

# COMMERCIAL WEST

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INVESTMENTS

INSURANCE

GRAIN AND MILLING

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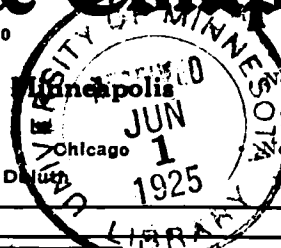
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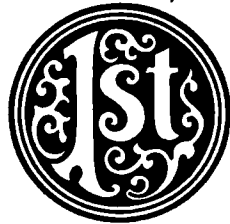
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### Activity in Real Estate Reaches High Mark During April

Chicago—The quantitative index of real estate market activity computed monthly by the National Association of Real Estate Boards reached a new high point in April. The index, calculated from official records of actual number of transfers and conveyances recorded in 41 typical cities, measured eight points higher for the month just past than for the preceding month, and 17 points higher than for April of last year.

The April index figure, just ascertained, reached 176, the highest point recorded for the year. This means that the actual number of real estate transfers and conveyances in the cities reporting was 76 per cent. higher during the month just past than the average number of such transfers and conveyances recorded in the same cities during April in the period 1916-1923, which period is taken as the base of the Association's reckoning. The figure for the current March was 168. For January it was 171, and for February 173.

The total number of real estate instruments recorded in April exceeded the number recorded in March by 11,833 in the 41 cities reporting.

The upward tendency shown in the real estate market is quite in line with reports of an upward trend in building. Reports of building plans filed and of permits issued in 365 cities and towns compiled by S. W. Straus and Company, for example, show a gain of 32 per cent. as compared with April of a year ago.

The April volume of building contracts as reported to the F. W. Dodge Corporation is announced as the largest monthly total on record. Contracts awarded in the 36 eastern states showed an increase of 14 per cent. over March and of 13 per cent. over April of last year.

The index of real estate market activity shows an action similar also to that of the index of automobile production, which has been high for April.

The month just recorded is the first April since 1921 to show a gain in real estate market activity over March, although April of last year showed an index figure only one point lower than the March peak.

### ASSETS OF ST. PAUL RAILROAD DECREASED IN 1924

Chicago, Milwaukee & St. Paul Railway Co. has issued its pamphlet report for year ended December 31, 1924. Balance sheet shows total assets of \$762,233,531 against \$764,135,630 on December 31, 1923. Profit and loss surplus totaled \$15,411,099 compared with \$20,373,792. Current assets were \$44,931,342 and current liabilities \$27,144,470 comparing with \$48,792,452 and \$36,833,689 respectively at close of previous year.

Deficit of \$1,868,606 for 1924 after taxes and charges, is the same as published in preliminary statement and compares with net income of \$207,686 or 18 cents a share earned on \$115,845,800 outstanding preferred stock in 1923.

Profit and loss account follows: Credit balance December 31, 1923, \$20,373,792; add: profit on road and equipment sold, unrefundable overcharges, construction donations and miscellaneous credits, \$502,914, making total credits \$20,876,706; deduct: Deficit for year 1924 \$1,868,606; debt discount extinguished through surplus \$1,094,151; appropriated for investment in physical property \$243,039; loss on retired road and equipment \$406,189; miscellaneous debits \$1,853,622, leaving profit and loss surplus December 31, 1924, \$15,411,099.

### REPORTED \$15,000,000 MEXICAN LOAN

Mexico City—Mexican government, it is reported, has concluded arrangements with American banking interests for a \$15,000,000 loan to be used for constructing good highways in various parts of the Republic. Loan will be guaranteed by recently imposed tax on consumption of gasoline and government will issue bonds, which it is understood will be placed principally in the United States.

# Western Municipal Bonds

## FUTURE BOND ELECTIONS

**May 30**—Graham County, Arizona, School District No. 20 (P. O. Stafford), \$15,000 bonds.

**June 1**—Chandler, Arizona, \$100,000 waterworks system bonds.

**June 1**—Cedar Rapids, Iowa, \$500,000 memorial coliseum bonds.

**June 2**—Los Angeles, Cal., \$4,000,000 bridge bonds.

**June 2**—West St. Paul, Minn., School District (P. O. St. Paul), \$100,000 bonds.

**June 2**—McIntire, Iowa, Independent School District, \$47,000 construction and site bonds.

**June 2**—Alhambra, Cal., \$150,000 water extension; \$25,000 city jail, and \$135,000 sewer construction bonds.

**June 3**—Hampton, Iowa, \$11,000 waterworks system bonds.

**June 3**—Manly, Iowa, Independent School District, \$6,200 site bonds.

**June 3**—La Grande, Wash., \$185,000 water system bonds; \$105,000 sewage disposal plant bonds; \$25,000 storm sewer bonds; and \$45,000 fire department bonds.

**June 6**—Maricopa County, Arizona, School District No. 5 (P. O. Phoenix), \$8,500 bonds.

**June 9**—Aberdeen, S. D., \$25,000 water supply bonds.

**June 15**—Meriden, Iowa, New Independent School District, \$30,000 bonds.

**June 15**—Poplar Irrigation District, Idaho (P. O. Rigby), \$4,000 water rights purchase bonds.

**July 28**—Racine, Wisconsin, School District, \$900,000 bonds.

## FUTURE BOND SALES

**June 1**—Umatilla, Oregon, \$16,000 city hall bonds; denomination \$500; 5 per cent.; 15-30 years. E. McKenzie, city recorder.

**June 1**—Evansville, Wyoming, \$60,000 waterworks construction bonds; denomination \$1,000; 6 per cent.; 15-30 years. Myrtle Wolf, town clerk.

**June 1**—Beltrami County, Minn. (P. O. Bemidji), \$100,000 drainage refunding bonds; denomination \$1,000; 6 per cent.; 5-10 years. A. D. Johnson, county auditor.

**June 2**—Kelso, Wash., \$16,102 street widening bonds. City clerk.

**June 2**—Durango, Colorado, \$122,370 paving district No. 2 bonds. W. W. Parshall, city clerk.

**June 2**—Colusa County, Cal., Colusa Union High School District (P. O. Colusa), \$200,000 bonds; denomination \$1,000; 5 per cent.; 1-30 years; certified check 3 per cent. T. D. Cain, county clerk.

**June 3**—Cottonwood County, Minn., (P. O. Windom), \$11,000 refunding bonds; 5 per cent.; 1-10 years; certified check \$500. S. A. Brown, county auditor.

**June 10**—Hollister, Idaho, \$8,000 waterworks and repair bonds; 6 per cent.; 10-20 years. City clerk.

**June 26**—Port of Portland, Oregon (P. O. Portland), \$600,000 improvement and equipment, Series F bonds; denomination \$1,000; 4½ per cent.; 6-20 years; certified check 5 per cent. J. P. Doyle, assistant secretary board of commissioners.

**July 1**—Idaho Irrigation District, Idaho, (P. O. Idaho Falls), \$130,000 bonds; 20 year; 6 per cent. A. J. Christensen, secretary board of directors.

## BOND SALES

Ruskin, Nebraska—An issue of \$12,900 4½ per cent. water bonds was purchased by the State at par.

Golden, Colorado—An issue of \$25,000 water reservoir bonds was sold to the Rubey National Bank at 105.25.

Cody, Wyoming—George W. Vallery & Co. of Denver purchased \$11,500 6 per cent. refunding waterworks bonds.

Ashland, Nebraska, School District—The State purchased at par \$55,000 4.40 per cent. 1-20 year refunding bonds.

Rochester, Minn.—At a recent election \$225,000 building of a new ward school bonds were authorized by a vote of 1,032 to 407.

Madison, Nebraska, School District—James T. Wachob & Co. of Omaha purchased \$30,000 4¾ per cent. 5-20 year refunding bonds.

Baker County, Oregon, School District No. 20 (P. O. Baker)—The Oregon State Land Board was awarded \$4,000 5 per cent. bonds at par.

Rockford, Illinois—An issue of \$120,000 4½ per cent. 1-20 year fire station and municipal garage bonds was sold to the Peoples National Bank.

Bandon, Oregon—Hattrem, Nelson & Co. of Portland purchased \$25,000 5¾ per cent. 5-10 year and \$25,000 5¾ per cent. 15-20 year refunding bonds.

Elk Point, S. D.—The Northwestern Trust Company of St. Paul purchased \$25,000 4¾ per cent. 5-20 year waterworks system bonds at a premium of \$112.

Palisade, Colorado—The United States National Company of Denver was the successful bidder for \$39,000 5¾ per cent. sanitary sewer District No. 1 bonds.

Coconino County, Arizona, Williams School District No. 2 (P. O. Williams)—An issue of \$100,000 bonds was authorized by a vote of 84 to 69 at a recent election.

Box Elder County, Utah (P. O. Brigham)—An issue of \$50,000 4 per cent. refunding bonds was awarded to the State Board of Loan Commissioners at par.

Gosper County, Nebraska, School District No. 22 (P. O. Smithfield)—An issue of \$5,000 5 per cent. 1-5 year refunding bonds was awarded to the State at par.

Franklin County, Nebraska, School District No. 1 (P. O. Bloomington)—The First Trust Company of Lincoln purchased \$42,000 4½ per cent. 3-22 year bonds.

Jackson County, Oregon Medford School District (P. O. Jacksonville)—A recent election resulted in favor of \$185,000 high school bonds by a vote of 675 to 158.

Osakis, Minn.—An issue of \$39,000 4½ per cent. 20-year paving bonds was sold to the Minnesota Loan and Trust Company of Minneapolis at a premium of \$123.

Boyd County, Nebraska, School District No. 36 (P. O. Lynch)—An issue of \$26,000 5 per cent. 5-20 year refunding bonds was awarded to the Peters Trust Company of Omaha.

Scott Bluff County, Nebraska, School District No. 5 (P. O. Minatare)—An issue of \$3,000 5½ per cent. 5-10 year bonds was purchased by the United States Bond Company of Denver.

Du Page County, Illinois (P. O. Wheaton)—An issue of \$540,000 4½ per cent. 1-18 year bonds was awarded to Halsey, Stuart & Co. of Chicago at 102.606, a basis of 4.16 per cent.

Akron, Colorado—Bosworth, Chanute & Co. of Denver purchased \$20,000 5 per cent. 15-year waterworks extension and \$20,000 5 per cent. 15-24 year refunding waterworks bonds.

Stanislaus County, Cal., Hughson School District (P. O. Modesto)—An issue of \$60,000 5 per cent. 13½ year average bonds has been awarded to William Cavalier & Co. of San Francisco.

Merrick County, Nebraska, School District No. 11 (P. O. Clarks)—The United States Trust Company of Omaha was the successful bidder for \$28,000 4¾ per cent. 1-20 year refunding bonds.

Lakeside Irrigation District, Cal. (P. O. Lakeside)—The Lakeside Commercial and Savings Bank was the successful bidder for \$35,000 6 per cent. 30½ year average bonds at 97.50, a basis of 6.18 per cent.

San Diego, Cal.—An issue of \$890,000 5 per cent. bonds was awarded as follows: \$390,000 1-39 year Bonita Pipe Line Imperial bonds at 108.262, a basis of 4.32 per cent.; \$500,000 2¾ year average El Capitan Dam bonds at a premium of \$8,808-101.76, a basis of 4.31 per cent.

Multnomah County, Oregon (P. O. Portland)—The Detroit Company and Eldredge & Co., both of New York, the Continental and Commercial Trust and Savings Bank, of Chicago, Wells Dickey Company of Minneapolis and Ralph Schneckeloch Company of Portland, jointly, were the successful bidders for \$560,000 4½ per cent. 6-19 year and \$440,000 4 per cent. 20-30 year street, bridge (series C) bonds at 100.0002 a basis of 4.19 per cent.

State of Illinois (P. O. Springfield)—A syndicate composed of the Continental and Commercial Trust and Savings Bank, National City Company, Harris Trust and Savings

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Bank, Illinois Merchants Trust Company, First Trust and Savings Bank, William R. Compton Company, Marshall Field, Gore, Ward & Co. and Stevenson, Perry, Stacy & Co. purchased \$10,000,000 4 per cent. 24 1/2 year average highway bonds at 99.881, a basis of 4.01 per cent.

Hennepin County, Minn. (P. O. Minneapolis)—The Guaranty Company of New York; the Continental and Commercial Trust and Savings Bank, Chicago; the Illinois Merchants Trust Company, Chicago, and the Northwestern Trust Company of St. Paul, jointly, were the successful bidders for the \$700,000 4 1/4 per cent. 15-year bonds for the Mendota bridge and improvement of the Sixth Avenue North road; also \$250,000 4 1/4 per cent. 15-year bonds for the construction of a new county poor house, at a premium of \$12,046.

Alameda County, Cal., School Districts (P. O. Oakland)—An issue of \$1,580,000 5 per cent. bonds was sold to the following: \$1,040,000 11 1/2 year average Oakland School District bonds to the Illinois Merchants Trust Company of Chicago, Wells Fargo Bank and Union Trust Company of San Francisco, Dean, Witter & Co. of Los Angeles, Hunter, Dulin & Co. of San Francisco, and Heller, Bruce & Co. of Los Angeles, jointly, at a premium of \$55,419-105.32, a basis of 4.39 per cent.; \$540,000 6 1/4 year average Oakland High School District bonds to the Anglo California Trust Company and R. H. Moulton & Co. both of San Francisco, jointly, at a premium of \$19,818-103.67, a basis of 4.31 per cent.

**UNITED STATES GOVERNMENT BONDS**

Price range for week ending May 27, 1925, as reported by C. F. Childs and Company, 609 Second Avenue, South, Minneapolis, Minnesota. Quotations on Libertys are in 32nds in accordance with the practice on the New York Stock Exchange. The Treasury Certificates, Treasury Notes, and Federal Land Bank Bonds, for convenience, are also quoted in fractions of 1-32.

Issue	High	Low	Close	Yld.
1st Liberty Loan, 3 1/2s, 1932-47.	101-4	100-31	100-31	3.32
1st Liberty Loan, 4 1/2s, 1932-47.	102-12	102-7	102-10	3.85
2nd Liberty Loan, 4 1/2s, 1927-42.	101-12	101-7	101-11	3.69
3rd Liberty Loan, 4 1/2s, 1928.	101-31	101-26	101-31	3.68
4th Liberty Loan, 4 1/2s, 1933-38.	102-21	102-15	102-17	3.88
Treasury, 4 1/2s, 1947-52	106-18	106-8	106-18	3.81
Treasury, 4s, 1944-54	102-16	102-10	102-10	3.84

**Treasury Certificates and Notes**

Issue	Bid	Asked	Yld.
C-4 1/2s, June 15, 1925	100-1	100-1	2.98
TS-2 1/2s, Sept. 15, 1925	99-30	100	2.75
B-4 1/2s, Dec. 15, 1925	100-21	100-23	3.04
TD-3s, Dec. 15, 1925	99-30	100	3.00
A-4 1/2s, March 15, 1926	101-5	101-7	3.19
B-4 1/2s, Sept. 15, 1926	101	101-3	3.39
B-4 1/2s, March 15, 1927	101-31	102-2	3.58
A-4 1/2s, Dec. 15, 1927	101-30	102-1	3.66

**Federal Land Bank Bonds**

Rate	Maturity	Bid	Asked
4 1/2s	May and Nov. 1, 1922-37	100-24	101-4
4 1/2s	May and Nov. 1, 1923-38	100-24	101-4
4 1/2s	May and Nov. 1, 1924-37	100-24	101-4
4 1/2s	May 1, 1932-42	102	102-12
4 1/2s	Jan. 1, 1933-43	102-4	102-16
4 1/2s	Jan. and July 1, 1933-53	102-8	102-24
4 1/2s	January 1, 1935-55	102-24	102-28
4 3/4s	July 1, 1933-53	103-24	104-8
4 3/4s	Jan. and July 1, 1934-54	103-28	104-8
5s	May and Nov. 1, 1931-41	104-8	104-16

**STANDARD OIL STOCKS**

	Bid	Asked
Anglo-American Oil	23.62	24
Atlantic Refining, pfd.	115	116
Borne-Scrymser	210	220
Buckeye Pipe Line	62	63
Chesebrough Mfg., com.	60	62
Chesebrough Mfg., pfd.	114	115
Continental Oil	26.50	26.62
Cumberland Pipe	146.50	147.50
Crescent Pipe	12	12.75
Eureka Pipe	78	82
Galena Signal	54	55.25
Galena, pfd., old	112	114
Galena, pfd., new	104	106
Humble Oil	61.25	61.75
Illinois Pipe Line	144	145
Imperial Oil of Canada	32.75	33
Indiana Pipe	74	75
International Petroleum	26.62	26.75
Magnolia Petroleum	146	148
National Transit	23	23.50
New York Transit	63	64
Northern Pipe	82.50	84
Ohio Oil	67.50	68.50
Penn. Mex.	31	34
Prairie Oil and Gas, new	60.25	60.62
Solar Refining	230	232
South Penn	170	172
South Pipe Line	83	85
South West Pipe Line	67	70
Standard Oil of Indiana, \$25 par	67.62	67.75
Standard Oil of Kansas	36	36.50
Standard Oil of Kentucky, \$25 par	119	119
Standard Oil of Nebraska	247	249
Standard Oil of New Jersey, pfd.	118.12	118.25
Standard Oil of New York	44.25	44.62
Standard Oil of Ohio	352	358
Standard Oil of Ohio, pfd.	119	121
Swan and Finch Oil Co.	17	18
Swan and Finch Oil Co., pfd.	15	25
Union Tank	123	124
Union Tank, pfd.	114.75	115.50
Vacuum Oil, \$25	89	89.12
Washington Oil	30	33

**FOREIGN GOVERNMENT BONDS**

Reported May 13, by Salomon Bros. & Hutzler, Minneapolis:

	Bid	Offer	Yld.
Argentine Nation, Govt. of, 7s, Feb. 1, 1927	102.37	102.62	5.50
Argentine Nation, Govt. of, 6s, Sept. 1, 1957	96.12	96.50	6.24
Austrian, Govt. of, 7s, June 1, 1948	97.25	97.75	7.22
Belgium, Kingdom of, 8s, Feb. 1, 1941	107.75	108	7.42
Belgium, Kingdom of, 7 1/2s, June 1, 1945	108.75	109	6.97
Belgium, Kingdom of, 6 1/2s, Sept. 1, 1949	98.75	94.25	6.98
Belgium, Kingdom of, 6s, Jan. 1, 1955	86.88	87.25	7.02
Canada, Dominion of, 4s, Sept. 15, 1925	100	100.09	3.65
Canada, Govt. of Dom. of, 5s, April 1, 1926	100.66	100.94	4.35
Canada, Govt. of Dom. of, 5 1/2s, Aug. 1, 1929	102.75	103	4.71
Canada, Govt. of Dom. of, 5s, April 1, 1931	102.12	102.50	4.53
Canada, Govt. of Dom. of, 5s, May 1, 1952	103.75	104	4.73
Dutch East Indies, 6s, Jan. 1, 1947	102.50	102.75	5.75
Dutch East Indies, 5 1/2s, March 1, 1953	99.75	100.25	5.48
Dutch East Indies, 5 1/2s, Nov. 1, 1953	99.75	100.25	5.48
Dutch East Indies, 6s, March 1, 1962	102.50	102.75	5.75
France, Republic of, 7 1/2s, June 1, 1941	97.75	98.25	7.70
France, Republic of, 8s, Sept. 15, 1945	101.75	102.25	7.90
France, Republic of, 7s, Dec. 1, 1949	90.62	91	7.85
French Cities (Bdx. Mss. Lyons) 6s, Nov. 1, 1934	84	84.75	8.55
German, 7s, Oct. 15, 1949	94.50	94.75	7.51
Greek Govt. W. I. 7s, Nov. 1, 1964	84.25	85	8.29
Japanese Govt. Sterling, 6 1/2s, Feb. 1, 1954	98.37	98.75	7.10
Japanese Govt. Sterling, 4s, Jan. 1, 1931	83	83.50	6.85
Japan, Industrial Bank of, 6s, Aug. 15, 1927	99.25	99.50	6.21
Netherlands, Kingdom of, 6s, April 1, 1954	103.88	104.12	5.72
Norway, Kingdom of, 8s, Oct. 1, 1940	111	111.50	6.75
Norway, Kingdom of, 6s, Aug. 15, 1943	100	100.37	5.97
Norway, Kingdom of, 6s, Aug. 1, 1944	100	100.37	5.97
Norway, Kingdom of, 6s, Oct. 15, 1952	100	100.37	5.97
Sweden, Govt. of, 6s, June 15, 1939	103.25	103.75	5.62
Sweden, Govt. of, 5 1/2s, Nov. 1, 1954	99.88	100.12	5.48
Switzerland, Govt. of, 6s, Aug. 1, 1926	100.12	100.37	5.50
Switzerland, Govt. of, 5 1/2s, Aug. 1, 1929	101.12	101.37	5.12
Switzerland, Govt. of, 8s, July 1, 1940	113.75	114.25	6.45
Switzerland, Govt. of, 5 1/2s, April 1, 1946	102	102.25	5.30
Un. Kng. of Gt. Brit. & Ire., 5 1/2s, Aug. 1, 1929	117.62	118	—
Un. Kng. of Gt. Brit. & Ire., 5 1/2s, Feb. 1, 1937	107.37	107.62	4.57

**Bank Convention Dates**

June 12-13	OREGON	Corvallis
June 15-17	IOWA	Dubuque
June 15-17	SOUTH DAKOTA	Brookings
June 16-17	WISCONSIN	Milwaukee
June 19-20	COLORADO	Bear Creek
June 25-26	NORTH DAKOTA	Devils Lake
July 8-10	MINNESOTA	Duluth
July 11-13	MONTANA	Glacier Nat. Park
Sept. 28-Oct. 5	A. B. A.	Atlantic City
Oct. 14-17	FINANCIAL ADV. ASSN.	Columbus
Dec. 2-5	INVESTMENT BANKERS,	St. Petersburg, Fla.

**MINNESOTA GROUP MEETINGS**

June 1	THIRD DISTRICT	New Prague
June 2-3	FIRST DISTRICT	Owatonna
June 4-5	SECOND DISTRICT	Fairmont
June 6	SEVENTH DISTRICT	Montevideo
June 8	NINTH DISTRICT	Thief River Falls
June 9	SIXTH DISTRICT	Park Rapids
June 11	EIGHTH DISTRICT	Carleton
June 13	TENTH DISTRICT	Big Lake

**MONTANA GROUP MEETINGS**

May 30	GROUP SEVEN	Hunters Hot Springs
July 10	GROUP THREE	Kalispell

**NORTH DAKOTA GROUP MEETINGS**

June 25	SECOND DISTRICT	Devils Lake
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**SOUTH DAKOTA GROUP MEETINGS**

June 2	GROUP NINE	Fairfax
June 4	GROUP EIGHT	Rapid City

**WISCONSIN GROUP MEETINGS**

June 2	GROUP SEVEN	Prairie du Chien
June 3	GROUP TWO	Portage

**PIONEER BANKER DEAD**

Chicago—Joseph H. Chandler, who served as special counsel in Chicago for the United States Steel Corporation, died last Sunday at Pasadena, Calif., at the age of 82. He came to Chicago from Houghton, Mich., in 1887, and for several years acted as counsel for the Duluth & Iron Range Railroad Company, the Minnesota Iron Company and other corporations now included in the United States Steel Corporation, in whose formation Mr. Chandler assisted. He served in General Custer's brigade as captain of a Michigan cavalry company during the Civil war and was a member of the Loyal Legion, Chicago Club and American Bar Association. Interment was at Marquette, Mich.



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**CHICAGO & NORTH WESTERN DIVIDEND**

Chicago—Chicago & North Western Railway Co. declared regular semi-annual dividends of 2 per cent. on the common and regular semi-annual dividend of 3½ per cent. on the preferred, both payable June 30 to stock of record June 5.

Directors of Chicago, St. Paul, Minneapolis & Omaha took no action on dividends.

Directors of Chicago & North Western extended time for deposit of common and preferred stock of Chicago, St. Paul, Minneapolis & Omaha Railroad for exchange into North Western common, until June 20.

**INCOME TAX ON TRUST SUSTAINED**

Washington—Assessment of taxes against a trust in its entirety where, under the provisions of the trust, the trustees had discretion to distribute or accumulate the in-

come was virtually approved today by the Supreme Court of the United States when it refused to review a case brought by Emelle W. Peacock, of Chicago, against the Collector of Internal Revenue at that place.

It was argued by the appellant that the income tax law required that she and five other beneficiaries of the trust involved, individually, to pay the tax on each income.

The Collector of Internal Revenue at Chicago held the tax was chargeable against the trust as a single entirety for the reason above given. In refusing to review the case the Supreme Court sustained the latter view.

**DETROIT BANK MERGER**

Detroit, Mich.—The Central Savings Bank will take over the Continental Bank, which has reserves of over \$3,500,000. Central Savings is an affiliated institution of the First National Bank of Detroit.

### Protecting Your Estate and Your Family

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4. Our booklets, "Wills, Estates and Trusts," and "Creating a Trust Fund," discussing these matters in detail will be mailed upon request. However, you are invited to consult with any of our Trust Officers at your convenience.



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A WEEKLY JOURNAL

DEVOTED TO

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SATURDAY, May, 30, 1925

### Business Outlook Above Par

According to the report of the Federal Reserve Agent at Minneapolis April business in the Ninth Reserve District showed a gain of 27 per cent. over that of the same month last year. This is indicative of general conditions throughout the country. Insofar as industries in general are concerned there is greater activity than at any time during the past ten years. The wholesale trade shows an increase over a year ago, and in the farm implement business a most notable change is recorded. Sales during April were 89 per cent. larger than during April of last year. In the dry goods and hardware lines there were also decided increases. Collections are much better than have been noted at this season in some years.

The Federal Reserve Board at Washington issued a report this week showing that business is on a firmer basis than for some time. There has been a sharp decline in wholesale prices and although there has also been a corresponding decrease in the aggregate payroll of the country an increase is shown in the purchasing value of the dollar.

Every indication points to a readjustment of world business conditions. Sterling exchange is nearly par and this has had a stabilizing effect on the currencies of the different nations. The activities in the stock markets are indicative of a widespread confidence that good business will continue.

In the Northwest the outlook for crops is excellent and gives assurance of a continuation of the prosperity which has been in evidence during the past year.

Liquidation of debts by farmers is proceeding beyond expectations. A particular indication of con-

ditions is given in the ability of Montana farmers who have within the past month subscribed more than a quarter of a million dollars for the building of a fifty-mile branch line of the Great Northern Road in Montana. As heretofore noted the farm implement business in the Northwest is livelier than at any time during the past ten years and little credit is asked by the farmers.

Taken as a whole business conditions in practically every line of industry are above par.

### Airplane Transportation

The formation of the National Air Transport, Inc., which will operate a commercial air line between New York and Chicago, marks the beginning of a new era in transportation in the United States, according to the New York Journal of Commerce. The airplane has ceased to be a novelty but, like many another epoch-making invention, it has had to pass through a long period of trial and probation before private capitalists, unaided by subsidiaries, were ready to invest large sums in air transport schemes as strictly commercial propositions.

Because it is to be run as a commercial venture and will not rely upon subsidies, the ten-million-dollar corporation whose organization has just been announced is hailed as an innovation in the commercial aviation field. The financial results of its operations will be eagerly awaited, especially as the names of the business men associated with the enterprise are in themselves a very good guarantee that it will not fail for lack of capital or willingness to forego dividends until the service has fully demonstrated its profit making possibilities.

Whatever the future of the new company no one doubts that some day organized air services will become valuable auxiliaries or, more likely, integral parts of civilian land and water transport systems, just as they have proved indispensable additions to national defense services, both army and navy. In view of these imminent developments it is not too soon to begin to study the problems of rate regulation and control that are certain to arise in the course of time. Our legislative supervision of interstate commerce has continuously suffered from a failure to consider the problems of rail and water transports in their proper relationship. We have declined to treat our transport problems as a unit and have rather favored an opportunistic solution of difficulties postponed until they have reached an acute stage at which they can no longer be ignored.

Air services once established in considerable number are certain to raise innumerable issues of a sort that tend to excite the public unduly. There will be talk of air monopolies—demand that competition among air carriers be enforced and numerous other troubles comparable to those that press for solution on the surface of the earth. In addition, there will be the question of the property relationship of air services to railway systems. May they, for instance, be owned by the same groups of capitalists who control the railways or must they be severely segregated? For the time being such topics may seem remote from the public interest, but in a very few

years they may become the subject matter of heated debates. Now is the time to begin to thresh out the possibilities and to reach some preliminary conclusions.

### Bank References and Credit

One of the things about which retail credit men are more or less at odds in the opening of new charge accounts is the value of the kind of credit information that is given out by banks in reply to queries made of them. Some credit grantors feel that the data they receive in this way is of considerable use to them, while others make inquiries, when banks are given as references, only as a matter of record.

Extremely few banks give out the actual balance of a depositor, and many of these are outside of the city—usually banks in small towns. Some of the larger local banks will say that the depositor queried about has a balance of three or four figures, but they will not say what the actual figures are.

Most of these banks, however, will give as many details as they can about the business connections of the depositor asking credit of the store, as well as their experience with that person as a depositor. This is of more value than to know the actual balance of the applicant.

There is only one real reason why one should like to know the actual bank balance of the customer who is applying for an account. If the customer's balance is \$200 it is evident that his monthly buying limit is lower than if his balance were \$1,000. Otherwise, the usual bank method of reporting the balance as large, medium or small, is satisfactory.

One thing that lessens the value of actually knowing the customer's bank balance when an account is applied for, is the fact that this balance is not stable. While the customer may have a balance of \$1,000 at the time the inquiry is made, a few days later he may have reduced it to \$250. He may keep his balance at that point or he may withdraw the account altogether, yet the monthly purchasing limit given him on the strength of the thousand dollar balance would stand. If the customer is not strictly honest, it is not difficult to see how trouble might arise from such a situation.

Another thing that lessens the value of knowing the customer's bank balance is the fact that many persons, even those of considerable means, do not carry large balances for the reason that to do so means keeping money tied up on which there is little or no interest return. Because of this, it can be

seen that the advantage of knowing the actual amount of a customer's bank balance is not great.

### Secretary Jardine's Views on Farming Success

Study of the entire freight rate structure of the country was advocated by Secretary Jardine of the Agriculture Department in an address to the concluding session of the United States Chamber of Commerce recently held in Washington.

Mr. Jardine declared that if American business is to make any "significant contributions to the solution of farm problems, it must get down to brass tacks, find out what these problems are and what they involve, and then offer its help to the farmer in solving them. He continued:

"The business man in city or town must realize that the farmer is likewise a business man, and that business men have a perpetual objection to being directed from the outside. Nobody needs to tell the farmer what to do. He has little liking for advice, and rightly so. What he wants is an equal chance to carry on his business as other business is carried on.

"He will welcome cooperation from others, just as any good business man will, but he will insist on running his own business.

"For instance, if farmers generally decide that cooperative marketing is the best practice for them they will carry out their plans regardless of any opposition that may arise from other elements in the population.

"Any individual or any group that tries to stem the tide of agricultural progress is certain to suffer for his rashness. Farming is the oldest big industry we have and the farmer knows his business from centuries of experience."

On the basis of a joint study of the freight rate structure, he declared, "it should be possible in adjusting rates to take into account both the market value of farm products as reflected over a reasonable period of years and the influence inevitably exerted by freight rates over the economic development of particular regions and of the country as a whole."

The secretary said he realized that the cost to carriers must be fully reckoned with as a factor in rate making, "but I am convinced that it is equally important to consider the value of the service to the shipper. What we must do," he said, "is to iron out present inequalities in the freight rate structure and work out a policy whereby readjustments can be made in the levels of freight rates to meet the changes that occur in economic conditions over considerable periods of time."

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

Pushing a dull lawn mower is dull business. One goes to the task with heavy feet, gives of his strength grudgingly and works vigorously only to be the sooner done with the ragged, lugging performance. But once the machine is put through the hands of an expert sharpener, mowing the lawn becomes a privilege, a recreation, a delight. Duty and pleasure meet at the handle of the keen lawnmower.

All tools, be they mechanical, or of the human flesh or spirit are efficient only when keen. Education in and out of school is the tool sharpener. The keenness of the faculty

depends on the thoroughness of the education. The unskilled, untrained man works ever against the handicap of the dull edge. What he lacks in education he must make up in brute force, or fail to do altogether. Work to such a man is never inspiring, never a recreation. His labor is always lugging; his product ever ragged.

To learn to do some life work highly well is almost high morality, or it may be made to be. It lifts life from the mud road to the firm pavement. It gives self reliance, self respect. It gives more. It braces up the diffident. Those not so well sharpened look to the sharpened workman for aid.

