

COMMERCIAL WEST

BANKING

INVESTMENTS

PUBLISHED WEEKLY

INSURANCE

GRAIN AND MILLING

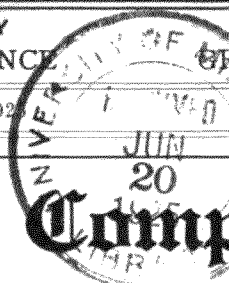
VOL. 47—NO. 25

SATURDAY, JUNE 20, 1925

PRICE { Fifteen Cents a Copy
Five Dollars a Year

Haine, Mehler & Company

ESTABLISHED 1880



BONDS AND NOTES

U. S. GOVERNMENT
FOREIGN GOVERNMENTS
MUNICIPALITIES
RAILROADS
PUBLIC UTILITIES
INDUSTRIALS

McKnight Building

Minneapolis

MEMBERS

New York Stock Exchange
Boston Stock Exchange
Chicago Stock Exchange
Detroit Stock Exchange
New York Cotton Exchange
Chicago Board of Trade
Hartford Stock Exchange

Boston

New York

Chicago

St. Paul

Duluth

H. M. Byllesby and Co.

Incorporated

Underwriters, Wholesalers and Retailers of Investment Securities
—Specialists in Public Utilities.

McKnight Bldg.
MINNEAPOLIS

Pioneer Bldg.
ST. PAUL

Chicago New York Boston Philadelphia
Detroit Kansas City Providence

Private Wires--- Chicago - New York - Boston

A Complete Banking Service

THE FIRST NATIONAL BANK OF CHICAGO



1863

1925

FIRST TRUST AND SAVINGS BANK: CHICAGO

Combined resources exceed \$350,000,000

Calls and Correspondence invited

C. F. CHILDS & Co.

The oldest house in America specializing exclusively in

GOVERNMENT BONDS

PRIVATE WIRES From COAST to COAST

MINNEAPOLIS OFFICE
609 Second Ave., So. Tel. Atlantic 2801

HIGH GRADE INVESTMENT SECURITIES

Handling Estates and acting as Trustee is our specialty

NORTHWESTERN TRUST COMPANY

344 Jackson Street
SAINT PAUL, MINNESOTA

Affiliated with the First National Bank

BLAIR & Co.

INCORPORATED

INVESTMENT SECURITIES

NEW YORK CHICAGO

MINNEAPOLIS

Ground Floor, McKnight Building

HEALTH IS YOUR BEST ASSET

Without It, You're Not Fit for Daily Work

DRINK ONLY

CHIPPEWA

NATURAL SPRING WATER

The Purest and Softest in the World

And notice the results — Ask your doctor

CHIPPEWA SPRINGS CORP.

177 North Colfax Avenue, Minneapolis

Phone Hyland 2500

Out of town shipment filled the same day order received

DISCOUNT HOUSE

of

SALOMON BROS. & HUTZLER

Members New York Stock Exchange

First National-Soo Line Building

MINNEAPOLIS

E. C. KIBBEE - Manager

NEW YORK BOSTON CHICAGO
PHILADELPHIA DETROIT

Before Buying Bonds

investigate our offerings of securities that are especially suitable for banks.

Minneapolis Trust Company

115 South Fifth Street, Minneapolis

Affiliated with the First National Bank in Minneapolis

ERNST & ERNST

AUDITS — SYSTEMS — TAXES

FIRST NATIONAL-SOO LINE BUILDING TELEPHONE ATLANTIC 4262

MINNEAPOLIS

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



Send St. Paul Business to Us
 You will like our service and
 We will appreciate your patronage
American National Bank

TABLE OF CONTENTS

	Page		
Building Activities During the Month of May.....	2	Bank Transactions	27
Municipal Bond Offerings and Sales.....	3	New Banks and Changes.....	28
Prices of Government Bonds.....	4	Automobile Casualty Insurance Presents Problems	36
Standard Oil Stocks	4	Government Will Help in Fight Against Commercial Frauds	32
Personals	5	Gain in the Alien Population of the United States	32
Editorial—		Political vs. Private Bank Management.....	33
Improving Commercial Credits	7	The Legal Question Box.....	34
Business Outlook in the Northwest.....	7	North Dakota to Pay \$700,000 Industrial Bond Interest	36
Warren S. Stone	8	South Dakota's Bank Guaranty Law Still Functions	37
Financing the Business of Farming.....	8	Advance Dates for Payment of Cascade County Bonds	38
The Bull's Eye	9	Canada and the Gold Standard Discussed by Sir John Aird	40
Range Bankers Hold Convention at Carlton.....	10	Canada May Borrow to Pay Matured Obligations	41
Northwestern Railroads and the Proposed St. Lawrence Shipway	11	Review of the Live Stock Markets.....	43
Northwestern Financial and Agricultural Conditions	11	Crop and Marketing Conditions.....	44
Childs Criticises Federal Taxation Methods.....	12	Van Dusen-Harrington Northwestern Crop Report	45
Aishton Finds Railroad Income Inadequate.....	14	Chicago Market Is Irregular.....	46
A Thrift Field for More Intensive Cultivation....	16	Market Prices and Other Grain Statistics.....	50
Evils of Competition in Credit.....	18	Proposed Conference for Declaration of Economic Independence	51
What About Business in the Northwest?.....	20		
Financing the Business of Farming.....	22		
Taxation and Its Influence on Business.....	24		
Prices of Bank Stocks and Other Securities.....	26		

Building Activity During the Month of May

Building continues at a record breaking rate, according to F. W. Dodge Corporation. Contracts awarded last month in the 36 eastern states (which include about seven-eighths of the total construction volume of the country) reached a total of \$496,024,100. This was the second highest monthly total ever recorded, having been exceeded only in April of this year. There was a decline of 9 per cent. from April, a seasonal decline in May being customary. There was at the same time an increase of 18 per cent. over May, 1924.

Last month's record included the following important items: \$231,182,200, or 47 per cent. of all construction, for residential buildings; \$80,280,100, or 16 per cent. for commercial buildings; \$77,759,400, or 16 per cent. for public works and utilities; \$29,312,700, or 6 per cent. for educational buildings; and \$27,562,000, or 6 per cent. for industrial plants.

Construction started during the first five months of this year has amounted to \$2,119,564,100, an increase of nearly 10 per cent. over the corresponding period of last year.

Contemplated new work reported in May amounted to \$712,853,000, an unusually large amount for so late a month. It was only 6 per cent. under the April figure and it was 24 per cent. over the amount reported in May of last year.

The Central West

May building contracts in the Central West (Illinois, Indiana, Iowa, Wisconsin, Michigan, Missouri, Kansas and Nebraska) amounted to \$139,649,700. Although this registered a seasonal decline of 11 per cent. from April, it was 46 per cent. over the amount for May, 1924. Total construction started in this territory during the past five months has amounted to \$565,214,900, which is a 30 per cent. increase over the corresponding period of last year.

Last month's record included these items: \$58,351,800, or 42 per cent., for residential buildings; \$26,448,700, or 19 per cent. for public works and utilities; \$24,868,900, or 18 per

cent. for commercial buildings; \$8,227,900, or 6 per cent. for industrial buildings, and \$8,175,500, or 6 per cent. for educational buildings.

Contemplated new work reported in May amounted to \$160,208,600, a decrease of 16 per cent. from the amount reported in April, but 3 per cent. over the amount reported in May of last year.

The Northwest

Construction started during the month of May in Minnesota, the Dakotas and northern Michigan, amounted to \$12,629,600. This is the largest monthly figure recorded for the district since June, 1923. The increase over April was 39 per cent.; over May of last year, 9 per cent. Last month's record brought the total of new building work started from the first of the year up to \$38,589,500, practically equal to the amount for the corresponding period of 1924.

Included in the May record were: \$4,506,700, or 35 per cent. of all construction, for residential buildings; \$3,203,700, or 25 per cent., for social and recreational projects; \$2,357,400, or 19 per cent. for public works and utilities; \$884,500, or 7 per cent., for educational buildings; and \$776,600, or 6 per cent., for commercial buildings.

Contemplated new work in May reports amounted to \$11,037,600, about equal to the amount reported last May, and 27 per cent. under the amount reported in April of this year.

TREASURY CERTIFICATE ISSUE LARGELY OVERSUBSCRIBED

Washington—Secretary Mellon has announced that the total amount of subscriptions received for the issue of 3 per cent. Treasury certificates of indebtedness, Series T-1926, dated June 15, 1925, maturing June 15, 1926, was \$470,254,000, and that the total of subscriptions allotted was \$124,247,000. As previously announced, all subscriptions in amounts not exceeding \$1,000 were allotted in full, while allotments on subscriptions in amounts over \$1,000 were made on a graduated scale.

Western Municipal Bonds

FUTURE BOND ELECTIONS

June 22—Albany County, Wyoming, School District No. 1 (P. O. Laramie), \$104,000 bonds.

June 29—Murphysboro, Illinois, \$100,000 water system purchase bonds.

June 29—Sabula, Iowa, Independent School District, \$30,000 building and equipment bonds.

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

FUTURE BOND SALES

June 20—Franklin Irrigation District, Montana (P. O. Ryegate)—\$850,000 bonds; 6 per cent.; certified check \$15,000. J. Minnemann, secretary board of directors.

June 20—Beresford, S. D., Independent School District, \$75,000 bonds; denominations \$1,000 and \$500; 5 per cent.; 12½-years; certified check \$500. Fred Boller, clerk board of education.

June 20—Tulare County, Cal., Earlimart School District (P. O. Visalia), \$15,000 bonds; denominations \$500 and \$400; 5½ per cent.; 4-38 years; certified check 5 per cent. Gladys Stewart, county clerk.

June 22—Fremont County, Riverton, Wyoming, \$45,000 school district No. 25 bonds; denomination \$1,000; 5.25 per cent.; 10-30 years; certified check \$2,500. C. E. Deardorff, clerk of school district No. 25.

June 23—Snohomish County, Wash., School District No. 99 (P. O. Everett)—\$14,000 bonds. County treasurer.

June 23—Orange County Cal., Laguna School District (P. O. Santa Ana)—\$9,000 bonds; denomination \$1,000; 5 per cent.; 1-9 years; certified check 3 per cent. J. M. Backs, county clerk.

June 24—Cavour, S. D., \$8,000 waterworks bonds; 6 per cent.; 5-20 years. City clerk.

June 26—Minneapolis, Minn., \$1,000,000 auditorium bonds; denomination \$1,000; not exceeding 5 per cent.; 1-20 years serial; certified check 2 per cent. Dan C. Brown, city comptroller.

June 26—Minneapolis, Minn., \$700,000 bridge bonds; denominations \$50, \$100, \$500 and \$1,000; not exceeding 5 per cent.; 1-25 years; certified check 2 per cent. Henry M. Knott, 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.

June 29—Arlington, Washington, \$6,000 main trunk sewer bonds; 5 per cent. W. T. Dilley, town clerk.

June 29—Sweetwater County, Wyoming, School District No. 14 (P. O. Dines)—\$9,000 bonds; 4 per cent.; 10-25 years. John A. Anderson, district clerk.

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.

July 1—Graham County, Arizona, School Districts Nos. 1 and 4 (P. O. Safford)—\$100,500 bonds; 6 per cent.; 21-years. Alice C. Worden, county superintendent of schools.

July 8—Mesa, Arizona, \$98,500 light, \$80,000 waterworks, and \$50,000 refunding bonds; 5½ per cent.; 20-years. City clerk.

BOND NOTES

Elgin, Oregon—The Lumbermens Trust Company of Portland bought \$10,000 waterworks bonds.

Milford, Nebraska—An issue of \$23,000 5 per cent. reservoir bonds has been sold locally at par.

Harvey, Illinois, School District—Bonbright & Co. of New York were offered \$345,000 bonds at 98.605.

Wellman, Iowa, School District—George M. Bechtel & Co. of Davenport were awarded \$40,000 bonds.

Chelsea, Iowa, School District—An issue of \$20,000 bonds was carried by a vote of 189 to 122 at a recent election.

Goldfield, Iowa—A recent election resulted in favor of \$12,000 public memorial bonds by a vote of 192 to 118.

Shoshoni, Wyoming—An issue of \$18,000 waterworks extension bonds was sold to Benwell & Co., of Denver at par.

Prophetstown, Illinois—An issue of \$4,000 5 per cent. waterworks plant bonds was authorized by a vote of 153 to 33.

Kent, Washington—An issue of \$5,000 5 per cent. 5-10 year fire bonds has been awarded to the City Sinking Fund at par.

Kootenai County, Idaho (P. O. Coeur d'Alene)—A recent election authorized \$120,000 court house bonds by a vote of 1,243 to 355.

Hamilton County, Iowa (P. O. Webster City)—An issue of \$60,000 4½ per cent. 1¾ year road certificates was sold locally at par.

Du Bois, Nebraska—An issue of \$18,000 5 per cent. waterworks system bonds was carried by a vote of 99 to 56 at a recent election.

The Dalles, Oregon—An issue of \$13,808.81 5 per cent. improvement bonds was purchased by the Ladd & Tilton Bank of Portland at 101.13.

Richardson County, Nebraska, School District (P. O. Falls City)—The United States Trust Company of Omaha has been awarded \$250,000 bonds.

Marengo, Illinois—An issue of \$12,000 well installation and equipment bonds was purchased by John Nuveen & Co. of Chicago at a premium of \$370.

Monroe, Utah—An issue of \$25,000 5 per cent. 20-year water and light bonds was offered to the Palmer Bond & Mortgage Company of Salt Lake City.

Pacific County, Washington, School District No. 16 (P. O. South Bend)—The State was the successful bidder for \$100,000 4½ per cent. 10-24 year bonds at par.

Mineral County, Montana, School District No. 3 (P. O. Superior)—The State Board of Land Commissioners was the successful bidder for \$20,000 5 per cent. bonds at par.

Seymour, Iowa—The White-Phillips Company of Davenport was the successful bidder for \$24,200 4½ per cent. 12-year average funding bonds at par and accrued interest.

Richardson County, Nebraska, Consolidated School District No. 15 (P. O. Dawson)—An issue of \$50,000 20-year bonds was sold to Peters Trust Company of Omaha at par.

Ogle County, Illinois, School District No. 61 (P. O. Mount Marion)—An issue of \$25,000 5 per cent. 8¼ year average bonds was bought by Thompson, Kent & Grace of Chicago.

Plattsmouth, Nebraska—The Farmers State Bank of Plattsmouth has purchased \$10,000 5 per cent. intersection paving districts Nos. 29, 31, 32 and 33 bonds at a premium of \$175-101.75.

Clackamas County, Oregon (P. O. Oregon City)—An issue of \$335,500 5 per cent. 15½ years average road bonds was sold to A. D. Wakeman & Co. of Portland at 107.25, a basis of 4.35 per cent.

Perkins County, Nebraska, School District No. 1 (P. O. Grant)—The United States Bond Company of Denver has been awarded \$25,000 5½ per cent. bonds subject to the election held June 8.

Monterey County, Cal., Aromas School District (P. O. Salinas)—R. H. Moulton & Co. of San Francisco bought \$22,000 6 per cent. 1-22 year bonds at a premium of \$2,260-110.27, a basis of 4.75 per cent.

Sumner, Iowa, Independent School District—George M. Bechtel & Co. of Davenport purchased \$13,500 4½ per cent. 11-15 year funding bonds at a premium of \$50.00-100.37, a basis of 4.46 per cent.

Durango, Colorado—An issue of \$122,370 5 per cent. 1-15 year paving district No. 2 bonds was sold to the International Trust Company and Bosworth, Chanute & Co., both of Denver, jointly, at par.

