oats, Rye, Barley, and Flour, with columns for Last week, Prev. week, and Last year.

WORLD GRAIN SHIPMENTS

Table showing world grain shipments for Wheat, Corn, and Oats, with columns for Last week, Prev. week, and Last year.

THE WEEK'S FLOUR OUTPUT

Table showing the week's flour output (From The Northwestern Miller) for Minneapolis, St. Paul, Duluth-Superior, Milwaukee, and various cities (St. Louis, Buffalo, Rochester, Chicago, Kansas City, Omaha, St. Joseph).

Table listing grain stocks for various cities: Salina, Wichita, Toledo, Indianapolis, Nashville, Portland, Seattle, Tacoma, and Minneapolis.

FLAXSEED RECEIPTS AND SHIPMENTS

Table showing receipts and shipments of flaxseed at Minneapolis and Duluth, September 1, 1922, to June 2, 1923, in bushels (000's omitted).

MINNEAPOLIS GRAIN FUTURES

Table showing Minneapolis grain futures for Wheat, Oats, Rye, and Barley, with columns for May, Jun., and Jun. prices.

CHICAGO GRAIN FUTURES

Table showing Chicago grain futures for Wheat, Corn, Oats, and Rye, with columns for May, Jun., and Jun. prices.

DULUTH COARSE GRAINS

Table showing Duluth coarse grains for Oats, Rye, Barley, and Flour, with columns for May 31, June 1, 2, 4, 5, and 6.

CLOSING OATS PRICES No. 3 White—Minneapolis

Table showing closing oats prices for No. 3 White—Minneapolis from May 31 to June 6.

CLOSING FLAX PRICES

Table showing closing flax prices for Minneapolis, Cash, Duluth, May, July, September, and October.

WHEAT RECEIPTS—CARS

Table showing wheat receipts in cars for Minneapolis, Duluth, and Chicago from May 31 to June 5.

MINNEAPOLIS RECEIPTS—COARSE GRAINS

Table showing Minneapolis receipts in cars for Coarse Grains (Corn, Oats, Rye, Barley, Flour) from May 31 to June 5.

CLOSING RYE PRICES No. 2 Rye—Minneapolis

Table showing closing rye prices for No. 2 Rye—Minneapolis from May 31 to June 6.

## Scrub Dairy Cattle Are Non-Producers of Profit

Chicago—In their cold blooded studies of farm credits and the productive uses to which capital can be put in financing farm operations, bankers quite unanimously have concluded that dairying, due to the quick turnover and the continuous revenue, is a desirable field for credit extension. Incidentally, in weighing the factors that enter into the proposition and arriving at this conclusion, they have made a more startling discovery, viz: that there are 5,000,000 dairy cattle, scrubs to be sure, which while performing dairy service with some degree of satisfaction to their owners are really non-producers and could be eliminated entirely with no loss to the nation's wealth.

There is no sentiment attached to the slaughter of 5,000,000 dairy cattle, but it suggests the enormous possibilities of scientific dairying and indicates a field for the creation and production of wealth with which no other resource can compare.

This is how the financial experts arrive at their startling conclusion. From the 21,000,000 dairy cows two years old and over in the United States an average of a little over 3,600 pounds of milk is obtained. Think of this when considering the many commercial herds whose average output is 6,000, 8,000, 10,000 and even 12,000 pounds per cow, with individual records mounting still higher. From this the conclusion is reached that half the cows of the United States give less than 3,600 pounds of milk per year.

By the elimination of the poorest one-fourth, or 5,000,000 of these cows, it would reduce the output of milk by only one-sixth, a loss which could easily be overcome by improvement in the care and feeding of the remaining cows.

Thus, in promoting dairy credits and working constructively for the elimination of the scrub cow and the scrub bull, bankers have taken up a work which tends to create wealth in a simple direct way and entirely within the range and scope of the intelligent farmer. By the elimination of the 5,000,000 cull or "boarder" cows and the 500,000 scrub dairy bulls in this country and making them pay as beef for pure bred to replace them, great additional wealth would come to the country which in a few years would be measured in terms of billions of dollars.

The National Dairy Exposition at Syracuse, New York, October 5th to 13th, will present a picture of dairying from the production, manufacturing, marketing and financial standpoints, greater in scope, more interesting in appeal, and more educational in its influence than has ever before been attempted in an exposition of this character. Every dairy interest will be represented. The amateur and professional dairyman, the creameryman, the cheese manufacturer, the ice cream manufacturer, the banker and financier, the community builder, the student of dairying from whatsoever angle, will find pleasure and profit in generous measure.

An added interest is the World's Dairy Congress which meets at Washington on October 2nd and 3rd, adjourning to Philadelphia on October 4th and concluding its sessions at Syracuse with the National Dairy Exposition.

### EUROPEAN CROPS IN GOOD CONDITION

Washington—All European crops are in generally good condition, according to a radiogram received by the United States Department of Agriculture from the International Institute of Agriculture at Rome. In Bulgaria spring sowings are completed and all crops are reported as in excellent condition. In Hungary wheat and rye are reported as above average condition with oats well germinated and corn planting almost completed. Larger areas of sugar beets and potatoes than in 1922 are reported in France and Czechoslovakia. In Austria winter wheat is backward with areas of winter cereals smaller than average and the barley crop in good condition.

A decrease of 5.5 per cent in the sugar beet acreage of Germany is estimated by the German Sugar Association, according to a radiogram received by the United States Department of Agriculture from its agricultural representative in Berlin. The estimated acreage last year was 901,208 acres. The acreage for the 1923-24 crop on the

basis of the percentage decrease would be approximately 851,642 acres, the department says.