I have in mind a young engineer who learned his engi-



neering from the ground up. He is in a steel construction company along with a half dozen other engineers. Though he is no older than they, they have come to look to him to help them over hard places in their work. He said to me recently: "The trouble is they didn't learn their engineering well. When the architect leaves out some steps in his details, instead of saying to themselves, 'This is what it should be,' and going ahead on that assumption, they don't know what to assume. They can't trust their own judgment."

The result of this is that this young engineer is now the

head engineer of the house. He did not get to this position by any of the spectacular methods by which promotions come in the magazine stories. The house has just come to ask his opinion because he seems to know what should be done. I knew him when he was in college. The boys in the engineering classes were always asking his help when stuck.

If I had my life to live over again I would become an authority on some one thing if it were nothing more than window washing. I know a window washer who makes more money than some poets I have met.

## Northwestern Corporation Opens Chicago Office

Bondley Cunningham has been made manager of the office of the Northwest Corporation which has just been opened in the First National Bank Building, Chicago. The general offices of the association are in the Canadian Pacific Building, 342 Madison Street, New York. The officers of the association are: H. Clay McCartney, Minneapolis, president; George T. Nebb, executive vice president of the B. of L. E. Cooperative National Bank, Cleveland, Ohio, vice president; and H. K. Haldeman, Oakes, North Dakota, secretary and treasurer. Among the directors are Warren S. Stone and William B. Prenter, president and vice president, respectively, of the Brotherhood of Locomotive Engineers, Cleveland, Ohio.

The capitalization of the association consists of 50,000 shares, Class "A" 7 per cent. participation prior dividend stock of \$100 par value, and 50,000 shares Class "B" no-par stock.

The Northwest Corporation has been formed for the purpose of investing its funds in the capital stock of national and state banks and trust companies located in the United States and to purchase an established farm mortgage company. Furthermore, the corporation expects to buy and sell investment securities on either a wholesale or retail basis and to create its own issues. Thus the stockholders of the Northwest Corporation will participate in the earnings of a carefully selected and diversified group of banks and trust companies and the profits that may accrue to the corporation through the handling of high grade investment securities. The banks controlled by the Northwest Corporation will provide an economical and efficient method of distribution for securities. Through harmonious operation with the Brotherhood Investment Company and the Brotherhood Banking Institutions the Northwest Corporation will at all times be in a position to participate in security underwritings on a basis that should be very profitable for the corporation.

The management of the Northwest Corporation, will be under the direction of men who have been conspicuously successful in the banking business for over 20 years; of national prominence in manufacturing fields, and of international prominence in labor activities and labor banking. The local management of the banks will be kept as nearly intact as possible, thereby providing the corporation with the intimate knowledge of local conditions necessary to satisfactorily and profitably serve the communities in which it will operate.

### PUBLIC UTILITY BOND OFFERING

Chicago—The Los Angeles Gas and Electric Corporation has sold \$2,952,000 of General and Refunding 5½ per cent. gold bonds, series "I" to Bond and Goodwin and Tucker, E. H. Rollins & Sons, Harris Trust & Savings Bank (Chicago), Mercantile Securities Company of California and Blyth, Witter & Co.

The corporation carries on a large and profitable gas and electric business in Los Angeles and supplies gas to Pasadena and other nearby communities, serving a total population estimated at about 1,400,000. The electric business of the corporation or its predecessors has been in continuous and successful operation for over 40 years, and the gas business for over 55 years.

As officially reported for the year ended April 30, 1925, gross earnings were \$16,961,055; net earnings were \$7,269,-

340 or over two and three-quarters times the annual interest of \$2,628,205 on the mortgage bonds outstanding, including this issue.

These bonds are due October 1, 1949, and are being offered at 100 and interest, to yield 5½ per cent.

### SALE OF HENNEPIN COUNTY BONDS

New York—A syndicate headed by Guaranty Company of New York and including the Continental and Commercial Trust & Savings Bank, Illinois Merchants Trust Company, and Northwestern Trust Company, St. Paul, is offering today \$950,000 Hennepin County, Minnesota 4½ per cent. bonds, due serially June 1, 1930-44, at prices to yield 4 per cent. The bonds are issued for construction of roads and county institutions, and are direct general obligations of the entire county, payable from unlimited taxes levied against all the taxable real and personal property therein.

Hennepin County, whose county seat is Minneapolis, has an assessed valuation of \$421,009,671, and a net bonded debt, including these bonds, of \$6,319,625, or a ratio of a net bonded debt to assessed valuation of less than 1½ per cent.

### ASK DISSOLUTION OF FARM MORTGAGE FIRM

Dissolution of the corporation known as Barnes Brothers, Minneapolis farm mortgage concern, and an injunction to prevent the company from doing business, was sought May 26 in an action begun by Clifford L. Hilton, attorney general. Hearing on the proceedings was set by District Judge Frank M. Nye for June 17. A. J. Veigel, state superintendent of banks, brought the complaint. Henry A. Barnes is named as president; G. J. Barnes, his wife, is vice president and P. J. Barnes as secretary.

### NEW DALLAS, TEXAS, BANK

Dallas, Texas—North Texas National Bank, a million-dollar institution and successor to the Southwest National Bank of Dallas, whose assets and liabilities it takes over, has been formed here. Officers are Everett S. Owens, president; Charles S. Mitchell, E. H. Cary, W. B. Head and J. W. Royall, vice presidents; Stanley A. Longmoor, cashier and vice president and Gus Ayres, first assistant cashier. The directors include leading financiers of Dallas.

### WEST MISSOURI SLOPE COUNTY BANKERS ORGANIZE

Fifty bankers from eight western North Dakota counties gathered at Dickinson recently to organize the West Missouri Slope Group of the North Dakota Bankers Association. T. A. Tollefson, cashier of the First National Bank of Dickinson, was elected president; R. J. List, cashier of the First National Bank of Scranton, vice president and B. O. Thorkelson, cashier of the First State Bank of South Heart, secretary-treasurer.

### FAIR ENOUGH

Pat went to a druggist to get an empty bottle. Selecting one that answered his purpose, he asked, "How much?"

"Well," said the clerk, "if you want the empty bottle it will be five cents, but if you want something put in it we won't charge anything for the bottle."

"Sure, that's fair enough," observed Pat. "Put in a cork."—Western Druggist.

## Progress of Plans for Reorganization of St. Paul Railway

Plan of reorganization of the Chicago, Milwaukee & St. Paul may be submitted to bondholders and stockholders early in June.

It is barely more than two months since receivers were appointed and completion of plans for reorganization of a property, especially one of such proportions as the St. Paul within three months will be a performance little short of remarkable, according to the views of New York financiers.

Almost simultaneous with the receivership, rumors in Wall Street were that reorganization would involve assessments of \$30 to \$35 a share on the stocks. No official comments are made as to the extent of the money requirements of the road nor what these would mean on the stock issues. It is stated, however, by some of those working on the reorganization that the St. Paul's immediate needs are not enormous and that preferred stockholders may be assessed in the neighborhood of \$20 to \$25 a share. On that basis the preferred would be asked to contribute from \$23,250,000 to \$29,000,000 as there is approximately \$116,000,000 outstanding. Amount of common outstanding is close to \$117,500,000, from which a substantial sum could be raised according to the determination of the committee. Some of the road's requirements may be met over a ten year period.

With the plan of reorganization so near it is unlikely that the recommendations of the engineers who examined the property will be made public until that plan is announced. Discussions are under way for calling for deposit of the stock and of the bonds affected by the reorganization and these calls, as recently pointed out by Dow, Jones & Co., of New York, will accompany the issuance of the plan.

The readjustment proposals will also include the ideas of the committees regarding the extent to which the properties of the St. Paul will be retained intact. Members of the committees say this will be determined entirely on the basis of what is best for the system.

It is noticeable that the income 5s of the Chicago, Terre Haute & Southeastern have been unusually strong recently selling on May 21 at 77½, a gain of nearly 23 points from the year's low, 54½, and an advance in one day of 3 points. This sudden upswing is hardly to be explained by any immediate discovery that the outlook for the bonds under the St. Paul affiliation is any better now than it was a month ago.

It has been suggested that this line may be lopped off the St. Paul system. A substantial majority of the stock of the Terre Haute & Southeastern was acquired by the St. Paul in 1921, at which time it leased the road for 999 years, guaranteeing all outstanding bonds, principal and interest. The income 5s have voting power, one vote being allotted to each \$100 par value so that the \$6,336,000 bonds have 63,360 votes. This voting privilege may be one reason for the buying of this issue in connection with plans of any other road to acquire it in event the St. Paul is willing to part with it. Well informed opinion, however, is that the road will not be separated from the St. Paul for the reason that it is easily earning its rental charges and is a valuable source of fuel supply for the big system, besides having distinct traffic advantages in the Chicago interchange district.

Members of the St. Paul protective committees are not perturbed by the inquiry into the receivership ordered by the Interstate Commerce Commission. While at first sight it might have been considered a step which could only result in delay of the efforts to hasten the reorganization, it is pointed out that before the commission could pass upon the plan it would be essential for it to have a thorough understanding of the road's situation, both past and present. This it will have when it completes its inquiry, so that it may involve no more time than the commission would have given to the matter anyway.

### FORD REPRESENTATIVES ASK OPTION ON MINNESOTA SILICA BEDS

Ottawa, Minn.—James N. Hayes, Jr., owner of the silica beds, known as the "plate glass" mines, one mile south of here, it is said has been approached by representatives of

the Ford Company in the matter of an option on his property, but that a deal had not been consummated.

"C. W. Barnes of St. Paul, whom I understood was acting as a representative of the Ford interests, discussed arrangements for an option with me, but specific terms were not introduced," Mr. Hayes said.

"Two other St. Paul men, Philip Reilly and R. W. Jefferson, also visited me and discussed the matter. I have no information as to the company's plans other than that a conference was conducted at Detroit recently at which the proposition to buy or lease my property and establish a plate glass plant in the Twin Cities was discussed. "I am deriving a yearly income of approximately \$12,000 from the silica beds," he said, "and the business is growing daily."

The sand beds cover an 80 acre tract on Hayes' 160 acre farm. Tests made at the state university and at Glassmere, Pa., showed a silica content of 99.9-10 per cent. and the sand was graded highly as plate glass material.

### TENTH DISTRICT GROUP MINNESOTA BANKERS ASSOCIATION MEETING

The twelfth annual convention of the Tenth District Group of the Minnesota Bankers Association will be held at Big Lake, Minnesota, June 13. The program as arranged by Secretary A. E. Eddy includes an address by Clarence Cheney of the Northwestern National Bank of Minneapolis on "The Group Study Plan of the American Institute of Banking;" Ray P. Chase, state auditor, Minnesota, on "Taxes;" Dr. W. J. Fretz of the United States Department of Agriculture on "Bond Investments for Banks." There will be a round table discussion conducted by E. P. Fellows, secretary of the Minnesota Bankers Association, reports of committees, election of officers, entertainment for the ladies and a banquet and ball to delegates and ladies will close the program. Officers of the group are: President, K. M. Bol-lum, president of the State Bank of Long Lake; vice president, C. M. Melberg, cashier of the Farmers State Bank of Big Lake, and secretary, A. E. Eddy, cashier of the Brook-park State Bank, Brook Park, Minnesota.

### MINNEAPOLIS FIRM LEASES PAN MOTOR PLANT AT ST. CLOUD

The Diamond Steel Products corporation of Minneapolis has taken over a part of the old Pan Motor Car Company, plant at St. Cloud and will begin the manufacture of piston rings and automobile accessories there about July 1. Officers of the company say that eventually the entire plant probably will be moved to St. Cloud.

When S. C. Pandolfo, president of the Pan Motor Car Company, was sentenced to the United States penitentiary at Leavenworth for using the mails to defraud, two groups of stockholders divided the plant. One was given the assembly department and the other the heat treating and foundry department. For the time being, the Diamond Products Company will use only the assembly space, although arrangements have been negotiated by which the heat-treating department may be taken over later. The entire Pan plant covers about 16 acres.

### MINNESOTA AUTO FEES TO EXCEED \$9,000,000 THIS YEAR

St. Paul—Collections from automobile license fees for 1925 will total more than \$9,000,000, Mike Holm, secretary of state, estimated following compilation of figures of license fees up to and including May 25. There were 510,061 cars registered in the state up to May 25, bringing in a total of \$8,697,000, or \$103,844 more than was collected during the entire year of 1924. To date, there are 399 more cars registered in the state than there were for the entire previous year. Collections for 1924 totalled \$8,593,156 with 509,662 cars registered. The average tax per car up to May 25, 1924, was \$16.95 as compared to the average tax of \$17.05 for the same period this year.

## Features of Northern States Power Convertible Notes

Among the fast disappearing public utility convertible issues, Northern States Power 6½ per cent. notes stand out as one of the lowest priced of their class, according to an analysis by Dow, Jones & Co. of New York. Selling around 110, they afford an income yield of slightly over 6 per cent. at the same time offering large speculative opportunities due to privilege of converting into common stock at 103½ up to January 1, 1929. Common at present pays \$8 a share and sells in the outside market at 114. During 1924 about \$13 a share was earned on common after depreciation and charges.

The convertible notes are outstanding in amount of \$9,801,800 and are due in 1934. They are junior to \$72,000,000 first mortgage bonds and bonds of subsidiary companies. While not secured they represent a direct obligation of the company. At present price even without the convertible feature the notes would not be considered overpriced when compared with debenture issues of other strong electric companies.

### Properties Largely Hydro-Electric

Northern States Power Company (controlled by Standard Gas & Electric Co.) has properties in Wisconsin, Nebraska and the southern section of Minnesota. Operating in important cities in the Northwest such as Minneapolis and St. Paul, it is rapidly taking over other utility companies in that section. Its most recent acquisition was that of Wisconsin-Minnesota Light & Power Co. Company now serves more than 400 communities having a combined population of over 1,000,000 with electric power and gas.

Company's capital obligations total over \$143,000,000, an unusually large amount for a utility even though company ranks as one of the ten largest systems in the United States. This is due to the fact that 43 per cent. of company's properties are hydro-electric which requires a huge initial capital outlay. There is some controversy at present as to the efficiency of hydro-electric versus steam plants but in the Northwest, particularly where Northern States Power Company's properties are located, hydro-electric would seem the most logical. While hydro-electric plants call for a large amount of capital with consequent burdening of the system with heavy interest requirements, depreciation on the other hand is negligible. With steam plants, however, the latter is a big factor and a heavy annual charge must be made against earnings to show the true picture. Drought is another factor which may affect a water power plant but the huge water reserves built up by this company are adequate to provide against this contingency.

### Earnings Increased

Earnings from 1918 to 1923 increased steadily but in 1924 they showed an increase of 33 1-3 per cent. over the previous year. Net earnings before depreciation were \$9,417,316 against \$6,615,570 for 1923. This 1924 figure does not reflect company's earning power as properties taken over in the latter part of the year do not show their full earnings in the annual report.

Based on last year's earnings, interest on convertible notes was earned 2.25 times, after allowing for interest on prior liens. As convertible feature does not expire until January 1, 1929, a purchaser of the notes at the present market is really buying 6½ per cent. income and paying a premium of 10 points for a 3½ year call on the stock.

### ROSEAU COUNTY, MINNESOTA, SHOWS GAIN IN FARM VALUES

Showing a gain of approximately \$325,000, Roseau County is one of the few Minnesota counties having an increased farm value on the basis of comparisons drawn between the results of the 1920 farm census and those of the 1925 census.

The census returns received in Minneapolis from the Department of Commerce, show that 2,045 farms are listed as being worth \$13,170,986. In 1920, 1,854 farms were valued at \$12,845,214. A sharp increase in the building program in this new farming section was responsible for

the improved farm value. Total acreage in the farms was given as 442,215 with 207,595 acres of this devoted to crops in 1924. Approximately one-eighth of the total acreage still is reserved for woodland, the report shows.

### FORESTRY PUBLICATION PRINTED ON PAPER MADE FROM MINNESOTA TREES

The Minnesota state forestry department in its monthly departmental publication, the Smoke Screen, which circulates among those interested in forestry problems, hit on a novel scheme of advertising Minnesota products by printing the issue on paper manufactured in Minnesota from pulp obtained from home grown timber.

Various types of paper are used in the May publication, the cover sheet being of heavy brown paper made from 100 per cent. tamarack. Other sheets are made from 90 per cent. poplar and 100 per cent. spruce wood while still others are 100 per cent. jack pine pulp.

An editorial note on the first page headed "Strictly a Minnesota Product" states:

"The paper used in printing this issue of the Smoke Screen is made from trees grown in Minnesota.

"The entire process of manufacture is carried on in this state and illustrates one of the major reasons why our forests should be protected and scientific forestry practiced."

### WORLD ADVERTISING CONVENTION TO BE HELD JUNE 20-25, 1926

New York—The new executive committee of the Associated Advertising Clubs of the World, meeting in Houston following the World Advertising Convention there May 9-14, set June 20-25 as tentative dates for the next convention, to be held in Philadelphia, and unanimously reappointed Carl Hunt, manager of the Associated Advertising clubs for the ensuing year.

Mr. Hunt has been manager of the Associated Advertising Clubs for five years and a member of the headquarters staff for 12 years.

C. K. Woodbridge, New York, who succeeds Lou E. Holland, Kansas City, as president of the association, sailed for Europe May 23. While there, Mr. Woodbridge is expected to visit a number of the 40-odd affiliated advertising clubs of that side.

### FOSHAY COMPANY ENTERTAIN FRIENDS

Officers and employes of W. B. Foshay Company of Minneapolis were hosts to the company's clients and friends May 27, when a reception was held from 2 to 5 p. m. in the enlarged and remodeled quarters of the organization. The reception was in the nature of a house warming. Offices of the Foshay Company were decorated with flowers.

The investment and utility business of the company has grown with such rapidity that it was found necessary several months ago to enlarge its quarters. The office force has increased from 22 to 65 persons since the Foshay Company took up quarters in its new building at 826 Second Avenue South.

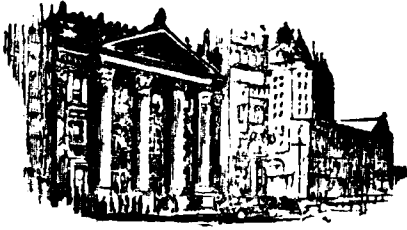
The affiliated firms that acted jointly as hosts with the Foshay Company at the reception are the Minnesota Electric Distributing Company, Tri-State Utilities Company, Peoples Light & Power Co., Bemidji Electric & Manufacturing Co., and the Hurley Municipal Water Supply Company.

### MELLON ABANDONS FIGHT AGAINST TAX-EXEMPT SECURITIES

Washington—Secretary Mellon will not press for legislation at the next session of Congress to abolish tax exempt securities.

High officials explained that Mr. Mellon's views on the subject have been submitted to Congress several times without obtaining action, so that apparently there would be no use of continuing the recommendation.

Furthermore, it was pointed out, the longer Congress has deferred action of that sort the greater has become the volume of tax exempt securities outstanding so that now little could be accomplished in the way of reform through legislation.



CAPITAL and SURPLUS  
\$9,000,000.00

**WE OFFER** our facilities to out-of-town banks and bankers desiring a complete Chicago correspondent service in domestic and foreign banking. An opportunity to explain the benefits of both our service and a strong banking connection is desired.

## CENTRAL TRUST COMPANY OF ILLINOIS CHICAGO

### "Money High in Germany," Salinger Says

Chicago, May 26—Harry Salinger, manager of the foreign exchange department of the First National Bank, returning from a trip to Europe during which he visited ten continental countries and Great Britain, says money rates are abnormally high in Europe. He is a firm believer in the ability of Europe to come back eventually. His visit abroad, although he spent three months there was in the nature of a flying affair as his stays in the various cities he visited were brief with the possible exception of London, Berlin and Paris. Everywhere, he said, was evidence that Europeans are working hard to return to a normal condition. "Germans are taxed to the limit," he added, "and first this tax and then that sweep away the profits and part of the capital of industry, but the people are working hard to accomplish their desire to run to prosperity, and I believe they will do so. They are setting an example for thrift and energy in spite of the handicaps they are working under. The election of Von Hindenburg was perhaps what people did not expect and tended to make things rather more difficult for Germany so far as France is concerned, but after all he may accomplish a great deal for Germany. At any rate his election is cementing the various political parties and sweeping away contentions which existed prior to the day the votes were cast for a president.

#### Advocates Longer Loans

Money is tight in Germany as it is for that matter in all European countries, and the banks charge 12 to 14 per cent. for loans and they are very circumspect to whom they extend aid. I believe that instead of America making loans to Germany for ninety days, it would be better if they made the loans over a period of ten or fifteen years, but when the policies of a government are not thoroughly known or fixed, of course bankers are not willing to risk their money to a nation or an individual borrower. The same thing is true of Austria, which is having a very hard time. In that country they have to purchase the raw materials and pay cash for them, and money is very difficult to obtain in Vienna, where the rate of interest at the bank is 18 or 20 per cent. When a manufacturer sells his finished product he has to return the loan and borrow again when he needs fresh materials. I believe that Austria will some day have to be annexed to some other nation, possibly Germany, as most Austrians speak German, if Austrians can expect to stage a substantial comeback.

"In Paris a banker asked me for my opinion on what course France must pursue in order to return to a substantial position. France is a rich country, but all of the money in France is not in the French banks. More taxes must be paid and expenses cut down if that country is to return to a sound financial basis, and some plan adopted to supplant currency with gold, as England has done.

"In Great Britain they have paid the highest taxes, but the country is going ahead and the people are getting somewhere because of their industry and willingness to be taxed in order that the government could meet its obligations. Switzerland is doing well, of course, but Holland has lost some of its old customers because they have no money now. Everywhere in Europe is there evidence of hard times, but Everywhere in Europe is the evidence of hard times, but

from what I saw there is no doubt but that conditions are steadily, if slowly, improving."

#### Patrol Checks Robbers

Since member banks of the Chicago & Cook County Bankers Association improved their patrol system about two months ago there has been a dearth of bank robberies in Chicago. Under the direction of H. N. Beaty, secretary of the association, an armed guard mounted on motorcycles and supplied with automatic revolvers, rifles and shotguns was drilled for months in the art of repelling stickups. Men of courage and possessed of the ability to shoot straight were enlisted by Secretary Beaty for the express purpose of preventing banks in the outlying districts of Chicago from being held up and robbed. The banks in the association are visited frequently from 8 o'clock in the morning until they are closed in the afternoon. At each bank, in addition, there are one or more armed guards on duty constantly, nearly all of them being stationed in positions where they command a complete view of entrances and the cages of paying and receiving tellers, and in the larger institutions the guards are not visible until their services are required. This alertness has placed an effectual quietus upon robber bandits, and rates of burglary insurance, which had been rising perpendicularly for several months, have returned to a normal fee.

#### Money Trend Lower

Commercial paper bankers of Chicago had smaller offerings of prime note to bring before the attention of their clients this week and there was a brisk demand for cream names at 3½ per cent. Business generally was based at 3¾ per cent. and 4 per cent. was the outside for desirable paper. Chicago bankers were still paying off obligations to the Federal Reserve Bank and as a result collateral loans were shaded to the most desirable clients around 3¾ per cent. and 4 per cent. was the going rate, while over the counters of loop institutions commercial loans ranged from 4 to 4½ per cent. The Chicago market was remarkably stable throughout the week and there appeared to be an amplitude of money available for general business. The present hand-to-mouth buying movement has been largely responsible for the low rates at which bankers have been willing to make loans and they continue to believe that this state of affairs will continue until mid-summer periods.

#### Lessened Demand Explained

Chicago bankers attribute the slackening demand for money from all classes of retail merchants to improvement in transportation methods which insure rapid deliveries of merchandise from factories and jobbers to retail houses and enables the last-named to indulge in a speedier turnover of smaller inventories and thereby lessen their commercial risks in changing modes, depreciation and weather conditions. As a result of this procedure member banks of the Chicago Federal Reserve Bank have in the past six weeks been cancelling their obligations, but in the past week there has been sufficient improvement in general trade to change this course of operations. The last statement of the bank shows that loans to member banks last week expanded \$4,200,000 and holdings of bills bought in-

creased \$2,900,000. There was a decrease of \$3,400,000 in reserve money and United States Treasury paper fell off \$6,400,000, leaving total earning assets practically unchanged. Federal Reserve note circulation contracted nearly \$1,000,000 and deposits decreased \$4,500,000.

#### Big Men in Air Transit

Important financial and industrial interests representative of Chicago, New York and Detroit have been instrumental in organizing the National Air Transport, Inc., with a capital of \$10,000,000, none of which is to be offered for public subscription, which will operate a commercial air line between Chicago and New York. Col. Paul Henderson, second assistant postmaster general of the United States, will resign his Federal position to become general manager, effective August 1, and the following have been elected officers: Howard E. Coffin of the Hudson Motor Car Company, Detroit, Mich., president; Clement E. Keys, Curtiss Aeroplane and Motor Company, New York, chairman executive committee; first vice president, Charles L. Lawrence, Wright Aeronautical Corporation, New York; second vice president, Wayne Chatfield Taylor, representing Marshall Field III, and Glore, Ward & Co., Chicago; third vice president, Eugene W. Lewis, Industrial Bank, Detroit; secretary, Carl B. Fritsche, right hand man of Edsel Ford, Detroit; treasurer, John J. Mitchell, Illinois Merchants Bank, Chicago; Philip K. Wrigley of the William Wrigley, Jr., Corporation, Lester Armour of Armour & Co., and Robert L. Lamont of the American Steel Foundry Company.

Discovery that Albert Paytrus, teller of the Northwest Trust & Savings Bank, had embezzled \$55,000 of the bank's funds brought into the custody of the police three Chicago gamblers who had fleeced Paytrus of the money he had taken from the bank during the past three years. Playing the races and poker and shooting craps denuded the bank employe of his funds, and he capped the climax ten days ago by betting \$1,000 on a 40 to 1 shot in the Kentucky derby.

#### Osgood at Tax Session

Roy C. Osgood, vice president of the First Trust & Savings Bank and chairman of the special committee on taxation of the American Bankers Association, left for New York last Wednesday to participate with James Dunn, Jr., of Cleveland, Merrel P. Callaway of New York, F. W. Denio of Boston, R. M. Sims of San Francisco and William H. Wood of Charlotte, North Carolina, members of the committee, in a discussion of the inheritance tax laws of the United States. Mr. Osgood will proceed to Washington from New York and is expected to return to Chicago next week.

M. A. Graettinger, secretary of the Illinois Bankers' Association, attended group sessions of the organization at Robinson on Thursday and Joliet on Friday. Special pleas were made to members to increase the town guard protective forces in every place in which membership banks are located in order to cope successfully with bank robbers.

John E. Blunt, Jr., vice president of the Illinois Merchants Trust Company, has returned from a brief stay at Hot Springs, Va.

James C. Ames, of Ames, Emerich & Co., has returned from a visit of three months to Europe firm in the belief that France and Germany offer American investors a broad field for successful operations in the field of finance. "German business men appear satisfied with the Dawes plan, but they must be able to obtain loans to enable them to produce and get into the export field," he said. "Germany is balancing her budget, savings are increasing materially and there is no idleness there. Big business is back of President Von Hindenburg, who is the idol of the German people."

#### Hazlewood Addresses Bankers

Craig B. Hazlewood, vice president of the Union Trust Company, has returned from St. Louis, where he attended the annual convention of the Missouri Bankers' Association. He addressed the convention on the subject of safeguarding banks through the medium of organized

clearing house examinations with the view to preventing a recurrence of bank failures in Missouri last year, when thirty-nine institutions closed their doors.

Eugene J. Buffington, president of the Illinois Steel Company, left this week for Europe.

John F. Barrett, senior member of the firm of John F. Barrett & Co., has returned from a visit to New York, where he said there is a lack of export business.

Officers and employes of the Continental & Commercial National Bank held a meeting Saturday night in the bank gymnasium and elected the following officers of the Bank Club: Michael Risley, president; L. C. Davis, vice president; J. K. Waibel, second vice president; J. J. Johnston, treasurer; C. W. Kell, secretary, and George Gilk, George Grund and George Hancock, governors.

#### Swift Corrects Interview

"There must have been some mistake about the interview given out in New York by G. F. Swift, vice president of Swift & Co., in connection with the estimate of the company's earnings for the current year," said L. F. Swift, president of the company. By radio, G. F. Swift, who is on his way to Europe, said that he had no intention of giving the impression that he was disposed to make an estimate of results of the company's operations so early in the year. "It is impossible for any one at this time to forecast the results of the packing business for the twelve months ending November 1," president Swift commented.

In an address before the Advertising Clubs of the World in convention at Galveston last week, George E. Roberts, vice president of the National City Bank of New York and former president of the Commercial National Bank of Chicago, said in regard to American export trade possibilities that there is too much loose and meaningless talk of national rivalries and of this or that country driving other countries from the field. There is no limit to the amount of work to be done in the world, or to the amount

(Continued on page 49)

## Your Bank's Bond Reserve

must be readily marketable to fulfill its function.

To be quickly marketable, your bonds must be well secured. Safety of principal is the first consideration.

### Wells-Dickey Company

Established 1878

Ground Floor—McKnight Bldg.—Minneapolis

Chicago St. Paul Duluth Great Falls

## Lyon & Healy to Reorganize Corporation

Chicago, May 26—Music may sooth the savage breast, but it fails to sooth holders of shares who expect dividends, and the fact that Lyon & Healy, pioneer music house of Chicago, have had a serious setback in 1924 and earnings in the first quarter of the current year have been running "red" has necessitated a reorganization of the corporation. Two years ago an issue of \$2,500,00 preferred 7 per cent. stock was floated by Ames, Emerich & Co., and now La Salle Street has been apprised that a new note issue of \$2,200,000 is to be marketed as soon as a reorganization of the house is effected by Raymond E. Durham, a member of the directorate, who will be really the directing head of the corporation although Marquette A. Healy will nominally retain the presidency and Columbus Healy will remain as vice president.

### Piano Plants Closed

Two plants of the corporation have been shut down, one for the manufacture of upright pianos permanently and the other for making grand pianos perhaps temporarily only, Marquette A. Healy said. The entry of the player piano into the realms of music twenty years ago spelled doom for the upright piano motivated by digits, and the victrola wrecked the future of the player piano, say musical instrument manufacturers. But it remained for the radio to shove nearly all musical instruments into the discard, and now Lyon & Healy, who have been manufacturing pianos in Chicago for more than half a century, will be compelled to scrap their piano factories, so officials say, although President Marquette Healy anticipates reopening the grand piano plant next fall. He has announced that inactive interests in the company will be eliminated, a new company formed to acquire the assets and business of the present company and an issue of \$2,200,000 notes offered for public subscription with the view to retiring outstanding preferred stock to the extent of \$1,800,000.

### Bond Men Going East

More than fifty members of the Bond Club of Chicago will go to New York to be guests of the Bond Club of New York on June 5. In past years the two clubs have alternated in entertaining each other, and on each occasion the hospitality extended by the host club to its guests has been unique and generous, except in the annual baseball game, and there, to quote a Chicago banking house head, "friendship ceases, it being for blood." Chicago has won four out of five games played. This year the New York club has put out a glaring yellow circular printed in large black type, under the caption of "Wanted! Dead or Alive! Every member of the Chicago Men's Club at the Sleepy Hollow Country Club, near New York, on June 5 for the annual outing of the Bond Club of New York."

The Chicago contingent will leave on June 4 over the New York Central on the Twentieth Century. Golf, tennis and baseball will supply the outdoor entertainment, and a dinner in the evening at the Sleepy Hollow Country Club will be the concluding festivity of an unusually elaborate program of entertainment which New York will provide.

### State Bonds Marketed

An award of \$10,000,000 Illinois 4 per cent. highway bonds on a bid of 99,881 to a syndicate headed by the Continental & Commercial Trust & Savings Bank and including the Illinois Merchants Trust, Harris Trust & Savings, First Trust & Savings, National City Company, Stevenson, Perry, Stacy & Co., Marshall Field, Glore Ward & Co., and William R. Compton Company on Wednesday had a stimulating influence on the bond market. The bonds mature on March 1, 1945 to 1954 and were offered for public subscription at 101 for all maturities, yielding 3.92 to 3.95 per cent. The assessed valuation of the state equalized for the purpose of taxation, as officially reported, is \$4,081,876,149 and the bonded debt including this issue is \$127,728,000.

During the past week the security market has displayed strength and there was a continuation of a brisk demand which readily absorbed current offerings. Monthly investment lists indicated a shortage of desirable issues and

municipal dealers again found it difficult to retain high class bonds on their shelves for more than a brief period. Investors have been turning to public utilities, rails and industrials for the investment of their idle funds, with the result that quotations were generally advanced. The sale of state of Illinois highway 4s afforded a satisfactory price owing to the tremendous demand for tax-exempt issues.