Martelle, Iowa, Consolidated School District—George M. Bechtel & Co. of Davenport were the successful bidders for \$29,000 4½ per cent. 11-year bonds at a premium of \$628-102.165, a basis of 4.25 per cent.

Gayville, S. D., School District—Paine, Webber and Company of Minneapolis were the successful bidders for \$35,000 4¾ per cent. 12½ year average bonds at a premium of \$710-102.02, a basis of 4.53 per cent.

Granite City, Illinois, Union School District No. 126—The Illinois Merchants Trust Company of Chicago purchased \$75,000 5 per cent. 13¼ year average bonds at a premium of \$5,510-107.34, a basis of 4.27 per cent.

COUNTY — CITY — SCHOOL BONDS

BOUGHT AND SOLD *Correspondence solicited*

The Hanchett Bond Company
39 South La Salle Street CHICAGO

Established 1835

H. C. SPEER & SONS CO.

MUNICIPAL,
COUNTY AND SCHOOL BONDS

First National Bank Building - CHICAGO

Cottonwood County, Minn. (P. O. Windom)—An issue of \$11,000 4 1/4 per cent. refunding bonds was awarded to the Minneapolis Trust Company of Minneapolis at a premium of \$47-100.42, a basis of 4.20 per cent.

Dale Township, Iowa School District (P. O. Primghar)—An issue of \$21,000 4 1/2 per cent. 6 5/6 year average bonds was purchased by the White Phillips Company of Davenport at a premium of \$273.50-101.30, a basis of 4.28 per cent.

Excelsior Township, Iowa, School District (P. O. Spirit Lake)—An issue of \$96,000 4 1/2 per cent. 14 5/6 year average refunding bonds has been sold to the White-Phillips Company of Davenport at a premium of \$21-100.02, a basis of 4.49 per cent.

Grand Forks and Traill Counties, N. D., Reynolds Special School District (P. O. Reynolds)—An issue of \$20,000 5 per cent. 20-year building bonds has been purchased by Paine, Webber & Co., of Minneapolis at a premium of \$575-102.87, a basis of 4.76 per cent.

Racine, Wis.—The Second Ward Securities Company of Milwaukee purchased \$115,000 10 1/2 year average Knapp school house and \$105,000 11 5/6 year average Pratt school house 4 1/2 per cent. bonds at a premium of \$7,590-103.45, a basis of 4.11 per cent.

Santa Barbara County, Cal. (P. O. Santa Barbara)—An issue of \$210,000 5 1/2 per cent. 1-21 year Lompoc road division bonds was sold to R. E. Campbell & Co. of Los Angeles, and Vandersall & Co. of Toledo, jointly, at a premium of \$1,771-100.84, a basis of 5.39 per cent.

Los Angeles County, Cal., School District (P. O. Los Angeles). A syndicate composed of the National City Company, H. Rollins & Sons, besides the Citizens National Bank, William R. Staats Company and the California Company, of Los Angeles, the Anglo California Trust Company, Peirce, Fair & Co., Heller, Bruce & Co., M. H. Lewis & Co., and Banks, Huntley & Co. of San Francisco were the successful bidders for \$3,000,000 5 per cent. 19 1/2 year average bonds at 107.304, a basis of 4.38 per cent.

UNITED STATES GOVERNMENT BONDS

Price range for week ending June 10, 1925, as reported by C. F. Childs & Co., 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 1/2 s, 1932-47.	101-7	101	101-2	3.34
1st Liberty Loan, 4 1/2 s, 1932-47.	102-26	102-17	102-19	3.84
2nd Liberty Loan, 4 1/2 s, 1927-42.	101-16	101-11	101-15	3.63
3rd Liberty Loan, 4 1/2 s, 1928-33.	102-3	101-26	101-29	3.66
4th Liberty Loan, 4 1/2 s, 1933-38.	103	102-25	102-28	3.83
Treasury, 4 1/2 s, 1947-52	107-18	107-3	107-7	3.78
Treasury, 4 s, 1944-54	103-16	103-4	103-12	3.76

Treasury Certificates and Notes

Issue	Bid	Asked	Yld.
TS-2 3/4 s, Sept. 15, 1925	99-30	100	2.75
R-4 3/4 s, Dec. 15, 1925	100-18	100-22	2.97
TD-3 s, Dec. 15, 1925	99-30	100	3.00
A-4 3/4 s, March 15, 1926	101-4	101-7	3.18
TJ-3 s, June 15, 1926	99-30	100	3.00
R-4 1/2 s—Sept. 15, 1926	101-4	101-7	3.22
R-4 3/4 s, March 15, 1927	102-3	102-6	3.45
A-4 1/2 s, Dec. 15, 1927	102-3	102-7	3.57

Federal Land Bank Bonds

Rate	Maturity	Bid	Asked
4 1/2 s	May and Nov. 1, 1922-37	100-24	101
4 1/2 s	May and Nov. 1, 1923-38	100-24	101
4 1/2 s	May and Nov. 1, 1924-39	100-24	101
4 1/2 s	May 1, 1932-42	102-4	102-16
4 1/2 s	Jan. 1, 1933-43	102-4	102-16
4 1/2 s	Jan. and July 1, 1933-53	102-4	102-16
4 1/2 s	Jan. 1, 1935-55	102-26	103
4 3/4 s	July 1, 1933-53	103-24	104
4 3/4 s	Jan. and July 1, 1934-54	103-28	104-8
5 s	May and Nov. 1, 1931-41	104-8	104-16

STANDARD OIL STOCKS

Quotations June 16

	Bid	Asked
Anglo-American Oil	22.50	23.25
Atlantic Refining, pfd.	117	117.50
Borneo-Serymser	205	220
Buckeye Pipe Line	61	61.50
Chesebrough Mfg. com.	58.50	60
Chesebrough Mfg. pfd.	114	115
Continental Oil	27	27.12
Crescent Pipe	11.50	12.50
Cumberland Pipe	142	145
Eureka Pipe	75	77
Galena Signal	55	56.50
Galena Pr., old	108	114
Galena Pr., new	100	104
Humble Oil	70.50	71
Illinois Pipe Line	137	138
Imperial Oil of Canada	33.88	34.12
Indiana Pipe	72.50	73
International Petrol	27.50	27.37
Magnolia Petrol	147	149
National Transit	22	22.50
New York Transit	56	59
Northern Pipe	79	80
Ohio Oil	71	72
Penn Mex	26	30
Prairie Oil and Gas, new	62.75	63
Solar Refining	228	232
South Penn	169	171
South Pipe Line	81	83
South West Pipe Line	66	68

Standard Oil of Indiana, \$25 par	67.75	67.88
Standard Oil of Kansas	37	37.25
Standard Oil of Kentucky, \$25 par	123	123.25
Standard Oil of Nebraska	5-5	254
Standard Oil of New Jersey, pfd.	118	118.37
Standard Oil of New York	46	46.25
Standard Oil of Ohio	347	460
Standard Oil of Ohio, pfd.	130	121
Swan and Finch Oil Co.	16	17
Swan and Finch Oil Co., pfd.	15	20
Union Tank	123	126
Union Tank, pfd.	113	115
Vacuum Oil, \$25	90.75	91.50
Washington Oil	30	33

PRICES OF FOREIGN BONDS

Reported June 17 by Salomon Bros. & Hutzler.

	Bid	Offer	Yld.
Argentine Nation, Govt. of, 7s, Feb. 1, 1927	102.62	102.38	5.35
Argentine Nation, Govt. of, 6s, Sept. 1, 1967	96	96.25	6.27
Austrian, Govt. of, 7s, June 1, 1943	98.50	99	7.10
Belgium, Kingdom of, 8s, Feb. 1, 1941	107.25	108	7.42
Belgium, Kingdom of, 7 1/2 s, June 1, 1945	108.75	109.25	6.95
Belgium, Kingdom of, 6 1/2 s, Sept. 1, 1949	92.50	93	7.15
Belgium, Kingdom of, 6s, Jan. 1, 1955	86.25	86.50	7.16
Canada, Dominion of, 4s, Sept. 15, 1925	100	100.16	3.62
Canada, Govt. of Dom. of, 6s, April 1, 1926	100.75	100.74	3.90
Canada, Govt. of Dom. of, 5 1/2 s, Aug. 1, 1929	102.25	103	4.65
Canada, Govt. of Dom. of, 5s, April 1, 1931	102.50	102.75	4.48
Canada, Govt. of Dom. of, 5s, May 1, 1952	103.75	104.25	4.68
Dutch East Indies, 6s, Jan. 1, 1947	102.12	102.50	5.90
Dutch East Indies, 5 1/2 s, March 1, 1953	100.37	100.37	5.44
Dutch East Indies, 5 1/2 s, Nov. 1, 1953	100.37	100.62	5.44
Dutch East Indies, 6s, March 1, 1962	102.12	102.50	5.90
France, Republic of, 7 1/2 s, June 1, 1941	98.25	98.50	5.45
France, Republic of, 8s, Sept. 15, 1945	102.12	102.50	5.90
France, Republic of, 7s, Dec. 1, 1949	90.25	90.75	5.82
French Cities (Bdx, Mas, Lyons) 6s, Nov. 1, 1934	85.50	85.75	6.16
German, 7s, Oct. 15, 1949	96.37	96.62	7.24
Greek Govt. W. L., 7s, Nov. 1, 1964	85.50	86.37	6.12
Japanese Govt. Sterling, 6 1/2 s, Feb. 1, 1954	94.50	94.75	6.98
Japanese Govt. Sterling, 4 1/2 s, Jan. 1, 1931	84.12	84.50	6.52
Japan, Industrial Bank of, 6s, Aug. 15, 1927	99.75	100	6.25
Netherland, Kingdom of, 6s, April 1, 1954	103.62	103.88	5.77
Norway, Kingdom of, 6s, Oct. 1, 1940	110.75	111	6.25
Norway, Kingdom of, 6s, Aug. 15, 1943	100.37	100.75	5.82
Norway, Kingdom of, 6s, Aug. 1, 1944	100.25	100.62	5.84
Norway, Kingdom of, 6s, Oct. 15, 1952	100.25	100.62	5.85
Sweden, Govt. of, 6s, June 15, 1939	104.50	105.25	5.65
Sweden, Govt. of, 5 1/2 s, Nov. 1, 1954	100.50	100.75	5.41
Switzerland, Govt. of, 6s, Aug. 1, 1926	100.67	100.21	3.8
Switzerland, Govt. of, 5 1/2 s, Aug. 1, 1929	101.50	102.25	4.5
Switzerland, Govt. of, 8s, July 1, 1940	114.50	115	6.38
Switzerland, Govt. of, 5 1/2 s, April 1, 1946	102.50	103	5.35
Un. Kng. of Gt. Brit. & Ire., 5 1/2 s, Aug. 1, 1929	117	117	
Un. Kng. of Gt. Brit. & Ire., 5 1/2 s, Feb. 1, 1937	105.50	106	4.87

Bank Convention Dates

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.

MONTANA GROUP MEETINGS

July 10	GROUP THREE	KalisPELL
---------	-------------	-----------

NORTH DAKOTA GROUP MEETINGS

June 25	SECOND DISTRICT	Devils Lake
---------	-----------------	-------------

NEW PARCEL POST RULING

Washington—The postoffice department announced June 11 that beginning August 1 mailers of parcels must guarantee return postage in event of non-delivery or renounce all claim to the parcel.

The regulation, postal officials calculate will reduce by one-third the number of parcels sent to the dead letter office, save thousands of dollars for the mail public and for the Government and eliminate an immense waste of time.

Under the present practice approximately 300,000 undeliverable parcels annually are stored for a period of six months, more or less, while the mailer in many instances is endeavoring to induce a prospective customer to accept a parcel.

NORTHWESTERN BELL EARNINGS

Lincoln, Neb.—Earnings of Northwestern Bell Telephone Company for quarter ended March 31, 1925, totaled \$6,450,810. Operating expenses were \$5,023,613, an increase of \$123,980, leaving net earnings \$1,427,197, a gain of \$328,504, or 29.91 per cent. Net profits showed an increase of \$425,823.

Assets totaled \$99,879,238. There are \$65,000,000 stock and \$27,623,000 bonds outstanding. Stations now number 548,132, an increase of 2,420 since the first of the year.

PERSONALS

Harry A. Arthur, president of G. Amsinck & Co., has been elected a vice president of the American International Corporation of New York.

Daniel Guggenheim, mining magnate of New York, has given \$50,000 to New York University to establish a School of Aeronautics in connection with the University's College of Engineering.

William B. Prenter of Cleveland has been appointed by the directors of the Brotherhood of Engineers to succeed Warren S. Stone as president of all brotherhood activities, effective immediately.

Secretary Hoover has left Washington for a short vacation at his California home. He will return East in July to attend the discussion of the debt funding commission with the Belgian commissioners.

Colonel Winfield Scott of Oklahoma has been appointed by President Coolidge Commissioner of Pensions; also Edward W. Morgan, of Vermont, Deputy Commissioner of Pensions, and Earl Thell, of Oklahoma, to be Secretary of the Territory of Alaska, respectively.

Rodney F. Sturley, assistant cashier at the Merchants National Bank of St. Paul, was elected at a recent meeting of the board of directors of the St. Paul Cooperative club as secretary-treasurer to fill the unexpired term of C. T. Dedon, who resigned from the office recently.

Robert Edwin Olds, St. Paul, former law associate of Frank B. Kellogg, has been named assistant secretary of state by President Coolidge. Colonel Olds, who is now in Paris, succeeds John Van A. MacMurray, who is now en route to assume his new post as minister to China.

James Heckscher, vice president in charge of the Irving Bank Columbia Trust Company's Foreign Office, in the Woolworth Building, New York, sailed for Europe June 13 on the steamship Majestic. He will visit England, France and countries of north and central Europe before returning to New York.

Edgar L. Mattson, vice president of The Midland National Bank of Minneapolis and president of the National Bank Division of the American Bankers Association, has withdrawn his candidacy for the office of the second vice president of the association in favor of Thomas R. Preston, the candidate from Chattanooga, Tenn.

Robert H. Bean, executive secretary of the American Acceptance Council of New York, left June 17 for a trip to the Pacific Coast, including the convention of the National Foreign Trade Council at Seattle. Mr. Bean will visit Portland, San Francisco and other localities, with the view of obtaining information in regard to the acceptance business.

Horace F. Poor, vice president and director since March, 1917, of the Garfield National Bank of New York, has been elected president of the institution. Ruel W. Poor, formerly president, has been made chairman and Edward W. Watts a director and vice president. Mr. Watts had been president of the Fifth National Bank since 1913, and was for many years a national bank examiner and member of the New York Clearing House's Examining Committee.

NEW BANK FOR GRAND RAPIDS, MINNESOTA.

Grand Rapids, Minn.—On or before July 1, Grand Rapids will have a new bank, when the Itasca County State Bank opens its doors for business. The new bank will occupy the fine new bank building which had been erected to house the Security State Bank, which was closed September 30, 1924, only a few days before the completion of the new building.

The new bank is capitalized at \$25,000. The names of the incorporators and the number of shares of stock each will own, as published in the certificate of incorporation, are: James C. Poole, Eveleth, 135; Albert C. Osborn, Grand

Rapids, 90; William C. Gilbert, Grand Rapids, 10; O. B. Carlson, Eveleth, 5; George F. Kremer, Grand Rapids, 5; C. C. Peterson, Grand Rapids, 5.

Mr. Poole, who, it is understood, will be president of the new bank, was formerly an officer and director in the Miners National Bank of Eveleth, and has been a prominent business man of that city.

Since the closing of the Security State Bank, Grand Rapids, has had but one bank, the First National.