Russian trade delegates in Berlin state that total exports of rye to Germany amount to 11,102,000 bushels, according to a late dispatch from the department's Berlin representative. There were also exported from Russia to Germany 1,745,000 bushels of barley, 689,000 bushels of oats and 71,000 short tons of oil cake, the trade delegates state.

### INCREASE IN CONSUMPTION OF MILK

Washington—According to the United States Department of Agriculture nearly 103 billion pounds of whole milk was used in 1922 in the production of butter, cheese, ice cream, milk chocolate and various other milk products, including 47 billion pounds consumed as milk. The quantity of whole milk used in 1921 was approximately 99 billion pounds, which includes 45 billion pounds consumed as milk.

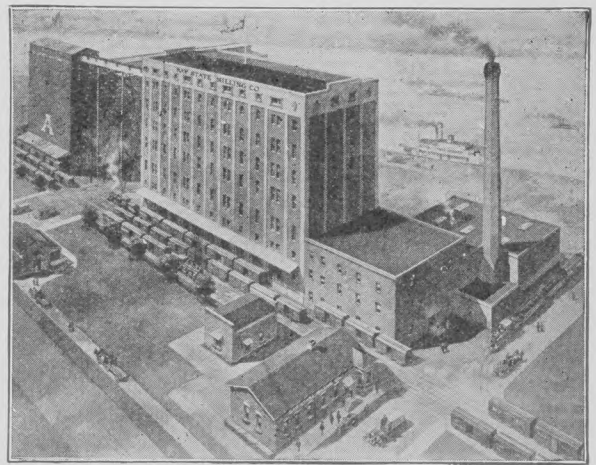
Consumption of milk for household purposes increased from 49 gallons per capita in 1921 to 50 gallons in 1922 according to the department's figures. Consumption by city folks increased two gallons per capita but lack of any increased consumption in rural communities pulled down the average increase for the country as a whole to one gallon.

### RECEIVER FOR IOWA CORN PRODUCTS COMPANY

Des Moines, Ia.—Oscar Thorson, of Des Moines, has been appointed temporary receiver for the Iowa Corn Products Company by Judge L. L. Thompson. The assets are listed at \$300,000 and liabilities at \$150,000.



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Fleece twines  
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# GREAT NORTHERN VALUATION SHOWS NO "WATER"

In response to assertions that railroad stocks were watered and that the investments recorded in the companies' books were inflated, Congress, in 1913, by the La Follette Act, directed the Interstate Commerce Commission to determine, among other things, the cost of reproduction new, cost of reproduction less depreciation, and the value of the various railroads in the United States.

The corporate assets of the Great Northern Company consist of two classes of property: One is the physical property used for transportation purposes and located in the United States; the other consists of investments in stocks and bonds of other companies, including lines located in Canada, and other miscellaneous property used for non-carrier purposes. The Interstate Commerce Commission recently has completed its tentative valuation of the first of these, that is, the physical property used for transportation purposes and located in the United States. It has not valued the second class of property because not required to do so by the terms of the Act.

The value as found by the Commission for Great Northern properties used for transportation purposes and located in the United States as of June 30, 1915, was as follows:

Total owned.....	\$391,740,302.00
Total used.....	395,353,655.00

In arriving at these figures, the Interstate Commerce Commission deducted \$65,140,474.00 from the cost of reproduction new on account of assumed depreciation. The Company, of course, contends that the depreciation of certain parts of the property, such as the aging of its roadbed, is more than offset by the appreciation of the property as a whole, as it is well known that a railroad property in use for several years is better and worth more for transportation purposes than a newly built property.

Included in the second class of property and not valued by the Commission is:

604 miles of railroad in Canada.

Nearly 49 per cent of the stock of the Chicago, Burlington & Quincy Railroad.

One-half of the stock of the Spokane, Portland & Seattle Railway.

Also the stocks of some other smaller railway companies, and the stocks of coal, lumber, land and other subsidiary corporations.

The investment in securities not valued by the Commission amounts to \$227,076,312.83. Other property not used for transportation purposes amounts to \$24,315,418.31, so that the Commission's value on the first class of property, plus the value of the second class of property, which the Commission did not value, amounts to \$643,132,033.14.

Since the valuation date, June 30, 1915, there has been added \$82,259,790.52, which brings the total value of Great Northern property to January 1, 1923, up to \$725,391,823.66. The total par value of stocks and bonds of the Great Northern as of January 1, 1923, was \$540,978,319.04, showing an excess of \$184,413,504.62 of value above the total capitalization. The following table makes these statements clear:

PROPERTY	CAPITALIZATION
Portion of owned property valued by the Commission as of June 30, 1915.....	Great Northern Stock..
\$391,740,302.00	\$249,477,150.00
Stocks, bonds and other properties not valued by Commission as of June 30, 1915.....	Great Northern Bonds..
227,076,312.83	291,501,169.04
Other property as of June 30, 1915.....	Excess of Property
24,315,418.31	Over Capitalization
Property added since June 30, 1915.....	on January 1, 1923....
82,259,790.52	184,413,504.62
Total .....	Total .....
\$725,391,823.66	\$725,391,823.66

This furnishes a most conclusive answer to the charge of watered stock.

**The Great Northern never did have and never will have a dollar of watered stock.**

**LOUIS W. HILL**

**Chairman of the Board.**

Talk No. 4.