Announcement that the Treasury department of the United States had authorized Federal Reserve banks to redeem at once \$406,031,000 series C 1925 certificates of indebtedness maturing on June 15 did not prevent the sophisticated from taking advantage of open market conditions to accept a yield of about 2.85 instead of par and accrued interest tendered by the Government. At the same time the action of the Treasury signifies the satisfactory conditions of Treasury affairs as a result of an easy money market position.

### Park Bonds Assured

Governor Small of Illinois has permitted the two Lincoln Park bond bills carrying appropriations of \$6,000,000 to become a law without his signature. This authorizes the Lincoln Park commissioners to issue \$3,000,000 to pay half of the cost for construction of a bridge across the Chicago river to connect north and south side park systems and a similar amount to make new land north of the park and carry out the work already begun there.

A banking syndicate including the Harris Trust & Savings Bank of Chicago and the Minnesota Loan & Trust Co. of Minneapolis offered \$3,500,000 first 5 per cent. Minnesota Power & Light Co. bonds at 97 and interest, yielding 5.20 per cent. The bonds are well secured by a first mortgage on plants and property and are due on June 1, 1955. For the fiscal year ended April 30 last gross earnings were \$3,306,272 and net was \$2,346,422, or 2.5 times annual bond interest.

An additional issue of \$4,500,000 National Public Service Corporation 6½ per cent. series A bonds, maturing in 1955, was offered at 97½ and interest by a syndicate composed of E. H. Rollins & Sons, Blyth, Witter & Co., Eastman, Dillon & Co., the Federal Securities Company and H. M. Byllesby & Co., the return to investors being 6.70 per cent. Balance for dividends as of February 28 last was \$1,580,647.

### Land Issue Offered

A syndicate including the Central Trust Company of Illinois brought out a new issue of \$750,000 of First Joint Stock Land Bank of Montgomery, Alabama, 5 per cent. loan bonds at 103 and interest, yielding about 4.62 per cent. The bank operates in Georgia and Alabama and the bonds are a direct obligation of the institution. They are collaterally secured by first mortgages on farms, United States Government bonds or certificates of indebtedness.

An issue of \$2,200,000 one to ten year 6 per cent. notes of Lyon & Healy were offered at prices to yield from 5.75 to 6 per cent., according to maturity. The purpose of the issue is to retire outstanding \$1,850,000 preferred 7 per cent. stock.

### Packers Lead Chicago List

Basic conditions favored the bull party on the Chicago Stock Exchange during the week and advances were general. Betterment in the packing industry carried Armour A up 2 points to 22½, a new high on the present upward movement. Borg & Beck was buoyant at a gain of 2 points owing to increasing orders and Bendix sold up 2½ for a similar reason. Belief that speculative holdings had been absorbed and will be resold to customers carried Fair's junior issue up 1½ points to 35 and there were substantial betterments in Commonwealth Edison, Illinois Brick, Real Silk Hosiery, Stewart-Warner, Swift, Union Carbide and United States Gypsum. Yellow Manufacturing, which has been inactive for weeks, suddenly took a turn upward and late in the week displayed a betterment of 4 points, while Taxi was dull, falling back 2½ points before support appeared. United Light & Power, which shot up 12 points more under pool operations, later fell back three points when profit taking was indulged in. Wrig-

ley also came to life with a gain of two points and Kraft Cheese recovered 6 points, but the latter reacted 3 points. La Salle University Extension lacked support and receded 3 points and there was a significant slump of 9 points in Universal Theaters. Bonds were sluggish, tractions seeking a lower level, with Chicago City & Connecting 5s off 2 and Chicago City Railways 5½s, while Chicago Railways B 5s advanced ½ and the first 5s were firm at 78%. Peoples Gas refunding 5s sold at 98.

**Standard Gas Bonds Called.**

Through the extinguishment of more than \$9,000,000 of secured funded debt the Standard Gas & Electric Co. controlling the largest groups of operated public utilities in the United States, has effected a saving in annual interest charges of 41 per cent. of present common stock dividend requirements. This is equal to \$1.23 a share on the junior issue as annual interest charges on funded debt as of March 31 last were \$509,874 less than on December 31 of last year. Meanwhile the common stock outstanding increased from 212,000 shares on December 31, 1923, to 414,823 shares on March 31 of the current year and preferred stock of all classes increased from \$16,324,000 to \$30,000,000. H. M. Byllesby & Co. own all of the 1,000,000 shares of non-cumulative 6 per cent. stock, which carries voting power and control of Standard Gas & Electric, and the 100,000 no par value shares of the Byllesby Engineering & Management Corporation is owned by Standard Gas & Electric. The company has called for redemption on June 15 the \$1,447,700 of the 6½ per cent. debentures due in 1933, which are now selling around 124, at 105 and accrued interest. For twelve months to March 31 last net income was \$4,080,130 and balance after preferred dividends was \$2,081,580. After deducting \$902,711 for common dividends there remained a surplus of \$1,178,869.

The Fair, one of Chicago's oldest and largest department stores, has announced a customer-ownership plan whereby it is possible to obtain stock on a down payment of \$5 a share, balance \$3 monthly.

**Philipsborn's Reports Deficit**

Everything is not beer and skittles for all Chicago mail order corporations, the annual statement of Philipsborn's, Inc., for 1924 disclosing a net operating loss of \$1,535,333. From August 27, 1922 to June 30, 1923, the company sustained a deficit of \$1,215,024 and for 18 months prior to December 27 last there was an operating loss of \$2,764,347 for 18 months, a total deficit for the period of \$3,979,372. The income account has been changed to correspond with the change made in the company's fiscal periods as for 1923 no report was made of operations, but in the statement made to the Chicago Stock Exchange this week it is shown that gross shipments had a value of \$14,009,526, net sales totaled \$11,382,320 and cost of sales was \$8,830,954, leaving a gross operating profit of \$2,551,365. Operating and general expenses amounted to \$4,086,699 and after adding \$32,448 income from other sources and deducting interest charges of \$115,334 there remained a deficit of \$1,618,219. The balance sheet as of December 27, 1924, displays current assets of only \$1,464,613, while current liabilities were \$1,330,254, leaving a net working capital of \$134,359.

**Omnibus Profits Moderate**

Omnibus Corporation of America, controlling motor bus companies in Chicago, New York and St. Louis, reports a net income of \$554,138 after charges and interest for 1924, the first year of consolidated operations. After preferred dividend deductions there remained a balance of \$87,687 for common stock on 594,015 shares outstanding. The New York Transportation Company, a subsidiary, had a net profit in 1924 of \$1,538,201, and the profit for the junior issue of Omnibus Corporation was \$850,415, equal to \$1.43 a share. The balance sheet as of December 31 last shows current assets of \$1,134,677 and current liabilities of \$698,248, investments of \$7,698,103, fixed assets of \$6,658,717, other assets of \$136,058, deferred liabilities of \$1,650,800 and reserves of \$696,820, assets totaling \$15,627,566.

Chicago Surface Lines reported gross earnings for the month of \$4,892,569 compared with \$4,984,358 in the preced-

ing month and \$4,921,267 in April, 1925. After all deductions and allowances, however, the company's 45 per cent. of the divisible receipts amounted to \$143,222 as compared with \$88,486 in March and \$102,991 in April, 1924.

An offering of \$25,000,000 Federal Land Bank 4½ per cent. bonds by a country-wide group composed of the 12 Federal land banks, investment houses and upward of 1,000 dealers, was the first of these issues in more than a year, and supplied one of the week's features. The banking group included the Harris, Trust & Savings Bank, Lee, Higginson & Co., National City Company, Guaranty Company and the price of 102¾ and interest yielded 4.15 per cent. to 1935 maturities and 4.5 thereafter to redemption or maturity which ranged from 10 to 30 years.

**Argentina Borrows Here**

A syndicate composed of the Harris Trust & Savings Bank, and a group of eastern banking institutions brought out an issue of \$5,943,000 province of Corboda, Argentina, external 17½-year sinking fund 7 per cent. bonds at 95 and interest, yielding about 7.50 per cent. Corboda is the second largest province in the Argentine and this is the first financing it has offered to American bankers. A minimum cumulative annual sinking fund of 3 per cent. is pro-

(Continued on page 49)

**WANTED**

Permanent connection with responsible firm or bank by married man with 20 years' banking experience; highest references. Now in charge of loan department handling over Four Million Dollars of Loans. This man knows his business; is a go-getter on credits.

*Guarantees to deliver the goods or no pay.*

Address "P39" Commercial West, Minneapolis

**Desirable  
bond issues**

—new and seasoned, brought to your attention by local representatives.



CHICAGO	ST. PAUL
MINNEAPOLIS	ST. LOUIS
OMAHA	KANSAS CITY

# Advertising That Makes the Reader Think

Advertising Should Not Only Attract Attention, It Should Stimulate the Reader's Mind

The point we are trying to make is that it isn't so much what we say in our advertising as what our readers add to the text out of their own experience—what we make them think.

Probably the only pure sensation of light or sound or taste or feeling we ever have is that first one we ever receive—as a new-born infant. From then on each succeeding sensation is seen only in relation to the first and the others. There is a certain amount of recognition in our every sensation. Even without being conscious of doing so, we compare every sensation with those with which we have come in contact. Thus today may be brighter than yesterday, yet more dull than the day before. A sound may be more loud or less loud than usual. The coffee may be more sweet than usual. The rose less or more fragrant. The temperature higher or lower than yesterday. Sight, hearing, taste, smell and feeling. This recognition and comparison of the sensations which come from the outside world to our brains through the senses is known as perception.

## Type and Pictures

In advertising we are limited in our direct dealing with the minds of our readers to the sense of sight alone. In our knowledge of what constitutes perception let's see how type—the tools of our trade—has been evolved and what relation type and pictures present to the question in hand.

The first time we saw an orange (I borrow this illustration from Walter Dill Scott) it was, first an object of a certain shape and color. Then we took it in our hands. Thus it became an object of size, color, weight shape and feeling. When we smelled it and tasted it those qualities were added. We might even gain an auditory sensation of an orange through "tunking" or tapping it or dropping it and hearing how it "thudded." Soon there is nothing possible to be added by sensation alone. All that we add to our conception of the orange comes from experience. This goes on and on until we may have a clear perception of an orange even when it is not seen clearly—just, perhaps, the dim outline and a suggestion of the color as it is seen in a darkened room.

As this process goes on, soon we find that a picture—simply a symbol of the original—will give us a good perception of "orange." Then later the spoken word "orange" will serve—or the printed symbol "orange" as you see it before you. There is absolutely nothing suggestive of an orange in the type, except that through experience, we have come to recognize this arrangement of letters as meaning and symbolizing that fruit.

## Finds No Beauty in Type

Type, then, is valuable only in as much as it actually symbolizes the things we mean to represent with it. In itself, type has no beauty—it is utility to the last degree. Finally stated, type has its only value in the recognition of its purpose in the minds of the readers—its perception value.

For example, an Assyrian character or letter is shown to me. I see an odd arrangement of lines and dots. My attention is called to the actual body, size, blackness and arrangement of the character itself. That is all I am able to perceive. But let it be shown to an Assyrian. He doesn't see the lines and shape at all. He doesn't see the dots and lines as dots and lines. They have ceased to be dots and lines to him. He thinks of it as an orange—for it is the Assyrian character for orange. My eyes saw exactly the same thing as the Assyrian's. But he adds from experience more than I do.

Now let's get to the subject. An Assyrian advertisement in our local paper would—it hardly matters how small—dominate the entire paper as far as attention value goes. But we'd hate to have to advertise in Assyrian and then sit back and wait for results. It would stop the eyes—thoroughly—but it wouldn't start the mind in the right direction. The attention would be to the symbols themselves and not to the more important things symbolized.

No one would be fool enough to advertise in Assyrian?

Certainly not. But there are all degrees of foolishness just as there are all degrees of complexity in advertising and type and pictures. The question is, how far may we go without our battle for attention at the sacrifice of clarity?

Unusual type—remember, the Assyrian is most certainly unusual type—gets attention. But it calls the attention to the type. Unusual illustrations get attention—and that attention starts the minds of the readers on a consideration of the artist—then to other artists—perhaps friends who are artists; from those friends, then, to other friends who are not artists—then to still other friends and so on until our advertisement results in a long delayed bridge tea as a direct result of a train of wrongly started associations.

An unusual advertisement—by the same token—calls attention to itself—the symbol, not the service and the bank symbolized—and the advertising man is pronounced clever—then other clever people who should be in the advertising business—then the friends associated with the people and finally another bridge tea—or possibly a remark or two, at best, that "so-and-so could do advertising like that." Sounds foolish, but there is a lot of good advertising principle behind it.

## Best Style of Advertising

The best type-face, the best illustration, the best advertisement is the one which is not seen for itself at all, but which presents the thing symbolized so clearly that the symbols themselves are lost in the clarity of the meaning they arouse.

Let us repeat. The value of an advertisement lies, not in what it says, as such, but in what it makes the reader think. The previous advertisements discussed made the reader think. The Assyrian advertisement would make us think; "artistic" type makes us think—but not the thing for which it was intended.

## Must Avoid Sidetracks

If we are to make our readers think of their need for our banking service we must avoid every possible sidetrack—every possible avenue of thought other than banking service. The means whereby we arouse the thought must disappear entirely. Simplicity of attack, simplicity of type and simplicity of advertisement construction are the secret of accomplishing this.

Fancy borders—used for "atmosphere"—are distracting and don't mean a thing in the consideration of the value of a checking account. They raise the attention value—mechanical attention value—of the advertisement, by calling the attention of the reader to the border and its pattern. (Assyrian again.) Left off entirely, they raise the attention value of the center of the advertisement where the meat is, through the addition of white space.

Hand-lettered type—the fancy kind—adds atmosphere, fancy atmosphere, to the advertisement. It raises the attention value of the advertisement—as an advertisement. It's expensive, by the way, too, and unless the lettering be severe in its plainness, it does not hold up with ordinary type in advertising value.—John M. Dolph, in Coast Banker.

\* \* \*

## WHAT IS PEP?

Pep is the thing that makes colts prance, old men dance and the spring calf throw up its tail and gambol like a lamb.

Pep puts in us a contagious courage, an unflinching determination. It works when the world sleeps.

It's the salesman's silent partner. With pep, the salesman of service approaches his prospect or customer with a confidence born of vitality.

Pep is the paprika, not the black pepper.

Merchants with pep are usually prosperous. Mechanics with pep are always profitable and usually on the pay roll permanently.

Pep is the thing that puts over a public meeting. It causes the birds to sing and the bullfrog to croak for his lady companion and call her attention to a wedding certificate.

Pep is anything that makes a man happy in his heart and gives him a longing to share this happiness with someone else.—Silent Partner.



## Financial Conditions in the Northwest

The report of Federal Reserve Agent, John R. Mitchell, for the Ninth Federal Reserve District, says:

"Banking developments in this district during April were affected by the opening of spring activity in the country districts. This caused country banks to draw heavily on their city correspondent bank balances. Six correspondent banks in this district reported a decline of 17 million dollars in demand deposits, of which 12 millions was in the item "due to banks." In our group of 25 city member banks, demand deposits were reduced 29 millions, or 12 per cent., between March 25 and April 29. Accompanying this decrease were smaller declines in time deposits and government deposits. The loans of these banks were reduced more than 20 million dollars, or 8 per cent, during this period. They disposed of security holdings amounting to five millions and reduced their cash and reserve deposits by three millions and borrowed nearly two millions from this Federal Reserve Bank.

"The volume of commercial paper outstanding in this district was reduced 3 1/2 per cent. during April, but at the close of April was 66 per cent. larger than a year ago.

"The loans of this Federal Reserve Bank to member banks increased two and two-thirds million dollars between March 25 and April 29, of which two millions were loaned to Twin City member banks and two-thirds of a million to banks in the agricultural portions of the district. Member banks reduced their reserve accounts by more than four millions. There was a reduction in Federal Reserve notes in circulation of three million dollars, and this bank increased its holdings of purchased bills by eight millions during the month.

"During the first two weeks of May withdrawals of country bank balances from city correspondents, practically ceased. Total demand deposits at the 25 city member banks were reduced one million dollars during this period and their time deposits were drawn down one-third of a million. During the two weeks, the loans of these banks were reduced seven million dollars. This change allowed them to increase their security holdings more than one-half million dollars and to reduce their borrowings at the Federal Reserve Bank by one-half million dollars.

"During the same two weeks, the loans of this Federal Reserve Bank to member banks were reduced one-half million dollars. Twin City banks reduced their borrowings from this bank by 1 1/4 millions, but member banks in other parts of the district increased their borrowings by three-fourths of a million dollars. Other important changes in the balance sheet of this bank were a reduction of more than four millions in holdings of purchased bills, a reduction of one million dollars in Federal reserve notes in circulation and an increase of nearly one-half million in member bank reserve deposits.

"Interest rates at commercial banks in Minneapolis were practically the same on May 15 as they were a month earlier. There have been slight increases in the rates charged to customers on commercial loans and small reductions in other important rates.

### Decline in Savings Deposits

"Savings deposits in Minneapolis, St. Paul and Duluth showed minor seasonal reductions between April 1 and May 1. As compared with a year ago, savings deposits on May 1 were nearly 5 per cent. larger, although the number of depositors was practically unchanged. This means that the average savings depositor's balance increased during the year, which shows a healthy condition with regard to the earnings of people of moderate means.

"Sales of securities by representative Minneapolis and St. Paul firms were 18 per cent. smaller in April than in March and 13 per cent. smaller than the volume of sales in April last year. The greatest decline as compared with a month and a year ago occurred in sales to banks, which were one-third smaller in April than in March and one-fourth smaller than a year ago in April. The general investing public purchased a 15 per cent. smaller volume of securities in April than in March, but 4 per cent. more than in April last year. Railroad bonds and land bank

bonds were the only classes of securities showing an increase in sales between March and April. As compared with April sales last year, increases occurred in sales of public utility, industrial and land bank bonds and in foreign securities and stocks.

"Until the last two months, sales of securities by these firms showed an almost continuous increase, except for seasonal fluctuations, during the whole three year period for which this office has records. In 1922, sales by representative firms of all classes of securities amounted to 133 million dollars. In 1923, their sales were 148 million dollars and in 1924 the volume amounted to 231 million dollars.

### Sale of Securities

"The public has been absorbing a steadily growing volume of securities, but the greatest increase in purchases of securities has been in purchases by banks, which have had more funds available for investment in bonds during the last year and a half than they have had for several years past. According to reports received from almost all of the firms whose figures are included in the total sales quoted in the paragraph above, bankers purchased 19 million dollars of securities in 1922, 23 million dollars in 1923, and 56 million dollars in 1924. The general public, other than banks, purchased 63 million dollars of securities in 1922, 64 million dollars in 1923 and 78 million dollars in 1924. Sales to dealers have expanded correspondingly, but are not of great economic significance because they represent largely the purchase of securities from one another to

(Continued on page 42)

### CASHIERS AND ASSISTANTS

A large Minneapolis financial institution desires to employ several bank cashiers or assistants over 30 years of age to become district managers in Minnesota. This position demands aggressive, energetic, hard-working men who are used to getting business. Full time, permanent position which will pay about \$400 monthly, or more. Confidential.

Address "R40" Commercial West, Minneapolis.



Friends of Yours in  
**Yellowstone**



Park Open June 20

**Northern Pacific Ry.**

"2000 Miles of Startling Beauty"

### MY VACATION TRIP

Name .....

Address .....

Books or trips I am interested in: (✓) Round Trip Sum-mer Fare from Minneapolis

<input type="checkbox"/> Yellowstone	Portland	\$46.20
<input type="checkbox"/> Pacific Northwest	Seattle	72.00
<input type="checkbox"/> Rainier Park	Tacoma	
<input type="checkbox"/> Alaska (Skagway)		172.00
<input type="checkbox"/> Rocky Mts. (Helena-Butte)		49.15

G. F. McNEILL, A. G. P. A.  
(101) 522 2d Ave. S., Phone Main 6141

# Development in Trade and Industry Irregular

Bank View of Business at Home and Abroad

New York—Recent developments in trade and industry have been highly irregular; but, taken together, they indicate the continuance of business as a whole at a fairly high level of activity, reports the current issue of the "Guaranty Survey" published by the Guaranty Trust Company of New York.

"Large trade volumes are reflected especially by such general indexes as freight traffic, sales at retail, and bank clearings," the "Survey" continues. "Payments by check as measured by debits to individual accounts reported by the Federal Reserve Board for the week ended May 6 were the largest ever recorded. In some of the basic industries further declines in output have appeared, while others have reached new high records.

## Commodity Prices

"General commodity prices rose in the second and third weeks of May, after an almost uninterrupted decline of two months' duration. Whether this is only a temporary halt in a slow downward movement or the beginning of a sustained advance, it appears that, in either event, with rates of general consumption and industrial production so nearly in balance, business activity as a whole will be well maintained in nearby months.

"Perhaps the most important feature of the present situation in its bearing on the course of business for the remainder of the year is the exceptionally good condition of the crops. Despite the prospect for a greatly reduced yield of winter wheat, the agricultural outlook in general is distinctly favorable. The cotton acreage will apparently be larger than ever before, and weather conditions have been such as to make early planting possible over a large part of the belt. Other crops also are much more advanced than at this season a year ago.

## Gold Resumption in England

"The outstanding financial event of recent weeks is the partial restoration of the gold standard in Great Britain. Although surprise was expressed in some quarters that resumption had been undertaken without further delay there was no lack of confidence that the project would be successful. The prospect of stability has been strengthened by the firmness of sterling exchange rates and the fact that only moderate exportations of gold from England have taken place.

"Naturally, no measurable change in general business conditions, either at home or abroad, has immediately resulted from gold resumption. The pound was already so near its gold parity that there could be no violent dislocation of exchange rates to disturb the course of trade. The principal effect is the psychological one. While this is necessarily of an intangible sort, there is no doubt that it will be an important influence in promoting general trade expansion.

## General Conditions Abroad

"Events in Europe have moved with dramatic intensity during the last month. The focal points have been the partial return of Great Britain to the gold standard, the election of former Field Marshal von Hindenburg to the presidency of the German Republic, and the appointment to the important office of the French Ministry of Finance of M. Caillaux, who took his seat just five years after his exile for alleged friendly overtures to his country's enemies.

"The election of von Hindenburg is generally regarded with equanimity since it is apparently merely a popular recognition of a war hero and a swing from communistic tendencies such as has simultaneously occurred in the municipal elections in France and Belgium.

## Alleged Unfair Trade Practices

"The British Press has recently called attention to instances of boycott and other alleged unfair trade practices in certain European countries against manufacturing enterprises operating there through the investment of foreign capital. It is alleged that through pressure of various sorts the advertising of a large British corporation has recently, been barred from tram lines in one European

capital, that the eviction of shopkeeper tenants who sold the goods of this company, has been effected, and in various other ways action hostile to this company, with substantial foreign capital invested in the country, has been brought about. Complaints of similar practices have been made by other important British industries.

"General principles of reciprocity in international trade and in international banking demand that industrial enterprises representing the investment of foreign capital in a country and employing the labor of that country and observing all of its laws should, of course, be accorded the same treatment as industrial enterprises of such country financed by domestic capital. Discrimination against industrial enterprises lawfully operating and giving employment to labor within any country merely because the capital employed in such enterprise is furnished from foreign sources evidences most strongly the attitude of mind on the part of certain elements in some countries which can only affect their desirability as borrowers. As pointed out by the London press, this question concerns both the American and the British financial markets, as these are the main sources of funds to which such prospective borrowers must turn for external loans."

## Care in Meddling with Affairs of Other Nations

Washington—Warning that the United States should avoid "doctrinaire efforts to straighten out the tangled affairs of other nations," and that the American people ought not to misuse their present great economic power, was delivered here May 19 by Henry M. Robinson, Los Angeles banker, who was a member of the committee of experts that formulated what has come to be known as the Dawes plan. He urged America not to try to act as "Mr. Fix-It" unless requested to do so.

Speaking at the dinner of the American section of the International Chamber of Commerce, Mr. Robinson said:

"It has been well suggested that a misuse of America's tremendous economic power will bring reprisals and that we should guard against the not unnatural disposition to use the power to force other nations to adopt plans and rules that fit our book and our conventions and that we should be careful to avoid the use of such power.

"When a nation is in a position of extreme good fortune it is likely to act in a manner similar to an individual who has had extreme good fortune, in that it is likely to have a great belief in its omniscience, and as a people the nation may attempt to become the doctor and the teacher for all the other nations less fortunately placed.

"It behooves us to remember that the other nations, because of the difference in their customs, traditions, habits and their aspirations, may not be disposed to accept as perfect, plans that appeal to us. Would it not be better for us to avoid as far as possible doctrinaire efforts to straighten out the tangled affairs of other nations, except insofar as the other nations may ask us our aid, or insofar as the tangled conditions work directly adversely to our interests.

"To put it vulgarly, we should not act as 'Mr. Fix It' unless we are called upon to do so. At the same time, we should be willing, and it is the part of enlightened self-interest, for us to give wholesome aid either in planning or in materials to bring about a readjustment of conditions."

Resumption of the movement of invested capital to undeveloped countries was noted by Mr. Robinson. He declared that when this movement has acquired greater force it will restore a great stimulus to international trade.

## GREAT NORTHERN TO OPERATE BUS LINES

St. Paul—Great Northern Transit Company, with \$1,000,000 capital has been formed by L. W. Hill, Ralph Budd and Great Northern officials, as a bus company.

Bank established in 1864

# SKANDINAVISKA KREDITAKTIEBOLAGET

GÖTEBORG

STOCKHOLM

MALMÖ

Branches in all parts of Sweden

Own Funds.....	Kr.	182,000,000.—
Deposits, December 31, 1923.....	ca. "	693,000,000.—
Total assets, December 31, 1923.....	" "	1,032,000,000.—

Transacts all kinds of banking and exchange business.

Inquiries and correspondence invited.

Telegraphic address "KREDITBOLAGET"

## Crusade Against Losing Bank Accounts

Atlantic City, N. J.—O. Howard Wolfe, cashier of the Philadelphia National Bank, addressed the Pennsylvania Bankers Association on the subject, "Crusade Against the Losing Bank Account." He said, in part:

"Recently, I had the superintendent of our building, who also takes care of our purchasing department, make me up a comparative record of costs in 1900 and in 1925. The conditions shown are somewhat alarming, and should interest every banker here, whether you own or rent your own building; whether you supply your own light and heat and thus pay directly for overhead expenses; or whether you use a public service corporation and pay indirectly.

### Rising Costs of Service

"These rising costs would give us no concern if we, let us say, were in the shoe manufacturing business. Instead of charging \$3.50 a pair, as they did in 1900, we would charge \$10 or \$12 a pair. We happen to be bankers and we are still lending and investing our funds at the same or lower rate than we received in 1900. If we had the time it would be interesting to discuss rates on loans and investments. I know that many country bankers lend all their funds the year round at 6 per cent., but you will be interested to know that in only the last year or two the number of commercial paper names being presented by note brokers for sale in the open market has increased from 2,269 to 2,705. What does this signify? Briefly, that a steadily increasing number of the best borrowers in the more remote districts are no longer obliged to pay 6 per cent.

"What is to be done about it? Are we to charge higher rates? Either statute or economic laws forbid. Are we to refuse to continue to serve our patrons? The ethics and nature of our profession compel us to provide banking facilities for all who have any legitimate reason to claim our services. Fortunately, there is left to us not only the most practicable way to offset the pressure of these constantly increasing costs, but also the best way. We must cut out unnecessary waste absolutely, and reduce the possibility of loss, so far as losses can be reduced.

### Practices Which Need Checking

"What are some of the customs and practices we have permitted to develop unchecked, and which cause a large part of available loss? There are several, and I shall name only the more important ones. Lack of restrictions governing small checking accounts; paying more than 2 per cent. or 2½ per cent. on active or checking accounts; paying interest on ledger rather than upon collected balances; permitting checking against uncollected funds; permitting depositors to carry maximum so-called savings accounts at 4 per cent. and minimum balances in checking accounts.

"There are other customs, not quite so universal, but sometimes more expensive, as follows: Furnishing specially prepared check books free of charge; carrying large amounts of cash for payroll purposes without any relation to the balance of the depositor; having no rule or fixed policy with respect to the amount of balance a borrower should maintain.

"There is no doubt but that competition has been largely responsible for the continuation of these practices in the

face of known losses. That much may be said in favor of competition as a beneficial influence, none of us here will deny, but on the other hand, nothing can be said in favor of wasteful competition that favors the depositor as against the borrower, or the customer of the bank as against the stockholder, when the customer is getting more service than he is legitimately entitled to."

## B. F. YOAKUM SUBMITS WAR DEBT PLAN

Washington—At a conference with President Coolidge May 19, B. F. Yoakum, retired capitalist, outlined a war debt settlement plan under which all debtor nations to the United States would enter into a common agreement for an international funding scheme resting on a long term basis.

He proposed that an arrangement be effected giving debtors 100 years in which to repay the United States and each other for loans at 2½ per cent. interest per annum, beginning two years after date of obligation.

The plan submitted by Mr. Yoakum was transmitted by President Coolidge to the State Department. The President had no opportunity to go into its merits in detail.

# The Chase National Bank

OF THE CITY OF NEW YORK  
57 Broadway

CAPITAL.....	\$20,000,000
SURPLUS and PROFITS .....	26,016,303
DEPOSITS (April 6, 1925).....	487,028,632

### OFFICERS

ALBERT H. WIGGIN, President

#### Vice Presidents

Samuel H. Miller	Henry Olleshelmer
Carl J. Schmidlapp	Alfred C. Andrews
Reeve Schley	Robert I. Barr
Sherrill Smith	George E. Warren
George D. Graves	

#### Assistant Vice Presidents

Edwin A. Lee	M. Hadden Howell
William E. Purdy	Alfred W. Hudson
George H. Saylor	James L. Miller

Comptroller  
Thomas Ritchie

Cashier  
William P. Holly

### DIRECTORS

Henry W. Cannon	Carl J. Schmidlapp
Albert H. Wiggin	Gerhard M. Dahl
John J. Mitchell	Andrew Fletcher
Guy E. Tripp	Reeve Schley
James N. Hill	H. Wendell Endicott
Daniel O. Jackling	William M. Wood
Charles M. Schwab	Jeremiah Milbank
Samuel H. Miller	Henry Olleshelmer
Edward B. Tinker	Arthur G. Hoffman
Edward T. Nichols	F. Edson White
Newcomb Carlton	Alfred P. Sloan, Jr.
Frederick H. Ecker	Elisha Walker
Eugene V. R. Thayer	Malcolm G. Chace
Thomas N. McCarter	

WE INVITE ACCOUNTS OF Banks, Bankers, Corporations, Firms or Individuals on favorable terms, and shall be pleased to meet or correspond with those who contemplate making changes or opening new accounts.

Through its Trust Department, the Bank offers facilities as: Trustee under Corporate Mortgages and indentures of Trust; Depository under re-organization and other agreements; Custodian of securities and Fiscal Agent for Corporations and Individuals; Executor under Wills and Trustee under Testamentary Trusts; Trustee under Life Trusts.

Foreign Department

# Trade Interdependence a Trouble Solvent

E. H. H. Simmons, President of The New York Stock Exchange, in an Address Before the Texas Bankers Association

Houston, Texas—"The interdependence of all sections of our country one upon another is rendered fairly familiar to every one by the physical movement of goods and merchandise," said E. H. H. Simmons, president of the New York Stock Exchange in an address before the Texas Bankers Association, which held their forty-first annual convention at Houston May 20. "In the East we are generally aware of the fact that a large proportion of our cotton, our oil, and many other of our most important materials originate in Texas.

"I have no doubt that here in the Southwest the importation of eastern automobiles and other manufactured products is equally recognized. But the constant interchange of capital which goes on daily between East and West is frequently overlooked by everyone except the professional banker, simply because it is an intangible product. Yet this constant shifting of funds from East to West, or from West to East, is an absolutely vital factor to the business and prosperity of the entire country. Hardly a day passes that funds originating in Texas banks do not come into Wall Street to be invested or loaned there on call, while with equal regularity funds originally accumulated in the eastern markets are sent out here to develop the vast prizes of your state.

"It is one of the profound services of commerce to the cause of good government, that steady trade between different sections of America is most valuable solvent for the misunderstandings between parts of the country which from time to time are apt to arise. So it is, too, with the maintenance of regular financial relations between different sections of the land, except that in this case the process of eliminating misunderstandings is much slower.

## Suspicious of Wall Street

"It is scarcely fair, however, to attribute all of the suspicion so commonly felt in the West, South and Southwest 20 years ago towards Wall Street, entirely to the West's indebtedness to Eastern capital. So rapidly were great business corporations created in this country in the decade after 1900, that in the East no less than in the West, there were natural doubts as to the effect of this swift development in business and finance upon the political and social life of America. Colossal fortunes were suddenly created, great business organizations without precedent developed in the control and ownership of single individuals. It was natural to fear that, if this evolution should continue for another 25 or 30 years, our democratic form of Government might find difficulty in controlling the essentially autocratic form which American business was suddenly taking.