THREE BANKS CONTROL AMERICAN-BELGIAN CORPORATION

New York—Three American banking institutions own a controlling interest in the stock of a recently created "American-Belgian Financial Corporation." The three banks are Lee, Higginson & Co., White, Weld & Co., and Clark, Dodge & Co. They own 75,000 shares, with a par value of 500 Belgian francs, as against 25,000 shares held abroad, chiefly by La Mutuelle Mobiliere et Immobilier and by F. M. Phillipson & Co.

The new organization will place its funds in securities of established industrial concerns throughout Europe following the guidance of the Belgian Solvay interests, with whom it is closely allied. The Mutuelle Mobiliere et Immobilier is the private bank of the Solvay interests. The American Belgian Financial Corporation is capitalized at 50,000,000 francs; no public offering has been made of the stock. The American portion represents a paid-up value of approximately \$2,000,000.

O. R. C. CHAIRMAN, GEORGE W. CARTER, DEAD

St. Paul—George W. Carter, general chairman of the Order of Railway Conductors of the Omaha railroad, died June 16 at St. Luke's hospital, St. Paul. He was 58 years old. He was born at Blair, Nebraska.

Mr. Carter has been active in organizing the Transportation Brotherhood Bank of Minneapolis, and was one of the outstanding figures in railroad organization work in the Northwest.

\$1,000,000.00 City of Minneapolis AUDITORIUM BONDS

Notice is hereby given that the Committee on Ways and Means of the City Council of Minneapolis, Minnesota, will sell at a public sale, at the office of the undersigned, on FRIDAY, JUNE 26th, 1925, at 10:00 o'clock A. M., \$1,000,000.00 AUDITORIUM BONDS at a rate of interest not exceeding Five Per Cent per annum, to be dated July 1, 1925, and to be made payable—fifty thousand dollars thereof July 1, 1926, and fifty thousand dollars on July 1st each year thereafter to and including the year 1945.

Sealed bids may be submitted until 10:00 o'clock A. M. of the date of sale. All bids must include accrued interest from date of said bonds to date of delivery, and a certified check for Two Per Cent of the par value of the bonds bid for made to C. A. Bloomquist, City Treasurer, must accompany bids. The right to reject any and all bids is hereby reserved. The approving opinion of John C. Thomson, Attorney, will accompany these bonds.

Circular containing full particulars will be mailed upon application.

DAN C. BROWN,
City Comptroller,
Minneapolis, Minnesota.



A trademark of
a service that
will meet your
every banking
need

MINNEAPOLIS



A WEEKLY JOURNAL
DEVOTED TO
BANKING, INVESTMENTS, INSURANCE, GRAIN
Published by the Commercial West Co., Minneapolis, Minn.

EDWIN MEAD, Editor and Manager
D. M. CARR, Managing Editor

MINNEAPOLIS, MINN.
Publication Office, Suite 409 Globe Building
Telephone Main 0307

Chicago Office:
Suite 1821, Roanoke Building, 11 So. Salle Street
Telephone Dearborn 7387 and Dearborn 3730.
C. B. MacDowell, Advertising Representative.

SUBSCRIPTION PRICE:
One Year, \$5.00 in U. S. and Mexico. \$6.00 in Canada.
\$7.00 in Europe.
FIFTEEN CENTS A COPY

The Commercial West will not knowingly publish the advertisement of a financially unsound individual or company.

Entered as Second-Class Mail Matter at the Minneapolis Post Office.

SATURDAY, JUNE 20, 1925

Business Outlook in the Northwest

That business of the nation is on a more sound basis is indicated in numerous ways. Activity in construction shows that the people are optimistic and anticipate little lowering of values at a near period. Even in manufacturing lines wherein of late there has been evidence of curtailment, there is a renewal of operations. In wholesaling business is improving as is indicated by the movement of freight showing that domestic trade is becoming more active. The report of car loadings for the week ended June 6 shows a total of 994,874 cars, the highest week's loadings for the year, an increase of more than 74,000 over the previous week and an increase of more than 84,000 over corresponding week a year ago.

The statement of our foreign trade for May shows exports amounting to 370 million dollars, compared with 335 millions for May, 1924, and our imports were 328 million dollars compared with 303 million dollars. Thus our favorable trade balance for May last was 42 million dollars. The exports during May were the largest of any May during the past five years. Our favorable trade balance for the eleven months of the present fiscal year is in excess of one billion dollars. These statements show that there is no cause for the pessimist to complain.

Elsewhere in the Commercial West are published the debits to individual accounts for the week ending June 10. For the 255 cities reporting through the Federal Reserve banks the total for the week was \$10,728,749,000, compared with \$9,390,211,000 for the corresponding week last year. Totals for the cities of Minneapolis and St. Paul were \$126,400,000, an increase of nearly twenty million over the corresponding week a year ago. This indicates more than the usual activity in the Northwest.

Other northwestern cities also show large increases in bank transactions over the figures of a year ago.

Prosperity in agricultural districts is reflected by the unusual activity in the purchase of farm lands. Not in five years past have there been so many real estate transfers recorded in the different counties of Minnesota. In these land purchases is found evidence of the farmers' "coming back," and of their confidence in the future of agriculture.

The crop outlook in the whole Northwest has not been more promising in many years. This is shown by the reports of the United States Department of Agriculture and the agricultural department reports of the different states. In view of the outlook for short grain crops in other parts of the United States and in Europe, there is a promise that grain prices will continue at a mark sufficiently high to assure grain growers of the Northwest a most profitable market. Prices of live stock are advancing. Operations in the various mining districts are increasing, and almost every industry that is a factor in northwestern progress possesses aspects that show a profitable advancement.

Business in general is drifting toward a normal plane that indicates stability and soundness. The financial situation is most satisfactory. At the numerous meetings of bankers held during the past few weeks in states of the Northwest, reports were more optimistic as to the future than has been noticeable at meetings held during the past few years. As is shown by the reports issued by the Minneapolis Federal Reserve Bank, and the other financial institutions of the Ninth Federal Reserve District, banking is on a firmer basis than in many years.

Improving Commercial Credits

During the past week there were held simultaneously two important meetings of credit men. One was held in Washington, D. C., where the National Association of Credit Men met in annual convention, and the other was held in Minneapolis where the Retail Credit Men's National Association was in session for three days. Speakers of more than national reputation were heard at both conventions. At the Washington meeting Herbert Hoover, Secretary of Commerce, made an address. As a means of improving the credit procedure in the United States Mr. Hoover advocated the extension of credit to good people, refusing of credit to the unstable and the incompetent and the imprisonment of those who use credit in a criminal way. Referring to the enormous loss annually through the operations of credit criminals, Mr. Hoover said that he knew of no worse waste than that which comes from commercial crime. As to character as a factor in credit, he said:

It is fundamental that we maintain credit based on character, for character is not only a large part of credit risk, but the maintenance of character as a basis of credit is a stimulant to the nation. There is always a small proportion of criminals with us. They are the destructive insects who infest our commercial fabric. This sort of person is the bandit of commerce. There is no greater service than to relentlessly pursue him.

Views which are in perfect harmony with those expressed by Mr. Hoover were voiced at the meet-

ing in Minneapolis by George D. Dayton, president of the Dayton Company which operates one of the largest department stores in the Twin Cities. In this issue of the Commercial West on page 18 will be found the greater part of Mr. Dayton's address.

While Mr. Hoover stressed the effects of the criminal use of credit, Mr. Dayton discussed the essentials necessary in securing credit and the abuses in the granting of credit. Both are agreed that character is the principal basis of credit. In expressing his views, Mr. Dayton said:

Credit does not happen—credit comes where it is deserved. It is of slow growth; it needs to be nursed and nurtured; it can be fostered, strengthened, improved. It is an asset of tremendous value to those who through years of patient struggle have brought it to a fruition where it yields results in easy and abundant capital readily secured. It can easily be destroyed; it is sensitive to shocks; it continues only where justified. But it abides with a man who deserves it, and has the wisdom to protect it, even as he protects his honor—for his very honor is the vital principle of his credit.

The credit which enables a man to buy on time that which he consumes in, or on, or because of his body or his family, is quite different from the credit needed when one goes to a bank to borrow money for use to create more money, capital to enlarge business, keep the wheels of industry moving and transform thoughts or ideas into tangible realities. But character is the foundation for both.

Mr. Dayton is interested in banking as well as in the merchandising of goods, and it may prove profitable to bankers to well digest the numerous pertinent points brought out by him in his able analysis of the credit question.

Warren S. Stone

Labor has lost another great leader in the death of Warren S. Stone, grand chief of the International Brotherhood of Locomotive Engineers, who died at his home in Cleveland, Ohio, June 12. He was a ponderous force in the labor world, yet one who never believed in force or coercion in gaining men for members of labor organizations. Neither he nor his powerful organization were members of the Federation of Labor. With the late Samuel Gompers, he disagreed in many matters pertaining to union rights to strike and regarding other prerogatives of organized labor. During his many years as head of the Locomotive Engineers he never led a strike.

In commenting upon his death and his deeds, The Wall Street News remarks:

"Stone followed the principle that a labor union should be so attractive in its results and standing that men would want to join it, not be forced to do so for their protection. He believed, furthermore, that the problems of labor were so multifarious that so comprehensive an organization as the American Federation of Labor could be managed less effectively than a compact group centered on a single line of endeavor. That was one of the reasons why the Brotherhood stayed outside the larger consolidation. By standing as a specialized craft, the Locomotive Engineers were able to conduct their negotiations with employers with the use of less machinery and detail, and the record goes to show that the system has always worked in excellent fashion."

Mr. Stone was opposed to the closed shop. On one occasion he expressed his views in this language:

"I do not believe in forcing men to join a union. If they want to join, all right, but it is contrary to the principles of free government and the Constitution of the United States to try to make him join. We of the engineers work willingly side by side with other engineers every day who do not belong to our union, though they enjoy without any objection on our part the advantages which we have obtained. Some of them we would not have in the union; others we cannot get. What I say is, make the union so good that they will want to join."

One of Mr. Stone's early achievements in behalf of the engineers was the erection of the brotherhood fourteen-story office building in Cleveland. It paid for itself in ten years, at the end of which time it was valued at more than \$3,000,000. Another feature of his administration was compulsory life insurance for all engineers. During more than twenty years as chief executive of the brotherhood it increased from a membership of 38,000 with \$69,000,000 insurance in effect to nearly 90,000 members carrying approximately \$200,000,000 of life, sickness and accident insurance.

Warren S. Stone was the originator and guiding spirit in the various banking organizations connected with the Brotherhood of Locomotive Engineers. It is not believed his death will disturb the system he built up, as Stone left much of detail of the management of the financial concerns to other men who had worked closely with him in brotherhood affairs. William B. Prenter, who has been appointed his successor, and former vice president and cashier of the Brotherhood of Locomotive Engineers Co-operative National Bank of Cleveland, and to George T. Neff, vice president he entrusted much of the executive work.

Financing the Business of Farming

Agriculture is the vital, the basic industry. Upon it depends all the other business of the world. It is the only industry that produces the actual necessities of life. There are great financiers, wonderful railroad magnates, princes in the mining and manufacturing fields, but the farmers who produce the things that sustain life and keep all the other industries in operation thereby are the peers of all. Agriculture is the greatest of all the industries. Still there is no business that is surrounded with so many features of uncertainty and is so frequently financially embarrassed as is farming. The farmers' success depends greatly upon whether Mother Nature smiles or frowns, whether seasons are favorable or unfavorable. Aside from this there are scores of influencing factors that decide the profits that may be gathered from this industry.

During the few years passed there has been heard much complaint regarding the trials and the many tribulations of those engaged in agriculture. Much of this has been well founded, but the greater part has been purely misinformation and misrepresentation. When the farmers have economic troubles, it

is of more than ordinary importance to the people of the nation. All business of the country is so correlated to agriculture that depression among farmers is sharply reflected in all the other industries, and when there is prosperity the opposite is emphasized in the financial, the manufacturing and the commercial world.

At the annual convention of the South Dakota Bankers Association, held this week at Brookings, Edward H. Cunningham, a member of the Federal Reserve Board and former manager of the Iowa Farm Bureau, delivered a most interesting and instructive address, his subject being, "Financing the Business of Farming." This address will be found on page 22 of this issue of the Commercial West. It is especially interesting to the banking fraternity, because it presents the views of one who has been a diligent student in agricultural matters as well as in the problems of banking and finance. Mr. Cunningham is not a pessimist, nor is he a theorist. His views are in accord with those of Secretary of Agriculture Jardine and others who have carefully studied the economic features of agriculture. He is an advocate of cooperative marketing, of farmers' organizations of a constructive character and all the things that tend toward placing agriculture on a higher plane and in the front ranks among the great industries.

Passing of a Master of Transportation

Julius Kruttschnitt, for nearly half a century prominent in the railroad world and acknowledged as the foremost authority on railroad transportation matters, died suddenly of a heart attack in a hospital in New York City on June 15. Fifteen days previous he had retired as chairman of the board of the South-

ern Pacific Railroad Company, a position he held for twelve years, and finishing a service of 48 years with that organization. He was one of the comparatively small circle of great builders in the railroad field. There was no part of the much complicated business of railroading which he did not thoroughly understand. Particularly did he excel in operation and maintenance. Most notable was his achievements on the Southern Pacific and the Union Pacific in installing new and improved devices to lessen accidents and prevent loss of human life.

Mr. Kruttschnitt was born in New Orleans in 1854, was educated in Washington and Lee University, graduated as a civil engineer in 1873, and for five years was school principal in Baltimore, and in 1878 entered the railroad business as engineer in charge of construction of the Morgan's Louisiana & Texas Railroad, later part of the Southern Pacific system. His rise in the railroad world was rapid. Upon E. H. Harriman acquiring control of the Southern Pacific in 1904, Mr. Kruttschnitt became director of maintenance and operation of all the Harriman roads. Here he was given the opportunity to exercise his skill, and as a result the great system was so improved that it stands today the best constructed among the great railways of the world. Like Harriman, Mr. Kruttschnitt built for the future, and little regarded the cost of construction, yet always considering the important economic features.

A man of spotless personal character, scholarly and loyal to every duty and of such kindness that he was beloved by even the humblest employees of the company he so long served in executive capacities as well as the other great leaders in railroading, it may be said that the transportation world has lost one of its greatest men.

THE BULL'S EYE BY THE SHARP-SHOOTER

A bright young man of our staff speaking to me recently on race problems, said: "One thing I can't bring myself to do is to sit down beside a Nigger. I never ate at the same table with one and I never will."

"President Roosevelt dined with Booker T. Washington," I said. "I know it," he replied, "but I couldn't do such a thing."

"What would you have done in a case like this?" I asked him. "Yesterday morning when driving into town in the rain I overtook a young woman two miles out from the city limits, her head hidden under an umbrella. I stopped as I passed her, opened the door and asked her to ride. When I looked into her face I found I had invited a colored girl to sit in the seat beside me and ride into the city."

"I'm a good sport," he replied. "I would have made good my offer." And I know he would.

This young colored woman, 18 years old, was going into the city to the girl's polytechnic high school. She had had two years in one of the city high schools and was finishing in the polytechnic, preparing herself to be a trained nurse to her race. She had already chosen the nurses training school to which she wished to go, a Philadelphia school. She was going to work a year after her graduation in order to earn money enough to enter the training school.

This girl is Baptist, and has been for two years president of an inter-state Christian Endeavor Union of colored churches. She is an intelligent, alert, well balanced lady-like person. Her English is fine, her attitude toward white people evidently dignified and sensible and her temper toward the world hopeful. All this appeared in a ride of

eight miles. Once when a little child, too young to remember much about it, the great Booker T. Washington had spent a day and a night at her people's home.

I do not make a frequent practice of picking up people enroute to and from the city, but it so happened that this very morning I stopped at the very same spot where I picked up the colored girl, to give a ride to a young white woman. She was a graduate of the same polytechnic school the colored girl is attending. But her English is not so good; she is not so alert and obviously not so well educated nor so self reliant, nor evidently is her power of leadership as great as that of the colored girl. Of the two it is safe to say the colored girl is the more generally capable.

I believe in evolution to a certain extent. I know there are backward races, of which the African race is one. But when races come forward they do not march company front. They straggle. Some go far ahead and some tag on behind the mass. Booker T. Washington was almost abreast with the leaders of the Caucasian race; and a great company of his people are far, far ahead of the backward mass of the Caucasian race. If I were to choose my place in the human race I would rather be in the lead of a backward race than a tail ender in a forward one.

BANKERS' SHARE OF MOTOR CONCERN ARE SOLD DECEPTIVELY

New York—Cooperation by the American investing public reporting the sale of so-called "bankers' shares" and "United States units" of the Ford Motor Company of Canada, Ltd., is requested by the National Better Business Bureau of the Associated Advertising Clubs of the World in a current bulletin.

Range Bankers Hold Convention at Carlton

Carlton, Minn.—About a hundred bankers and others interested in finance attended the annual convention of the Eighth District Group of the Minnesota Bankers Association here on June 11. It was one of the most successful meetings held by the group.

Officers to serve during the coming year were elected as follows: President, J. C. McGivern, president of the First National Bank of Biwabik; vice president, D. W. Stebbens, vice president of the American Exchange National Bank of Virginia; secretary treasurer, H. W. Pribnow, cashier State Bank of Virginia.

R. W. Lindeke of St. Paul, president of the Minnesota Bankers Association, in a short talk discussed the bills recently introduced in the legislature by the banking interests. County organizations are the real backbone of the banks, he said, explaining that they are now working on the plan of county clearing house associations in which every banker should be interested. The premium rates for bankers insurance have increased, he said, to a serious extent, and Minnesota banks are paying out large sums instead of being self sustaining in that line.

F. P. Fellows, secretary of the Minnesota Bankers Association, presented a plan for the vigilance organization for banks of the state. He cited the Iowa plan as one easily followed, successful and practical. This police plan works as much to the benefit of merchants and other business men as it does for the banks. The year before it was started in Iowa, there were 58 burglaries and robberies, with several murders and the loss of millions of dollars. Last year, after four years in use, the plan had reduced the depredations to only eight, attended by small losses. A motion by Mr. Hoel of Gilbert that the meeting indorse the plan was carried.

Advocates More Politics for Bankers

O. J. Larson, former congressman from the Eighth district, said that bankers were sometimes considered men lacking in human kindness, that many times the banker is called upon to say "no" and stick to it, when by so doing he makes himself unpopular. But many times the banker is doing the customer a favor by refusing a loan. He thought that bankers should take more interest in politics and not be afraid to approach candidates for national, state and county offices and let them know the needs of the men of finance, declaring it would result in great benefit all around.

Mosher Talks on Reserve Plan

Curtis L. Mosher, assistant Federal reserve agent of the Federal Reserve Bank, Minneapolis, discussing "The Peace-time Function of the Federal Reserve System," gave the audience a rapid-fire dissertation on the history and trials of the Federal Reserve Bank since its inception a year or so before the war.

Mr. Mosher said that unquestionably this American system of Federal reserve banking is the greatest financial experiment and one of the most successful that the world has ever known. He outlined the expansion of the Minneapolis branch for the Ninth district, stating that, had the war not come when it did, the figures would now be vastly greater, but that even now they were marvelous. The crucial periods of financing the war needs of the district said Mr. Mosher, certainly taxed them to the limit, and for some time it was necessary to have a conference with the comptroller at 3 o'clock every afternoon to see whether they could weather through with their own resources or be compelled to send out an S. O. S. to another branch for help. But with careful management they tided over the stringent periods and in another year or so were on "Easy" street.

After Mr. Mosher's talk, J. J. Maloney, cashier of the Farmers State Bank of Heron Lake spoke on "Organization of County Associations." He said it was a pleasure to come to the Eighth district to talk, and he wished to inform Congressman O. J. Larson that the bankers had of late been using their heads, and were going to make further use of them.

"We are going to address our state legislatures and we are going down to visit you congressmen, 3,000 strong, and

we are going to insist on tax reduction—we are for the Mellon plan and we will let them all know it."

Alfred Hoel of Gilbert talked for a few minutes on the subject of branch banks. He stated that in numerous cases now such branches of national or state banks are being operated in absolute defiance of the law and the attorney general and bank comptrollers seemed powerless or negligent in suppressing them. He rather invited the meeting to go on record as opposing them, and resorting to effective methods to eliminate the evil. Other members opposed his proposal, saying they did not think this meeting should go on record as attempting to dictate to or invade the territory of official duty.

A banquet at the I.O.O.F. hall was prepared for the bankers by the ladies of the Study club and the Presbyterian church.

Henry Oldenberg of Carlton spoke at the banquet on "The Bankers Place in our Historical Background."

"The bankers are the nerve centers for their communities," said Mr. Oldenberg. "They have always taken a deep interest in the welfare of every person in their communities and are now starting as they should to pay more attention to the support of our government."

Mr. Oldenberg touched on the early history of the country west of the Mississippi river, from the time it was ceded by treaty back and forth between France and Spain, and when Napoleon sold it all to the United States commissioners under Thomas Jefferson for \$15,000,000.

BANKERS OF ITASCA COUNTY ORGANIZE

Nashwauk, Minn.—John T. Ring, cashier of the First National Bank of Nashwauk, was unanimously elected president of the Itasca County Bankers Association, a newly organized institution. At the first meeting, called at Bovey, all banks in Itasca County were represented. Following the business of organizing, a banquet and smoker was participated in.

Several men prominent in banking circles of Duluth were present and discussed problems which confront men who are in charge of financial institutions. Talks were made by J. D. Mahoney, cashier of the American Exchange National Bank, Joe H. Ingwersen, vice president, First National and John and Murray Peyton, Minnesota National, all of Duluth.

Plans were made for activities of the Association and officers were elected as follows: President, John T. Ring, First National Bank, Nashwauk; Dave M. Vermilyea, cashier, First National Bank, Coleraine, vice president; C. J. Dockstader, cashier First National Bank, Bovey, secretary and S. J. Moran, cashier, First National Bank, Deer River, treasurer.

NINTH DISTRICT BANK MEETING POSTPONED

Thief River Falls, Minn.—The annual convention of the Ninth District Bankers Association which was to have convened in Thief River Falls June 8, has been postponed until the third week in August, according to H. S. Dahler and Theodore Thronson, vice presidents of the First and Peoples State Bank and the First National Bank, respectively, who are members of the organization. There are 208 member banks in the district association and only 12 were represented. Inclemency of the weather is blamed for the inability of the members to carry out the program originally planned.

ACTIVITY IN SALES OF FARM LAND

Minnesota farm land transfers in increased numbers indicate that the land market in the Northwest is pointing for an upward swing. The Minnesota Realty Association announces a spring survey of land conditions in which reports from 45 counties in the state were received.

The report discloses that a total of 831 farms have been sold in Minnesota since January 1 last, for a total consideration of \$2,720,000. The majority of farms were purchased by local buyers at prices ranging from \$100 to \$200 an acre.

Northwestern Agricultural and Financial Conditions

A preliminary summary of agricultural and financial conditions prepared by the Federal Reserve Bank of Minneapolis, for the first half of June, says:

"The money value of business transacted in the Ninth Federal Reserve District during May was 17 per cent. greater, and the physical volume as reflected by carloadings was about 10 per cent. greater, than in the same month a year ago. This increase was due to the higher prices prevailing for grains, live stock, butter, eggs and potatoes and to heavier shipments of ore, forest and linseed products and less than carload lots of merchandise.

"As compared with a month ago, however, there was an unseasonal decline of 1 per cent. in the money value of business transacted. This decline was partly due to the high levels reached in April. Recessions were shown in shipments of forest products, linseed products and flour, and in the shipments and prices of live stock. These recessions more than counterbalanced gains in grain receipts and grain prices and a quadrupling of iron ore shipments.

"Nine cities out of the 18 that report building permits to this office exhibited gains in the valuation of permits granted in May as compared with last year, but the total valuation for the 18 cities was 5 per cent. below last year. The extraordinary gains shown last month as compared with a year earlier could hardly be expected to continue in May. There was also a decline in both the number and total valuation of permits for these 18 cities in May as compared with April. Housing facilities available in both Minneapolis and St. Paul are shown by current indexes to be much more plentiful relative to demand that was true a year ago.

"Reports received from a number of selected city banks indicate that during May demand deposits increased and loans declined, resulting in a reduction of borrowings from this Federal Reserve Bank and increases in reserves and in holdings of securities."

BANK MESSENGER ROBBED IN THE TWIN CITIES

Holding a bank messenger at bay with a drawn pistol, a street car bandit on June 15 calmly alighted from a street car at University and Hamline avenues, St. Paul, jumped into a touring car at the curb and fled with \$8,000 in cash, while 20 passengers looked on.

The messenger was employed by the Minnesota Transfer State Bank, St. Paul.

The robbery occurred at noon. Halvorson, the messenger 20 years old, left the Merchants National Bank at Fourth and Robert Streets, St. Paul, carrying approximately \$8,000 in a black handbag and boarded a Minneapolis street car. He sat near the front of the car with the bag between his feet.

As the car stopped at Hamline avenue, a man seated beside Halvorson grabbed the bag and jumped off the car. The messenger sprang up and followed the bandit, but was met by a drawn pistol at the car's gates.

A touring car which had been following the street car for several blocks, slowed up at the curb. The bandit leaped into the machine and disappeared before the 20 passengers on the car knew what was happening.

CLOSED MINNESOTA NATIONAL BANK IS SUED

Mankato, Minn.—A new chapter in the history of the Citizens National Bank of Worthington, which closed its doors a year ago, and two officers of which were brought into Federal court here during the April term while other cases are pending, will be written because of a suit by T. A. Fallgatter, a stockholder, against the defunct bank and Ferdinand Ringo, its receiver.

Fallgatter is suing for recovery of \$10,883.32, alleged to be due him under the terms of an agreement entered into by all stockholders of the bank. He charges they were to place in the bank cash equivalent to 100 per cent. of the stock owned by them, the fund to be used to take up worthless notes and assets of doubtful value, but only on condition that all stockholders came through with their pro-

portionate share. He and other stockholders, he claims, were told that the bank would remain solvent and in operation if this was done.

Fallgatter says he placed in the bank \$10,000 and an additional \$883.32 for another stockholder unable to meet the assessment. Despite the understanding that it was to be considered as a trust fund and that all stockholders did not come through with their portions, his demands for return of his fund have met with refusal, he says.

Northwestern Railroads and the Proposed St. Lawrence Shipway

Railroads serving Minnesota and other Northwest states are in drastic need of higher freight rates, their financial situations comparing unfavorably with the Southwest carriers, Frank H. Alfred, Detroit, president and general manager of the Pere Marquette railway, declared June 11 before the Traffic Club of Minneapolis at its celebration of Pere Marquette day. Mr. Alfred, discussing transportation as "The Essential Link," was the principal speaker of the celebration, which was planned as another of the series dedicated to carriers serving or represented in Minneapolis and the Northwest. Nearly 400 club members and guests heard Mr. Alfred's message.

"I am satisfied that northwest railroads are in need of revision upward in their freight rate structures," Mr. Alfred said. "It is unfortunate that roads serving Minnesota and her neighbor states should be linked with the western and southwestern groups, which are making splendid financial showings. The groups in the northwest territory need special treatment in the matter of rates, since their tariffs have been increased less in the past five years, than those of any other district. I understand that rates on the Milwaukee road, for example, are generally lower than those on the Pere Marquette. This seems obviously unjust."

The St. Lawrence Shipway

In his address Mr. Alfred devoted much time to discussion of the proposed Great Lakes to Tidewater waterway. He assailed the project as economically unsound and declared that its backers are "trying to stampede the country." He explained that Great Lakes navigation is open only seven months of the year and asserted that it would be unfair for the Government to spend millions on a development which would reduce the incomes of railroads in summer but would throw the burden of moving all freight of the Northwest and Midwest in winter.

"It would mean either increasing the year round rates of the roads or practically ruining them," Mr. Alfred said. "We have seen nothing to indicate that the deep sea channel will create new industries in the district to be served by the canal. It is argued that it will cheapen the cost and quicken the time of transportation of existing business, now delivered to Atlantic ports by rail. Of course, if this claim proved to be well founded and the new route cheaper and quicker, it would be natural to expect that new foreign trade would be created but this is problematical.

"The water route from the head of Lake Superior to the mouth of the St. Lawrence is about 46 per cent. longer than the rail route. Switching charges at terminals constitute about one third the total cost of moving rail freight. The cost of the proposed waterway has been underestimated greatly. The figure of \$750,000,000 is too low and private concerns have estimated that that sum would be needed to improve the channel merely to Montreal.

"From the view point of loyalty to our own people what would it mean to open up our inland waterways to world navigation by ships owned and manned by foreigners, whose crews work for half as much as American sailors on the Great Lakes?"

The waterway project would be in opposition to the economy program of President Coolidge, in the opinion of Mr. Alfred. The nation cannot hope to cast off its yoke of taxation, if the Government debt continues to pile up, he said. A majority of Americans are constructionists and delight in seeing our country improved but should oppose expansions which outreach our ability for maintenance, Mr. Alfred concluded.



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

Childs Criticises Federal Taxation Methods

Chicago, June 16—C. Frederick Childs, head of the Chicago banking house of C. F. Childs and a recognized authority on Federal financing, says there is food for thought in the question: "To what extent does the retirement of our national debt aggravate conditions prevailing in the money market?"

He called attention to the fact that many unemphasized factors are influencing the character of the present bond market, but that all factors are reflected in the plethora of money at low rates. "What is the immediate reaction or benefit from injecting into financial centers \$500,000,000 gleaned annually from taxes from every section of the country to redeem government securities in those centers where government bonds and notes are principally held," he said. "Does not a rapid debt retirement return capital to an already saturated market supply and have a depressing effect upon the money market before the money thus released by the Government can find satisfactory investment or reemployment? Similarly, heavy and damaging taxation on estates contributes its share by drawing fixed capital from productive employment.

Country Over Capitalized

"The country in general appears over-capitalized, over-indulged and over-taxed, if not over-organized, while business patiently awaits some new incentives and tries to maintain hope that neither Federal nor state legislation will interfere. The optimist is discredited who expects every industry to shoot up simultaneously from the depths to the heights, and the pessimist is scarcely less wrong who sees no light but rather darkness ahead. We have ceased to expect a boom in trade. Our modest hopes are fulfilled when we can see a gradual improvement resulting from refinements and readjustments to meet competition.

"A protective tariff barrier invites retaliation abroad and any compromise on that subject between nations will smack of being a confession to the principles of free trade. As unsatisfactory manufacturing conditions arise and competition must be met, the inevitable move is to sell products at cost to keep the plant in action. The second is to curtail production, which results in the release of capital from commercial transactions and a resulting attempt to employ it in the safest of all liquid securities, namely Government bonds. No change in this state of affairs appears likely for some months to come."