## A Change in Sentiment

"In recent years, however, a very fundamental and remarkable change has been going on in the actual ownership of the major business corporations of this country. Year after year the number of their shareholders has been rapidly increasing, the large holdings of their stock by individuals have been diminishing, and their shares have been more and more widely distributed among the American public. So far, in fact, has this tendency toward public participation and ownership in the large units of American business proceeded, that today it would be absurd to voice the fears of the growing size of our corporations which many far-sighted Americans expressed only 20 years ago.

"The New York Stock Exchange is just as particular about the securities admitted to trading in its markets, as it is to the individuals admitted to its membership. Before a security can be traded in upon the exchange, it must conform to what are known as the listing requirements of the exchange. These requirements are undoubtedly the strictest and most extensive of any large stock exchange organization in the world. The financial structure of the given corporation must be explained in detail, and complete statements as to its assets and liabilities, and its recent earnings, must be made. For years the New York Stock Exchange has been a leader in the movement to obtain fuller publicity as to the affairs of large American corporations. Even after a security has been admitted to trading on the

exchange, it must periodically publish earning statements and balance sheets in the public press, so that the public can have the opportunity of studying them.

## No Guaranty of Securities

"It is important to notice, however, that the New York Stock Exchange never attempts to estimate the value of any security, or even to endorse, guarantee or approve any of its listed stocks or bonds. It has always been felt that such an attempt would be outside the real function of the exchange, which consists primarily in maintaining a market for securities and rules for the methods of business employed in it.

"It is the aim of the New York Stock Exchange—and an aim, I may add, which has been realized in practice for many years—to maintain a free and open market for securities. The facilities of this market are thrown open to every one upon the same basis, and the prices which are made there result directly from buying and selling from all over the country. The Stock Exchange never itself makes prices or even expresses opinions regarding prices. But on its stock ticker it provides instantaneous and nation wide publicity to all its open market transactions. No security market in the world gives such complete publicity to the transactions occurring in it as the New York Stock Exchange. A free and open market of this type imposes a severe test upon any security traded in upon it. If there is any real weakness in any listed security, it is very quickly brought to light and reflected in declining prices. In the same way, the less obvious merits of a security are very quickly realized there, and result in rising prices."

## Bank Staff Likened to a Perfecting Printing Press

Atlantic City, N. J.—James S. Stewart, of the Baltimore chapter of the American Institute of Banking, in an address at the thirtieth annual convention of the Maryland Bankers Association at the Traymore hotel, declared that the personnel of the average banking institution was compared to a large Hoe printing press. The ideal condition, he added is co-ordination of the various subdivisions of the employees that will be as efficient and smooth as the working of the various mechanical parts of a printing press.

The difference between the Hoe press and the bank's personnel, Mr. Stewart went on to say, is that while the press is not subject to mental reactions, the banker's attaches are. The staff of a bank requires for smooth, efficient working, he observed, a much more skilled engineer than does a large machine. He would say the engineer is the bank's executive department.

The employees of the average bank are divided into three types, Mr. Stewart continued. "There are the disorganizers, men and women who are displeased with conditions, who have minds and even hands that are more or less idle and who are not wholly adapted to their work or their surroundings. Then there is the type known as "the backbone," the steady, reliable plodder, the enthusiast. Finally, there is the class that is so ambitious that it will make sacrifices endure hardships, will give up much of leisure and recreation in order to develop leadership in self. Great care must be exercised in the treatment of these three classes, Mr. Stewart said.

The speaker pointed out that the expert executive force will so adjust the members of all three classes that there will be a harmonious, easy-working, smoothly moving personnel that will readily suggest the swift, sure and accurate printing press.

## GREAT NORTHERN WOULD BUILD LINE IN MONTANA

Washington—The Great Northern Railway asked the Interstate Commerce Commission today for authority to construct an extension from Scobey to Opheim, Montana, a distance of 50 miles. The carrier also asked authority to issue \$1,155,000 of Western Fruit Express Company, equipment trust certificates to purchase 960 refrigerator cars.

# Farm Financing by Country Banks

The Amortized "Government Plan" loans made by this institution, through country banks, meet every requirement—  
Prompt service. No red tape. No commission.

*Ask for application blanks and any desired information.*

## BANKERS JOINT STOCK LAND BANK

MILWAUKEE, WISCONSIN

### Services Rendered to Business by the Federal Reserve System

Washington—Pierre Jay, New York Federal reserve agent in an address recently made before the United States Chamber of Commerce, outlined the working of the Federal Reserve system, and the benefits therefrom to business. He also touched upon some points which have been the subject of criticism of late, the mobilization of gold for instance, describing how this gold was formerly scattered in the vaults of 27,000 separate banks, with no way of bringing it together for the extension of credit in times of stress.

"A large part of all the checks sent out of town carry the endorsement of one or more reserve banks," he said. "Indeed the reserve banks now collect practically all out of town checks; over 2,000,000 of them every day. They have cut in half the time of collecting such checks, diminished the expense and eliminated the cost and risk of shipping money to settle for them. As a result the vast majority of country checks are now paid at par and are so generally acceptable that most business concerns receive them readily and no longer require payment of their invoices in New York or other city funds.

"In the same way the reserve banks' system for transferring funds by telegraph and at par from any member bank to any other member bank in the country has eliminated the domestic exchange markets which formerly used to flourish, together with the premiums they used to charge for such transfers which acted as barriers to the free flow of funds throughout the country. Last year about \$98,000,000,000 were thus transferred over our wires. A number of the large business concerns are effecting great economies through using these facilities.

#### Discounting Business Paper

"Our rediscounting of business and agricultural paper is the most important thing we do, through our member banks for business. For thereby member banks may augment their own resources to extend credit to their customers or obtain currency for them. Some of you may have noticed, when you took up your notes at your bank, that they had at one time been indorsed over to a Federal Reserve Bank, which means that they were for a time part of the security behind Federal Reserve notes. In making these rediscounts the smallest bank in the district gets exactly the same rate as the largest bank and the same is true of the actual notes themselves.

"In the New York district, the smallest note we have rediscounted was \$2.81 and the largest \$147,000,000. At the peak of the war borrowing about 7,500 out of 9,600 member banks borrowed. During the last three years, a period of greatly reduced borrowing, about 6,000 member banks borrowed each year, seasonally or occasionally, showing the extent to which member banks depend upon their Reserve banks to adjust their reserve positions for a few days, weeks or months as the occasion may require. Thus we have elastic credit as well as elastic currency.

#### Mobilization of Gold

"The whole currency and bank credit system, of course, is based upon the pooling of the gold reserves of the country. Lack of this was the great weakness in our banking structure. Our gold reserves were scattered in the vaults of 27,000 separate banks and there was no way they

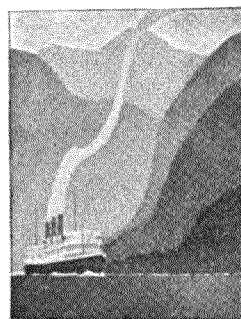
could be brought together in times of need. Besides, their use as a basis for credit was largely influenced by competition and a desire for profits on the part of the banks which held them.

"No one was directly responsible for general credit conditions. When panics and emergencies arose emergency leadership had to be developed. Other countries had their banks of issue which gave leadership to banking policy, but it was only in the stress of a panic that banking leadership and unity of action could be achieved in the United States."

#### NEW HOTEL CHAIN FOR UNITED STATES AND EUROPE

New York—Fifty per cent. of the capital stock of an international \$100,000,000 hotel corporation has been subscribed in this country. It is planned to build 20 hotels in the United States and principal cities of Europe modeled after the Hotel Luxor in New York, which has an unusual number of baths and the only genuine Russian bath with brick oven in America. New corporation will be known as the Luxor Hotels, Ltd., and will be incorporated under the laws of New York. David Podolsky is leaving for Europe immediately to complete the financing.

## The Triangle Tour of British Columbia



**THIS** famous tour is the trip of a lifetime—take it this summer. Stop off at Jasper National Park in the heart of the Canadian Rockies. Thence by rail to Prince Rupert, then 500 miles thru sheltered scenic seas to Vancouver and back to Jasper by rail along roaring gorges.

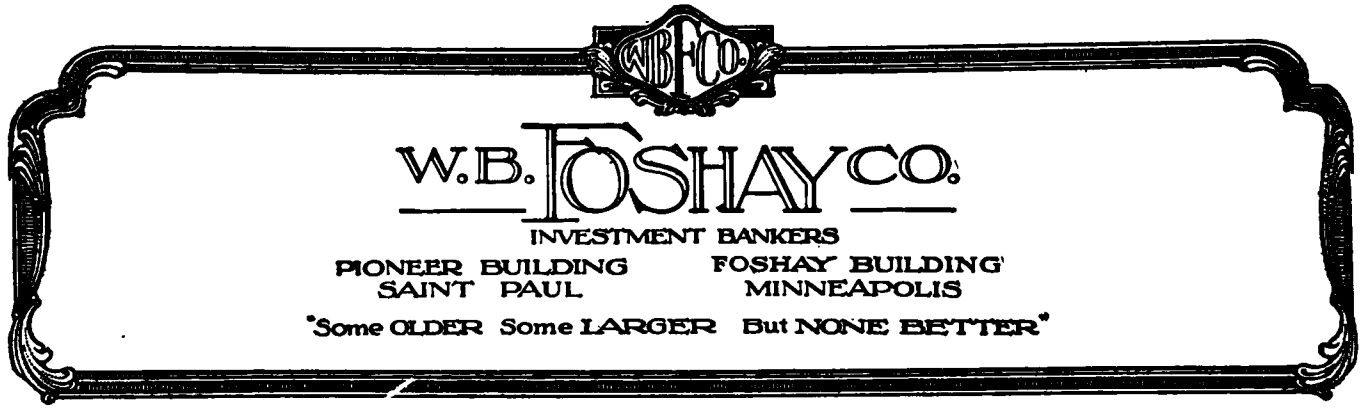
#### New Alaska Service

You may board a palatial "Canadian National" steamer at Vancouver and voyage in luxurious comfort to Alaska. Returning, disembark at Prince Rupert or Vancouver, as you prefer, and proceed by rail to Jasper National Park, traveling in the midst of majestic mountain beauty.

*For information and illustrated booklets write to*

A. H. Davis, General Agent Passenger Dept.  
328 Jackson Street St. Paul, Minn.

**CANADIAN NATIONAL RAILWAYS**  
*The largest railway system in America*



## Banking is One Class of Merchandising

Advertising Methods of Manufacturers Suggests Application of Like Principles in the Financial Field

Banking is merchandising, and the advertising methods employed in expanding the sale of a worth while product could profitably be employed by financial institutions, in increasing their service. H. J. Bernard, cashier, Second National Bank, Houston, told a meeting of the Financial Advertisers Association at the World Advertising Convention held at Houston recently.

"When the manufacture of a new product is anticipated" Mr. Bernard added, "its promoters have two paramount problems to face: The actual manufacture including cost, quality, etc., and its sale and distribution. Nor does the wise business man consider the merchandising of his product of less importance than its manufacture. It must first be made on a sound basis, of course—but if must also be sold at a profit if he is to long exist as a business man.

"Why then should we as manufacturers of credit and financial service—products so vitally essential in our present day life—look less broadly and sanely upon our business?"

### Merchandising Machine Should Be Smooth Running

"The merchandising machine of a successful manufacturer is a well organized smoothly running thing, with its manager of sales, its distribution plans, its advertising campaigns and other defined activities. The merchandising plans and activities of the average bank are less carefully laid. The work of advertising is usually the part time job of a junior officer or senior clerk with little equipment and less money to work with. There is usually no clearly defined plan but what money is spent is scattered and its expenditure is looked upon as a necessary evil.

"If the manufacturer decides to try and increase his business by improving his product, he, of course, knows that the improved product will cost more than that of lesser merit," Mr. Bernard continued. "This difference he will make up in the increased volume caused by the improvement, perhaps, rather than by increasing the cost to consumer. Otherwise, he would narrow his field and cut off the value of this better product. At any rate, the banker in most cases must depend on increased volume to cover the increased cost for he cannot raise his prices.

"Advertising has been called many things. It has been called some things which it would be entirely out of place for me to mention here. Among things it has been called, 'mass salesmanship.' I am inclined to look upon advertising—and especially bank advertising—as rather the herald of salesmanship. In other words, its function is not so much to get the name on the dotted line as it is to prepare the public mind for the occasion to sign. It is to teach, to instruct, to guide, to advise, but always indirectly to sell.

### Value of Reliable Information

"To my mind a carefully kept central information file is all important to the functioning of the new business department, both from the standpoint of classification and credit information. If funds will permit, a file on prospects is excellent—but surely a file on present customers should be maintained. It should carry all information as to the services of the bank used by each customer and should be brought into constant play in selling all of the bank's services to customers now using only a limited number of such services.

"Now let us sum up the component parts of this new business machine which we are building. The important thing is that it must be a real organization. It must have a head whose breadth of vision and executive ability will keep it from the rut of routine. He must be clothed with authority, and in turn be broad enough to place responsibility upon and grant authority to his subordinates as regards their particular functions. Our director of public relations must take into account the well grounded principles of merchandising and of advertising and must keep forever in mind the fact that a bank's business rests upon the confidence and the good will of the people of its territory and that these must be won through the performance of a service which serves both the public and stockholders."

## Combined Banking Power of Banks in United States

Latest report of the Comptroller of the Currency, showing resources of the national banks in excess of \$23,800,000,000, is another reminder of the great expansion taking place in our banking facilities. Few realize that the resources of the national banks have doubled in the last ten years. Aggregate national bank deposits are now close to \$20,010,000,000, against \$8,800,000,000 in 1915. What a factor the national banks have become in the investment field is indicated by their \$5,750,000,000 holdings of United States and other securities, or nearly three times the holdings of ten years ago.

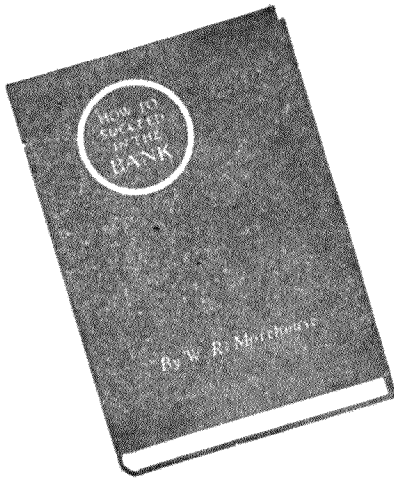
Following principal national bank figures are illuminating (000,000 omitted):

	Total Deposit Liability	Investments: U. S. Govt. and other securities	Loans and discounts	Total Re- sources
April 6, '25....	\$19,382	\$5,753	\$12,468	\$23,832
June 30, '24....	18,347	5,142	11,978	22,565
June 30, '23....	16,897	5,069	11,817	21,511
June 30, '22....	16,320	4,563	11,248	20,706
June 30, '21....	15,142	4,025	12,004	20,517
June 30, '20....	17,155	4,186	12,611	23,411
June 30, '19....	15,924	5,047	11,010	21,234
June 29, '18....	14,021	3,957	10,135	18,354
June 20, '17....	12,771	3,013	8,957	16,290
June 30, '16....	10,877	2,351	7,679	13,926
June 23, '15....	8,821	2,068	6,659	11,795

Total resources of the 29,360 reporting banks, including the 12 Federal Reserve banks, last June was placed by the Comptroller of the Currency at \$61,935,471,000 of which \$57,144,690,000 applied to the 29,348 national and state banks, and \$4,790,781,000 to the Federal Reserve banks. Ten years ago the figures were \$28,185,000,000, \$27,804,000,000 and \$381,500,000 respectively. Total deposit liabilities last June amounted to \$50,298,788,000 compared with \$22,343,018,700 in June, 1915.

Combined banking power of all banks in the United States, representing capital, surplus, profits, deposits and circulation (eliminating deposits due other banks, etc., was estimated by the comptroller last June as \$56,446,500,000, an increase of \$3,163,700,000 over the year before, and \$31,049,400,000 since 1915. Of the total banking power on June 30 last \$19,172,700,000 came from national banks, while the amount contributed by banks other than national was \$32,498,400,000 and Federal Reserve banks \$4,775,400,000.—Will Nassau in Wall Street Journal.

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“How to Succeed in the Bank” will help me too. Send me a copy prepaid for the \$2.50 enclosed.

NAME .....

BANK .....

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## Joint Stock Land Banks Consolidated Report

The latest consolidated report of the condition of the Joint Stock Land Banks, issued by the Federal Farm Loan Board as of the close of business, March 31, 1925, discloses few changes when compared with statements for recent months. It is interesting to note, however, that the report as now prepared shows in a separate item the value of “real estate acquired through foreclosure.” The amount given for this item is \$2,909,064.53, followed by “other assets” of \$1,963,949.19. In the February 28th, statement, “other assets” amounted to \$3,831,593.85. The only other change of importance noted is the reduction of “Notes Receivable, Acceptances, etc.” from \$2,776,437.49 to \$1,099,718.55.

The statements made public for each individual bank also present this new item, thus affording to any one interested an opportunity to keep track from month to month of the extent to which any one bank is being called upon to take over property of delinquent borrowers.

The consolidated report as at close of business, March 31, 1925, follows:

Assets	
Net Mortgage Loans .....	\$477,081,816.23
Interest Accrued but not yet due on Mortgage Loans .....	8,518,648.83
U. S. Government Bonds and Securities .....	21,737,398.42
Interest Accrued but not yet due on Bonds and Securities .....	161,781.94
Other Interest Accrued but not yet due .....	88,958.96
Cash on Hand and in Banks .....	12,429,577.91
Notes Receivable, Acceptances, etc. ....	1,099,718.55
Accounts Receivable .....	1,478,069.19
Installments Matured (in process of collection) .....	1,000,349.89
Banking Houses .....	994,485.00
Furniture and Fixtures .....	186,776.38
Real Estate Acquired through Foreclosure ..	2,909,064.53
Other Assets .....	1,963,949.19
<b>Total Assets .....</b>	<b>\$529,650,595.03</b>

Liabilities	
Farm Loan Bonds Outstanding .....	\$465,671,800.00
Interest Accrued but not yet due on Farm Loan bonds .....	8,317,002.99
Notes Payable .....	9,985,187.49
Accounts Payable .....	44,419.43
Other Interest Accrued but not yet due .....	112,512.54
Due Borrowers on Uncompleted Loans .....	1,023,556.41
Amortization Installments Paid in Advance ..	702,718.73
Farm Loan Bond Coupons Outstanding .....	484,082.28

Dividends Declared but Unpaid .....	143,477.94
Other Liabilities .....	1,417,730.93

Total Liabilities .....

Net Worth	
Capital Stock Paid In .....	\$34,964,355.00
Surplus Paid In .....	1,180,179.92
Surplus Earned .....	847,293.81
Reserve (Legal) .....	2,894,176.83
Other Net Worth Accounts .....	343,346.61
Undivided Profits .....	1,518,654.12
<b>Total Liabilities and Net Worth .....</b>	<b>\$487,902,488.74</b>

Total Liabilities and Net Worth .....

### POSTAL STAMPING MACHINES USED IN FRANCE

New York—There are now 400 letter stamping machines in use in France in public administrations, banks, factories and commercial houses, according to advices received by the Bankers Trust Company of New York from its French Information Service. These machines, which were introduced a couple of months ago constitute a great saving of time both for the institutions which use them and for the postal administration which, in view of their satisfactory performance is very anxious to encourage their general use.

In addition to the saving of time and labor as compared with the old system of sticking stamps on letters and then having them go through the post office, persons using this machine profit by a reduction in the general cost of postage amounting to one per cent. This reduction may be increased still further by the postal administration.

The control exercised over these machines which automatically register the number of letters stamped is very strict and so far no cases of fraud or even attempts at fraud have been discovered.

## BUILDING ?

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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

## Federal Expenses—Now \$31.12 Per Capita

Secretary Mellon Emphasizes Growing Importance of Public Finance in Relation to Our Economic System

New York—Andrew W. Mellon, Secretary of the Treasury in a letter addressed to the Economic Club of New York and recently read at its seventy-third meeting and dinner at the Hotel Astor, having for its subject of discussion, "Economy and Efficiency in Government," pointed out how Federal expenditures, which were \$1.71 per capita in 1850, had increased to \$7.68 per capita in 1910, and how the war had run up higher expenses, and although "heroic efforts" had been made to curtail expenditures, the 1924 outlay was \$31.12 per capita, compared with the \$7.68 in 1910.

"The mere fact that governmental expenditures show this constant tendency to increase is, of course, not necessarily an evil," said Secretary Mellon, but it does emphasize the growing importance of public finance in relation to our economic system."

Mr. Mellon went on to say that "the most difficult problem in our civilization today is to determine just how far governmental activities should go. It is a mistaken impression to think that all governmental expenditures are non-productive, but, on the other hand, there are some services which may be better performed and more cheaply performed by individuals."

The letter was read by Howard Elliott, president of the club, who presided.

Secretary Mellon's letter read:

### How Expenses Increase

"My Dear Mr. Elliott: I hardly need to tell you how great my interest is in the subject for discussion before your club on the 18th—'Economy and Efficiency in Government.' It seems to be the almost universal experience that governmental expenditures constantly increase with the increasing complexity of civilization. Our own Federal expenditures, which were \$1.71 per capita in 1850, increased to \$7.68 per capita in 1910. Then came the great war with new and enlarged governmental activities, which left us with a tremendous public debt and many problems of reconstruction. Although heroic efforts have been made to curtail expenditures and much has been accomplished in that direction, the 1924 outlay was \$31.12 per capita, compared with \$7.68 in 1910.

"The mere fact that governmental expenditures show this constant tendency to increase is, of course, not necessarily an evil, but it does emphasize the growing importance of public finance in relation to our economic system. Tax payments, direct and indirect, have become one of the substantial charges against private income. In this country approximately one dollar out of every \$8 of private income is taken for governmental purposes. Federal, state and local. The individual, therefore, has a growing interest in the management of these activities. In other words, he wants a return on these expenditures commensurate with the return on his other expenditures. He is interested in the application to public affairs of the same business principles which have proved successful in private affairs.

### Drawing the Line

"Perhaps one of the most difficult problems in our complex civilization is to determine just how far governmental activities should go. It is a mistaken impression, of course, that all governmental expenditures are non-productive. It needs no argument to show that within reasonable limits expenditures for public roads and bridges, education and public health promote the general welfare and add to the productive power of the people. The same is true of activities for the promotion of industry, commerce and agriculture through the dissemination of information and

by certain limited regulatory measures. It is obvious that all of these are undertakings which can be carried on more effectively and economically by collective action than by individual action.

"On the other hand, for a government to undertake to perform services which may be performed better and more cheaply by individuals is a wholly unwarranted encroachment on private income. On almost all occasions some class in the community is clamoring for increased expenditures—sometimes for worthy purposes, sometimes for purely class or group advantage, and frequently few voices are raised in protest until tax payment time arrives. What activities are worth while must ultimately be decided by the people themselves or their representatives. The discussion and publicity given to these problems by your club and similar organizations will doubtless do much in the way of developing a discriminating public opinion.

### Tax Reform

"I cannot refrain from referring in this connection to the question of tax reform, which bears directly on your subject. The question of efficiency and economy touches not only expenditures but tax collections. Given a fixed governmental expenditure, the country's welfare may still be vitally affected by the way in which the revenue is secured. A tax system with rates so high as to modify the free course of investment funds and exercise a restraining influence on business is not an index of economy and efficiency in Government.

"Very truly yours,

(Signed) "A. W. MELLON.

### SALES OF BEDFORD LIMESTONE

Washington—The largest quarry center in the United States, if not in the world, for the production of building stone, is the Bedford-Bloomington oolitic limestone district of Lawrence and Monroe counties, Indiana. In recent years the value of building stone from this district has amounted to nearly one-half the total value of all stone quarried for like purpose in the United States.

According to reports received at the Department of the Interior through the Geological Survey the sales of building limestone by the quarrymen in the Bedford-Bloomington district in 1924 amounted to 11,005,570 cubic feet, valued at \$14,164,241. This is a decrease of nearly 6 per cent. in quantity and 7 per cent., in value from the figures reported in 1923.

The stone sold by the quarrymen in the form of rough blocks amounted to 4,594,970 cubic feet, valued at \$2,864,217, a decrease of 4 per cent. in both quantity and value. The total milled and cut stone sold by the quarry owners operating mills and cutting plants in the district amounted to 6,410,600 cubic feet—7 per cent. less than in 1923. Nearly 40 per cent. of the rough blocks sold by the quarrymen was sold to mills in the district, the operators of which resold in 1924 as dressed stone 1,754,500 cubic feet, valued at \$4,654,145, an increase in quantity sold of 5 per cent. over 1923.

### CHARMING THOUGHT

It was after dinner and the talk had turned to psychology. This disturbing question had just been put: "When does old age really begin?"

To establish a formula was proving rather difficult, when one lady, who did not look her years, found the following:

"To me, old age is always 15 years older than I am."—Paris Cyrano.



## Business and Legislation

The business man is interested in the enactment and enforcement of constructive legislation, but no one realizes more thoroughly the harm resulting from a multiplicity of needless laws, and therefore the respite offered by the next few months is highly welcome.

Bank, business, and savings accounts invited.

# THE FIRST NATIONAL BANK

DULUTH, MINN. Surplus and Profits \$2,250,000.00

Capital \$2,000,000.00

## Business of the Los Angeles Stock Exchange

Frank Hervey Pettingell, President of the Los Angeles Stock Exchange

That the Los Angeles Stock Exchange organized 1899, has grown faster than any other important financial activity in Los Angeles during the last decade, is well attested by the following figures:

The bank clearings of Los Angeles in 1915 totaled \$1,049,110,927, while in 1924 they totaled \$7,194,525,378, an increase of \$6,145,414,451, or a gain in ten years of 685 per cent.

The building permits of Los Angeles for 1915 totaled \$11,888,662 while in 1924 they totaled \$150,247,621, an increase of \$138,358,959 or 1164 per cent. in ten years.

The postal receipts of Los Angeles in 1915 totaled \$2,241,992.37 while in 1924 they totaled \$7,916,340.71, an increase of \$5,674,348 or 353 per cent. in ten years.

In 1915 the total business transacted on The Los Angeles Stock Exchange amounted to \$2,986,819, while in 1924 the total business transacted on the Exchange amounted to \$65,099,298, an increase of \$62,112,479 or 2180 per cent. in the ten years ending December 31st, 1924.

That the growth of the Los Angeles Stock Exchange shows no signs of a slowing down in 1925 is presaged by the total volume of business transacted during the first three months which amounted to \$23,582,000 against \$15,837,000 for the same period in 1924 or a gain of \$7,745,000 for the first quarter of 1925 or an increase of over 50 per cent.

### All Transfers Not Represented

Under the most favorable conditions this would be considered a splendid showing, but it is especially so when it is taken into consideration that it represents only about half of the business actually transacted by the members in securities listed on the exchange. This is a vexatious situation that the exchange has never been able to overcome, and which is not entirely due to a spirit of negligence on the part of the members, who, if for no other reason than out of pride in the showing of their own organization, would prefer to report all transactions made by them in listed securities, but are diverted from doing so by the fact that customers, to facilitate their own schemes, often stipulate that their trades must not show on the records of the exchange. This is most frequently noticeable in connection with bank stock trades and transactions in the issues of corporations of limited distribution where publicity is most liable to influence the price at which additional shares may be bought or sold—whichever the case may be.

Until the exchange enacts and enforces a rule providing that its members shall record every transaction made in listed securities, its usefulness as a reliable thermometer of what is going on in the financial world in the buying and selling of local securities, will continue to be a subject of question.

### Listing of Stocks

For some time the authorities of the Exchange have been confronted with the problem of how to prevent orders in the big oils, such as Associated, General Petroleum, Standard, Shell Union, Union Oil and others from being sent to New York and San Francisco. For, as soon as stocks of this class are accepted for listing in New York and San Francisco, much of our business in them immediately disappears largely owing to the fact that eastern and northern brokers are enabled to offer customers more attractive inducements both as to interest rates and the narrow margin at which they can carry their trades.

In my opinion, call or demand loans secured by seasoned, active stocks listed on the exchanges of New York, San Francisco and Los Angeles—thereby providing the collateral with instantaneous marketability—represents the choicest kind of a loan. The ticker that should be installed in every up-to-date financial institution, reflects on its tape throughout each business day the exact market value of the collateral attached to loans of this nature. So, for safety and protection to the lender what more could be desired?

Everything taken into consideration the members of the Los Angeles Stock Exchange can never successfully compete with New York and San Francisco until more liberal borrowing facilities exist at home, not only in relation to interest rates but also as to the amount that can be borrowed against the market price of listed stocks. Also there should be fewer restrictions in connection with the handling of drafts at sight or on demand with listed stocks attached.

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# STANDARD OIL ISSUES

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# Stock and Bond Quotations

## MINNEAPOLIS BANK STOCKS

	Div. Rate	Bid	Asked
	Pct.		
Camden Park State.....	..	130	...
Central State .....	10	200	...
East Hennepin State Bank.....	..	175	200
First National .....	12*	260	265
Gateway State .....	..	130	...
Medcandle State .....	..	90	100
Merchants & Manufacturers State.....	..	130	140
Metropolitan National Bank .....	6	125	135
Midland National Bank .....	8	165	170
Millers & Traders State.....	6	170	...
Northwestern National .....	12	230	240
Union State .....	..	170	...

\*3 per cent extra dividend.

## ST. PAUL BANK STOCKS

	Div. Rate	Bid	Asked
	Pct.		
American National .....	6	150	160
Great Northern State .....	10	125	...
Merchants National .....	10	225	...
Mound Park State Bank.....	20	250	...
National Exchange .....	6	130	...
Payne Avenue State .....	10	...	225
St. Paul State .....	10	250	...

## DULUTH BANK STOCKS

	Div. Rate	Bid	Asked
	Pct.		
American Exchange National Bank....	10	190	...
City National Bank .....	10	210	...
Duluth National Bank .....	..	150	...
First National Bank of Duluth.....	13	250	...
Minnesota National Bank .....	..	135	...
Northern National Bank .....	..	200	...
St. Louis County State Bank.....	..	200	...
Western State Bank, West Duluth.....	..	200	...

## MINNEAPOLIS CORPORATIONS

Quotations by The Minnesota Loan & Trust Co., Minneapolis			
	Rate	Bid	Asked
Minneapolis Thresh. Machine, pfd..	7	85	95
Munsingwear Corp., pfd.....	7	99 1/2	101 1/2
Northern States Power, pfd.....	7	98	100
Northwestern Fire & Marine, com..	10	170	...
Russel Miller Milling, com.....	..	150	...
Russel Miller Milling, pfd.....	6	94	...
Washburn Crosby Co., pfd.....	7	109	111

## ST. PAUL CORPORATIONS

	Div. Rate	Bid	Asked
	Pct.		
Foote, Schultz & Co., pfd.....	7	85	95
St. Paul Fire & Mar. Ins. (par \$25)	14	75	...
St. Paul Union Stockyards .....	8	100	105
Tri State Tel. & Tel., pfd.....	6	8 1/2	9
West Publishing, com.....	10	400	...
West Publishing, pfd.....	6	100	110

## LOCAL BONDS

Quotations by The Minnesota Loan & Trust Co., Minneapolis			
	Rate	Bid	Asked
Clarkson Coal & Dock 1926/30.....	6	99 1/2	...
Clarkson Coal & Dock 1931/9.....	6	99	...
Dakota Central Telephone .....	6	103 1/2	105 1/2
Donaldson Realty Co. 1st 1925.....	6	100	...
Duluth Street Ry., 1st 1930.....	5	95 1/2	96 1/2
Duluth Street Ry. Gen. 1930.....	5	86 1/2	...
First Nat. Soo Line Bldg. 1st 1930/5	5	5 1/2 B	5 1/2 B
Geo. A. Hormel & Co., 1st 1930/34...	6 1/2	102 1/2	5.90 B
Island Warehouse Co., 1st 1943.....	6	100 1/2	102
Marshall-Wells Bldg. Corp. 1930/7...	6 1/2	6.25 B	6.00 B
Minneapolis Gen. Elec. 1st 1934.....	5	101 1/2	102 1/2
Mpls. Gas Light Sec. Notes 1930.....	5	97 1/2	99
Mpls. Str. & St. P. City Joint 1928...	5	101 1/2	102 1/2
Mpls. St. Ry. Secured Notes.....	5 1/2	100 1/2	101 1/2
Minn. & Ontario Pr. Co. 1926/8.....	6	101	...
Minn. Pr. & Lt. Co. 1950.....	6	103	104 1/2
Minn. Tribune Co., 1st 1943.....	6 1/2	103	104 1/2
Northern States Pr. 1948.....	6	102 1/2	103 1/2
Northern States Pr. 1941.....	5	96	96 1/2
Northwestern Elev. Co., Ltd. 1930/2	6 1/2	100	6.00 B
Northwestern Terminal Co. 1930/5...	6	97	100
Ottertail Pr. Co. 1st & Ref. 1933...	6	100	...
Ottertail Pr. 1939 .....	6 1/2	99 1/2	101 1/2
Pillsbury Flour Mills 1933.....	7	101	...
Pillsbury Flour Mills 1943.....	6	101	101 1/2
Powell River Co., Ltd. 1926/9.....	6	101	...
Red River Lumber Co. 1st 1928.....	5	99	...
Red River Lumber Co. Notes 1925/7	6	101	...
Red River Valley Pr. 1944.....	6 1/2	99	101 1/2
St. Croix Power Co., 1929.....	5	99 1/2	100
St. Paul City Ry. Cable Cons. 1937..	5	95 1/2	96 1/2
St. Paul Gas Light 1st 1944.....	5	99 1/2	...
St. Paul Gas Light, Gen. 1952.....	6	103 1/2	105
St. Paul Gas Light, Gen. 1954.....	5 1/2	99 1/2	101
St. Paul Union Stockyards 1948.....	5	96	99
Tri-State Tel. & Tel. 1942.....	5 1/2	103	104 1/2
Twin City Telephone Co., 1st 1926...	5	99 1/2	100 1/2
Union Public Service, 1st 1936.....	6	96	98
Watab Paper Co. 1st 1942.....	6 1/2	101 1/2	103

## New York \$20,000,000 Merger of Banks Approved

New York—Directors of the American Exchange National Bank and of the Pacific Bank, both of which have been in operation in New York City for three-quarters of a century, approved plans to consolidate the two institutions under the name of the American Exchange-Pacific National Bank. The merger will mark the formal entry of the American Exchange National Bank into the Forty-second Street banking district. The consolidation will be completed as soon as legal formalities can be complied with.