Money Supply Accumulates

Surplus supplies of money in Chicago continue to exceed the requirements of borrowers, but bankers are making no further concession in rates of discount, which range from 4 to 4½ per cent. for collateral, 4 to 4¾ per cent. over the counters of loop banks on commercial loans and 3½ to 4 per cent. for commercial paper. Transactions at 3½ per cent. for cream names attached to short term paper have been on a limited scale and banking houses report the bulk of their business at 3¾ per cent. for prime names. Favorable crop news from Canada, the spring wheat territory and corn belt has in a measure offset the reports of short yields of winter wheat, oats and rye, and bankers believe that farmers will harvest surplus crops this year which will enable them to spend with greater freedom next

fall now that they have in most cases taken care of past due obligations. Some apprehension was caused by the modest character of government financing and the low rate of 3 per cent. attached to the issue of \$125,000,000 one-year notes that the New York Federal Reserve Bank might reduce its rediscount rate below 3½ per cent. but Chicago bankers scoffed at the suggestion although admitting that most commercial and industrial concerns are well in funds and display no intention of expanding bank borrowings. Chicago banks continue to place funds in London and the failure of commercial loans to take up loanable funds has again sent banks to New York to seek an outlet in call loans and also to the security market for desirable bonds.

Bankers at Peoria

More than 300 Chicago members of the Illinois Bankers Association left for Peoria recently to attend the annual convention which will open on Wednesday afternoon with a meeting of the executive council and concludes Friday morning. An attractive program has been provided for the attendants at the sessions by Secretary Graettinger, theater party for the ladies and smoker and entertainment in the Hotel Jefferson for the men being scheduled for Wednesday night, while on Thursday the ladies will be given a luncheon and in the evening a dancing party will be held at the Peoria Country Club, where a golf tournament Friday afternoon will supply a conclusion to the entertainment.

Convention headquarters will be at the Hotel Jefferson and convention sessions will be held in the Majestic theater. Speakers on the program are W. E. Knox, president of the American Bankers Association; Senator Charles S. Deneen, Attorney General Oscar E. Carlstrom, Auditor of Public Accounts Oscar Nelson, Sherman Rogers, Gaylord S. Morse and Glenn Griswold of Chicago, L. Walker of Cobden, Clarence Griggs of Ottawa and R. C. Saunders of Des Moines, Iowa. Mr. Morse, assistant cashier of the State Bank of Chicago and an authority on bank advertising, will address the convention on "What About Your Advertising Dollar?"

Robert R. Ward of Benton has been made chairman of the committee on resolutions, which includes Isaac N. Powell of Chicago, H. J. Cooper of Aurora, A. W. Moore of Cowden and C. W. Terry of Edwardsville. On Thursday afternoon a meeting will be held to elect two members of the executive council for three years to succeed F. J. Scheidenhelm, president of the State Bank & Trust Co. of Evanston, and William C. White, president of the Merchants & Illinois National Bank of Peoria; a vice president for the American Bankers Association for Illinois to succeed J. M. Appel and members of the nominating committee and vice presidents for Illinois of the national bank, savings bank, state bank and trust company divisions.

Bank Stocks Rising

Bank stocks gave a remarkable display of strength during the week under the leadership of Central Trust Company of Illinois and Harris Trust & Savings Bank, the former rising to 253 compared with 240 the week before and 234 late in May, and the latter establishing a new peak record with sales at 418, an advance of 18 points. Officials of both institutions said additional capitalization or increased divi-

dends are not in prospect, attributing the betterment in quotations to the ease in money. This has been a factor which stimulated purchases of Chicago banking institutions. Eastern capital has been invested in local bank securities in the past week as statements show that since the beginning of the year earnings have been maintained in spite of the relative cheapness of money through investments in securities, which have appreciated largely in value, and the heavy volume of new financing facilitated by the abundance of capital at low rates of interest. Illinois Merchants Trust shares sold up to 481 and accrued dividend, there was a further increase in bids for Northern Trust to 402 and First National advanced to 483 bid. Union Trust and Continental & Commercial National were strong, the latter being quoted at 351 bid and 354 asked, and National Bank of the Republic improved to 197 bid, with holders asking 200.

Mitchell Expects Oil Rise

John J. Mitchell, president of the Illinois Merchants Trust Company and a member of the Texas Company directorate, presages record earnings for oil corporations this year. Although there is a large shortage in the winter wheat and oats crops he anticipates a large business from agricultural communities owing to the favorable outlook for spring wheat and corn. He believes that general business will be heartened after taxes have been revised downward after the plan suggested by Secretary of the Treasury Mellon and attributes the condition of business to the conservatism of merchants and manufacturers, who are awaiting further crop developments before making further commitments. "We are finding an excellent outlet for money in Great Britain and call loans are profitable," he said, "and the security market has offered excellent opportunities for investment of surplus funds during the period that general business has not been able to assimilate the present amplitude of money, I believe that the yields of corn and spring wheat will largely compensate farmers for losses in oats and winter wheat, and as farmers have been able to improve their financial condition recently, they should be in a strong position after harvest.

"I believe the oil companies will make more money this year than in any year in the history of the industry if present conditions continue. Never has the fundamental position of petroleum companies been so satisfactory as they are now. At the beginning of the current year they had large inventories at a very low cost and these are being distributed at handsome profits. Consumption of oil and gasoline is running at a tremendous rate; there is no flush production and no wild-cattling of importance."

This morning the new home of the Sheridan Trust & Savings Bank at the intersection of Broadway and Lawrence Avenue was opened to the public with appropriate ceremonies to mark the expansion of the big Wilson Avenue district institution since it was opened in 1909. This is the third time the bank has moved, each time into larger quarters, this time into an eight-story building on which the finishing touches were placed today. The move took place after the close of business Monday, and at 9 o'clock this morning President W. J. Klingenberg, who organized and established the institution 16 years ago, with the officers and members of directorate, received the clients of the bank and the public. Half of the ground floor is occupied by the savings department, while the main banking floor is on the second floor, which houses the real estate, bond and commercial department, while below the ground floor are located the safety deposit vaults containing 25,000 boxes, the second largest in Chicago and the largest outside the loop. The bank has a capital of \$1,000,000, surplus and undivided profits of \$2,550,000 and total resources of \$11,000,000 in addition to deposits of \$10,000,000.

St. Paul Plan Acceptable

St. Paul stockholders have been in a more friendly mood since an analysis of the reorganization plan discloses that their position is really improved by the assessments imposed upon both classes of stock and that the new senior issue will also carry voting privileges. Owners of common stock are required to pay an assessment of \$32 a share for which they will receive one share of new stock in the railroad company at 5 per cent. bond with a value of \$16 to

each old share held. The preferred stockholders will pay an assessment of \$28 a share for which they will receive one share of new preferred and 5 per cent. mortgage bond at the rate of \$24 for each old share held. The statement filed by the engineers who made an investigation of the affairs of the company estimates the net income this year at \$17,650,000, which will result in another deficit on figures applied to the present capital structure. But they estimate the net income will reach \$30,150,000 by 1930 and \$39,100,000 by 1934, while interest charges in 1930 are estimated at \$5,618,000 more and in 1934 \$7,545,000 more. They propose an average outlay of \$10,286,000 a year for ten years for equipment and \$7,294,000 annually on the road.

Chicago Banking Personals

Joseph E. Otis, president of the Central Trust Company of Illinois, has gone to Europe on a well earned vacation and will be absent for three months. He will first visit London and then proceed to France, Germany, Switzerland and possibly Italy.

Richard J. Street, former cashier of the First National Bank and one of the most prominent bankers in Chicago a generation ago, died at Coronado, Calif., last Tuesday. He was a native of Canada and was born in Hamilton in 1846, coming to Chicago in 1865 and obtaining employment in the First National, with which he was affiliated for 44 years. He was elected assistant cashier in 1882 and cashier in 1891, a position he held until his retirement in 1909. He is survived by three children, Dr. Richard H. Street of Chicago, Gerald J. Street of Wilmington, Del., and Mrs. Margaret Macauley of National City, Calif.

J. V. Carpenter, president of the South Florida Mortgage Company at Miami Beach, Fla., and former president of the Indiana Bankers Association, visited Chicago bankers this week in a renewal of old friendships. "I was taken to Florida on a stretcher a few years ago," he said, "but have been completely restored to health in that climate and will remain a resident of Miami."

An additional dividend of 10 per cent. to depositors of the
(Continued on page 49)

**Kingdom of
BELGIUM**

7% External Bonds

Due 1955

**Price: 98 to yield
7.15%**

To those investors who believe in the ability of European civilization to survive, we recommend most careful consideration of the opportunities offered in foreign securities.

Wells-Dickey Company
Established 1878
MINNEAPOLIS

Chicago St. Paul Duluth Great Falls

Aishton Finds Railroad Income Inadequate

Chicago, June 16—Leading railroads throughout the country are not picking up necessary supplies, and this is particularly true of the lines centering in Chicago, according to the views expressed by representatives of leading manufacturers of materials. Why this state of affairs prevails is perhaps best explained by Richard H. Aishton, president of the American Railway Association and former president of the Chicago & Northwestern road while he was in Chicago this week. "With all the enormous increased investment of capital by the railroads, the reductions that have taken place in operating expenses and the reductions that have been made in freight rates to shippers, the return to the railroads in net operating income has at no time reached the 5.75 per cent. designated by the Interstate Commerce Commission as a fair return on the tentative value of their properties.

Need Higher Rates

"Capital expenditures in the past three years have averaged \$788,000,000 a year, with a resultant increase in serviceable equipment, motive power and other facilities. Shippers have been able to get their products to market more expeditiously than formerly, which in turn has brought about a substantial saving of interest on the capital invested in goods being shipped. A broader market has also been afforded and the shipper has been able to take advantage of every available market. Likewise, lower inventories have resulted owing to the dependability of transportation and easier credit, but two years ago when traffic was the heaviest ever handled by the roads in any one year the carriers were still short \$99,000,000 of realizing the fair return of 5.75 per cent. designated by the commission, and last year they were short \$148,000,000 in spite of the increase of more than \$788,000,000 to capital account. This year it is a fact that in the first three months the railroads have failed by \$21,000,000 to realize a return of 5% per cent."

Stocks Swing Broadly

It is seldom that the Chicago stock market is as irregular as it has been in the past week. Business has been fairly large and advances and declines have been sharply defined. The packing issues were firm as a result of the improvement in domestic business and prospect that this year's sales will be 5 to 10 per cent. greater than a year ago, when all of the packing firms made money. Armour A ran up a point and the senior issues were 3 points higher, Cudahy gained 1½, Swift 3 and Swift International 1. There was a strong undertone in Balaban & Katz at a betterment of 3 points; Bendix improved 1½, Borg & Beck 1, Commonwealth 1 to 140, a new high for the year and Hupp Motors 1½ to a new top mark for 1925. Fair common did not move and its radius was narrowly confined owing to the fact that customer-ownership selling has been on a small scale. Illinois Brick fell back 5 points as a result of the political attack waged against the company in the city council, while Kraft Cheese gained 4 points more, Middle West Utilities ran up 3, Montgomery Ward 2, Morgan Lithograph 4 to a new high of 52 and Pines Winterfront 2. Real Silk Hosiery had another good week and advanced 5½, Stewart-Warner advanced 2½, and Union Carbide 2. United Light & Power gained 10 points to 91, a new high quotation for the A shares, but John R. Thompson lost 2 points, Universal Theaters 1 to 6, and Yellow Manufacturing 1¼ to 37, closing sluggishly, with Yellow Taxi again showing the lack of supporting orders from semi-official pools that in former days created a strong protective policy around the issue.

Dredge and Dock Strong

In La Salle Street the belief is expressed in well informed quarters that Great Lakes Dredge & Dock Co. will at the next meeting of the directors, which will be held either in July or early in August, an extra dividend will be ordered. Interest in the stock has been stimulated by the recent rise to 134¼ from the year's low of 95. In the last ten days there has been an advance of 10 points in the shares. For 1924 net profits after all charges which included a large depreciation reserve were \$1,026,062, equal to \$27.85 a share, com-

paring with \$18.70 a share in 1923. Current assets at the close of last year were \$5,213,850 in excess of current liabilities, and reserve account of \$420,618 compared with \$297,345 in the previous year.

Bond Shelves Bare

Offerings of bonds for the current week did not compare favorably with the total of more than \$140,000,000 which came into the market in the week preceding and the volume of business naturally fell off owing to the barrenness of dealers' shelves. Continued cheapness of money caused banks to seek further employment for their surplus, and it was this buying which resulted in large oversubscriptions of every desirable offering. Government financing did not come up to expectations and the modesty of the Treasury's requirement of only \$125,000,000 notes to run a year and carrying 3 per cent. makes it clear that Mr. Mellon is preparing to apply the Treasury surplus to cut down the short term debt by about \$275,000,000 this month. Banks had been accumulating funds for investment in the issue and it became necessary to seek other outlets resulting in Libertys and Treasury notes rising to the highest levels of the year.

Utilities The Leaders

New features cropped out during the week. Banking houses discovered that Scotch investments have been buying here in considerable volume since the return of Great Britain to the gold standard, this investment being chiefly in high dividend industrials of seasoned stability. Turnpike issues have been finding a ready market, but public utility financing continued to hold the lead. In the past five months nearly \$2,000,000 of new bond offerings have been placed on the market, and of this total \$485,000,000 has been for utilities, \$444,000,000 for municipals, \$359,000,000 for industries, \$348,000,000 for foreign requirements, \$231,000,000 for railroads and \$116,000,000 for realty. In the past week nearly \$25,000,000 in new municipals have been submitted for banking approval which will be brought to the attention of investors next week.

A syndicate composed of Hill, Joiner & Co., Illinois Merchants Trust, Continental & Commercial Trust & Savings and Union Trust Company brought out a new issue of \$1,900,000 first 5½ per cent. series A bonds of the Twin States Gas & Electric Co., at 95½, yielding more than 5½ per cent. The company owns and operates a group of public utility properties supplying 57 communities with electric light and power, three with gas and one with motor bus transportation, and in 1924 net earnings were 2.60 times interest charges.

Hambleton & Co. brought out \$1,000,000 five-year 6 per cent. convertible notes of the Southern Gas & Power Corporation at 98½, to yield about 6.35 per cent. Proceeds will be used to complete financing incident to the acquisition of new properties and to retire notes and first lien collateral trust bonds.

Spitzer, Rorick & Co. offered \$1,600,000 first mortgage 7 per cent. serial sinking fund bonds of the Ocean & Lake Realty Co. on Everglades Club properties in Palm Beach, Fla. The bonds mature serially from 1927 to 1939 and were priced at 101.

Packing Shares Offered

Pynchon & Co., headed a syndicate offering 100,000 shares of Hunt Brothers Packing Company Class A stock. The company ranks as the third largest fruit packing company on the Pacific Coast, and upon the completion of the present financing there will be outstanding 100,000 shares of Class A and 60,000 shares of Class B stock, the former to carry dividends of \$ a year.

Financing Virginia Railway & Power Co., with an offering of \$2,660,000 first and refunding 5 per cent. bonds and \$486,000 Norfolk & Portsmouth Traction Company 5 per cent. bonds due in 1936, both at 98½ and interest, followed the purchase of the property from the Gould family by Stone & Webster. Associated with this banking house were Blodget & Co., and Blair & Co., Inc.

William L. Ross & Co., Inc., brought out \$300,000 Ohio Gas Light & Coke Co. series A 6½ per cent. bonds, due in

1950 at 100 and interest. Net earnings of the company for the fiscal year ended April 30 were 2.33 times annual interest charges on the bonds offered. The company is located at Bryan, Ohio.

An offering of \$500,000 East Baton Rouge, La., school district 4½ per cent. was made by the Northern Trust and Continental & Commercial Trust & Savings Bank priced to yield from 4 to 4.30 per cent. according to maturity, which ranged from 1926 to 1936.

Investors Are Negligent

An instance of the laxity of investors appears in the information that about \$1,600,000 of 7 per cent. bonds of the Northwestern Bell Telephone Company called for redemption at 107½ on February 1 last remain unredeemed.

Necessity for raising new capital to extend double tracking from Niles Center to Lake Bluff brings to the attention of investors an offering of \$2,500,000 first and refunding mortgage series A 5½ per cent. bonds issued by the Chicago, North Shore & Milwaukee Railroad Company and sold to Halsey, Stewart & Co., Inc., and the National City Company. Priced at 98½ and interest the bonds return 5.60 per cent. to the investor. The new line will practically parallel the old road along the north shore, but by running over the Niles Center branch the through trains to Milwaukee will be able to materially reduce their running time by cutting out detours through Evanston, Wilmette, Kenilworth and other towns on the old line where restrictions have hampered the company in maintaining a high speed schedule for fast trains. The improvement will materially add to the income of the North Shore line by the additional passenger, freight and merchandise express business.

E. H. Rollins & Sons, Harris Trust & Savings Bank, Halsey, Stuart & Co., Spencer, Trask & Co., Marshall Field, Gloré, Ward & Co., and Blyth, Witter & Co., offered \$5,000,000 Illinois Power Light Corporation first and refunding mortgage series B 5½ per cent. bonds at 99.50 and interest, yielding over 5.50 per cent. The business of the corporation includes service rendered to more than 400 municipalities in supplying electric power and light to 221,700 customers and gas to more than 78,700 customers. Net earnings for 12 months to April last were over twice annual interest requirements on the total mortgage debt outstanding.

Continental Baking Offered

A syndicate including Stevenson, Perry, Stacy & Co., White, Weld & Co., Mitchell, Hutchins & Co., and Clark, Dodge & Co., brought out 70,000 shares of 8 per cent. preferred stock of the Continental Baking Corporation which is offered at \$100 a share, ex-dividend. Since the organization of this corporation it has acquired 104 plants as established baking companies located in 82 cities in the United States and Canada. Based upon the consolidated balance sheet as of May 16 last current assets were \$14,642,000 and current liabilities \$3,631,954. Sales of constituent companies for the year ended December 27 last amounted to \$76,548,751 and net earnings after interest, depreciation and Federal taxes were \$6,014,163.

A banking group including Robert Garrett & Sons of Baltimore, Spencer Trask & Co., Marshall Field, Gloré, Ward & Co., and the First Trust & Savings Bank offered \$5,000,000 of 5½ per cent. collateral trust sinking fund series A notes of the Commercial Credit Company at Baltimore at 97 and interest to yield 5.90 per cent. Funding of current loans and acquiring additional capital will absorb the proceeds of this issue. Subsidiaries of the company purchase open commercial accounts, acceptances, drafts, notes receivable and installment and motor Men obligations and the corporation has consolidated resources of more than \$73,000,000. For four months to April 30 net earnings before charges and taxes were \$1,007,433.

An issue of \$2,000,000 first mortgage 6 per cent. bonds of the Iowa Power & Light Co. has been brought out by a syndicate composed of E. H. Rollins & Co., Harris Trust & Savings, Halsey, Stuart & Co., Spencer Trask & Co., and Marshall Field Gloré, Ward & Co., at 101 and interest, yielding about 5.93 per cent. The company is controlled by the Des Moines Electric Light Company through common stock

(Continued on page 48)



THE standing of this bank in the public mind has not come suddenly. It is the result of constant fidelity for more than a half century to the highest principles of banking practice.

*Capital and Surplus
Forty-Five Million Dollars*

ILLINOIS MERCHANTS TRUST COMPANY

A consolidation of

ILLINOIS TRUST & SAVINGS BANK
THE MERCHANTS LOAN & TRUST COMPANY
THE CORN EXCHANGE NATIONAL BANK



La Salle, Jackson, Clark and Quincy Streets • Chicago

A Fertile Field for Intensive Thrift Cultivation

Women Are Natural Savers, As Well As Spenders, and Offer a Fertile Field for Thrift Cultivation

"Back of every savings account is a woman," says a well known specialist in bank advertising.

An analysis of savings accounts in one prosperous small city in Minnesota recently revealed the fact that a very large percentage of the most profitable savings accounts—from the banker's point of view—was carried by women. When asked if any particular effort had been made to obtain or to encourage these accounts, and to give a reason for this order of things, the bankers of this city were unanimous in stating that no special advertising had been used to solicit such accounts, but that it was their belief that women were naturally better savers than men.

If this statement is true, here is a special field for the cultivation of savings accounts that has not been intensively tilled by many bankers in the smaller cities and rural communities. Most savings advertising is intended to appeal to all classes, ages and conditions of people, and the thrift advertisement that interests men should also interest women, but is there not some special appeal that can be made to women which will also have the attention of men?

Practical Lessons in Thrift

In the larger cities the thrift idea is cultivated intensively by the home economics departments of various banks. The budget method of distributing one's income, when attractively exploited, appeals to women. Working girls as well as married women readily see the advantage of a budget, and an increasing number of women are adopting it as a result of intensive publicity along these lines.

The budget distribution of income has become most popular in cities or communities where it has been advertised with the individual appeal strongly featured. For instance, banks have conducted lobby displays giving the actual figures of a budgeted income for women, with practical examples of what can be had and enjoyed on that income. Women's clothes—attractive outfits for home, business and social wear, purchased from such an income, have been displayed to prove to the doubtful that a woman can dress well on a definite amount, even though it is small. Information about living quarters consistent with the budgeted salary or allowance; food, with properly balanced menus, pleasure trips and amusements carefully planned and itemized to come within a definite income, have gone a long way to convince the woman of today that she can live comfortably, dress becomingly, enjoy wholesome pleasures and still save something from her wages, salary or allowance.

Women Spend Three-Fourths of the Family Income

In average families the men are the providers, the women the spenders. The husband and father expends, personally, perhaps one-fourth of the income, or less, according to the extent to which he turns over the management of household affairs to his wife. If the wife does all the buying, including the purchase of fuel, paying for improvements, taxes, insurance and interest on a possible mortgage, she may be considered the purchasing agent for the establishment, and consequently the one who must make provision for any substantial saving that is done in her family. Even when she is responsible only for the buying of food and clothing she handles a large part of the income and upon her depends what part of it, if any, is to be saved.

It is noticeable that where the wife is an unwise spender and a poor manager the husband is usually indifferent as to what becomes of that part of his income which he is able to salvage from the wreck of her extravagance. He seems to feel that it is useless to try to save when there is little chance that he, eventually, will have anything worth while to show for it. It is obvious that if the thrift idea is to thrive in the home it must be implanted first in the mind of the wife and mother.

Women Invariably the Best Savers

The same principle applies in the case of unmarried people—young men and women earning their way or just getting their start in life, the women are the natural savers.

They are less likely to take chances with their incomes by spending everything they earn. Perhaps they have a more poignant dread of illness and disability. At any rate it has been noted that the average young woman in business is more responsive to the thrift appeal than is the average young man. Also, that clever thrift advertising, when directed toward women, will eventually reach the men, either directly or indirectly, for if they do not become interested in it of their own accord it will be called to their attention by their women friends or relatives.

All thrift is based upon careful planning and distributing of the income. So-called thrift which is the result of an occasional impulse to save does not amount to much and the banker cannot depend upon it to build business that will be profitable to him. Therefore, the more solidly his thrift talk is founded upon the principle of budgeting, the more permanent and profitable will be the result of such advertising.

The New Idea in Thrift Advertising

In present day thrift publicity the idea of saving simply to accumulate wealth is being relegated to grandmother's attic. "Save to Spend" is the popular slogan and it is much more likely to prove alluring to young people—particularly women—than was the former appeal with its admonition against being out of funds on a "rainy day." The possible depositor is attracted by the idea of denying himself a few trifles today that he may possess something really worth while tomorrow. The banker looks forward to the time when the depositor, thoroughly educated in the habit of saving, will develop into an investor instead of a spender. He realizes that the road to sound investment is by way of consistent saving, even though the sign post does carry the slogan, "Save to Spend."

In the meantime, direct your thrift appeal toward the women of your community,—and watch the men fall in line.
—L. R. Hoppin.

WHAT ABOUT YOUR MAILING LIST?

How accurate are your mailing lists? What plan do you have for adding fresh names? When you get a new customer or when a customer leaves you, do you make a note of it in your files? Many banks put in at big expense a filing department with complete equipment and then, for the lack of a little attention to the lists, allow it to become almost valueless. Central files, the result of a lot of original work, are often allowed to become too obsolete for use. And yet there is no more profitable source of new business. Deterioration of the file usually occurs where no department head is assigned to this particular work; hence it is allowed to drift. Another equally grave mistake is to maintain an efficient mailing department that is not actively used. How about your bank?

What About Your Advertising Budget?

Do you have an advertising policy and a budget? Or do you just advertise here and there, using copy with no general underlying plan and objective? Does your advertising represent the personality of your institution? Every bank stands for something. They are not all alike. Just ask, say one hundred people, about the banks in your city and then tabulate the replies. You may be surprised to discover that a great many of these people's ideas about certain banks coincide. In the minds of the public, different banks do stand for different things. Carefully planned advertising can mould that opinion and make it an asset. Haphazard advertising, haphazard as to purpose, copy, appearance and mediums, wastes a lot of money.—Burroughs Clearing House.

MINOT, NORTH DAKOTA, BANK TO HAVE NEW HOME

The Union National Bank of Minot, North Dakota, is to construct a three-story fireproof building to cost approximately \$35,000, according to Colonel E. S. Persch, president of the bank.

Retail Credit Men's National Convention

R. W. Watson, Spokane, Wash., was elected president of the Retail Credit Men's National Association June 12, at the final session of its thirteenth annual convention in Minneapolis. Mr. Watson served as first vice president of the association during the past year.

E. B. Heller, St. Louis, second vice president of the group, was elevated to the first vice presidency. Leopold L. Meyer, Houston, Texas, was added to the list as second vice president, in place of Mr. Heller.

Seven new directors chosen were F. W. Funk of Minneapolis, credit manager of E. E. Atkinson & Co.; James R. Hewitt of Baltimore, A. W. Goldschmid of Memphis, F. E. Willis of Chicago, Leo Karpeles of Birmingham and Harry O. Wren of Omaha.

B. V. Moore, deputy governor of the Federal Reserve Bank of Minneapolis, was the principal speaker at the closing session. His theme was "Stability," which, he declared, can exist in credit and in business only when all citizens and all classes of business adhere with determination to a fixed standard of value, such as the gold standard, time honored institution of America and now restored to supremacy in Great Britain.

"We can discuss credit and business in all their details but unless we found our business structure on a firm standard, we are building on the sand," Mr. Moore told the credit executives. "Accounting systems vary and many of them are inefficient but all are worthless unless the transactions which they record have a definite money value. The stability of the medium of exchange is essential, if the merchant is to receive full price, undepreciated, for his goods."

Mr. Moore paid tribute to Vice President Dawes for his work in restoring the economic stability of Europe through renewal of the gold standard in Germany, and to the wisdom of Great Britain, whose finances were returned last month to the same standard of value. He urged his hearers to withhold their support from demagogues who advocate the dangerous policy of "printing money" to finance national affairs.

The St. Paul Object Lesson

The St. Paul Railway represents the largest amount of capital ever thrown into receivership. A mess like that cannot be cleaned up without differences of opinion and possibly hardships. But the national viewpoint is more important than that of any or all of the company interests. Consider the differences between the receivership of the Atchison and that of the St. Paul. The Atchison reorganization was a blessing in disguise to its shareholders and also was one of the cornerstones of the regulation of railway conduct. Competition had led to ruinous rate cutting and rebates and neglect of transportation facilities to an extent so scandalous that the wisdom of prevention by law has ever since been beyond question.

The St. Paul troubles are of a different sort. It may be assumed that there were errors of judgment and waste in the way of excessive investment and premature electrification, but it will be a surprise if juggled accounts and dissipation of capital are discovered. To the extent that regulation has prevented such things it has justified itself. But in so far as regulation of rates has contributed to the St. Paul's receivership, the policy of Government control is on trial along with the St. Paul management. When the investigators reveal St. Paul's mistakes they also should explain how it happens that over a term of years the rates fixed by them have yielded the lawful return only on a small number of railways mostly outside the St. Paul's region. The Panama Canal was built expressly to reduce the cost of transportation, regardless of the effect upon the railways, and now there is a proposal further to reduce canal rates. The loss of traffic to the canal is not the sole cause of the depression peculiarly affecting railways in that region. It is said that the Panama Canal traffic is so small in proportion to railway total traffic that the low rates via the canal mean no considerable loss to the railways. But the canal took from the railways the trans-continental traffic in California oil, and regulation of rates

forbids the railways to compete with the canal. The alternative to reducing railway rates already too low might be raising the canal rates to the point of paying the bonds on which the canal was built.—New York Times.

Death of Warren S. Stone, Labor Leader and Financier

Cleveland—Warren Stanford Stone, 65, labor leader and financier, president of the Brotherhood of Locomotive Engineers and all its far-reaching financial activities, in banks, trust companies and other business ventures, died in a hospital here June 12 from an acute attack of Bright's disease.

Mr. Stone was born on a farm near Ainsworth, Iowa, February 1, 1860. As a boy he worked on the farm in the summer and attended a country school three months in the winter. He became a member of the Brotherhood of Locomotive Engineers in 1884, six months after being promoted to engineer. His ability and his interest in the organization were recognized by his election as secretary-treasurer of his local division. Then he was made head of the local grievance committee and later chairman of the central committee of adjustment for the brotherhood of the entire Rock Island system.

When he became head of the brotherhood he made his home in Cleveland and took an active part in all its civic enterprises, being especially interested in educational affairs.

Within three and a half years of its entrance into finance the Brotherhood of Locomotive Engineers controlled 13 banks and investment companies, and President Stone then prophesied that within 10 years it would have a chain of 50 banks in operation from the Atlantic to the Pacific.

With wide experience in money matters as a result of having handled millions of dollars of brotherhood dues and insurance, and having made an exhaustive study of cooperative banks throughout the world, Mr. Stone presented a plan for an engineers' cooperative bank at the triennial convention in 1918 and was authorized to start such a bank in Cleveland. It was opened November 11, 1920, with a capital of \$500,000 and a surplus of \$100,000. Three years later its resources were nearly \$25,000,000. This was followed by the establishment of several other banks throughout the country, controlled by the brotherhood, and in addition a substantial interest was acquired in the Empire Trust Company of New York.

Because the brotherhood cooperative bank could handle only a limited amount of business under the restrictions of the national banking laws, the Brotherhood Holding Company, conceived by Mr. Stone, was incorporated in 1922 for \$1,000,000, the stock being sold entirely to engineers. A year later the Brotherhood Investment Company was incorporated with a capital of \$10,000,000. The brotherhood retained 51 per cent. of the common stock of the enterprises. A 21-story building for the bank was erected in Cleveland and the Brotherhood Building Association acquired a 17-story building in the same city.

Under Mr. Stone's guidance the engineers as individuals, invested more than \$2,000,000 in coal mine properties in Kentucky and West Virginia and financed a mail order store on a profit sharing basis to provide themselves with the necessities of life.

PASSENGER AERIAL LINES OUT OF NEW YORK

New York—Air fares for the passenger aerial lines to be established this fall between Miami and New York and New York and points west have been announced by the Williams Aero Transportation Company. It is expected that an eight-hour schedule will be maintained on both lines.