The merger brings together two banks which have been operating in close accord, interests identified with the American Exchange National Bank having owned control of the Pacific Bank for the last nine years. The boards of directors of the two institutions will constitute the new board, and all offices of the Pacific Bank will be operated as heretofore under the same staff of officers.

The consolidated institution will have capital, surplus and undivided profits aggregating approximately \$20,000,000, which is about 50 per cent. in excess of that now possessed by the American Exchange National Bank. There will be no changes in personnel, and the main office will continue to be at 128 Broadway. The Board of Directors and Executive Committee will be enlarged so as to have the benefit of representation from the uptown district.

To carry out the consolidation, the capital stock of the American Exchange National Bank will be increased from \$5,000,000 to \$7,500,000, the increase consisting of 25,000 shares of additional stock of the par value of \$100 per share. The shareholders of the American Exchange National Bank will receive the right to subscribe pro rata for 15,000 shares of such additional stock at the price of \$200 per share, payable in cash, an owner of present stock of the American Exchange National Bank being entitled to subscribe for additional stock equal to 30 per cent. of his present holdings.

The Pacific Bank will be converted into a national banking association under the title of Pacific National Bank in New York, with the same capital as the Pacific Bank, viz.: 10,000 shares of the par value of \$100 per share, and then

merged with this bank. Upon the consolidation the remaining 10,000 shares of the additional stock of the American Exchange National Bank will be issued to the shareholders of Pacific National Bank in New York in exchange for the outstanding 10,000 shares of stock of that bank, any shareholder not desiring so to exchange his stock share for share to be entitled, to receive \$300 in cash for each share of stock of Pacific National Bank in New York held by him. The details of the consolidation are now being arranged by committees representing the respective institutions.

## JOHN W. O'LEARY, CHICAGO BANKER, NEW HEAD OF CHAMBER OF COMMERCE OF UNITED STATES

Washington—John W. O'Leary, vice president of the Chicago Trust Company, was elected as president of the United States Chamber of Commerce for the next year at the closing session of the thirteenth annual meeting of that organization, May 22. He succeeds Richard F. Grant, of Cleveland, who was not a candidate for re-election.

The board of directors of the chamber also elected the following officers for the next year:

Vice presidents: East division, Lewis E. Pierson, chairman of the board of the Irving Bank-Columbia Trust Company, New York, re-elected.

North Central division, William Butterworth, president of Deere & Co., Moline, Ill.

South Central division, Robert Ellis, president of the Hession-Ellis Drug Company, Memphis.

Western division, Paul Shoup, vice president of the Southern Pacific Railway Company, San Francisco.

Treasurer, John Joy Edson, chairman of the board of the Washington Loan & Trust Co., Washington, D. C., re-elected.

Honorary vice presidents: Owen D. Young, chairman of the board of the General Electric Company, New York; Henry M. Robinson, banker, Los Angeles, and Roland W. Boyden, Boston.

## \$500,000 LOSS CHARGED TO INVESTMENT FIRM

Chicago—Arthur Searle Gerson, manager of the Jack H. Davis Company, an alleged bucketshop, was arrested after his place of business had been closed by authorities, who

estimated investors have lost upward of half a million dollars in the few months it has been in operation.

Preliminary steps were taken to place the firm in a Federal receivership and at the offices the only assets found consisted of furniture, valued at about \$1,000.

Frank Thomas is listed as president and August W. Pearson as vice president, but Gerson admitted he had never seen them or Jack Davis. About 500 investors living in Illinois, Indiana and Wisconsin within a 150 mile radius of Chicago are said to have lost money with the concern.

**BANK TRANSACTIONS**

Washington—Debits to individual accounts, as reported to the Federal Reserve Board by banks in leading cities for the week ending May 20, aggregated \$11,446,000,000 or 4.8 per cent above the total of \$10,925,000,000 reported for the preceding week. New York City reported an increase of \$228,000,000, while other large increases were as follows: Boston, \$55,000,000; Philadelphia, \$41,000,000; Detroit, \$31,000,000; Chicago, \$29,000,000 and San Francisco \$17,000,000. As compared with the week ending May 21, 1924, debits for the week under review show an increase of \$1,456,000,000 or 14.6 per cent. Substantial increases are shown for most of the more important centers, the largest increases being as follows: New York City, \$890,000,000; Boston, \$82,000,000; Chicago, \$79,000,000; Philadelphia, \$61,000,000; San Francisco, \$22,000,000; Baltimore, Cleveland and New Orleans, \$20,000,000 each. Aggregate debits for 141 centers for which figures have been published weekly since January, 1919, were \$10,778,613,000, as compared with \$10,278,648,000 for the preceding week and \$9,380,684,000 for the week ending May 21, 1924. Debits to individual accounts were reported to the Federal Reserve Board for banks in 256 centers, of which 252 are included in the summary by Federal Reserve districts.

City	Week Ending		
	May 20, 1925	May 13, 1925	May 21, 1924
New York	\$5,885,404,000	\$5,657,765,000	\$4,995,531,000
Chicago	745,396,000	716,171,000	666,589,000
Philadelphia	428,954,000	388,444,000	367,772,000
Boston	423,310,000	368,761,000	341,354,000
San Francisco	211,587,000	194,978,000	190,080,000
Detroit	204,701,000	173,514,000	201,331,000
Pittsburgh	192,386,000	195,480,000	202,307,000
Los Angeles	184,693,000	184,359,000	174,427,000
St. Louis	173,800,000	161,100,000	156,330,000
Cleveland	158,522,000	151,222,000	138,598,000
<b>Twin Cities</b>	<b>130,742,000</b>	<b>132,535,000</b>	<b>116,436,000</b>
Baltimore	98,834,000	92,545,000	78,360,000
Minneapolis	92,190,000	95,295,000	77,850,000
New Orleans	89,409,000	78,808,000	69,803,000
Kansas City	83,535,000	77,447,000	70,606,000
Milwaukee	68,641,000	61,775,000	61,199,000
Washington	54,199,000	54,706,000	47,161,000
Omaha	47,422,000	46,255,000	42,323,000
Seattle	45,247,000	43,845,000	41,935,000
Dallas	44,262,000	40,615,000	38,886,000
Denver	38,926,000	38,545,000	34,018,000
St. Paul	38,552,000	27,240,000	38,586,000
Portland	37,481,000	33,082,000	36,620,000
Duluth	21,434,000	25,096,000	15,082,000
Sioux City	18,273,000	19,276,000	17,723,000
Des Moines	16,710,000	16,165,000	20,132,000
Spokane	12,227,000	11,434,000	10,752,000
So. St. Paul	7,831,000	7,739,000	5,612,000
Sioux Falls	5,018,000	3,788,000	2,228,000
Fargo	3,119,000	3,207,000	2,420,000
La Crosse	2,430,000	2,484,000	2,408,000
Helena	1,996,000	2,491,000	1,723,000
Grand Forks	1,553,000	1,525,000	1,248,000
Superior	1,915,000	1,841,000	1,965,000
Billings	1,911,000	1,723,000	1,440,000
Aberdeen	1,451,000	1,629,000	1,355,000
Minot	1,377,000	1,415,000	1,362,000
Winona	1,097,000	1,037,000	1,022,000
Red Wing	606,000	623,000	506,000
Jamestown	533,000	481,000	384,000
Dickinson	284,000	315,000	256,000
<b>Total (252 cities)</b>	<b>\$11,445,699,000</b>	<b>\$10,924,513,000</b>	<b>\$9,989,834,000</b>

**PUBLICATION OF INCOME TAXES IS HELD LEGAL**

Newspaper publication of amounts paid by taxpayers was held by the Supreme court of the United States May 25 to be legal.

Decisions of the lower courts in cases affecting the Kansas City Journal-Post and the Baltimore Post, against both of which indictments were obtained by the Government, were affirmed.

The court, in an opinion written by Justice Sutherland, held that the information as made available to public inspection and the terms of the revenue act of 1924 "cannot be regarded otherwise than as public property, to be passed on to others as freely as the possessor of it may choose."

It was added that "the contrary view requires a very dry and literal reading of the statute quite inconsistent with its

legislative history and the known and declared objects of its framers."

The court disagreed with the view of the Treasury and the Department of Justice that the provision of the law authorizing public inspection of names and amounts paid by taxpayers was not broad enough to permit publication of such information in the newspapers.

Secretary Mellon, who has opposed any publicity of tax information, indicated that the Treasury cannot do otherwise now than to throw open to the public information relative to amounts paid by taxpayers in March last.

**IOWA BANKERS INDORSE COUNTY CLEARING HOUSE SYSTEM**

Oherokee, Iowa—Over 500 bankers comprising Group No. 1 of the Iowa State Bankers Association met here May 18. The members indorsed a system of county clearing houses for counties without large cities. A. N. Bertelson, of Holstein, Iowa, was elected chairman of the group and H. T. Broders of Hartley, secretary.

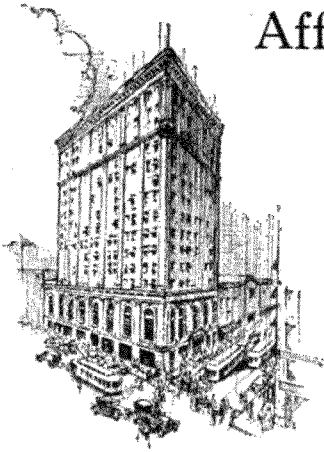
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**T**HESE affiliated banks offer a unity of service of unusual value to out-of-town bankers, acting as Saint Paul correspondent for banks of the Ninth District and offering a high type of securities suitable for bank investment.

## New Banks and Changes

### MINNESOTA

#### V. A. Reed Resigns Cashiership

Walker—V. A. Reed has resigned as cashier of the Farmers State Bank.

#### Max Elliott Made Assistant Cashier

Preston—Max Elliott has been elected assistant cashier of the First National Bank.

#### L. J. Boyle Elected Assistant Cashier

Pine City—L. J. Boyle has been appointed assistant cashier of the First National Bank.

#### Hattie A. Dahmer Advances to Assistant Cashier

Springfield—Hattie A. Dahmer has been promoted from bookkeeper to assistant cashier of the Farmers State Bank.

#### A. N. Nelson Resigns As Cashier

Olivia—A. N. Nelson has resigned as cashier of the Peoples First National Bank to give his time to personal business affairs.

#### Detroit Bank Closed

Detroit—The Merchants National Bank capitalized at \$60,000 closed May 22. H. N. Fenson was president and J. J. Wade, cashier.

#### Joseph C. Yenny Resigns as Cashier

Minneapolis—Joseph C. Yenny has resigned as cashier of the Mercantile State Bank to become associated with the Penn Mutual Insurance Company.

#### G. I. Prettyman Elected President

Hewitt—G. I. Prettyman of the F. E. Gores Mortgage Company of Wadena has been elected president of the First State Bank of Hewitt succeeding A. M. Schanke, who resigned.

#### Seaforth Bank Under New Management

Seaforth—N. Schmitz, N. Bernardi and J. Pistulka purchased the controlling stock of the Security State Bank and have been elected president, vice president and cashier, respectively.

#### Jasper Bank Reorganized

Jasper—The Farmers State Bank has been reorganized, and A. K. Hansen, president and William S. Fay, cashier have resigned. August Studt and E. U. Iverson have been elected president and cashier, respectively, and H. H. Lexvold assistant cashier.

### NORTH DAKOTA

#### Killdeer Bank Open for Business

Killdeer—The First State Bank of Grassy Butte which moved to Killdeer has opened for business.

#### A. H. Kurth Resigns as Cashier

Minot—A. H. Kurth resigned as cashier of the Citizens State Bank and will go into business in Minot for himself.

### WISCONSIN

#### New Bank Open for Business

Prairie Du Sac—The Prairie Sauk Bank, which was recently organized, has opened for business. It is capitalized at \$25,000 and has the following officers: I. C. Evans, president; H. J. Steeps, vice president; W. A. Schreiber, cashier and N. C. Ploetz, assistant cashier.

### IOWA

#### C. R. Sexton Cashier in Walker Bank

Walker—C. R. Sexton, formerly cashier of the Kilduff State Bank has been elected cashier of the Exchange State Bank.

#### H. D. Fenner Resigns as Cashier

Union—H. D. Fenner has resigned as cashier of the Union Savings Bank to become associated with the Standard Oil Company at Des Moines.

#### C. R. Joy Elected Vice President

Keokuk—C. R. Joy has been elected vice president and Gerard L. Huiskamp director of the Keokuk National Bank to succeed the late E. R. Baker.

### MONTANA

#### Bank at Philipsburg Open for Business

Philipsburg—The Granite County Bank, formerly at Hall, has opened for business with Gust Johnson as president and B. E. Barnhill and Jess H. Henderson, vice presidents.

### NEBRASKA

#### W. G. Barbour Elected Assistant Cashier

Rosalie—W. G. Barbour of Brunswick, Nebraska, has been elected assistant cashier of the Farmers State Bank to fill the vacancy caused by the resignation of G. M. Rundquist.

#### Macy Bank Reorganized

Macy—Paul G. Riedler of Thurston has purchased controlling interest in the Macy State Bank and has been elected president. J. E. Moss has been made vice president, and M. Caldron remains cashier.

#### G. N. Parmenter Becomes President

Wahoo—G. N. Parmenter has been made president of the Farmers & Merchants State Bank succeeding John L. Winter, who resigned. George R. Walter is vice president, T. J. Brabec, cashier and R. J. Rochford, assistant cashier.

### OREGON

#### C. H. Warriner Elected President

Philomath—C. H. Warriner has been elected president of the Philomath State Bank succeeding the late S. T. Wyatt.

### COLORADO

#### Harry W. Rives Cashier

Denver—Harry W. Rives has been elected cashier of the Bank of Commerce.

### WASHINGTON

#### J. E. Pinkham Elected Cashier

Camp Lewis—J. E. Pinkham has been made cashier of the Army National Bank.

#### George Plummer Assistant Cashier of Pasco Bank

Pasco—George Plummer has been elected assistant cashier of the First National Bank.

#### H. G. DePledge Advanced to President

Colfax—H. G. DePledge has been advanced from vice president to president of the First Savings & Trust Bank.

#### E. C. Addison Resigns Assistant Cashiership

Toppenish—E. C. Addison resigned as assistant cashier of the Central Bank to take charge of a newly organized bank in New York.

## Control — Minnesota Bank

We offer bare control splendid southern Minnesota bank, in modern town 600 population. Capital and Surplus around \$32,500. Deposits very nearly ten times Capital. No borrowed, large cash and secondary reserve. Deal involves around \$20,000. Half cash will handle. Inquire File No. 670.

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

WE MAKE NO CHARGE TO EMPLOYER  
Write us when in need of help

### THE F. W. HINES COMPANY

820 Palace Building, Minneapolis, Minn.

#### Frank H. Sharkey Promoted to Cashier

Yakima—Frank H. Sharkey has been advanced from assistant cashier to cashier of the First National Bank succeeding James A. Loudon, who recently resigned.

#### CALIFORNIA

##### John C. Cuneo Made President

Riverbank—John C. Cuneo has been made president of the First National Bank due to the resignation of C. W. Minniear.

##### Nationalization of Fullerton Bank

Fullerton—The Standard Bank of Orange County has been converted into the New National Bank. It is capitalized at \$100,000.

##### Burlingame Bank To Be Organized

Burlingame—Roger H. Waite, 1106 Burlingame Avenue, has made application to organize the First National Bank, capitalized at \$100,000.

##### Absorption of El Centro Bank

San Francisco—The Bank of Italy has taken over the affairs of the First National Bank of El Centro which was capitalized at \$200,000.

##### Rodney L. Turner Advances to President

Delano—Rodney L. Turner, formerly vice president of the Growers Security Bank has been made president succeeding Frank E. Green who resigned.

##### A. S. Miller Elected President

Lomita—A. S. Miller has been elected president of the State Bank of Lomita to succeed F. S. Aregood who resigned to become associated with the Hollywood National Bank.

#### IDAHO

##### New Bank for Montpelier

Montpelier—M. W. Eccles has made application to organize a state bank.

##### James M. Myers Made Assistant Cashier

American Falls—James M. Myers has been made assistant cashier of the Power County Bank.

#### ILLINOIS

##### William Hight Resigns as Cashier

Mount Auburn—William Hight has resigned as cashier of the First National Bank to enter the grain business.

#### BANKING NOTES

##### City National Bank Building Sold

Omaha, Nebraska—Rufus E. Lee purchased the City National Bank building.

##### Lot Donated to Bank

Kevin, Montana—A. Goeddertz donated a building lot to the Dunkirk State Bank, which will move there soon.

##### Bank Moves to New Quarters

Long Beach, Calif.—The California National Bank will move to the quarters formerly used by the Security Trust & Savings Bank, which are being remodeled.

#### SECRETARY WORK AUTHORIZES GAS LEASE SALES IN WYOMING

Washington—Secretary of the Interior Work has authorized the sale of oil and gas leases on approximately forty-five thousand acres of ceded and tribal lands in the Shoshone Indian reservation in Wyoming. The leases will be offered at a public auction held July 9 next at the headquarters of the Shoshone agency at Fort Washakie Wyoming, covering specific tracts, to persons paying the highest cash bonus per acre.

### CASHIER — COUNTY SEAT

Attractive opening in fine town of 2,500. Bank has deposits of nearly twenty times the capital, has no borrowed money and has a large reserve.

Earnings past three years average about 30%.

Joint control with collateral guaranty on paper available at actual value.

Salary \$2,500 to \$3,000, with investment of \$10,000 to \$15,000. Terms on part if necessary.

This will bear close investigation. File C-0970.

### BANKERS SERVICE COMPANY

618 Builders Exchange

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### GERMAN-LUTHERAN CASHIER

Good opportunity with bank located within close proximity of Twin Cities. Capital and surplus \$37,000. Good salary, side money and rent. 25 shares available.

STENOGRAPHERS—Can place several young men with some stenographic experience.

SECRETARY-CORRESPONDENT—Lady. For officer of Protestant college located near city. Well educated—good personality. \$125.

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### \$6,000 CASH

#### ASSUME \$3,000--\$5,000

We have Banker who can deal on above basis—desires \$10,000 Capital Bank—small point—must be clean shape—and priced reasonably.

Kindly give full particulars in your first letter.

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A PURELY MUTUAL OLD-LINE, WESTERN COMPANY

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 T. F. WALLACE, Treasurer Farmers & Mechanics Savings Bank  
 JOHN T. BAXTER, Pres. Northwestern National Life Insurance Co.

## War on Arson Making Gratifying Progress

New York—At the annual meeting of the National Board of Fire Underwriters at the Waldorf-Astoria, May 28, the committee on incendiarism and arson, of which Charles E. Case is chairman, reported effective work done during the past year. Special agents of the committee have reported on the investigation of 1,167 fires, referred to as being of suspicious or incendiary origin, with the result that local authorities made 476 arrests. Convictions were secured in 226 cases, 90 trials resulted in acquittals and eight in mistrials. In most instances where convictions were secured claims for insurance, aggregating a large amount, were abandoned, and in some cases where evidence was not sufficient to warrant arrests it was sufficient when placed in the hands of the company adjusters to enable them to get doubtful claims waived or reduced.

During the year investigation disclosed evidence of 42 anticipated fires, and local authorities promptly took steps to prevent them. Notwithstanding this care four of these fires actually occurred, but in only one of these was insurance collected. The committee has 33 special agents, 16 operating from New York, 10 from Chicago and 7 from San Francisco.

One of the most gratifying developments noted by the committee is the increasing interest taken by public authorities in the crime of arson, their greater appreciation of its seriousness and their co-operation with the special agents of the committee. On this point the report says:

"Our activities have, in most instances, been facilitated by hearty co-operation of the public officials, and the successful investigation and prosecution of suspicious cases is bringing about a decided change in the official attitude towards arson. Our special agents note a closer appreciation of the technicalities of cases of arson and a more complete understanding on the part of local officials of the peculiarities of this crime and burning to defraud than in the past. It has also been observed that in increasing instances the local authorities, in anticipation of the arrival of our investigators, take the necessary measures to collect, identify and preserve evidence."

Special agents have held conferences with local agent's associations, police schools in large cities, state police organizations and fire marshal departments and conventions of fire chiefs, calling attention to the crime of arson and the best methods of investigating suspicious fires. The committee reports that several states have strengthened their arson laws.

### ACCIDENT COMPANIES MULCTED OUT OF BIG SUMS ON ACCOUNT OF A MYSTERY SERUM

St. Louis, Mo.—More than \$100,000 is believed to have been collected on fake accident claims against insurance and railroad companies in southeast Missouri through the use of a mystery serum which, injected into the arms or bodies of a person, caused swellings to be used as the basis of collecting an accident claim. Turpentine is believed to have been the base of this serum.

Mark A. Shipley, St. Louis representative of the Fidelity & Casualty, unearthed the fraud ring when he noticed that his company was receiving an unusually large number of claims from Ripley County and other sections of southeast Missouri. Investigation revealed that in each case the

injured person's claims had been backed up by reports from reputable physicians but that speedy recovery occurred in each case.

As a result of the work of the post office operatives, Emanuel Gartman of Doniphan, Mo., was arrested and is under bond of \$10,000 to appear in the Federal Court at Cape Girardeau, Mo. It is said that the investigation has revealed that the mystery serum was in charge of a few men who were willing to administer it to other persons who would split money received on accident claims.

When arrangements were made, an accident policy taken out, and in a very short time a claim would be sent into the company. The claimant had fallen on the ice or down the steps at his home, injuring his leg. A physician sent by the company to make an examination would find the leg badly swollen and discolored. The appearances were such as to deceive the physician and he would endorse the accident claim.

The "disability" would last for several weeks and then the injured person would suddenly recover full use of his leg. The same method was used for making claims against the Frisco and Missouri Pacific railroads for alleged injuries, suffered while at work or in falls from cars or on platforms and against mill owners and other employers.

Gartman was arrested on a charge of using the mails to defraud in connection with an accident claim for another person. Post office inspectors say that Gartman worked for the Frisco railroad prior to 1913 and obtained a \$13,000 judgment against the railroad for injuries suffered while at work.

### STOCK COMPANIES WRITING JEWELERS' BLOCK POLICIES

New York—Announcement of the entry of the admitted stock companies into the field of "jewelers' block" policies, created quite a stir among the brokers. Hitherto this line could only be written in Lloyd's, London, and the two offices here that have commenced writing have been flooded with inquiries for forms and rates. The St. Paul Fire & Marine is the first American company to issue jewelers' block policies and is writing this line through its New York binding office at 80 Maiden Lane, of which William F. Boylan is manager.

W. B. Brandt & Co., Inc., of 110 William street, is the other office now writing the jewelers' block covers. They represent as general agents the Commercial Union and the Century and also report a very keen demand following the announcement that they are now writing the class for these two strong British companies.

For many years past practically all the "jewelers' block" business was effected with Lloyd's, London, and could not be legally written by domestic or admitted foreign companies. The law was amended by the last legislature so as to permit companies qualified under the marine section and casualty companies to write this form.

The dealing with Lloyd's was always more or less unsatisfactory to brokers as it was technically in violation of law and resulted in many controversies with the Insurance Department officials, so that the business had to be nominally effected by agents having New Jersey offices. The disadvantage of dealing with Lloyd's for American risks was further increased by the decision of the Federal Court a

few days ago holding that legal service could not be had on the agent here of the corporation, Lloyd's. Unless this decision should be reversed, it makes it necessary to go abroad in any legal action in relation to a claim under a Lloyd's policy.

**ACTUARIAL BUREAU HAS HAD A BUSY YEAR**

New York—The actuarial bureau committee reported a number of matters of interest to the National Board of Fire Underwriters at its annual meeting at the Waldorf-Astoria May 28. James Wyper is chairman of the committee. This report covers the last year in the first decade of the existence of the actuarial bureau. To this bureau 259 companies, including 48 mutual companies, report the amounts of fire insurance written by them, premiums written and losses paid, divided into classes according to occupancy and further divided by states and construction and protection. From these reports the bureau is able to compute the burning ratio and the loss ratio by classes. The bureau expects to publish about July 1 in book form the experience for the five years 1918-1922. Since its establishment the bureau has received 7,935,863 reports of adjustments, representing approximately 3,572,137 claims.

The committee again urges companies to file their adjusters' reports of losses promptly as delay not only adds to the bureau's expense but makes it impossible to turn over promptly to fire marshals information required by law to be given to them, and prevents the keeping of the loss information service up to date. The effect of this is that companies, having no record on certain assured who have had questionable fires, grant them insurance and get new losses.

The loss information service since its organization has issued approximately 42,000 cards giving information about those who have had questionable fires and has made 85,000 reports in response to specific requests. Another activity of this bureau is sending to members information of contemplated fires secured by the special agents of the arson department of the National Board.

The actuarial bureau committee reports that the Superintendent of Insurance of New York has again designated the National Board to receive and tabulate the experience of the companies operating in New York for 1924. The bureau furnishes Indiana and Virginia with the experience of its members for those states and has been requested by Kansas to furnish it the same service. This saves the individual companies a vast amount of labor. State insurance departments, Government and research organizations and rating associations are more and more recognizing the value of the work of the actuarial bureau and calling upon it for information.

**LIFE INSURANCE SALES INCREASED 7 PER CENT. IN APRIL**

New York—Figures just made available by the Life Insurance Sales Research Bureau of Hartford, show that the life insurance sales record for April, 1925, is 7 per cent. greater than the volume written during April, 1924, \$711,504,000 having been sold during the month. This is the highest total on record with the exception of December, 1924. Geographically divided, the national returns show that all but one section made substantial increases. This is the Mountain section, which fell away 3 per cent. from its last year's April record. The other sections report gains from 4 per cent. to 19 per cent. The gain of 19 per cent. in the West South Central and of 15 per cent. in the West North

Central sections is attributed to the revival in agricultural conditions. These figures are by no means evidence of a merely temporary boom. In fact, the national average increase during the first four months of 1925, as compared with the same period in 1924, also shows a 7 per cent. increase, and the year ending April 30, 1925, shows a 5 per cent. gain over the year ending April 30, 1924.

**DEATH OF MILWAUKEE BANKER**

Milwaukee—Thomas J. Durnin, aged 62, secretary and a director of the Marine National Bank of Milwaukee, died at his home after a short illness, May 19.

Mr. Durnin was a life-long resident of Milwaukee and was well known in business and financial circles.

**Minneapolis**  
**Fire and Marine Insurance Co.**  
 430 OAK GROVE STREET  
 MINNEAPOLIS, MINNESOTA  
**Cash Capital - - \$200,000.00**  
**FIRE, LIGHTNING, TORNADO, THRESHER**  
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## Recent Legal Decisions and Question Box

Conducted by ALLEN & FLETCHER, Attorneys, Minneapolis

This Department will answer free of charge legal questions which may be asked by subscribers. Address Commercial West.

### Bank accepting commercial paper is liable for loss occasioned by default of its correspondents.

This action was brought by P. A. Isler against the National Park Bank of New York. The facts were as follows:

The National Park Bank of New York has its office at 241 Broadway in that city. Isler & Guye are co-partners doing business in the borough of Manhattan, city of New York, and were depositors with this bank. Never before had there been occasion for the plaintiffs to use the bank's foreign collection facilities. They had a customer named Zeballos at La Paz Bolivia. They had sold him a bill of goods, but knowing little about his financial responsibility they did not desire to have the goods delivered to him without payment. The contract between the National Bank and Isler was made upon an exchange of letters. Isler wrote to the bank and after describing drafts his letter read as follows:

"Documents must only be delivered against payment. In case of nonpayment, notify us at once and have your correspondents cable for instructions. The goods would have to be properly warehoused and insured against all risks for our account. Charges thus incurred to be collected from the consignee if he should subsequently pay the draft and take the goods. Thanking you in advance for your prompt attention in this matter, we are,

"Yours very truly,

Isler & Guye."

The bank replied as follows:

"Collections are accepted by us only upon the express conditions that no responsibility is assumed by us for any failure or delay in collecting or remitting.

The plaintiff's papers were sent by the defendant to its correspondents or agent, Banco Nacional de Bolivia. The bank was changed at the suggestion of the defendant from the Banco Mercantil, of La Paz, to the Banco Nacional de Bolivia, and the bill of lading of the United Fruit Company consigned to the order of the plaintiffs was indorsed by them also at the suggestion of the defendant to the latter bank.

Banco Nacional de Bolivia made a serious mistake. Instead of holding the bill of lading until the draft was paid, it delivered the bill of lading to Zeballos on the acceptance of the draft. This was contrary to the instructions to the defendant and the instruction of the defendant to its agent. Loss was occasioned by this breach of duty and neglect of instructions, as Zeballos got the goods without payment and subsequently absconded.

The lower court held that under the terms of the contract the National Bank was not liable. The supreme court of New York reversed the decision of the lower court holding as follows:

This appeal brings up a question of the bank's liability for the negligence of its agent, Banco Nacional de Bolivia, causing the plaintiff's loss. The law of this state has been that a bank receiving commercial paper for collection is, in the absence of some special agreement, liable for a loss occasioned by default of its correspondents or other agents selected by it to make the collection.

We are of the opinion that the phrase, "failure or delay in collecting or remitting" does not cover this case. "Collecting" is defined by Webster's Dictionary as meaning: "To demand or obtain payment of an account or other indebtedness." Here was something more than failure to demand and collect an account which was due. Possession of property was turned over to the alleged debtor, and the loss was created, not by failure to collect an outstanding account but by this neglected delivery of property to him. If upon demand, Zeballos refused to pay the draft when due, or to pay for the goods when the bill of lading was to be delivered, the shipment was to be returned to the plaintiffs or stored for their account according to the instructions

in their letter of July 14, 1919. The loss thus occasioned would be the freight charges, insurance, storage, etc. This minor loss might be occasioned by the failure of the defendant's agent to make demand or to collect the money, and for such minor loss the defendant would not be liable. Likewise the defendant would not be liable if its agent, having collected the money, failed to remit. These omissions or neglects were covered by this exempting clause. The words, however, cannot be extended to cover the agent's negligence in creating the loss by wrongly giving possession of property to which Zeballos, the purchaser, was not entitled.

If the defendant desired to relieve itself from liability for the acts of its agent, whether negligent or not, it could very well have used words about which there would be no misunderstanding and which would fully cover the case.

When as in this case, a bank is liable for the acts of its agent in the absence of some special agreement, the agreement exempting it from liability should be so clearly stated that its customers may know in the exercise of ordinary intelligence the extent of the exemption. The contract in this case would not indicate to a fairly prudent business man that failure to collect included a wrongful delivery of securities or merchandise.

The bank could have relieved itself from liability by the use of the following words:

"In receiving and forwarding paper outside of this city, this bank acts only as your agent, using its best efforts in selecting its correspondents, and will assume no responsibility except for its own acts."

Reversed. See *Isler et al vs. National Park Bank of New York*, 147 N. E. 66.

\* \* \*

### Bank transmitting money to foreign bank held not responsible for the default or negligence of its correspondent.

Skopetz deposited \$797.59 with the American Express Company, with instructions to deposit 2690 Russian rubles to his credit in the Government Savings Bank at Petrograd. The Express Company notified the Azoff Don Commerz Bank, its correspondent, to make the deposit, and debit the same to the Express Company's account, the bank then owing the company more than this amount.