The fare to the Florida city will be \$125 one way. Other charges for one way flights are: New York to Chicago, \$200; New York to Cleveland, \$115; Cleveland to Chicago, \$85; Chicago to St. Louis, \$75; and Chicago to Omaha, \$100. The New York to Miami line will commence operations in November, simultaneously with the New York-Chicago via Cleveland, route.

STRENGTH

SIZE

SERVICE



MIDLAND

NATIONAL BANK

MINNEAPOLIS



Evils of Competition in Credit

George D. Dayton, President of The Dayton Company, From An Address Before the Convention of National Credit Men, Minneapolis

"A man with poor credit usually loses his own self-respect, as well as the respect of those who know him—he generally becomes shiftless—he almost always reaches a mental state where he strives to convince himself he has not had a fair chance in life. Others somehow had things come their way. Whereas, the truth generally is that the men who have the easiest and best credit uniformly had the odds against them, but by industry, honesty, careful planning, close economy of time, effort and money succeeded in establishing confidence in their judgment and ability and that led to credit—just as certain as sequence follows promise, results follow action.

Credit Where Deserved

"Credit does not happen—credit comes where it is deserved. It is of slow growth; it needs to be nursed and nurtured; it can be fostered, strengthened, improved. It is an asset of tremendous value to those who through years of patient struggle have brought it to a fruition where it yields results in easy and abundant capital readily secured. It can easily be destroyed; it is sensitive to shocks; it continues only where justified. But it abides with a man who deserves it, and has the wisdom to protect it, even as he protects his honor—for his very honor is the vital principle of his credit.

"As one who knows by experience what it is to start in a small way and gradually reach an eminence where credit is abundant, as one who for most of his business life, has studied credit because of his official relations to banks; and as one who has observed the workings of credit in the lesser, but more numerous instances of mercantile life, I feel I have earned the right to speak a few words of caution to you who have the power to encourage and discourage credit, even as you have the power to assist in developing habits of thrift and wise economy, or recklessness of expenditure and consequent loss of character and resources.

"The credit which enables a man to buy on time that which he consumes in, or on, or because of his body or his family, is quite different from the credit needed when one goes to a bank to borrow money for use to create more money, capital to enlarge business, keep the wheels of industry moving and transform thoughts or ideas into tangible realities. But character is the foundation for both.

Basis for Credit

"The other day I was walking in New York City when my eye caught the words on a window of a banking office.

"Basis of Credit—Character and Earning Power."

"It at once reminded me of a statement, very similar, I heard years ago as I sat in the New York offices of a large financial concern.

"Credit is based on three C's:

"Character.

"Capacity.

"Capital.

"In both instances, I was impressed with the fact that character was named first. Some years ago when the elder J. P. Morgan was on the witness stand, he was asked as to the basis on which he made loans—when he said he would loan more on individual characteristics than on capital resources, some newspapers ridiculed the statement; but Mr. Morgan's thought is what governs all dispensers of credit who are sagacious and broad minded.

"It is well to keep in mind that character is the first essential for credit; but the second essential, capacity (which really is earning power), is equally important. Of what avail is character without capacity? It is more difficult to judge as to a man's capacity than as to his character. It requires closer discrimination on your part and more careful analysis.

Amount of Credit

"The amount of credit any one is entitled to varies greatly with the individuals. Have as much elasticity in deciding that as there is difference between men in capacity, in power to adapt themselves to conditions, in ability to extricate themselves out of difficulties, in willingness to get under burdens and not tire as they pilot their affairs over the rough places of life.

"Some men deserve, and really are safer credit risks, for five, 10 or more times as much credit as others who may have equal resources and better prospects but lack the personal qualities that build permanency of success in the long run. The personal equation enters very largely into the decision of the amount of credit one may safely be granted, but that should not always control the decision.

"Years ago, I was advised to steer clear of men who are not successful—a pretty good rule to adopt when you are dispensing credit, for credit is quite different from benevolence.

Short Settlements

"My father used to say, 'Short settlements make long friends,' and that is a strong reason for avoiding long credits. I am thoroughly in favor of short credits on mercantile lines, except when I am buying. Short credits mean less capital tied up, smaller losses especially when the reverses come—and often more friendly relations with customers. The mercantile house I am connected with says frankly, 'We are glad to extend credit to those who will pay during 30 days succeeding purchases but we are not seeking long credits and prefer customers to go elsewhere when long credits are desired.'

"As a result our losses for eight years average only one-tenth of one per cent.—and our collections average about 67 per cent. each month of the purchases made the preceding 30 days.

"It is my opinion that credit is too cheap nowadays. Too many people are encouraged to buy way beyond what is prudent—they are urged to mortgage their future and take on obligations which cannot be met if sickness, accident or loss of employment comes. The statement is made that an automobile company offers 10 cents per name for the names of persons having an income of \$100 or more per month—the inference is said company intends to bombard such earners with appeals to buy an auto on monthly payments. And many will be seduced into loading themselves with debts which will lead to heavy costs for oils repairs, upkeep, etc. The depreciation of the automobile is sure and some day when the automobile is worn out, the purchaser will awaken from his dream and wonder why he yielded to the suggestion to buy on the monthly payment plan.

Monthly Payment Plan

"How different would it be if such people bought a home on the monthly payment plan, and regularly paid each

month an amount which would steadily reduce the debt until some day the home could be owned free and clear of all incumbrance—then, if sickness or loss of employment came, the family could have shelter and manage to get along somehow. The difference between buying articles that are soon worn out and then become worthless, or buying that which will have a permanent abiding value, is something for you credit men to weigh carefully in reaching your decisions as to credit risks.

“General conditions and prospects have quite a bearing on the granting of credits. Just now, many thinking business men anticipate quite a period of fairly good business—no booms, no panics—but business keeping on a pretty even course, with prices slowly and irregularly sagging. Credit ought not to be difficult to handle satisfactorily now, if common sense is exercised and reasonable caution controls. But even so, it behooves all of us not to grant credit so freely as to injure and mislead those who ask for it. Sometimes credit has to be checked suddenly as in 1893, 1907, and 1917—then the firm that has a wise credit man reaps its reward in small losses and liquid accounts.

“No matter what the general condition may be, there are always some who act as if they thought they had unlimited letters of credit—not intentional spendthrifts, not intending to be plungers, expecting all the while to be successful and prosperous, but unconsciously overconfident and not given to careful scrutiny of all the conditions. Their intentions are all right, and you can't help respecting their sincerity, but you recognize you must for their own good as well as yours, hold them in check. Such enthusiasts generally yield to the man who calmly, clearly, and consistently gives the reasons why he advises caution and definitely, but genially restricts lines of credit according to his sane judgment.

Reckless Competition

“Competition in credit is unwise and reckless. If your firm seeks to build up volume of business by being easy in collections and free in opening credits, some day you will pay the penalty and you will find it costly. You will build on a safer foundation, both for yourself and your house, if you wisely and carefully and tactfully so handle the credits that you teach customers the best way for all concerned is to pay the month following purchases, unless there is a specific agreement otherwise. Promptness in paying justifies continued and enlarged credits and is the wise method for one to adopt who desires to build a reputation that will justify growth as a credit possibility.

“I have seen many definitions of capital. May I add another? Capital is the result of accumulations of credit with most of us—credit we have established, plus our own energy, capacity and thrift. Some of us today would have very little capital, had no one ever extended to us credit—that fact ought to make us all very careful, lest by our refusing credit, we discourage some one who really has the possibility of growth and expansion in business ability, even to the becoming some day an important factor and a real power in the business world. Sometimes, such persons can be assisted early in their careers by counsel from older, more experienced men. Therefore, I suggest that in handling your problems of credit you sometimes look far into the future and ask yourself if you can help your applicant by judicious advice to become a larger, better balanced business man than otherwise he will be.”

The First National Bank

This bank invites your business. It has the facilities to take care of it and a successful record in its community of over a half century.

THE

First National Bank

OF WINONA

Winona, Minnesota

The Heart of Financial Chicago



Increase your facilities by adding and making free use of ours.

The CONTINENTAL and COMMERCIAL BANKS CHICAGO

Invested Capital Over \$60,000,000

Total Resources Over \$550,000,000

SOUTHERN MINNESOTA JOINT STOCK LAND BANK

REDWOOD FALLS, MINNESOTA

Under government supervision, we make farm loans that never mature,—and are paid in full on the easy payment plan,—in central and southern Minnesota and eastern South Dakota.

Resources over \$30,000,000.00

What About Business in the West?

Carl R. Gray, President of the Union Pacific System. From an Address Before the Annual Convention of the Chamber of Commerce of the United States.

Being a western man, I have often been asked about business conditions and the situation in the west; and it is a natural question. I think, in order to get up-to-date on that matter if we can we ought to consider some of the conditions through which we have gone in the last five years.

The west is fundamentally dependent upon agriculture, and, as you know, agriculture certainly, in some of its phases, has been in a very much depressed condition for the period since about 15 months following the war. Agriculture got its deflation first, and more severely and radically than did any other industry in the country.

In the west there is as yet no industrial situation. Industries are, it is true, springing up and taking form in different parts of the west.

One of the most recent is a large iron blast furnace in the Salt Lake Valley, modern and up-to-date, which marks rather the beginning of an era in that respect.

Have Had Misfortunes

Along the fringes of the western coast, aided by the cheaper water transportation, is growing up an industrial country, but, by and large, it is fair to say that our conditions in the west are the reflex of whatever may be, at the time, either the existing condition of the agricultural portion of the population, or at least their potentiality.

So, in addition to the fact that the prices have been practically upon a world basis, with the exception of a few commodities, we have had a series of misfortunes in parts of the west extending over a period of two years. You no doubt know of the hoof-and-mouth disease which affected parts of California; and of the drouth situation, which started in general in central and southern California, and then extended up into the northwestern states, and into practically all of those states north of Arizona and New Mexico, west of the Rockies.

There is a large amount of irrigated lands in the west, ordinarily very dependable in their crops, but winter before last an unprecedented shortage occurred in the snow fall—away below the average of any period of years, with the result that we started in the season last year with depleted reservoirs, and that found its logical result in about one-half a crop in Utah, Idaho, Washington and Oregon.

That was accentuated in two of the states, a great fruit- and vegetable-raising section, by killing frosts, which occurred nearly to the middle of May last year.

The result was that in the states west of the Rockies—I am excluding California, New Mexico and Arizona—there was, in grain, in fruit, and in vegetables, just about half a crop, and of course that is a question only of mathematics.

My friends sometimes ask me why the loading reports on the railroads show so small a decrease, and for the time, at least, do not present a fair criterion as to business conditions. Of course, the answer to that is that the hauls are shorter, and that the commodities are of a lower grade.

I have just completed a three-week trip, extending all over the northwest. Those conditions which most adversely affected us last year are not present this year. The snow fall last winter exceeded that for many years, and was almost 50 per cent. greater than the average of the last 10 years. Water storages were all filled, the run-off

being exceedingly heavy. There has been no frost in any of those northwestern states in the spring, and we are now past any danger from that source.

The winter last year was very severe, and it did affect certain of the softer of the fruit crops, such as peaches and cherries, but, after all, they represent only a very small proportion of the crops.

Mining Situation Better

Winter-kill affected winter wheat, as you know, running all through the western states. That land was very promptly sown to spring wheat and some other crops, and the conditions in those respects are more favorable than usual; but no one can tell, of course, what will be the outcome of the spring-wheat crop in a country essentially a winter-wheat country.

The other industries in the West, besides agriculture, are lumbering and mining. The mining situation, aside from the mining of coal, is better than it has been in half a dozen years. Prices are attractive, operations are conducted pretty generally at full blast. That is true in Utah and Idaho, in Washington and Oregon.

The lumbering operations, while fairly normal, have been a disappointment to those who had great expectations in that respect. The departure of the large operator from the South, the cutting out, as it was considered, the exhaustion of that great yellow pine field, has not proved to be so much of a factor as was expected. In the wake of the large operator has moved the small operator, with the portable mill, and he is reaching into territories which the large operator did not find profitable.

I am satisfied, at least, from the information I have, that that will be a factor which will remain for quite a while, and that the production in the South will continue several years longer than any of us anticipated as long as five years ago.

67 Per Cent. of All Timber

That, however, is the great potentiality in the three northwestern states, Idaho, Washington and Oregon, and the northern half of California. That represents 67 per cent. of all standing timber now left in the United States. It is the point from which, certainly after a very few years, practically all of the timber used in this country must be obtained. There is that element of present worth but of future extraordinary value.

I think the most encouraging thing about the West is the fact that there is occurring a remarkable change in the business relationship, particularly as it affects agricultural products. Up to a very few years ago the population of the Pacific Coast was taken care of by its own production, but the last half dozen years has seen an extraordinary growth on the Coast, an extraordinary growth of all the coast cities, particularly those which are located in southern California.

So, to a larger and larger extent, they are drawing upon the Middle West for their food products, having found that the land in their immediate vicinity can be used to better and more profitable advantage in crops which they themselves ship out.

We are having an exchange of the products of agriculture between those western states, trainloads of cattle from Idaho and trainloads of hogs from Nebraska going into California for a market, something entirely unprecedented, reaching clear back into Nebraska for corn for

Electrical Refrigeration

The opportunities in this rapidly growing industry, with special relation to

Kelvinator Corporation

are discussed in a pamphlet report which we will send to investors upon written application.

NOYES & JACKSON

Members New York Stock Exchange

42 Broadway
New York

208 So. LaSalle St.
Chicago

Financing the Business of Farming

E. H. Cunningham, Member of the Federal Reserve Board, Washington, D. C. From an Address at the South Dakota Bankers Convention, Brookings, June 15, 1925

So much has been said during the past few years about the embarrassing financial status of those engaged in the business of farming, that one begins to wonder how it is possible that farming still survives. Certain it is that the financial extinction of the farmer has been predicted more often in the past five years than that of any other class. The outstanding peculiarity of the business is the amount of misrepresentation that it can function under and still remain solvent. No business within the range of my knowledge has been so consistently misrepresented as has been the business of farming in the past few years. It is true that agriculture, as an industry, has probably had more cause for complaint and has probably met with more economic embarrassment during the period of readjustment, than has any other going business. Those of you who are engaged in other kinds of business, and especially that of banking, will, I am sure, recognize the harm that comes from such unwarranted publicity.

An industry that depends entirely upon the natural processes of production, encouraged as it is by the thrifty habits of the people engaged therein, can never become insolvent; and I believe the time is at hand when the people of this country who are engaged in farming should undertake to remove the impression that has become so general throughout the country with regard to the shortcomings of the industry in which they are engaged. I can think of no other business that could prosper or even thrive for a period of one season under like circumstances. Certain it is that agriculture has had its cross to carry during the past few years and it will always be subject more or less to the many vicissitudes of nature that surround the industry, but, it should not be obliged to carry the discredit that attaches to it at this time by reason of the indiscreet expressions of those who thoughtlessly misrepresented it.

Agriculture Must Be Made Profitable

Agriculture, when recognized as being basic in its relationship to every other activity of the country, becomes more fundamentally vital when we consider it from the standpoint of its being the only industry that is primarily engaged in the production of the necessities of life. If the business is unsatisfactory, it is proper to inquire as to the cause of the trouble and in what direction relief is to be found. Certain it is that we need to be aroused to a more thorough study of the important factors that are contributing to the present uncertainty. Many industries have been stimulated to the point where they have become top heavy. The casual observer might get the impression that the foundation of business has been neglected in favor of the frills and non-essentials. In our highly complex social system it is difficult to discriminate between the essential and non-essential industries; but of one thing we are certain

and that is that agriculture is the hub around which all else revolves. The farmer is dependent upon some phases of manufacturing to supply his needs, but absolutely everyone is dependent upon the farmer. And when the prices that the farmer receives for his products are stabilized at a figure that will enable him to compete with the manufacturer for labor, and at the same time leave a fair margin of profit, then America can feel that her food problem is secure, but when the farmer can not see the possibility of a reasonable profit, he loses heart which results in smaller crops and increased prices. This is recognized as a short-sighted policy that will defeat itself in the end; but the individual farmer, however, is only human and he is quite naturally more interested in his own immediate welfare than in any abstruse problem of world economics. Before farm life can be made attractive and satisfying, it must be made profitable.