Skopetz was to receive a bank book when the money was deposited, but none ever came to the Express Company from Russia.

After waiting about four years, he sued the Express Company and appealed from a judgment for the defendant.

The supreme judicial court of Massachusetts affirmed the decision, saying:

It further appeared in evidence that at all times the American Express Company had a sufficient amount of rubles to its credit on deposit with the Azoff Don Commerz Bank to cover all its outstanding obligations, including the one in question; that the American Express Company never received from the Government Savings Bank of Petrograd, Russia, a bank book covering the remittance in this case; that it has no information whether or not the deposit was made by the Azoff Don Commerz Bank, its correspondent, in the Government Savings Bank of Petrograd, Russia, for the plaintiff, or whether a bank book was forwarded from Russia. It was agreed that the plaintiff has never received the bank book, that he is without information as to whether the rubles stand to his credit in the Government Savings Bank of Petrograd, Russia, and whether a bank book has been forwarded from Russia.

The contract with the plaintiff required the defendant to transfer to the Government Savings Bank the rubles purchased of the defendant on January 19, 1917. This contract authorized the defendant to transfer the rubles to the Savings Bank through its correspondent at Petrograd, or to use any means of transmission which is recognized as suitable among merchants and bankers. While in the case at bar the defendant could have sent its own servants to the Savings Bank at Petrograd, and could have sent its draft on its correspondent direct to the Savings Bank. It



cannot be said that the means of transmission adopted was not suitable and was not reasonably necessary to have been employed. In the circumstances we are of opinion the defendant had the implied assent of the plaintiff to transmit the rubles through its correspondent in Petrograd.

The correspondent being a suitable agency, and being in funds of the defendant, became the agent of the plaintiff when it received and recognized the direction of the defendant contained in the letter to it dated January 23, 1917; and the defendant had performed its duty and was not responsible for the default or negligence of the correspondent.

It is apparent that a bank book would not be issued and could not be returned or caused to be returned before the rubles were in fact deposited to the credit of the plaintiff in the Savings Bank in Petrograd, Russia; and it is clear that it was the duty of the subagent of the plaintiff, the correspondent of the defendant, to demand of the Savings Bank "the bank book" when it paid the rubles, and to cause the same to be sent to the defendant as the agent of the plaintiff. The defendant is not responsible for the default of the subagent, if it be in default, in this regard. We think the verdict was directed rightly for the defendant.

Skopetz vs. American Express Company. 262. 146 North-eastern Reporter.

**Second Mortgage on Real Estate**

Question—We have a second mortgage on real estate, signed by one of our farmers and his wife, and which is past due and upon which we deem our security insufficient. This farmers' wife has deposited with us approximately \$1,000 on savings account, which deposit was made before the maturity of our note. The amount of our second mortgage note is approximately \$2,000. If we wish to waive our security in the mortgage can we not apply the amounts of the wife's savings account to the note, or will it be necessary for us to attach the savings account? The wife is not inclined to permit us to apply the amount of her savings account on the note, and before taking any action we wish to have legal opinion. The amount deposited on savings by the wife was received by her through inheritance.

Answer—The inquiry does not state whether the wife is one of the makers of the mortgage note, but if she is, or if in the mortgage she has covenanted to pay the mortgage indebtedness, the bank can apply her deposit on that indebtedness.

\* \* \*

**Form of Certificate of Deposit**

Question—We are enclosing one of our certificates of deposit and would like to have your attorney's opinion on the wording and if it is in the proper form to use.

We were told by a stationery salesman that the form we are using is payable on demand of the depositor when properly endorsed and that it is so payable because there is a comma (,) after the word "endorsed."

Now, what we want is a form that is payable after a stated time, say six or twelve months from date, and if this comma (,) should not be there we wish to know it.

Answer—The form submitted would not be payable on demand, as it fairly appears from the entire contents that it is payable a fixed number of months after date. However, if a comma were inserted after the word "certificate," thus properly setting out the phrase "properly endorsed," all question as to the meaning of this certificate

**NEW NORTHWESTERN PATENTS**

The following patents were issued to Minnesota and Dakota inventors, May 19, 1925, as reported by Williamson, Reif & Williamson, patent attorneys, 925-935 Metropolitan Life Building, Minneapolis, Minn.

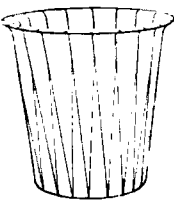
A. I. Anderson, Zumbrota, Minn., silo; H. E. Brandt, North St. Paul, Minn., sprayer pump structure; H. M. Brekke, Virginia, Minn., clothespin carrier; V. F. Deckert, Minneapolis, Minn., water heater; N. Fahey, St. Paul, Minn., corset attachment; F. A. Glass, Brainerd, Minn., producing hard cellular clay products; J. L. Killion, Minneapolis,

Minn., storm sash operator and latch; A. C. Larson, Minneapolis, Minn., vehicle work rack; J. P. Lorenz, St. Paul, Minn., tappet valve; J. E. McNally, Minneapolis, Minn., combined folding bag, brief case and purse; H. H. Mills, Maynard, Minn., surfacing attachment for cultivators; C. E. Neubauer, Lutsen, Minn., rail joint; H. Ringgenberg, Sherburn, Minn., vacuum tank; J. Salus, St. Paul, Minn., vehicle wheel; A. W. Skog, Minneapolis, Minn., tent; J. J. Stromberg, Buffalo, Minn., combination stock and hay rack; N. W. Trautner, St. Paul, Minn., grease retainer; F. M. Vicek, Silver Lake, Minn., Flatiron; E. L. Dalley, Berg, N. D., funnel; C. Mohr, Chamberlain, S. D., crayon holder; A. B. Nelson, Beresford, S. D., battery charging transformer; G. M. Sinclair, Timmer, N. D., grain saving attachment; O. E. Wheaton, St. John, N. D., puzzle.—(Advertisement).

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## North Dakota News Items

Bismarck, N. D.—Indorsement of the work of the North Dakota Automobile Association, promoting the interests of the entire state, and the Greater North Dakota Association, is given by Commissioner of Immigration J. M. Devine.

Declaring that he believes the state is on the eve of a new immigration era, as evidenced by the settlement of 320 new farmers in the state last year and the daily receipt of letters from all parts of the country this spring asking about North Dakota land, Mr. Devine added that the people of the state are now fully awake "to the greatest outstanding advantages of this state as a desirable place to come and make a home."

"Many county organizations are now being formed and in many counties within the state to aid in speeding up the work of putting North Dakota over to the people in all states east of us and each organization working in cooperation with that of the immigration department," Mr. Devine said. "The Greater North Dakota Association, with headquarters at Valley City, has been on the job for almost a year and is doing excellent work."

"Many automobile tourists will pass through the state this year. In every way possible we should do those things that will serve to impress the army of tourists with our numerous beauty spots and our very interesting historical places, as well as what we have to offer new settlers in the way of our rich, low priced farm land."

### NORTH DAKOTA'S STATE MILL DEFICIT

Bismarck, N. D.—Loss sustained by the state owned mill and elevator at Grand Forks during April, last, being among the heaviest of steadily mounting losses suffered by the institution since it began operating late in 1922, brought the total deficit of the industry to \$736,231.04, or nearly three-quarters of a million dollars.

This condition is shown by a consolidated balance sheet, as of April 30, 1925, drawn by K. C. Nelson, auditor, whose position was created by the legislature which specified that he should make public reports on the condition of the mill so that citizens might be aware of same.

During the month of April the mill manufactured 13,003 barrels of flour, and its capacity is 90,000 barrels a month. For the first four months of 1925 the mill manufactured 109,250 barrels of flour, or less than 30 per cent. of its rated capacity.

The cost of producing a barrel of flour was \$7.52 during the month of April, higher than the average for the first four months of the year, which was \$7.27, the lighter production apparently forcing up the cost.

Sales of the state mill rose above a million dollars during the first one-third of the year 1925, being listed as follows: Wheat flour, \$858,026.78; durum flour, \$191,770.28; feed, \$132,235.26; screenings and mill oats \$4,156.80, total \$1,186,189.12.

### NORTH DAKOTA'S HIGHWAY CONSTRUCTION PROGRAM

A. D. McKinnon, project engineer of the Highway Commission of the State of North Dakota says:

"We have already definitely outlined program of road work in the state including 544.2 miles of new earth grading construction and 311.43 miles of gravel surfacing construction for 1925. All of this work is in some stage of completion. Of the earth grading construction 222.9 miles and 139.42 miles of the gravel surfacing construction are already under contract and most of the remainder is scheduled for early letting. Counties have requested a total of 297.5 miles of earth grading and 267,233 miles of gravel surfacing on which no surveys have been made as yet."

### NORTH DAKOTA DENIES SALES RIGHT IN BANKERS SHARES OF FORD STOCK

Bismarck, N. D.—Application of a North Dakota brokerage house for permission to sell "American unit or bankers shares" in the Ford Motor Company of Canada, has been denied by the state securities commission, according to

E. O. Bailey, secretary of the commission. The objection of the commission, he said is that the so-called units, representing 1-100th of a share of stock in the Ford Motor Company of Canada are sold on a basis of \$600 to \$650 per share, whereas a share of stock has been listed on the stock exchange at around \$450 a share, and the units do not permit the stockholder to participate in the company's affairs. Solicitations are being made by mail in the state, he said.

The state securities commission, which has received in the last few months more than the usual number of applications to sell stock, because of reports of prosperity in the state, is allowing the applications of but very few out-of-state concerns, preference being given to North Dakota concerns, the idea being to develop the state's business and keep investments at home.

### LARGE FEE PAID NORTH DAKOTA BY RUSSELL MILLER MILLING COMPANY

Bismarck, N. D.—The Russell-Miller Milling Company has paid the secretary of state what is believed in the office to be the largest fee ever paid by a corporation for renewal of its charter. The check calls for \$3,006.

The milling company has filed renewal of charter and increase of capital stock from \$6,000,000 to \$12,000,000. The seat of the corporation is Fargo, the articles stating it shall have authority to maintain offices in Minneapolis and elsewhere.

### GOVERNOR OF SOUTH DAKOTA HAS BOND REFUNDING PLAN TO SAVE TAXPAYERS

Pierre, S. D.—During the war the Rural Credits Board, to meet the demand made upon it, borrowed money at a higher rate of interest than it had paid prior to those days, or paid later.

Governor Gunderson has negotiations under way toward refunding several million dollars of this class of loans at a lower rate of interest, which will save about \$60,000 per year.

He is also taking up other matters which will assist counties in saving, which will be getting down to assisting in reduction of expenses not only for the state but for a number of counties as well.

### SOVIET BUYS LARGE PARIS BANK

Paris, France—The first acquisition by Soviet interests of a financial institution in France has just been announced. It is stated at the Commercial Bank for Northern Europe that nearly all the shares of that institution have been bought by two Moscow banks. The purchasers were named as the Moscow Bank for Commercial Exchange and the Moscow Bank for Industry and Commerce.

The Commercial Bank of northern Europe, capitalized at 15,000,000 francs, has heretofore done business chiefly with Scandinavian countries. It will continue its Scandinavian business, but extend its field of operations to Russia, and will serve to facilitate commercial transactions between that country and France.

It was announced that the Commercial Bank of northern Europe will at once call for the payment of the part of its capital that has not been paid in, and that if its resources are then insufficient for its proposed increased business, a larger capital will be authorized.

The management said that although the bank will now be Russian owned, it will remain entirely independent, as an institution incorporated in France.

It will discount commercial paper, encourage exports from France to Russia and vice versa, and act as a sort of general financial, industrial and commercial information bureau for Russia.

### MONTANA'S CARLOADINGS INCREASE

Helena, Mont.—Not only did car loadings in Montana during the month of March, 1925, exceed those of the preceding month of February by 1935 cars, but they were greater by 931 cars than for the corresponding month of March, 1924, according to reports made to the state railroad commission by the several railroads operating in Montana.

## South Dakota's Bank Guaranty Law

After having taken cognizance of the operation of the state bank guaranty law, the legislature of South Dakota voted to repeal that law. The question whether the repeal shall stand is now to go to the people for decision at a referendum election to be held in November of next year.

The people and legislators of other states, Minnesota among them, will await with interest this popular verdict. A bank deposit guaranty law has been agitated more or less vigorously in Minnesota for several years, but no legislature has yet been induced to enact such a measure. The prospect for a guarantee of deposits of state banks seemed even more remote than heretofore.

The experience of South Dakota was not useful to the advocates of a guarantee law in this state in forwarding their cause. It proved to be a poor witness for the prosecution, so to speak. South Dakota's referendum next year will show whether the representations of bankers, state officials and others that persuaded the legislature to vote a repeal can be made as effective on the popular mind.

If we understand correctly the situation in South Dakota, the legislature accompanied its repeal act with measures providing for an advisory board to take charge of the present guarantee fund and to arrange for payment of certificates of indebtedness held against the fund by depositors of closed banks. It is always a much simpler matter to take on a law of this kind than it is to get rid of it and its effects.

Comparatively few of the states have enacted laws guaranteeing bank deposits. The most serious objection to these laws is that they have a tendency to promote loose and corrupt banking methods, and to weaken the sense of sound banking responsibility; that they penalize good and careful bankers to make up for the derelictions of the other kind. Whatever there may be in these arguments, it cannot be said that the law has worked out in practice in South Dakota in a way to give general satisfaction.

It will not be at all surprising if the popular vote in South Dakota should be against the legislative repeal. The average bank depositor probably is interested only in the supposition that his money is secure, whatever happens to the bank with which he does business. This is the narrow view, and it is not necessarily a sound one even from the standpoint of pure selfishness.—Minneapolis Tribune.

### NEW LAW HELP TO AGRICULTURAL SOUTH DAKOTA

Brookings, S. D.—With the passage of the Purnell Bill by Congress and the recent acceptance of its provisions by the South Dakota board of regents of education and by Governor Carl Gunderson, the economic and social problems of farmers and consumers of South Dakota are to receive special attention through Federal appropriations for agricultural research.

The passage of the Purnell Bill, giving \$20,000 this year to the agricultural experiment stations of the state, is described by President C. W. Pugsley of South Dakota State College as one of the most important steps taken in many years for the advancement of agriculture in the United States. The law gives an additional \$10,000 for each experiment station each year until \$60,000 is reached in 1930.

### BULLETIN GIVES NET SOUTH DAKOTA FARM PROFITS OVER THREE-YEAR PERIOD

Aberdeen, S. D.—What return did South Dakota farms make their owners in 1922, 1923 and 1924? A general view of this question is given in a current bulletin from the South Dakota Department of Agriculture showing returns on a group of Kingsbury county farms. In 1922 the average farm of this group had an investment, including land and buildings, machinery and equipment, live stock and feeds and supplies amounting to \$43,831. The cash income, plus the increase in inventory amounted to \$1,950, which was equivalent to a return of 4.4 per cent. on the average farm investment. Allowing the farmer \$600.00 per year for wages, this shows a return of 3.1 per cent. up on the investment.

In 1923 the average farm investment was \$44,495. The farm income, which includes the cash receipts, less expenses,

plus increase in inventory amounted to \$1,879, or a net of 4.2 per cent. on the investment. Deducting \$600.00 from the year's wages for the farmer the percentage earned on investment was 2.9 per cent.

The average farm investment for 1924 was \$44,111. The farm income was \$3,000, or 6.8 per cent. on the average investment. Allowing \$600.00 for wages for the farmer in 1924, 5.4 per cent. was earned on the average investment.

The average investment for the three years, 1922, 1923 and 1924, was \$44,144; the farm income \$2,276, which is the cash receipts less cash expenses, plus increase, or minus decrease in inventory. The percentage earned on average investment was 5.2 per cent., but allowing the farmer a going wage of \$600.00 a year, this was reduced to 3.6 per cent.

There was a wide range in all of the three years in the net cash income on different farms in the group. In 1922 the lowest net cash income was a minus \$4,532 and the highest was \$5,461. In 1923 the lowest was \$532 and the highest was \$4,728. In 1924 the lowest was \$412 and the highest \$6,617. For the three year average the lowest farm had a net cash income of minus \$980 and the highest a plus income of \$5,436.

The range in farm income, and by farm income is meant the net cash income, plus the increase in inventory or minus the decrease in inventory as the case may be, was wide for all of the three years. The lowest farm income in 1922 was \$214, the highest \$4,807. In 1923 the lowest was \$527, the highest \$4,886. In 1924 the lowest was \$254, and the highest \$7,791.

Another way of figuring returns is to figure interest on the investment and consider the amount remaining over expenses and interest as the payment for the labor and management of the farmer. This is known as Labor Income, and is what the farmer receives for his year's work on the farm after deducting all expenses, including interest on investment. In 1922 the lowest labor income was a minus \$2,070 and the highest a plus \$597. The lowest in 1923 was a minus \$4,001 and the highest a plus \$953. In 1924 the lowest was a minus \$2,976 and the highest a plus \$3,679.

### SOUTH DAKOTA WILL SPEND \$1,000,000 FOR PUBLIC BUILDING PROGRAM

Sioux Falls, S. D.—State public building construction in South Dakota will approximate \$1,000,000 for 1925, the employment service of the United States Department of Labor says in a report issued from its Minneapolis office.

The survey lists state highway construction for 1925 as follows: 430 miles of graded, drained and gravelled roads, totalling \$2,580,000; 200 miles of graded and drained roads, \$250,000; bridges, \$400,000; maintenance of state trunk system, \$400,000, making a total expenditure of \$3,630,000 for state work exclusively. County road and bridge construction for the year will call for an outlay of \$4,050,000, while township road and bridge work will require \$1,200,000 more. The demand for labor for this type of work is expected to be less than in 1924.

### GROUP BANKERS OPTIMISTIC OVER SOUTH DAKOTA BUSINESS

Yankton, S. D.—General optimism over business conditions in southeastern South Dakota was expressed by 135 bankers representing the 78 banks in Group One of the State Bankers Association at their annual meeting here recently. Fred Smith of Pierre, state bank superintendent, and A. B. Darling, president of the Security National Bank at Sioux City, were chief speakers at the business session and banquet.

## SOUTHERN CALIFORNIA BANKS

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## Experts Tell How to Farm in Montana

Farming methods that have been successful in north-eastern Montana have been analyzed by the Department of Agriculture and made the basis of recommendations for better farm organization throughout the area. Wheat is the most profitable to grow—as much wheat as farmers can seed and harvest with a single set of implements. However, the department does not advise growing wheat only. On the contrary, it emphasizes the need of crop rotations, which will include corn, oats, barley, flax, sweet clover and perhaps some other forage crops, as well as the primary cash crop. It also urges farmers to raise and sell some live stock and live stock products, and to have their own meat, eggs, butter, milk, cream and vegetables for the family living.

Farms in northeastern Montana now average four times the area originally obtainable under homestead entry. This fact is taken to indicate that the economical unit in farming in this area, as demonstrated by experience, is nearer 640 than 160 acres. One man, with a little hired help in harvest time, can care for 320 acres of crop land. For the one-man farm, therefore, 320 acres is reckoned about the right amount of land to have in crops. There should be sufficient pasturage in addition to support whatever stock it is planned to keep. With the help of a boy capable of doing a man's work 480 acres in crops can be handled.

The number of days of field and crop work during the year on either size farm depends on the power used for the work done. If horses are used entirely, the operator will have to put in more time than one who uses both horses and tractor. Moreover, fewer horses are needed on the farm where a tractor is owned.

Ordinarily, according to the Department, 160 acres on the average size farm should be planted to wheat. Eighty acres, it is stated, should be on land part of which was summer fallowed, and the remainder in corn the previous year, and on eighty acres of land which will be summer fallowed the following year, sweet clover should be planted with the wheat, as the remainder will be planted to corn. For the remaining crop land a four-year rotation of oats, sweet clover, flax and barley is recommended.

A cattle enterprise producing both beef and milk, and a sheep enterprise producing both wool and mutton, are recommended. It is pointed out that there is a place for milk cows on most farms, even though the farmers generally are not interested in milking. Although sheep pay better at present than any other live stock enterprise, few sheep are found in northeastern Montana. Farmers who have no experience in handling sheep, however, are advised to start with not more than six ewes. Hogs and poultry should also be raised. Cash receipts from the sale of live stock products should be large enough to pay taxes, interest on indebtedness and family expenses each year.

### GREAT NORTHERN RAILWAY'S EXTENSION PROGRAM FOR MONTANA

Minneapolis, Minn.—Details of the work on the extension from Bainville to Scobey, Montana, have been announced by Ralph Budd, president of the Great Northern Railway. The new line will extend west from Scobey to Opheim and Glentana, a distance of 50 miles through Daniel and Valley counties in northeastern Montana. It will provide transportation for an area approximately 75 miles long and 30 miles wide.

The cost of the project is estimated at \$1,500,000. Grading of the new line will begin this summer, rails will be laid in 1926 and the line will be rushed to completion to handle the grain crop of 1926 if possible.

With the announcement it also was made known that 500 farmers of the territory to be tapped had subscribed for Great Northern stock at par to aid in making possible the line at this time.

The individual subscriptions ranged from \$200 to \$5,000. The total subscriptions to date is more than \$250,000.

There will be 1,000 or more of farmer holders of Great Northern stock in northern Montana when the subscriptions are completed, officials of the road announced.

It is estimated that the territory to be tapped produced approximately 2,000,000 bushels of grain in 1924.

The cost of hauling this grain to the railroad averaged one-half to three-quarters of a cent per bushel a mile, or about 35 to 40 cents a bushel for the team or tractor haul. It is estimated that the extension will mean highly profitable returns for the farmers, the wheat from his section having recently commanded a premium of from 8 to 50 cents a bushel on the Minneapolis market.

### MONTANA TO HAVE DAIRY SYSTEM DRIVE

Bozeman, Mont.—As a step in the work of improving the dairy products of Montana, farmers and creamery men are cooperating with Montana State College in conducting a two months campaign starting June 15 to stress the best methods of producing and handling cream and the methods of manufacture, which will insure the highest grade products. J. A. Nelson, head of the dairy production department at Montana state college, will have charge of the work and will be in the field during the campaign.

Meetings with farmers, creamery-men and marketing agencies are now being arranged through county agents and farm leaders. The efforts during the summer will be directed toward such matters as cream grading, pasteurization, churning, moisture control, proper management of creameries, demonstrations of new methods, production and handling of cream on the farms and the work of organizing producers.

In speaking of the new work, Mr. Nelson said: "The effort is a step in the dairy development of Montana. The state has already become an exporter of dairy products in a limited way, and further increase in dairying means a greater volume of exports. Montana products came in competition with products from the great dairy production centers of the country, and inferior products will necessarily suffer in such competition. The great distance from market places Montana at a certain disadvantage in the competition, making it all the more necessary for products from this state to be of the highest possible quality and to bring the highest possible price. Montana's dairy industry cannot grow properly unless such growth is accompanied by an improved product."

Mr. Nelson is coauthor of the bulletin "The Production Care and Marketing of Cream in Montana" issued this spring by the Montana extension service. The issuance of this bulletin was also a step in the dairy products improvement work in the state. So great has been the call for this bulletin on the part of creamerymen and producers of the state that the first edition has been exhausted and reprint will be necessary.

### PUBLIC UTILITIES MUST PAY INTEREST ON MONEY HELD AS DEPOSITS

Helena, Mont.—Public utilities operating in Montana and requiring from their customers cash deposits equal to an estimated service indebtedness for a period of 45 days, are required by an order of the public service commission to remit to such customers annually the amount of the interest earned upon such deposit at the rate of 6 per cent. as required by the rules of the commission.

This order was issued out of the commission's office recently to all public service corporations in view of complaints which have been coming in from customers of certain corporations to the effect that they have never received credit for interest on their guaranty deposits as required by the regulations of the commission.

The commission states that not all corporations are derelict in meeting this requirement, some of them making payment by check and others claiming to have given credit upon account, but it is the belief that many have failed to account to their customers for the interest upon the money thus held.

### KINSEY'S IRRIGATED AREA INCREASED

Miles City, Mont.—Irrigated area in this region will be increased by approximately 4,000 acres in the Kinsey dis-

tract, when water is turned in from the Buffalo Rapids project. Part of this area in the past has been irrigated during the flood stages of the Yellowstone river, but never before has any of it had access to irrigation water at all times of the season, as will be the case under the present arrangements.

#### FORESTS NETTED STATE OF MONTANA \$91,717 LAST YEAR

Helena, Mont.—Forest lands of the state produced a revenue of \$91,717 during the period July 1, 1924, to April 30, 1925, according to a report made to the board of land commissioners by State Forester R. P. McLaughlin.

From timber sales, \$83,387.78; from timber permits, \$7,706.73; from special use permits, \$623; from certificates of purchase, \$148.40. Total, \$91,865.91, less refunds of \$148.58, leaving \$91,717.33.

The land board went over the budget for the state forest department for the year of July 1, 1925, to June 30, 1926, and acquiesced in the same as appropriated by the legislature. This appropriation for the year totaled \$37,300 from state funds and \$13,590 in Federal Government assistance.

#### CHICAGO BOARD OF TRADE WILL ASSIST JARDINE

Chicago—Frank L. Carey, president of the Chicago Board of Trade, has issued a statement that immediate steps would be taken to bring to the attention of the members of the exchange suggestions contained in Secretary Jardine's preliminary report on price fluctuations in grain.

"When there has been opportunity to digest the full report," Mr. Carey said, "the exchange will at once set about to meet the constructive suggestions which it may contain. This will be in line with the policy followed by the exchange since the enactment of the grain futures act.

"The desire of the exchange to solve its own problems has been clearly shown over a period covering half a century. By the constant revision of its rules the exchange has met the ever changing conditions of world commerce. Long ago it made impossible the old abuses that developed into what were known as corners. For many years there have been no situations of that character, for the exchange itself promulgated rules that prevented them.

"In the past six months there developed a situation that was wholly new to the exchange. Never before had the exchange been called upon to meet such wide price fluctuations in peace times.

"America had a bountiful wheat crop. All other countries with the possible exception of Australia, suffered shortages. A buying power that was world wide was thrust upon the exchange, and this buying continued unabated for many weeks and to a limited extent is still present. Under the stress of such unprecedented circumstances the exchange functioned remarkably well. If abuses crept in they were strikingly few, when viewed from the great volume of business transacted. Nevertheless it is the genuine desire of the exchange to correct any abuse that may be found just as it has done in the past. But in view of the fact that the situation which developed is unprecedented, it is deemed judicious to avoid hasty action that might be of a disturbing character, and to deal with the question in a broad, thorough manner.

"During our conference on Monday with Secretary Jardine it became quite evident that he is desirous of lending full co-operation to the grain exchanges of the country. I am confident, too, of his desire to co-operate with business generally in a constructive way. The view of Secretary Jardine will be brought to the attention of the directors, who for several weeks have been studying the general problem of price fluctuations."

#### PLENTY OF OIL LEFT IN UNITED STATES

Washington—Plenty of oil remains in the ground in the United States to meet the demand for a long time. A. C. Bedford, chairman of the board of the Standard Oil Company of New Jersey, testified May 22 at a War Department hearing.

Reports of a shortage in the next ten years, he said, were unfounded. The adequacy of the supply in the continental

United States, he added, is to be taken up soon by the President's oil conservation board and it is the belief of oil men that the board will find the oil supply is ample for some time.

Much oil, Mr. Bedford asserted, remains in oil fields, in some cases, a rather high percentage, which will be available when the demand warrants its capture at the price that will be required to obtain it.

"I don't agree," he said in reply to a question, "that the oil supply will be exhausted in the United States in ten years."

Mr. Bedford testified in connection with a proposal for a bridge across the Mississippi River at New Orleans. He opposed it on the ground that it might prove a menace to national defense, because great quantities of oil were transported on the river.

If America should be required to import much oil, he said large quantities probably would be obtained from South America.

#### CANADIAN LIFE INSURANCE SALES SHOW HEALTHY GROWTH

The April life insurance sales figures for Canada just published by the Life Insurance Sales Research Bureau of Hartford, Conn., show a continued rate of increase over past records, \$35,872,000 being written during the month. April, 1925, has a general total of 10 per cent. increase over April, 1924, on the whole of Canada, while the year ended April 30, 1925, shows a 3 per cent. general gain over the year ended April 30, 1924. The first four months of 1925 are 2 per cent. better than the corresponding period in 1924 on the average returns from the whole of Canada. Prince Edward Island has the best showing for this period, with an increase of 15 per cent. For the most part, these gains are from the eastern sections. Nova Scotia, Ontario, Prince Edward Island, Quebec and Newfoundland run fairly close together, with increases ranging from 14 per cent. to 19 per cent. over the business of April, 1924. British Columbia, Manitoba and Saskatchewan made the best showing in the West.

#### MISSISSIPPI RIVER AT RECORD LOW

La Crosse, Wis.—The river records at the local weather bureau extending from 1874 up to the present time, indicate that the present stage of 2.7 is the lowest record for this time of the year with one exception. That occurred May 11, 1911, when the stage was 2.2. The river reached its lowest stage May 13, 1911, when the stage read 1.9.

Other low stages occurred on the first of May, 1895, at 2.0 but on account of heavy rains rose to 4.7 by May 10. The other very low period was in 1877 when the average reading was 2.6 for the middle of May.

#### ONE-TIME ICE PEDDLER TO HEAD \$30,000,000 CONCERN

New York—Samuel Rubel, 40, who came from Russia a few years ago with virtually no funds and began peddling ice and coal in Brooklyn, will head an ice and coal company merger with a capital of \$30,000,000 to \$50,000,000. The negotiations looking to the merger became known today.

By dint of hard work as a peddler he built up a small business which later he expanded over Brooklyn and Queens.

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## Merger of the Union Bank with Royal Bank of Canada

Montreal—Union Bank has been merged with the Royal Bank of Canada. The Royal has 536 branches in Canada and the Union 327, but the two institutions are competitors at only 50 points. The merger will give Royal Bank 813 branches in Canada and a total of 923, including those in foreign countries. Combined capital will be \$28,400,000.

The Royal Bank will give one share of its stock for two shares of Union Bank stock.

Royal Bank of Canada was established in 1869. It took over the Union Bank of Halifax in 1910, Traders Bank in 1912, British Guiana Bank in 1914, Quebec Bank in January, 1917, Northern Crown Bank in July, 1918, and in February, last, purchased the 17 branches and main offices of the Bank of Central & South America here.

Union Bank of Canada was established in 1865. Its head office is at Winnipeg.

Union Bank stock, following the drastic readjustment of the bank's affairs in 1923, declined from a high point registered in January, 1919, of \$170 to around \$96. At no time was there any great slump, but the decline was gradual. For the last year the stock has shown some improvement and has gradually worked its way back to around \$108. Royal Bank stock yesterday was quoted at \$235, so that, even taking into consideration the difference in the dividend rates between the two banks, it would appear Union Bank stock is worth something over its present market price.

### Branches in Canada

The detailed statements of branches of the chartered banks in Canada as at March 31 shows that the Union Bank had 328 branches and the Royal Bank 663. A comparison of the two institutions shows combined branches in Alberta of 99, with duplication at nine points; 60 in British Columbia with duplication at three points; 166 in Saskatchewan with duplication at 10 points; 90 in Manitoba with duplication at four points; 281 in Ontario with duplication at twenty-one points; 70 in Quebec with duplication at three points; 64 in Nova Scotia with duplication at one point; 27 in New Brunswick with duplication at two points; eight in Prince Edward Island, no duplication. Offices of the bank are duplicated in London and New York. The Royal Bank has, in addition, including five branches in Newfoundland, 111 foreign branches, which include 64 in Cuba, 12 in Porto Rico, Dominica and Haiti, 15 in British West Indies, three in French West Indies, with branches also in Venezuela, British Guiana, British Honduras, Costa Rica, Paris and Barcelona.

### Financial Statements of Each Bank

The last statement issued by the Department of Finance and showing the condition of Canadian banks, as on March 31 of the present year, showed the paid up capital of the Union Bank as \$8,000,000 and the reserve fund as \$1,750,000. The paid-up capital of the Royal Bank was shown as \$20,400,000 and the reserve fund the same.

Total liabilities of the Union Bank at the end of March, were \$114,688,170 and the total assets, \$115,316,741. Current deposits held by the Union Bank on that date amounted to \$28,034,640, and savings deposits to \$52,278,234. The note circulation stood at \$7,867,315. Current loans in Canada totalled \$46,103,865 and call loans \$10,308,024.

The statement of the Royal Bank showed total liabilities of \$602,583,051 and total assets of \$605,527,604. Savings deposits amounted to \$205,515,226, and current deposits to \$83,568,907 on March 31. The note circulation of the Royal Bank was \$27,718,786. Current loans outside to \$131,700,653. Call loans in Canada amounted to \$19,173,464 and call loans outside to \$37,019,526.

### DOMINION BANK NOW HAS CHAIRMAN OF THE EXECUTIVE

Toronto—Following the example of the Canadian Bank of Commerce, a second Canadian bank, the Dominion, has in filling a vacant presidency, appointed a chairman to the board to round out the executive body. The election of A. W. Austin as president of the Dominion Bank was a

logical development not only because of his wide experience in the business and financial world, but because he has for some time in his capacity of vice president, been assuming the duties of the chief executive during the illness of both the late Sir Edmund Osler and Sir Augustus Nanton. But the large and numerous responsibilities of the position of chief executive of a big banking institution and the fact that Mr. Austin, approaching his three-score-and-ten, has had 50 years "in the saddle" of business, were evidently recognized in the appointment of C. S. Blackwell as chairman of the board. C. A. Bogert, for nearly 20 years the general manager of the bank, becomes a director and vice president.

The appointing of a chairman of the board is in accordance with British rather than American business custom. In the United States the large financial and industrial institutions will frequently be found with a number of vice presidents, but these are in effect managers of various branches or departments rather than executives as they are not members of the board of directors. As to what may be the definite division of responsibility as between the president, the chairman and other executives, that is usually a matter for arrangement by the directors, being defined either by resolution or by-law.

### UNION BANK DIRECTORS WESTERN MEN

The Union Bank's directors are pretty well scattered over the Dominion. The eastern men were seen during the last few days in the East, while yesterday in Winnipeg, concurrently with Mr. Hamilton's return from the East, the western men met in Winnipeg, these including Arthur Hitchcock of Moose Jaw; W. H. Malkin, of Vancouver; John Galt, Victoria; F. E. Kenaston, of Minneapolis, and the Winnipeg men, W. R. Allan, Manlius Bull, R. T. Riley, Stanley Hough, G. H. Balfour, G. M. Black and H. A. Robson. It is said the directorate of both banks were unanimous in concurring in the proposed amalgamation and that the terms were considered satisfactory.

The purchase of the Union Bank of Canada by the Royal Bank of Canada reduces the number of banks chartered by the Federal Government to 11.

### SAVINGS CERTIFICATE POPULAR IN ALBERTA

Edmonton—The purchase of Alberta provincial savings' certificates during the first four months of 1925 shows an increase of some \$200,000 over any previous 12 months, according to figures supplied by the Deputy Provincial Treasurer. This increase is attributed largely to the fact that a large number of purchasers of saving certificates are putting the interest back into bonds. On the other hand the savings certificates are becoming more widely known throughout the country.

The total in deposit at the present time is somewhat over \$6,890,000. The total amount of certificates sold since the inauguration of the system, is in the neighborhood of \$26,000,000. Of course from time to time, deposits are withdrawn, which leaves the amount deposited at the present time about \$6,890,000.

### ST. LAWRENCE PROJECT MAY SAVE 50,000,000 TONS OF COAL ANNUALLY

Michigan, City, Ind.—The benefits to be derived from completion of the Great Lakes—St. Lawrence deep waterways were sketched by a dozen speakers at the fourth annual meeting of the Great Lakes—St. Lawrence Tidewater Association here May 21. The gathering was representative of 14 mid-western states. Frank Keefer represented the Ontario government.

Representatives of the farming element demanded completion of the project which would cut their shipping charges, while representatives of power interests recounted the benefits to be adduced from development of inland power for consumption on the farm and in small villages.

Frank O. Lowden, former governor of Illinois, said that

50,000,000 tons of coal would be saved annually through power manufactured by water turbines.

Delegates to the meeting were told that only 58 miles of grading were necessary to enable ocean going boats to tie up to Chicago docks. Of this distance 25 miles was at Niagara and 33 at the Lachine rapids in the St. Lawrence. The cost of building these channels and fitting them with locks was estimated at \$250,000,000, while the sale of the three or four million horsepower, even at half the present rate charged, would pay the initial cost of the undertaking in 20 years.

Colonel William N. Pelouze, chairman of the Illinois commission, said six or seven cents a bushel would be saved on the cost of transporting grain to the seaboard. At present, he said, it was cheaper to send goods from New York down the Atlantic coast line and through the Panama canal than to ship it by rail overland.

### Resolutions of the Chamber of Commerce of the United States

Washington—Adoption by the Federal Trade Commission of new rules limiting publicity concerning its complaints against business has been approved by the Chamber of Commerce of the United States. A resolution of indorsement was adopted unanimously at a meeting held May 22.

Efforts by Secretary Jardine of the Department of Agriculture to curb violent speculation and fluctuation of prices in grain also were commended.

Commending the recent action of the Federal Reserve Bank for its effective assistance in bringing about the restoration of the gold standard in England," the chamber declared, "this restoration has removed the danger of price inflation in this country, has increased the international purchasing power and will undoubtedly benefit our foreign trade."

Other subjects treated in resolutions adopted by the chamber were:

Government interference with business, taxation, Federal Reserve system, claims against Germany, commercial treaty policy, relations with Canada, railroad rates, coastwise laws, World Court, Federal judicial salaries, motor common carriers, York-Antwerp rules, forest highways, waterways, national parks.

#### Interference With Business

It is the established policy of this Government not to interfere with the utmost freedom of action by the individual so long as he does not infringe upon the rights of others. The predominant position of this country in industry today is largely due to this attitude of our Government.

Consistent with this policy, the Government should not permit any of its bureaus to so operate as to harass and annoy business by frivolous and curious inquiry into the private affairs of business men. On the other hand, business men will make no objection to the fullest investigation by the Government of anything which the proper Government official may have good reason to suspect is a violation of the law of the land.

The chamber urges upon its members the heartiest co-operation with all departments of the Federal Government to the end that much useful and valuable information may be availed of, and a spirit of mutual helpfulness between the Government and business men may prevail.

#### HOLLINGER GOLD MINES REPORT

Toronto—Hollinger Consolidated Gold Mines annual report shows net profit of \$3.87 a ton milled against \$3.07 in 1923. This was due to an increase in the grade of mill heads from \$7.93 to \$8.39 a ton and reduction in costs from \$4.86 to \$4.46 a ton. Comparison of the 1924 and 1923 statements, however, indicate milling improvement is not so marked as the mill handled 4,824 tons a day on 100 per cent. running time basis against 4,513 tons in the previous year. Increase in production from \$10,446,412 to \$13,925,812 appears due in large part to the fact that mill ran 94.5

per cent. of total possible running time in 1924 as against 83.4 per cent. in previous year. Ore reserves at the end of the year showed a gain of approximately \$2,500,000 with total reserves \$58,304,885 as against \$56,861,936 at the end of 1923.

#### FARM LOAN BOARD PLANS CUT IN RATES

Washington—The Federal Farm Loan Board May 25 took the first step in what is to be a general reduction of rates of interest charged farmers by Federal land banks, authorizing a new rate of 5¼ per cent. for the Omaha district, effective June 1. The rate now in effect is 5½ per cent.

While there was no official statement beyond the bare announcement relative to the cuts to be made by the other districts, it is understood that the board was considering reductions as great as ½ of 1 per cent. in some of them.

"The board is considering rate reductions in other districts," Commissioner Cooper announced, "and doubtless will reach a conclusion within a short time. It requires some time for a bank to make necessary adjustments before a change in its rates. The Omaha Land Bank, however, is in a position to make the reduced rate effective June 1."

The Omaha district, the eighth, comprises the states of Iowa, Nebraska, South Dakota and Wyoming.


#### WHY MEN BECOME BANK ROBBERS

Chicago—False pride, desire for thrills and thirst for quick access to luxuries are what lead men to become bank robbers, according to a study at the Iowa state penitentiary at Fort Madison, Iowa, made for the Illinois Bankers Association. Teaching youth that "obedience to the law should come first" and that it is useless to "pursue any except the laws laid down by society," were proposed by the convicts studied as the remedy according to the report. "Tell these 'smart kids' on the outside," one prisoner was quoted as advising, "that a bank robber is the biggest fool in captivity and you will accomplish what all the preaching in the world will never do."

#### PRESIDENT IOWA BANKERS ASSOCIATION SAYS LAND VALUES WILL RISE

Vinton, Iowa—"Hang on to your Iowa land. Its value will increase steadily."

This was the message brought to the Seventh District Iowa bankers convention in session here May 21 by State President Woehlenberg. Three hundred and fifty bankers from nine counties were in attendance.



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## PERSONALS

Andrew Wilson has been elected a director of the Franklin National Bank of New York.

Robert E. Rickson has been admitted as a general partner to the firm of F. A. Brewer & Co., Chicago.

Myron Custin has joined the staff of Holzer, Inc., Chicago. For many years he has been associated with the American Bond & Mortgage Co.

Harry Raymond, former resident of Chicago and well known member of the Board of Trade many years ago, prior to his removal to New York, has disposed of his seat on the New York Stock Exchange.

Leroy A. Goddard, chairman of the State Bank of Chicago, has been elected president of the Chicago Hospital Day Association, which was founded 15 years ago by Mrs. John B. Murphy, Mrs. C. A. Plamondon and Mrs. L. K. Torbet.

Frederick I. Kent, vice president of the Bankers Trust Company, New York, recently sailed for Europe on the Aquitania to attend the third general meeting of the International Chamber of Commerce, to be held in Brussels, Belgium, in June.

Edward B. Carson has purchased a New York Stock Exchange membership, for which he paid \$104,000. Mr. Carson has been admitted to partnership with F. A. Paddleford and Joseph Lamy under the title of Paddleford, Lamy & Carson, with offices at 208 South La Salle Street, Chicago.

Clay H. Hollister, president of the Old National Bank of Grand Rapids, Mich., is the only western banker serving as a delegate representing the American Bankers Association at the third general meeting of the International Chamber of Commerce to be held at Brussels, Belgium, June 21 to 28.

John W. O'Leary, the new president of the United States Chamber of Commerce, is a graduate of Cornell University and the Armour Institute of Technology, and is vice president of the Chicago Trust Company. He was a member of the industrial conference called by the late President Wilson.

Julius H. Barnes of New York, who was head of the United States Grain Marketing Corporation during the war, visited the Twin Cities this week on his way to Duluth and other points in the Northwest. He believes that wheat will be scarce the world over this year and forecasts higher prices for American grain.

Frederick W. Agard has been appointed manager of the newly created insurance department of the Capital State Bank of Chicago. Mr. Agard is well known to Chicago radio owners as the possessor of the voice whose "Machushla," "When My Ships Come Sailing Home," and "All Alone" has been wafted through the air to his auditors.

Elon A. Nelson has resigned the presidency of the City State Bank of Chicago, which he organized five years ago, and has gone to California to reside. He has large realty interests in California as well as in Chicago to which he will hereafter devote himself. Cornelius R. Miller, former vice president, has been elected president to succeed Mr. Nelson. Mr. Miller was elected vice president of the bank in April. He is also vice president and a director of the First Trust & Savings Bank of Kankakee and director of the department of public works and buildings of Illinois.

### FINANCIAL CONDITIONS IN THE NORTHWEST

(Continued from page 17)

fill specific orders of clients, and the same securities are again included in sales either to banks or to the public.

#### Bond Sales

"A considerable growth has occurred in sales of municipal bonds and United States Government bonds, both in actual dollar amounts and in percentages of the total sales by these firms. During the first two years of our survey, United States Government securities and municipal bonds and notes were grouped together so that it is impossible to show changes in each group separately. Changes in the volume of sales of different classes of securities are shown graphically in the accompanying columnar chart. It will be noted that sales of corporation bonds and notes have increased through the last three years, but not in proportion to the increase in the total volume of sales of all classes of securities. Sales of foreign issues have been moderately large in each of the past three years. Farm mortgage sales have been declining since 1922. On another page are curves illustrating the changes from month to month in sales of the more important classes of securities.

The expansion in the volume of sales of public utility securities in the last year is shown very strikingly. In 1922, sales of public utility bonds and notes by representative firms were nine million dollars, in 1923, eight million dollars, and in 1924 18 million dollars. Sales of railroad bonds amounted to five million dollars in 1922, four million dollars in 1923, and seven million dollars in 1924. Sales of industrial bonds declined from 18 million dollars in 1922 to 17 million dollars in 1923 and 16 million dollars in 1924.

"Business failures in the Ninth Federal Reserve District reported by R. G. Dun and Company were only 75 in number during April, with liabilities of \$678,977. This is a 9 per cent. reduction from the March number of failures and a 29 per cent. reduction from the volume in April last year. The reduction in liabilities involved was even greater, amounting to 65 per cent. from the March volume and 46 per cent. from April last year."





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OF CHICAGO

## Review of the Live Stock Markets

By Minnesota Department of Agriculture. Carl A. Marzolf, Market Reporter

South St. Paul, Minn., May 26, 1925—After staging one of the severest price breaks of the season last week, when fed steers and yearlings closed a big 25c lower and fat she stock a full 50 and in extreme cases 75c or more lower, the cattle market reacted slightly this week. Much of the present reaction must be attributed to the light run of cattle both here and in the aggregate at the seven main markets, as advices from eastern dressed centers continue of a very bearish nature. Steers and fat cows which showed the heaviest losses last week, showed the best response to the upturn of this week, averaging fully 15@25c higher. Yearlings and light beef heifers while showing relatively little price change, are still the best sellers and under any light supply in the immediate future will undoubtedly work higher. Canner and cutter exchange, was also rated around 10@25c higher, especially canners which are in demand both to local killers as well as eastern shippers and order-buyers. Bologna bulls contrary to other butcher stock show an easing tendency at present. Veal calves were fairly numerous this week past and have dropped around 25c reflecting similar losses at outside markets.

Long yearlings grading choice on today's market reached \$10.50 high money for the day and week to date. Other good grade mixed yearlings and medium weight bullocks made the \$10.00 terms and heavy beeves \$9.85. Representative of these were three loads of 900 to 965 pound yearlings and 35 head of 1,179 pound steers, while the heavy bullocks were in the 1,250 to 1,350 class. Other good grade offerings scored around \$9.50 to \$9.75, bulk of all fed steers and yearlings cashing at \$8.50 to \$9.50, light weight kinds cashing downwards to \$7.00 and under. Big weight fat cows and heavy heifers were noted around \$7.75 to \$7.50, bulk of the fat cows landing at \$5.00 to \$6.75. Light beef heifers made \$8.00@9.25, bulk scoring around \$6.75@8.00. Canners bulked at \$3.00@3.25; cutters around \$3.50@3.75. Big weight bolognas at \$5.00 were not frequent, light and medium kinds going around \$4.50@4.75 mostly. Good light veal calves bulked to packers today at \$8.75, choice selling upwards to \$9.00.

Stocker and feeder trade this week has been on about the same basis as at the close of last week, demand again centering on the good light kinds suitable for summer grazing, while heavy feeders and half fat kinds are being ignored. Well bred light weight descriptions are still eligible upwards to \$7.00 but for the bulk of the current offerings, a range of \$5.25 to \$6.50 is in vogue, common light weights being peddled out at \$5.00 and under.

Hog trade continued quite erratic during most of last week, though closing prices were about the same as on last Tuesday. At this week's opening, a very decided increase in receipts around the western market circuit furnished packers with a motive for reducing Monday's costs 50@75c. On Tuesday's session an active shipper demand proved a slightly bullish influence, the trade ruling strong to 10c higher on paper. Bulk of the good and choice 140 to 225 pound averages cashed at \$11.60@11.65, latter price top, while bulk of the desirable 225 to 300 pound butchers were weighed at \$11.50@11.60. Packing sows were sorted out at \$10.00@10.25 and stags at \$9.00@9.25. Pigs dropped off

around 50c on Tuesday, bulk of the desirable feeders cashing at \$11.75.

Sheep trade has been largely nominal, bulk of the supplies being direct to packers. In line with other markets fat lambs are quotable 50c higher for the two days, sheep being 25c up. Best shorn lambs are quotable at \$13.50@13.75, while handyweight shorn ewes are salable at \$8.00, with heavies at \$6.50@7.00.

### CHICAGO

With no scarcity of big weight bullocks as yet in evidence at this market, killers again took the opportunity to hammer values on these during the past week, enforcing uneven 15@25c to 40c declines. Factors which aided in the downturn were, narrower shipping outlet occasioned in part by the observance of a Jewish holiday on Friday as well as the extremely slow and dull market for dressed beef at most eastern centers. Yearlings and medium weight beeves eligible to sell at \$10.00 and upward were just reversed in form scoring a 10@15c advance owing to the scarcity of numbers. The presence of a larger percentage of low priced steers, gave killers the awaited opportunity to break butcher stock values, general declines of 50c being in evidence on fat cows, while on offerings that showed a grass diet, the decline often amounted to as much as \$1.00 from the recent high time. Lighterweight beef heifers held up well in sympathy with the brisk trade on yearling steers while weighty kinds and lower priced offerings were credited with a 25c loss. Canner and cutter prices were revised slightly, the decline of 15@25c centering on cutters for the most part, canners finishing on a slow but steady basis. Bologna bulls have weakened slightly during the last two days erasing most of last week's advance and finishing in about the same price position as last Tuesday.

A spread of \$9.00@10.75 took the bulk of fed steers and yearlings, the latter predominating at \$9.50 to \$10.75. Big weight bullocks were stopped at \$11.00, with one lot of 1,882 pound beeves selling to a kosher order at \$10.75. Medium weight steers were in scant supply, the best of the offerings on this line scoring at \$11.40 or within 10c of the week's top paid for choice long yearlings. Weighty kosher cows on Monday were noted upwards to \$8.00, however, \$5.25@7.25 took the bulk of offerings. Light beef heifers sold largely at \$7.50@9.50, a few choice yearlings making \$11.25. Canners predominated at \$3.25 to \$3.50, while bolognas moved around \$5.00@5.25, a few heavies up to \$5.75. Stocker and feeder interest was lacking in today's supply of offerings, most of which comprised common and medium grades selling at prices of \$5.50@7.00.

Hog values have continued to be very erratic during the week just past, the week's close being about steady with last Tuesday. At the opening of this week, however, receipts locally more than doubled compared with a week ago and packers using this as a motive, bore down on prices 40@50c on Monday and with a steady to 10c lower deal today, a full half dollar was removed from last week's close. Bulk of the desirable 140 to 210 pound weights cashed today at \$12.00@12.15 with top price of \$12.25 paid for a few sorted light lights. Good and choice 220 to 325 butchers were weighed at \$11.80@11.90 with the bulk of the packing

(Continued on page 49)

## Crop and Grain Marketing Conditions

Office of Commercial West, Minneapolis, May 27—During the past week heavy frosts occurred in the wheat-growing sections of the Northwest and as far south as Nebraska. Reports as to damage to wheat are variable. Rains the past few days have helped conditions. Prices advanced sharply. In all the outlook for crops being fair, are excellent.

The condition of small grain crops in the southern counties of Minnesota is generally fine, according to a survey reported the agriculturist of the Great Northern railway.

From Blue Earth County west to Pipestone and from Rock County east through the southern tier to Freeborn, the conditions are excellent, the grains being in fine color and showing good even stand, the crop expert reported after an automobile trip through a dozen counties. Lack of rain and cool weather have had some effect, but nothing serious, he said.

"In a few cases the grain fields have begun to show a little spotting and yellowing, but this is not at all general," he said. "Hay and pasture are both important in this district and the hay crops bid fair to be light due to weather conditions. At the present time the ground is needing moisture and pastures are notably short."

### In Other States

George C. Bryant in a summary of his trip covering approximately 2,500 miles of territory in the states of Ohio, Indiana, Illinois, Missouri, Oklahoma, Kansas, Nebraska and Iowa in the past two weeks, says: "I found the condition of the winter wheat crop in these states, in which two-thirds of the crop is usually produced, has been materially reduced by unfavorable weather and insects from that reported on May 1. In all of these states the effect of the winter drouth was considerably more apparent than earlier in the season. Hessian fly has attacked the spring stools to such an extent improvement is out of the question, and in one or two of the western states root rot is very abundant and many fields have been from one-fourth to one-half taken by this extremely fatal disease. The freeze of Saturday night caught many fields in the central part of this territory with heads just beginning to enter the milk stage. Other fields a little further north were in bloom. The damage to these fields will be serious, but cannot be estimated in bushels at this time."

The crop in Kansas has gone back during the last week there is no possible doubt and to judge from the reports from the members of the trade the high temperatures, accompanied by high winds, sapped the ground to such an extent that rain now is badly needed, as wheat is at the critical time when the berry is forming, and there is no sub soil moisture.

### In Iowa

Crop conditions in Iowa are favorable as shown by a state wide survey. Corn planting is largely completed, at least two weeks in advance of average years. Despite unusually cool weather early planting is coming up and there is but little complaint of poor seed. The acreage will be larger than last year on account of much winter wheat that was smothered by a heavy blanket of sleet early in December. It is estimated that 10 per cent. of the winter wheat was killed. This ground has been planted to corn. Winter wheat that survived is rated at 82 per cent. of normal with an estimated yield of 7,942,000 bushels compared with 8,078,000 last year.

### The Government View

Department of Agriculture states that the season was early and conditions were generally favorable for farm work so that for a time all farm operations were in advance of the usual in most of the country. For some weeks past, however, the weather has been too cool for growth and germination of crops and progress in this regard has been slow. Recent rains and slightly higher temperatures have improved conditions considerably, however, but more moisture and warmer weather were still greatly needed in many areas on May 15.

Winter grains, dry conditions which have been relieved to some extent in some areas of wheat production have

tended, on the whole, to increase in the wheat belt states east of the Mississippi and the crop in this section has been slowly going back in condition.

Seeding has made fair progress and is practically completed for all grains, though it was delayed considerably in some sections by lack of moisture in the soil and in others by rains. Spring wheat has a good stand generally. Growth of oats is being retarded by drought in Indiana, Illinois and Michigan and the crop needs rain badly. In other areas they are generally in good condition, though making slow growth as a rule. Corn planting has made rather greater progress than usual at this time, but the weather has been too cool for it as a rule and germination and growth has been slow.

### In Canada

The Manitoba Free Press says all wheat in the three Prairie provinces is seeded and 75 per cent. of entire crop was seeded by May 16. The earlier sown is 2½ to 7 inches high, according to dates of seeding. Wheat is exceptionally well rooted and germination generally even. Stooling is good. There has been little if any damage to wheat from late frosts. Subsurface moisture is abundant everywhere, but many points need warm light rains to stimulate growth. Such rains have been fairly general of late in Alberta and at a number of points in Saskatchewan and Manitoba.

There is no increase in wheat acreage above 1924, the gains being balanced by decreases. In fact, final figures may show a slight decrease for the three provinces. In Manitoba decreases in wheat acreages are being generally made up by increases in corn and clover crops. Seeding of oats, barley and spring rye is 90 per cent. complete in Manitoba, 65 to 75 per cent. in Saskatchewan and 50 to 60 per cent. in Alberta. Winter rye seeded on summer fallow was generally winter killed. Seeded on stubble is a good crop. Winter rye is reported two feet high and heading in some districts of southern Alberta. All crops generally are more flourishing and fully two weeks earlier than in 1924.

A few points report late frosts injured barley and oats to an extent to require new seeding. A very few points in Alberta and Saskatchewan report drifting on light land.

A number of points in Alberta and a few in Saskatchewan and Manitoba report cut worm damage is slight to date and will be largely controlled by fairly heavy rains soon. The report while not unduly optimistic is very satisfactory for the time of the year.

### Wheat in Foreign Lands

A slight decrease in wheat acreage is reported for 21 countries, according to the new estimate received by the Department of Agriculture at Washington from the International Institute of Agriculture at Rome.

This, including the new French estimate, brings the total of 21 countries reported to date to 127,046,000 acres, compared with 129,075,000 acres for the same countries last year, a decrease of 2,029,000 acres, or 1.6 per cent. This represents about two-thirds of the northern hemisphere wheat area outside of Russia and China. The acreage of 15 European countries is slightly larger than that of 1924, amounting to 54,122,000 acres, against 53,746,000 acres for the same countries last year.

French wheat acreage, including both winter and spring seedings, is now placed at 13,766,000 acres, compared with 13,412,000 acres harvested in 1924.

Condition of the rye, barley and oats crops of France is considerably above average and better than on the same date last year. The rye acreage for this season is given as 2,176,000 acres against 2,149,000 acres harvested last year. The acreage of barley is placed at 1,532,000 acres, compared with a harvested area of 1,714,000 acres in 1924. Acreage of oats is given as 8,555,000 acres, compared with 8,559,000 acres harvested in 1924.

### A Resume of Wheat Crop Conditions

The Department of Agriculture also reports that the outlook now indicates a wheat crop in Europe about one per

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cent. less than last year. A resume of all of above data now will show the following:

1. Probable import requirements as great as last year.
2. The five countries which will supply the world's deficiency will begin the year with a carry-over of 130,000,000 bushels or 153,000,000 less than last year.
3. That last year the total crops of the five countries less domestic requirements gave a surplus for export and carryover of 583,000,000 bushels or 153,000,000 bushels less than their probable exports for the year.
4. Other official returns also show that the crop of India is 42,000,000 bushels less than last year, and
5. That the winter wheat crop of the United States on May 1 indicated 145,000,000 bushels less than last year.

On July 1, the carryover of old wheat in the United States, together with the winter wheat crop to be harvested will amount to 190,000,000 bushels less than last year. This statement is based on the official estimate of a winter wheat crop of 444,800,000 bushels as of May 1 and the Agricultural Department's prediction that the minimum of exports for the year would be 240,000,000 bushels, of which 217,000,000 had been exported in the first nine months of the crop year.

Department of Agriculture estimates probable exports of wheat from the United States for the year ending June 30, 1925, at somewhere between 240,000,000 and 255,000,000 bushels. This would leave a carryover of old wheat on July 1 next of between 54,000,000 and 60,000,000 bushels.

Exports from the United States for the first nine months of the crop season amounted to 217,000,000 bushels. The department says that the rate of export has declined and stocks in the United States are relatively low. It may be safely assumed an unusually large percentage of the total exports for the year has already been exported. In 1922-1923, the one of the past five years which corresponds most closely with the present year so far as the wheat situation is concerned, 85 per cent. of the exports from the United States were made before March 31. If the same proportion holds this year the total exports will reach 254,794,000 bushels. In view of the situation in this country and the recent decline in Liverpool prices it seems unlikely that this figure will be reached. It may, however, be taken as the maximum of probable exports with 240,000,000 as the minimum.

At the minimum estimate of exports the carryover on June 30 would be 59,000,000 bushels, while the maximum would leave but 45,000,000 on hand at end of season. The carryover last year was 104,000,000 bushels and the total crop 872,600,000. No estimate has yet been made of the spring wheat, which is usually about one-third the total, but winter wheat, which last year was 590,000,000 bushels, is officially estimated as of May 1 at 444,800,000.

Assuming minimum exports for last three months and maximum carryover, the estimated winter wheat and end of year surplus on July 1 would amount to less than 504,000,000 bushels, compared with 694,000,000 last year.

### Van Dusen-Harrington Northwestern Crop Report

Minneapolis, May 27—There is a great difference of ideas as to the Northwest crop prospects, as shown by the numerous reports being circulated. The unusual cold weather, with freezing temperatures, probably has some effect on the small grain crops, but nothing serious, providing there is sufficient moisture. Fortunately, there have been rains throughout the Northwest, varying from light showers to

good steady downpours. A considerable improvement is shown in the condition of the fields over a week ago.

There is a lack of subsoil moisture and rains will be necessary from time to time. South Dakota, Southern Minnesota and local districts in North Dakota and Montana have been most affected by the dry weather. The rains of the last 24 hours will be wonderfully beneficial. While the cold weather has held back the growth of the grain, it is still one or two weeks further advanced than this time last year.

Our reports from the heavier wheat-raising sections, indicate a prospect about the same as last year. In the Southern half of the territory covered by our reports, the prospects for oats and barley are somewhat below that of last year. It is possible, however, with good rains, to improve this condition.

The rye crop is uncertain. In Minnesota a considerable portion is headed, but the fields show a great variation. Some of it is very short and thin, while occasional fields are much better. In the principal rye counties of North Dakota, the rye is beginning to joint.

In South Dakota and the Southern half of Minnesota, about 80 per cent. of the corn is planted, while in North Dakota and Northern Minnesota only a small percentage has been accomplished.

In many places farmers have stopped seeding flax because of the dry weather, but the recent rains have improved the soil conditions and seeding will now be resumed. We see no reason why the acreage contemplated some time ago will not materialize. We have reports from a number of points, advising that some flax was undoubtedly injured by frost and some ground will have to be reseeded.

We believe that under favorable conditions from now on, that the prospects at present on wheat are fully up to those of a year ago. Barley, oats and rye are not quite as good, and flax about the same.

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## Strong Interests Under Chicago Wheat

Chicago, May 26—Strong interests are under wheat and on every recession in the past week the same coterie of brokers held the bears in check and cleared the market of offerings by taking May, July and September. The major portion of the support from all sources went to the September, and as time progressed it was this delivery which displayed the greatest activity and resiliency. The reason for this is to be found in the variety of weather "dished" up to spring wheat territory in the last half of the week, when temperatures ranging from 90 to 100 in the shade were followed by a sudden drop to below 40. Never in the history of the grain trade have so many diversions been visible in temperatures at this time of the year, and wheat traders express some very bullish opinions. One of the dyed-in-the-wool bears on Monday remarked that it was not safe for professional or amateur speculators to be short of wheat when domestic crop conditions and world's stocks left the bulls "sitting pretty with a royal flush." Needless to remark that he has taken in his short line of July and gone long of September.

### Cutten and Patten Win

At the present moment Cutten and Patten appear to be in a position to dictate prices to the short selling contingent on the Board of Trade. They went long more than 10,000,000 bushels July and September wheat when prices were 30c lower, and it related that they have been adding to their line every time there has been a setback in the market and steadied the market by selling moderately on the hard spots. Shorts in corn have been growing more and more nervous as prices mounted upward and the bears on oats now fear that buying for export will expand still further now that Europe is appreciating the relative cheapness of oats compared with other grains. Recession in crop conditions has stimulated the buying of rye, which has again found favor with export houses, and provisions have advanced so strongly that the bears are apprehensive. In the past week the market has taken care of a very marked increase in receipts. Arrivals of all grains at primary markets during the week reached a total of 12,441,000 bushels, the largest in several months and an increase of 4,156,000 bushels over the week preceding and 2,978,000 bushels compared with the corresponding week last year. Nevertheless the cash market was a broad affair and spot premiums were well sustained.

### Prices Tend Upward

Governed almost entirely by crop conditions, grains closed the week with a strong tone, more distant futures showing more pronounced grains than the May, in which it is believed that most outstanding accounts have been closed. On Friday the appearance of hot weather all over the western territory created apprehension that in many sections where moisture had been insufficient that further damage would accrue to winter wheat. One crop expert, Snow, said he feared that moisture deficiencies in Minnesota and the Dakotas would result in a setback for spring wheat, but other advices stated that there had been rain in sufficient abundance this month to supply the young plant with nourishment until later rains permanently assured an adequate source of moisture. Still another competent authority forecasted unfavorable developments unless rain fell to revive fields affected by frost in the spring wheat country, and that in the winter wheat country the very high temperatures were not conducive to adequate filling

particularly as the harvest is now only about 20 days distant.

### Hog Products Strong

Provisions continued to display strength and further advances of 15@\$.10 were established under the influence of a steadily improving export inquiry and a strong hog market. Bellies were the leaders in the boom with a gain of \$.10 for the May, suggesting that some important interest is short. The demand for hog products has steadily improved and buying recently has been traced to foreign houses. Germany, has been a notable buyer recently, so well-informed people say, specializing largely in lard, while Holland and Belgium have been taking a great deal of pork and England and Germany have been the heaviest buyers of ribs. Slowing down in the movement of hogs to market and the strength in corn went a long way toward providing stimulation for hog products. While the outlook for corn is much better than it was a year ago, stocks in all positions are very much smaller than at this time last year, and that feeders are apprehensive one has simply to turn to the quotations of low grades of corn and note the large reduction in premiums there has been between contract grades and those carrying a higher moisture content and otherwise lacking in the qualifications making for contract corn.

### Wheat Advances Briskly

Wheat fluctuations were broad and frequent during the week and there was a strong undertone during the greater part of the period under review owing to the unfavorable tenor of crop reviews and improvement in the export situation. An early rise of 6c based on fears of damage by frost was followed by a reaction of 11c under the influence of free realizing sales by longs, but on the decline strong support came into view and a recovery of 12c was established. Export takings for the week exceeded 1,500,000 bushels and Spain also contracted for \$1,800,000 bushels, and there was a recurrence of congestion in the May delivery, which rose to a premium of 19¼c over July and then fell back to 8c over after shorts had covered. Trading was chiefly in July and September, and the December was also more active. Murray's estimate of a winter wheat yield of 437,000,000 bushels, indicating a crop of 8,000,000 bushels less than the Government figures of the preceding week and 153,000,000 bushels smaller than last year, caused an instant hardening in the market, and the low temperatures the country over created apprehension of further damage, although rains were helpful before the weather turned warmer in midweek.

### Statistics of Market

In Europe weather conditions were ideal, but the Argentine surplus is now estimated at 58,000,000 bushels compared with 86,000,000 bushels last year. World's stocks have been reduced 80,700,000 bushels during the month and are 33,600,000 bushels less than last year, the reduction comparing with a loss of 8,609,000 bushels in the preceding month and 48,000,000 bushels in the corresponding period last year. A world's shortage of 153,000,000 bushels is estimated, due chiefly to deficiencies in the American winter wheat and Indian yields and Liverpool has turned stronger. Buenos Aires has been offering wheat at a discount of 5c under American, however, and there has been a reduction of 3,448,000 in the amount afloat for Europe to a total 9,000,000 bushels under a year ago, visible stocks have declined nearly 3,000,000 bushels to a total 6,000,000 bushels less than in 1924 and world's shipments fell off 2,500,000 bushels. There has been a larger movement from first hands toward primaries with the result that primary market arrivals for the week increased 536,000 bushels and were 392,000 bushels larger than last year for the corresponding period.

### Corn Is Buoyant

Corn has been stronger at a greater gain, the covering of a short interest in May and improvement in shipping and export buying taking the slack out of the market and creating buoyancy at the end. More than 9,000,000 bushels have been so far delivered on the current month's contracts. The country has been taking advantage of higher prices

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to market surplus and receipts at primaries were 303,000 bushels larger, but 379,000 bushels under the same week last year. Crop conditions were at first improved by recent rain and the outlook was favorable until cold weather came. Argentina's yield is estimated at 188,640,000 bushels, comparing with 190,000,000 bushels last month and 274,000,000 bushels a year ago, but Buenos Aires offers grain at a discount of 18c under American. World's shipments increased 1,550,000 bushels, the amount afloat for Europe gained 2,100,000 bushels and the American visible is 4,115,000 bushels over last year although there was a further reduction of 1,676,000 bushels this week.

#### Exporters Buy Oats

Oats were firm, but quiet, at a gain of 22@23c. Export buying increased and 1,400,000 bushels sold to go abroad, while Argentine shipments fell off 550,000 bushels. The amount on passage to Europe gained 3,750,000 bushels to a total 6,000,000 bushels over a year ago and world's shipments increased 3,300,000 bushels, while the American visible lost 3,882,000 bushels, but the total remains 31,200,000 bushels over a year ago. Primary receipts increased 768,000 bushels and were 362,000 in excess of a year ago. Crop news was less reassuring, more rain being needed in middle western territory.

Rye improved 5@6c although speculative operations continued light, but leading shorts covered and deliveries were aided by arrivals from the Northwest. Export sales of 200,000 bushels indicating returning European interest, and shipments for the week from Atlantic ports of 1,458,000 bushels, compared with 987,000 bushels a year ago.

Provisions were stronger owing to the rise in hog prices and betterment in domestic and foreign absorption. Offerings locally were smaller, and there were advances of 15@20c in lard, 50@55c in ribs and 77c@\$1.00 in bellies.

#### Swine Industry Improved

For the last three months, Armour Live Stock Bureau has prepared an index of hog business along the lines of the attached study. "Economic conditions in the swine industry during the five years immediately preceding the war, were as a whole favorable to profitable production," the review says. "They have, therefore, been selected as bases for an estimate of current developments in the business. The value of hogs is expressed in terms of an aggregate of all the commodities which constitute the many necessities and conveniences of modern life. The commodities and their values are taken from the monthly bulletins of the United States Department of Labor, and the hog and corn data from current market quotations. This general value index indicates the amount of goods and services, which can be secured from the money, received from hogs, expressed in percentage of the amount which could be secured before the war.

The conditions in the swine industry have in recent months improved materially, as the general purchasing power of hogs is approaching prewar levels. At the same time, the cost of feeding is definitely lowered. The immediate outlook is for continued profitable production."

Transactions in grain futures on the Chicago Board of Trade last week indicated quite a slump in business in coarse grains, while trading in wheat was fairly well maintained. The week's total of all grains fell 105,000,000 bushels below that of the week preceding, business in corn losing 42,300,000 bushels; oats nearly 6,000,000 bushels and rye 1,000,000. In wheat the week's total business was 238,609,000 bushels comparing with 294,266,000 bushels in the previous week.

Crop scouts sent out by Board of Trade houses noted damage by heat and lack of moisture one day, and then wired in reports the day following that low temperatures had accomplished deadly work.

One house bought 100,000 bushels No. 2 yellow corn to arrive in one day by bidding  $\frac{1}{2}$ c over July.

Cutten publicly admits being friendly toward the long side of wheat.

S. P. Arnot, with Clement, Curtis & Co., believes wheat is now in a healthier position market-wise than it has been for a long time.

"Liverpool July wheat maintains a premium of about 28c over Chicago, which affords stability to prices," said F. H. Babcock of Thomson & McKinnon. "However, there is not enough foreign demand just now to create a steadily advancing market. We feel the market still has reason for recovering from all recessions."

W. K. Copenhaver, an old member of the Board of Trade and one of the veterans in the wheat pit, died last Wednesday.

The Grain Marketing Company last week sold 1,250,000 bushels wheat to the Spanish government. The company's excellent export connections with every market in Europe has enabled it to complete the first transaction in the history of the trade ever made by a farm cooperative organization.

Cotton trading on the Chicago Board of Trade last week attracted a larger following of investment buyers. The belief is gaining ground that a better industrial situation will prevail next fall and that better crop prospects will be more than offset by increased consumption.

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## Stabilization of the Price of Wheat During the War

Washington—A report by Dr. Frank M. Surface, an economist of the United States grain administration, made public today reveals for the first time a chapter of war history which is of special interest to the American farmer.

Because of the persistent misrepresentation that the price of wheat, determined by the committee appointed by President Wilson, was not in the best interests of the farmer, members of that committee had requested that a full report should be issued on the subject.

A new item in war history is revealed by the fact that without the action of the American officials, the farmer would have received only about \$1.50 per bushel for his 1917 crop of wheat instead of the \$2.20 determined by this committee as a fair price. It is now shown that this action was taken solely to protect the American farmers and resulted in a gain of millions of dollars to them.

### When Prices Advanced

The report states that, in the spring of 1917, the Allies, by bidding against each other, had forced the price of wheat from \$1.50 to over \$3.00 per bushel. In order to abolish this competition between themselves the Allied governments, before we came into the war, had consolidated their purchasing of world wheat into one buying agency. Through the control of world shipping and the blockade against the enemy, this agency was the sole buyer of export wheat.

The domestic price of wheat to the American farmer was fixed by the price which could be realized for the export surplus. As export buying was all in one hand, the operation of the law of supply and demand had been abolished and the price of wheat to the American farmer, therefore, would be determined by the price which this buying agency determined to pay. Price fixing for American wheat was thus already under way in foreign hands. Congress had provided a minimum price of only \$2.00 per bushel for the 1918 crop, and it had made no provision for the 1917 crop then being harvested.

### Wheat Prices Fixed in Europe

The Allied governments had fixed prices of wheat in their own countries at about \$1.80 per bushel, and in order to lay down American wheat to their people at this price, they considered that they should pay the American farmer about \$1.50 per bushel at Chicago for the 1917 crop. In support of this contention, their agents felt that any higher price to the American farmer would require an increase in the price of bread in the Allied countries, that the American farmer had realized only about \$1.30 per bushel for his previous year's wheat, despite the \$3.00 corner on the Chicago market which occurred after nearly 95 per cent. of the wheat had left the farms. They also pointed out that they could purchase abundant supplies of wheat in Argentina and Australia at \$1.50 per bushel or less and that the only reason they were prevented from availing themselves of such cheaper supplies from these more distant markets, was because of the demand of the American Government for the use of their shipping for transporting our troops and supplies.

In the face of this situation, it was clear that unless action should be taken, the American farmer would receive \$1.50 per bushel for his wheat, and the price was already falling rapidly toward that level. To prevent this, Mr. Hoover took the matter up with President Wilson. "In order to do justice to the producers who have shown great patriotism in special effort to increase production," Mr. Hoover wrote the President in July, 1917, "it is absolutely vital that we shall protect the farmer from a slump in price this year due to glut or from the uncontrolled decisions of any one buyer."

### The Minimum Price

Acting on this recommendation, President Wilson appointed an independent committee which comprised six farm representatives, two consumer representatives, three economists and business men. This committee determined on \$2.20 at Chicago as a fair price and Dr. Surface in his report, states that it is obvious, that had it not been for

this decision by the committee, the American farmer would have received far less for his wheat than was the case. The report shows that Mr. Hoover, then Food Administrator took no part in the committee's determinations, thus disposing of the myth that Mr. Hoover fixed the price.

With the advantage of the perspective which can now be gained, Dr. Surface has examined exhaustively the justice of the committee's award, showing statistically that the price realized for wheat during the period of government marketing was higher than the relative prices of other farm produce where there was a free market, and also that the minimum price of wheat was fixed by this committee at a higher relative level than the prices fixed by the Government for steel, copper and other commodities. It appears from the report that the maintenance of the minimum price was accompanied by a great many hitherto undisclosed difficulties. At one time the Food Administration Grain Corporation was compelled to invest nearly six hundred millions of dollars to maintain the price. Nearly four hundred million of this had to be borrowed from banks and elsewhere. It also appears that the price of wheat was maintained by the Government for a year after Armistice in order to enable the farmer to liquidate his war production. Dr. Surface also observes that the war action of the Government obviously had no responsibility for the great fall in the price of wheat which occurred two years after the Armistice as a part of the general world-wide slump in the prices of all commodities.

### No Maximum Price

Dr. Surface also clears up the misrepresentation that the price determined by the Committee was a fixed or maximum price. He states that the result of the committee's decision was not only protection for the 1917 harvest but in reality was a revision upward of the Congressional minimum from \$2.00 to \$2.20 for 1918 wheat. In a foreword to this report, Mr. Hoover notes that the economic fact must not be neglected that any minimum price automatically tends to become the actual price during the period of surplus marketing in the fall, and that the subsequent reselling of the accumulated surplus at the same price automatically makes it the actual price during the period of distribution, but that nevertheless, the price, after these periods of support, rose above the minimum each year without restraint, except for a short period in the spring of 1918 when, after the farmer had disposed of his crop, measures were introduced to prevent profiteering in flour and bread.

Dr. Surface shows that by the elimination of war speculation the retail price of flour was reduced to the consumer from \$18 to \$13 a barrel while at the same time the farmer received much more for his wheat than in the speculative period.

### "BUY COAL EARLY" SAYS HOOVER

Washington—There are many reasons, in the opinion of Secretary Hoover, why consumers of both anthracite and bituminous coal should stock up during the next few weeks.

Low prices, ease of transportation and adequacy of production, he believes, will facilitate action at this time, and may not be available later, while in buying now the consumer will aid general interests as well as his own with further indirect advantage to himself.

"Just at this moment, all coal mines can take on a larger load of output," he explained. "The bituminous industry, especially, is selling at a loss practically throughout the United States, so the consumer can hardly expect better prices than those he can now get."

"Likewise, there is always a hazard of transportation congestion when business is good in the United States, if the great volume of coal movement is held off the railroads early in the year and then thrown on in the fall when crops and general commodities are straining facilities. The public right now can do a good deal to stabilize industry and aid transportation by increasing the takings of coal, and do it with profit and with reduction of any risks as to supply which may arise later on."

**LYON & HEALY TO REORGANIZE CORPORATION**

(Continued from page 15)

vided for the retirement of the bonds by semi-annual drawings at par and accrued interest.

An issue of \$3,500,000 Puget Sound Power & Light Co., first and refunding mortgage 5½ per cent. bonds were sold to Lee, Higginson & Co., and the Harris Trust & Savings Bank. These bonds are due June 1, 1949, and were offered at 100 and interest.

Ames, Emerich & Co., E. H. Rollins & Sons, W. A. Harriam & Co., Kean, Taylor & Co., and the Federal Commerce Trust Company of St. Louis brought out \$1,760,000 Asheville, N. C., 4¾ per cent. bonds maturing April 1, 1928 to 1966 inclusive, priced to yield from 4.00 to 4.30 per cent. The bonds are issued to take care of various improvements contemplated.

Kraft Cheese for the year ended March 31 earned \$1,417,331, equal after preferred dividends to \$7.55 a share earned on 161,671 shares of common, including the Canadian subsidiary. Sales for the year amounted to \$31,097,386, compared with \$23,754,546 in the preceding year.

**Unlisted Stocks Firm**

The past week has shown a fair volume of trading in Chicago unlisted securities, with the general trend toward higher prices," John Burnham & Co. said. "Preferred issues of the investment type have been firm with little change; offerings of stock being very scarce in the market with bids consistently firm. Albert Pick preferred was in good demand at 96 with the cheapest actual offerings at 97. Benjamin Electric first preferred is wanted at 98 with stock for sale at par. Although ex-dividend Interstate Iron & Steel preferred continued in demand around 92 with the cheapest offerings around 94. Little change has taken place in National Tea preferred, stock being sought at 105½ with the best offerings at 107½. McCord Manufacturing common has continued its activity throughout the week, sales again reaching a high of 12½ with a low of 11%. It was generally thought that considerable profit taking would be had around this level but the apparent strength of the company has, no doubt, changed the minds of sellers. The preferred sold at a new high at 66; the market closing 66 bid, stock offered for sale at 68. Weakness came in By-Products common when a considerable block of stock was offered in the market around 65. Butler Bros. has been less active than usual with stock changing hands between 33 and 33½. New strength was found in Bucyrus common which advanced to sales around 158, closing at 155 bid."

Rogers & Tracy reported steady demand for Acme Steel caused an advance of \$1 in the bid price with several sales reported at 42 and no stock available below 43. Congress Hotel Common advanced sharply on good buying from 130 bid to 150 bid. This stock is very closely held and will undoubtedly sell at considerably higher levels. Units, consisting of one share of common and one share of preferred stock of H. O. Stone & Co., \$120 is bid, were in demand and an advance of \$10 during the week. A few forced sales of Western Grocer Common were made between 65 and 68, but at this level the market seemed to be well supported, with no actual offerings below 71.

"News from industry is about the same as heretofore," said Thomson & McKinnon, "with the exception of some signs of improvement. Sentiment continues friendly to the market, money is easy and the trend still appears upward."

The Moir Hotel Company experienced a profitable year in 1924. Gross earnings of \$3,400,285 as compared with \$2,583,075 in 1923, and a net income of \$389,304 after all charges including taxes, interest and depreciation. In 1923 net income amounted to \$294,262.

**"MONEY HIGH IN GERMANY," SALINGER SAYS**

(Continued from page 13)

of business to be had," he added, "or to the amount of wealth to be created from the resources of nature. The purchasing power of every country is to be had in connection with the prosperity of every other country."

A new economist has been discovered in an Evanston

petition in bankruptcy. His name is James Economocs. He filed liabilities of \$5,421.20; assets, none.

Curtis & Sanger have issued a circular descriptive of the Maryland Casualty Company of Baltimore.

**Bank Stocks Easier**

Considerable interest was displayed in Chicago bank stocks during the past week, according to Rogers & Tracy. Prices in some instances were lower. Among those which suffered slight reverses were Illinois Merchants which sold at 475; First National which sold at 481; National Bank of the Republic which sold at 198. Central Trust was slightly better with sales at 235 and 236. Continental & Commercial remained unchanged at 347 to 349. Northern Trust Company continued strong at 401 bid. Among the outlying banks Stony Island was strong, selling at 212. Chatham State also advanced and last sales were made at 141. Chatham State will erect a new building and officials announced that the site has been purchased.

**REVIEW OF THE LIVE STOCK MARKETS**

(Continued from page 43)

sows at \$10.50@10.75. Strong weight slaughter pigs scored \$11.25@11.75 for the most part.

Most of the last week's losses in the fat lamb division were regained this week, values being quotable 50@75c higher than last Tuesday. A 25c rise today placed the bulk of the fat shorn lambs averaging 85 to 88 pounds on a \$13.50 basis with heavies mostly around \$11.50. California spring lambs averaging 61 pounds cashed at \$16.00. Fat ewes are practically unchanged for the period, good natives selling around \$7.50.

**SIOUX CITY**

Heavy receipts of hogs around the western market circuit resulted in a 50c slump on Monday of this week. Tuesday, however, recorded an active, strong to 10c higher market. Bulk of the desirable butcher and bacon hogs cashed at \$11.40 to \$11.65 with the top resting at \$11.70 on early rounds though some were held higher.

Cattle of all classes have found a slow steady outlet this week so far. Best yearlings cashed on Tuesday at \$12.00, with bulk of steers selling at \$7.00@10.60. Fed cows found a slow outlet at \$5.50@7.50 for the most part while heifers realized \$6.00@10.25. Cannery and cutters continued through the \$2.00@4.00 outlet with veal calves scoring \$5.00@9.00. A fair demand existed for stockers and feeders, bulk of the stockers cashing at \$4.00@7.00 with feeding cows and heifers at \$3.00@4.50. No sheep were offered today, a 25c rise on Monday placing better shorn lambs on a \$13.25@13.50 basis.

**NORTHWEST STATES PLAN EXPOSITION**

New York—An industrial exposition displaying the resources and scenic attractions of Oregon, Washington, Idaho and Montana, will be held at Grand Central Palace, New York, in 1926.

Though a definite date for the show has not been set, according to Edward P. Kemmer, manager of the Chamber of Commerce of Tacoma, Wash., arrangements for it are being made in the Pacific Northwest States and popular as well as financial support has been assured.

"By visual illustration and personal contact," Mr. Kemmer said, "the exposition is designed to acquaint business factors in New York with the opportunities of the Pacific Northwest. It will embrace every line of activity which is now contributing to the development of Washington, Oregon, Montana and Idaho."

Edward H. Lang, general traffic manager of the Anaconda Copper Mining Company, formerly of Butte, Mont., was named chairman of the New York committee.

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**GRAIN STOCKS AT MINNEAPOLIS**

Wheat in Minneapolis public elevators, as reported by the Chamber of Commerce on May 23, with comparisons, in bushels (000's omitted):

	1925	1924	1923	1922
No. 1 dark	2,457	3,029	3,439	908
No. 1 northern	1,529	926	1,080	34
No. 2 northern	218	1,574	1,652	696
Others	3,040	5,217	6,256	2,855
<b>Totals</b>	<b>7,244</b>	<b>10,746</b>	<b>12,427</b>	<b>4,492</b>

Stocks of coarse grain in public elevators in Minneapolis, in bushels (000's omitted):

	May 23	May 16	May 24	May 26	May 27
Corn	275	411	503	17	1,415
Oats	14,201	14,979	1,531	6,126	17,739
Barley	1,022	1,139	197	373	231
Rye	442	479	7,002	3,913	217
Flaxseed	297	315	68	19	63

**MINNEAPOLIS-DULUTH-SUPERIOR WHEAT RECEIPTS**

Receipts of wheat in Minneapolis and Duluth from September 1, 1924, to May 23, 1925, compared with the corresponding period of previous years, in bushels (000's omitted):

	1924-25	1923-24	1922-23	1921-22
Minneapolis	85,550	82,944	110,066	83,168
Duluth	97,282	29,248	53,941	41,496
<b>Totals</b>	<b>182,832</b>	<b>112,192</b>	<b>164,007</b>	<b>124,664</b>

**GRAIN STOCKS AT CHICAGO**

	Public	Private	*Total	Last year
Wheat	2,032	1,776	3,808,000	11,083,000
Corn	4,143	5,040	9,183,000	2,965,000
Oats	1,353	8,368	9,721,000	2,117,000
Rye	3,899	89	4,037,000	1,973,000
Barley		214	214,000	146,000

\*Includes 49,000 bushels rye afloat.

**UNITED STATES VISIBLE GRAIN SUPPLY**

	This week	Last week	Last year
Wheat	37,173,000	40,604,000	44,666,000
Corn	17,393,000	19,582,000	13,252,000
Oats	37,349,000	40,123,000	7,300,000
Rye	10,261,000	10,656,000	19,260,000
Barley	2,353,000	2,549,000	731,000

**WORLD'S SHIPMENTS OF GRAIN**

	Last week	Prev. week	Last year
Wheat	10,249,000	9,205,000	13,924,000
Corn	3,129,000	3,193,000	6,605,000
Oats	3,298,000	6,076,000	1,984,000

**THE WEEK'S FLOUR OUTPUT  
(From The Northwestern Miller)**

The following table shows the flour output at milling centers for the past two weeks, with comparisons, in barrels:

	May 23	May 16	May 24	May 26
Minneapolis	176,254	185,826	206,083	205,395
St. Paul	6,083	9,741	14,716	10,025
Duluth-Superior	12,280	19,710	16,745	15,855
Milwaukee	7,200	7,200	2,000	6,100
<b>Totals</b>	<b>201,817</b>	<b>222,477</b>	<b>239,544</b>	<b>237,375</b>
Outside mills*	158,607	173,304	213,826	169,649

	May 23	May 16	May 24	May 26
Aggregate spring	360,424	395,781	453,370	407,024
St. Louis	18,100	13,500	29,800	33,100
St. Louis†	32,500	30,700	45,900	33,500
Buffalo	192,299	173,509	126,586	108,850
Chicago	30,000	30,000	33,000	20,000
Kansas City	105,832	94,984	97,151	103,835
Kansas City‡	247,140	232,816	237,087	260,115
Omaha	19,753	19,663	12,530	14,210
St. Joseph	23,074	26,287	36,240	25,525
Salina	22,160	20,249	15,735	19,985
Wichita	23,458	...	19,781	29,770
Toledo	36,900	30,000	36,200	27,900
Toledo§	64,068	73,618	92,788	55,260
Indianapolis	6,794	6,578	7,542	5,720
Nashville**	...	77,152	104,607	80,045
Portland, Ore.	14,355	15,395	31,412	...
Seattle	15,236	14,070	21,784	20,175
Tacoma	18,063	10,257	28,537	12,555

\*Minnesota, Dakota and Iowa mills, outside of Minneapolis and Duluth.

†Flour made by mills outside of St. Louis, but controlled in that city.

‡Flour made by group of southwestern mills outside of Kansas City, but inclusive of mills at Wichita, Salina, Omaha and St. Joseph.

§Flour made by central states mills, including those of Toledo.

\*\*Flour made by southeastern mills, including Nashville.

**FLAXSEED RECEIPTS AND SHIPMENTS**

Receipts and shipments of flaxseed at Minneapolis and Duluth, September 1, 1924, to May 23, 1925, compared with the corresponding period of the previous year, in bushels (000's omitted):

	—Receipts—		—Shipments—	
	1924-25	1923-24	1924-25	1923-24
Minneapolis	13,257	7,830	3,475	1,728
Duluth	15,784	6,565	14,623	5,813
<b>Totals</b>	<b>29,041</b>	<b>14,395</b>	<b>18,098</b>	<b>7,541</b>

**MINNEAPOLIS GRAIN FUTURES**

Wheat—	May 21	May 22	May 23	May 25	May 26	May 27
May	1.60	1.61	1.62	1.64	1.67	1.65
July	1.58	1.60	1.60	1.63	1.65	1.64
September	1.42	1.45	1.47	1.51	1.53	1.52

	May 21	May 22	May 23	May 25	May 26	May 27
Rye	1.11	1.10	1.28	1.15	1.17	1.16
Oats	.40	.41	.41	.43	.42	.42
Flax	2.78	2.78	2.78	2.77	2.77	2.75
Barley	.81	.81	.81	.82	.82	.82

	May 21	May 22	May 23	May 25	May 26	May 27
Rye	1.10	1.10	1.13	1.16	1.18	1.16
Oats	.40	.41	.41	.43	.43	.42
Flax	2.79	2.80	2.80	2.78	2.79	2.76
Barley	.82	.82	.82	.83	.83	.83

	May 21	May 22	May 23	May 25	May 26	May 27
Oats	.41	.41	.41	.43	.43	.42
Flax	2.55	2.56	2.57	2.57	2.62	2.59

**DULUTH GRAIN FUTURES**

	May 21	May 22	May 23	May 25	May 26	May 27
Durum	1.57	1.58	1.60	1.61	1.65	1.64
Flax	2.80	2.80	2.80	2.80	2.79	2.78

	May 21	May 22	May 23	May 25	May 26	May 27
Durum	1.55	1.56	1.58	1.61	1.64	1.63
Flax	2.81	2.82	2.81	2.81	2.81	2.79

	May 21	May 22	May 23	May 25	May 26	May 27
Durum	1.41	1.42	1.45	1.50	1.53	1.50
Flax	2.58	2.59	2.60	2.60	2.65	2.60

**CHICAGO GRAIN FUTURES**

	May 21	May 22	May 23	May 25	May 26	May 27
Corn	1.12	1.13	1.14	1.18	1.17	1.15
Oats	.45	.45	.45	.47	.46	.46
Rye	1.17	1.16	1.17	1.18	1.18	1.17

	May 21	May 22	May 23	May 25	May 26	May 27
Corn	1.14	1.15	1.16	1.18	1.18	1.17
Oats	.45	.45	.45	.47	.47	.46
Rye	1.11	1.12	1.14	1.18	1.18	1.18

	May 21	May 22	May 23	May 25	May 26	May 27
Corn	1.13	1.13	1.15	1.19	1.18	1.17
Oats	.44	.44	.45	.47	.47	.46
Rye	1.04	1.05	1.07	1.13	1.16	1.16

**WINNIPEG GRAIN FUTURES**

	May 21	May 22	May 23	May 25	May 26	May 27
Wheat	1.85	1.87	1.87	...	1.94	...
Flax	2.46	2.47	2.46	...	2.47	2.46

	May 21	May 22	May 23	May 25	May 26	May 27
Wheat	1.75	1.76	1.76	...	1.81	1.79
Flax	2.48	2.49	2.48	...	2.50	2.49

	May 21	May 22	May 23	May 25	May 26	May 27
Wheat	1.42	1.44	1.43	...	1.49	1.48
Flax	2.35	2.37	2.37	...	2.37	2.36

**WHEAT RECEIPTS—CARS**

	Year	1925 ago	1924 ago	1925 ago	1924 ago	1925 ago	1924 ago
May 21	1925	86	160	134	47	55	15
May 22	142	120	213	79	156	10	189
May 23	50	108	122	47	157	13	197
May 25	184	188	302	64	196	19	...
May 26	79	75	179	94	202	36	157
May 27	80	158	165	43	110	6	492

**MINNEAPOLIS RECEIPTS—COARSE GRAINS**

	Corn	Oats	Rye	Barley	Flax
May 21	2	20	15	17	10
May 22	11	44	8	26	18
May 23	9	20	5	5	20
May 25	36	58	8	46	34
May 26	9	27	1	30	4
May 27	23	30	6	5	9



## Meeting of the Advisory Council of the Federal Reserve Board

Washington—A regular statutory meeting of the Advisory Council to the Federal Reserve Board was held in Washington on Friday, May 22nd, at which the various Federal reserve districts were represented. General business and financial conditions throughout the country were discussed, as well as the recent arrangements between the Federal reserve banks and the Bank of England regarding a revolving credit to the latter institution of \$200,000,000. In this connection, the Council issued the following statement:

"Since the last meeting of the Advisory Council, Great Britain has taken the long expected step of removing the embargo on the exportation of gold, and by reestablishing a free gold market in London, has once more anchored herself unreservedly to the gold standard.

This event marks an epoch in the financial history of the post war period. It means that the time has definitely come to an end when the world seemed to waver between monetary systems frankly bottomed upon gold on the one hand, and fluctuating exchanges and so-called "managed currencies" on the other. With the United States, England, the Dominions, Sweden, Holland, Germany, Austria, Hungary, and other countries now returned to a gold basis, or to gold exchange bases, the sway of gold over the world's leading financial systems once more has become an unchallenged fact.

### Means Well-Balanced Prosperity

For the United States this development is of the vastest importance. First, because we own approximately one-half of the world's monetary gold; second, because in order to preserve for ourselves conditions of a well balanced prosperity, foreign markets absorbing our surplus production are an imperative necessity and it is idle to expect that without exchange stability the purchasing power of foreign countries may regain its full capacity; third, in present world conditions the sale of our vast excess production to foreign buyers can only be maintained on anything like the present scale as long as we continue freely to absorb foreign securities. Our ability to do so, however, will depend upon the degree of credit these foreign countries will command here. We have, therefore, a vital interest in seeing the credit of our customers placed on the strongest possible basis.

While it would seem unnecessary to add to the weight of these three points, a true picture of the outlook is gained only if one considers what might have happened had England decided to continue the embargo on gold exports instead of restoring a free gold market. It would not seem an overstatement to assume that in such a case the world might have suffered another exchange collapse with all the uncertainty to trade which that implies; that private and public credit in foreign lands would have been impaired and that instead of making efforts to balance budgets by taxation, the temptation for debasement of currencies in many countries would have continued indefinitely. In such circumstances true wages, and with that, living standards, in competing countries would have been further reduced. We are familiar with the social consequences that would result from such conditions and it is safe to conclude that we ourselves could not have escaped the effects of such a development which, amongst other things, would have involved a further great addition to our gold holdings.

### Part of the Work of Federal Reserve

The Advisory Council, with these thoughts in mind, has over and again expressed the view that America should take every opportunity, that consistently and safely could be grasped, to aid foreign countries in their struggles towards regaining exchange stability, and that when the time came to do so with confidence and safety, the Federal Reserve System should do its part.

It is with the deepest satisfaction, therefore, that the Council has noted the arrangements now made, with the approval of the Federal Reserve Board, between the Bank of England, on the one hand, and the several Federal Reserve Banks under the auspices of the Federal Reserve Bank of New York on the other.

These arrangements in the view of the Council will benefit not only the two countries directly involved, but they will enure to the advantage of the entire world. The Council feels confident that in the annals of the Federal Reserve System these arrangements will be written down as one of its proudest and most constructive achievements.

It is an impressive demonstration of the efficiency of the Federal Reserve Act, as at present constituted, that we are able to render assistance on a liberal scale without fear of adverse effect upon our own financial conditions.

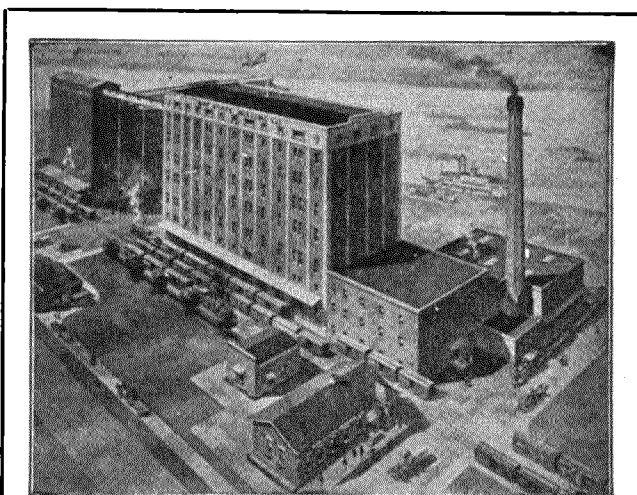
Concentration of reserves and an elastic note issue planned on broad lines enabled us during these last years to absorb a flood of gold in such a manner as to deprive it of the inflationary effects which some of our European friends had expected it inevitably to produce. Conversely, we may now envisage with equanimity the possibility of an outgo of hundreds of millions of dollars of our surplus gold. The same process that enabled us to deprive the inflow of gold of its potential ill effects places us now in a position to lose vast amounts of it without entailing the necessity of a marked contraction of circulation or of forced deflation."

### IMPROVEMENT IN IRELAND

Washington—The uncertainty and caution which existed in financial and business circles in the Irish Free State during the first three months of 1925 are giving way to confidence, based on favorable crop prospects, reduction in income tax from 5s to 4s in the pound and the indications of a large tourist traffic this summer, Consul Collins, Dublin, advises the Department of Commerce.



Potato bags  
Needles  
Sewing twines



This cut shows the plant of the  
**BAY STATE MILLING CO.**  
WINONA, MINN.  
replacing their plant destroyed by fire in  
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This plant, with capacity of 4,000 barrels daily was designed and rebuilt of reinforced concrete, *absolutely fireproof*, in just *ninety days* from the date of the above calamity, by

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# FARMING



AN ANALYSIS of the vast Northwest, comprising the Ninth Federal Reserve District, shows that there are 413,482 farms with a total of 149 million acres of land under cultivation. These farmers no longer depend on wheat alone as their "money crop." They are prospering today by diversified farming—the seven basic crops being wheat, rye, flax, corn, oats, barley and potatoes. Today the First National Bank in Minneapolis thoroughly covers the banking field in Ninth Federal Reserve District.

*The*  
**FIRST NATIONAL BANK**  
 in Minneapolis  
*Capital and Surplus*  
**\$10,500,000**