Increase in Agricultural Values

In any attempt to analyze the present condition of agriculture one can not do better than study the things that have taken place since 1910. This period is exceptionally favorable for study or analysis since it includes about five years before the war, the war period, when all economic activities were used in the production of war materials and the years of readjustment after the cessation of hostilities. In 1909 the value of all crops produced in the United States was \$5,200,000,000 and in 1919, the year in which farm prices were at their highest levels, the value was \$14,750,000,000. In 1920 as a result of the decline in prices, the value of farm products declined to \$10,200,000,000 and in 1921 both production and prices fell off and the value of farm production was about \$6,500,000,000. Since 1921 agriculture has been recovering rapidly from the depression and in 1924 the value of crops reached \$10,327,000,000—approximately twice as large as before the war.

Another way of measuring the more important changes that have occurred since 1909 is made possible by comparing the number of people living on farms and in the smaller towns that are dependent on agriculture or primarily agricultural in character. During the decade of 1910 and 1920 the number of our rural population increased from 49,800,000 to 51,406,000 or a little more than three per cent. At the same time the number of our urban population increased from 42,166,000 to 54,305,000 or about 29 per cent. There has been an increase of about 18 per cent. in the physical volume of crops produced before and since the war and the value of these crops in 1924 was about twice as great as before the war.

The crop in the State of South Dakota in 1909 was valued at \$126,000,000 and in 1919 it was about \$357,000,000, the highest level in history. During the following two years the value of these crops declined and was lower in 1921

than before the war. Every year since 1921 has seen an increase in the value of crops grown in the state and in 1924 all crops were valued at \$239,000,000—a little less than twice the pre-war values. Fewer people were engaged in agriculture in the state in 1920 than in 1910, but people occupied in other industries were in slightly larger number than before the war. As in the entire country, fewer people were engaged in agriculture in the state than before the war, but they were able to produce crops worth about twice the pre-war value.

Analysis of the returns from the important crops in the state shows that all have had a rapid recovery since the depression of 1921.

Value of Different Crops in South Dakota
(In thousands of dollars)

	1921	1922	1923	1924
Corn	32,664	55,019	75,492	79,992
Wheat	22,603	36,811	22,287	42,672
Oats	11,660	23,808	24,284	39,220
Hay	24,091	31,694	38,325	30,123
Barley	5,522	8,510	8,010	14,354
Flax	1,952	3,093	5,021	9,587
Rye	1,772	5,283	1,713	3,015
Potatoes	5,874	3,775	3,407	2,795
Total, 8 crops.....	106,138	167,993	178,539	221,758
Total, all crops....	114,603	181,190	193,498	238,916

Problems, however, are arising which are going to require the deepest thought on the part of the farmer and all others who are concerned with the welfare of American agriculture. Throughout history the American farmer has been an individualist. He, apparently, has been perfectly contented to grow his crop and market it independently. He was not concerned primarily with what his neighbors, or even those who were growing similar crops, were doing. During the past 25 years, however, as our industrial and economic organizations have become more complex, the effectiveness of this individualistic policy has become less and less. In so far as production is concerned, by the application of the most scientific methods accompanied by modern equipment, the farmer can afford in some cases to conduct his operations in an independent manner; but, when we consider such questions as marketing and distribution, the farmer is necessarily subjected to many factors over which he, as an individual, has no control.

Better Financing, Better Marketing

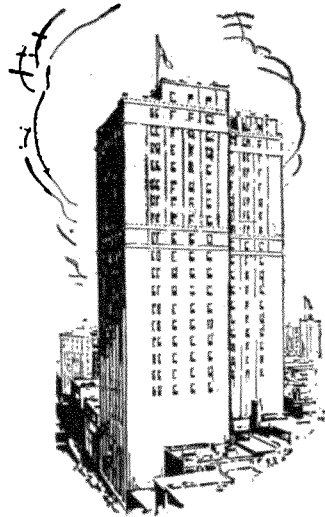
My one object and desire in coming here at this time is to renew my pleadings to the farmers of South Dakota to undertake the organization and carrying out of more efficient policies of finance and cooperative marketing and to endeavor, if possible, to help him to realize his responsibilities in working out a solution.

During the past three years organizations for the co-operative marketing of agricultural commodities have grown rapidly in all sections of the country and with the growth of these institutions, methods of handling and financing the crops have been evolved which are different in many respects from those used by the old established agencies.

In the cotton growing regions the growth of cooperative marketing has been particularly significant but since the time required for cotton to pass through the channels of distribution is considerably greater than for the more highly perishable products, the problems of financing are somewhat different.

As the cotton growers have become more efficient in the functioning of their cooperative associations, I refer especially to them as an illustration of what can be done through a well organized cooperative association both in the questions of finance and distribution. The problem of financing the cotton association arises when the growers deliver their products to the association for marketing. Funds are needed by the farmer to liquidate his indebtedness incurred in the production of the crop and to provide for necessary expenditures until the whole crop is finally sold. To meet this demand the cooperative associations generally have agreed to advance to the farmer at the time he delivers his crop, about 50 to 60 per cent. of its market value or to make a direct advance of a definite amount. Since the associations are organized without capital stock, it is necessary for them to borrow heavily to make the big advances to the producers at the harvest season, and to raise the necessary funds to make the advances, the as-

(Continued on page 42)



Housing the Bell System

MORE than 1900 buildings—many more than the structures in New York City officially designated office buildings—are owned by the Bell System—the A. T. & T. and Associated Companies.

Together with the land on which they stand, they represent an investment of \$221,000,000. They furnish space for switchboards, other telephone facilities, and a numerous personnel. To investors they are visible evidence of the vast physical facilities required for the country's nation-wide telephone system.

The property of the Bell System, whose book cost on December 31, 1924 was \$2,266,923,466, and a service co-extensive with the nation, underlie Bell System securities.



"The People's Messenger"

The dividend rate of the stock of A. T. & T.—parent company of the Bell System—is 9%. This investment stock can be bought in the open market to yield a good return. Write for booklet, "Some Financial Facts."



**BELL TELEPHONE
SECURITIES CO. Inc.**
D.F. Houston, President
195 Broadway NEW YORK

AMERICAN EXCHANGE NATIONAL BANK

Hamilton M. Peyton, Chairman of the Board
 William G. Hegardt, President
 Isaac S. Moore, Vice President
 J. Daniel Mahoney, Cashier
 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

Taxation and Its Influence on Business

Hon. Garrard B. Winston, the Undersecretary of the Treasury, at the Thirtieth Annual Convention of the National Association of Credit Men, Washington

I venture to say there is no association the members of which are in so close touch with fundamental conditions affecting the prosperity of this country as are you. You must and do study the forces which over a long term of years work for good or ill in business. It is appropriate, therefore, that I should talk to you of one of the most potent of these forces—taxation—and its effect upon credit.

Credit, in a sense of the word applicable to your activities may be defined as the delivery today of goods with the expectation that they will be paid for at some later day. With your knowledge of general conditions, and your information as to the particular individual, you apply your test of credit to each case. In coming to a decision there are two elements which probably are considered in each instance. First, the moral responsibility of the debtor; the belief common to all those honestly engaged in trade that obligations undertaken must be met to the letter. I mean the will to pay. And, second, the capacity to pay. How ever honest a man may be, however desirous of fulfilling his obligations, his intentions are of no avail if as a matter of hard fact the payment is beyond his power. It is for this last reason that you are interested in the success or failure of those to whom you extend credit and you become, in some respects, a partner in his business. Of the first, the moral element, I need say nothing further. It is the second, the practical element, which I shall discuss.

Capacity to pay is recognized in every reorganization, whether of a nation or of a going business. The question which the Committee of Experts passed upon and as a suggested answer to which the Dawes plan was an outcome, was not how much Germany owed, but how much she could pay. The recently published plan to restore the Chicago, Milwaukee and St. Paul Railway Company to its owners is based upon what the road may be expected to earn and the plan calls for a rearrangement of capital to come within this expectation. Bankruptcy, a dividing up of assets among creditors, is a solution based on the same theory. The business world operates with capacity to pay in the forefront and clearly it can be said that you who determine the value of this condition have a peculiar interest in whatever may affect it.

Government and Credit

This brings me to where government materially influences the extension of credit. You insist that the manufacturer the dealer, the merchant shall have a certain margin of profit before you will consider them capable of paying for credit extended. If the margin is large, credit is freely forthcoming, if the margin is narrow, credit is hard to get, and if it is non-existent, continued credit is impossible. This margin, other things remaining equal, may be wiped out by an increase in expenses or by a decrease in receipts. The principal effect of the Government upon this margin is through taxes. In the first instance taxes are an item of expense to the merchant, thus narrowing his margin. Then they take a definite amount of purchasing power from the people, lowering his receipts. If the Government takes a billion dollars in non-productive taxes, obviously the merchant will have to pay his share of this billion and add it to the cost of conducting his business and the people as a whole will have a billion dollars less to spend, a part of which would have gone to the merchant. Every unnecessary dollar used by Government is a dollar of wasted wealth and prosperity. So tax reduction simply as reduction is desirable.

Taxation a Necessity

Taxation is a necessity. A government must take from

the people sufficient money with which properly to conduct its affairs. If this money is economically spent upon objects truly for the benefit and happiness of the people, then taxation is right and should be borne uncomplainingly. But even upon such an assumption, that is, taxation reduced to the essential needs of government, there is still a further important feature which affects the continued prosperity of this country and which is a controlling factor in the success of your clients and, therefore, of the credit which they should receive.

Government has no money of its own. All of its revenue comes from the people by way of taxation. For government to waste is wantonly to destroy. Direct waste may occur in the manner by which and the objects upon which money taken from the people by taxation is spent. Indirectly there is much greater waste, not in spending government revenues which are the money of the people, but in the money the people must give up to provide these revenues to spend. If it costs a tax payer two dollars so that the Government may have one dollar net, then the burden of taxation is two dollars, of which one is wasted. The burden of taxation, therefore, should be considered, not as the amount which the Government receives, but the amount which the taxpayer pays. It is here that the character of taxation imposed as distinguished from the amount of taxation collected comes into play. Belief in the necessity of eliminating this waste by wrong taxation, has called forth the Treasury's insistence, irrespective of whether under a Democratic or Republican administration, that we return now the war is over to an economically sound basis of taxation.

Inheritance Taxes

In his speech before the conference on inheritance taxes, held in Washington last February, President Coolidge spoke forcibly on this point and applied it to the existing inheritance tax situation. He showed that those taxes were wasteful in two ways; the mere expenses of ascertaining the tax in certain cases equaled the tax received by the state. In other words, it cost the taxpayer two dollars for the state to get one. And, second, the long-term effect of a capital levy, which is the principal characteristic of inheritance taxes, is ultimately to destroy values and initiative and thus decrease wealth in the hands of taxpayers available for subsequent taxation, that is, the taxpayer loses more than the state receives.

When we come to income taxes we find that excessive rates have a like dynamic effect upon the future production of incomes subject to tax on account of loss of initiative through deprivation of the expectation of adequate reward. I have discussed this feature before and in talking to you today I shall confine myself to the waste and consequent lessening of credit generally caused by a taxing system which forces business and investment out of its normal channels and uselessly increases the expenses of business and cost obtaining capital. This is a wholly unnecessary destruction of the wealth of the nation by which the entire people suffer.

The Present Income Tax

Look for a moment at our present income tax law. Suppose there existed a good, level concrete road between Washington and Baltimore, a distance of 40 miles, and the Federal Government did not own the surrounding property but had the power to set up a toll gate outside of Washington and impose tolls, that is, taxes. Rates are fixed unreasonably high. The law exempts Rolls-Royce cars from paying toll. The owners of Rolls-Royces—tax-exempt securities

The Vacationist's Paradise

Northern Minnesota, with its Ten Thousand lakes, virgin timber, unexcelled roads, fine fishing, and delightful climate, offers the vacationist unsurpassed facilities for the enjoyment of health and recreation. Duluth, the capital of the Arrowhead country, and this bank will extend you a hearty welcome.

THE FIRST NATIONAL BANK

Capital \$2,000,000.00

DULUTH, MINN.

Surplus and Profits \$2,250,000.00

—travel free and these cars, excellent as they are, are made even more desirable to those who can afford to purchase them. Out of this traffic the Government makes no revenue. Some powerful cars come to the gate and find that by taking a detour over rough roads they can go round the gate and save the toll. True, the cars lose time and suffer some injury, but the tolls are so high their avoidance justifies the detour. These are the cars of men of wealth who wish to avoid taxation. Again you will note the toll gate produces no revenue. The last class are the trucks. By reason of their weight they must stick to the highway and cannot take the by-roads. The rates of toll make up a large part of the cost of going over the road and so reduce the profit to be made by sending goods from one city to another that many goods are not shipped, or if they do move they must be sold to the public at higher prices and less are needed. These trucks are the productive businesses of the country. And it is they which pay the tolls and cannot avoid the collector. What is the result of these excessive rates? The advantages of owning Rolls-Royce are emphasized, many cars detour over poor roads with inevitable delay and loss and productive commerce is too heavily burdened. The Government receives in revenue much less than the people in the two cities pay directly and indirectly. It is wasteful taxation.

Discriminations

Our present income tax presents just these discriminations. They are inherent in our system and it does not lie within the power of practical legislation to eliminate them. Repeatedly Congress has refused to reach the abuse of having a type of security the ownership of which works an exemption of taxation. Today there are in existence over \$13,000,000,000 of tax-exempt securities outstanding and before any Constitutional amendment could possibly be made effective the amount would be over fifteen billion. It would take a long time to whittle down such a block of securities by their payment at maturity so that the amendment would be practically useful to keeping capital in taxable productive channels. Under our complicated dual governments and multiplicity of laws, the means of tax avoidance available to those having wealth are so many that to try to close them all by statute would simply put business in a straight jacket, and render it unable to move. The holes cannot be closed without making the law so rigid that growth of industry would end. It would be like forbidding motor traffic on the highways to prevent speeding.

Having Wealth versus Making Wealth

You may think that I exaggerate the discrimination which our present tax laws work between a person having wealth and a person making wealth; between the wealthy man with a high powered car and the man in productive business with his truck. Take a specific case. Suppose the one has five million dollars and the other contemplates a business venture which may produce in a year a profit equal to the wealthy man's annual income. Note as we go along the relative security of the annual income as compared with the probable uncertainty of the business venture. Invest the five millions in any ordinarily intelligent way. Put a million into tax-exempt securities; two million plus two million borrowed into coal lands, with no intention of working the coal but simply to hold it for its increase in value, say 6 per cent. a year. The advantages of the foregoing are the possession of an asset increasing in value and the privilege of cutting down taxable income to the extent interest is paid on the money borrowed. Of the remaining two million half might be put into good bonds and half into sound stocks, which should also increase in

market value each year. This is a well distributed safe lot of investments. The actual income would be something as follows: From tax-exempt securities \$40,000; from taxable bonds, \$50,000; from taxable stock \$70,000. Non-taxable increase of the coal lands would add in value \$240,000 and the non-taxable increase of stocks another \$60,000. This is a total of \$460,000, from which must be deducted as an expense \$120,000 of interest on the borrowed money. What is the income tax which the wealthy man must pay to his government on an income of \$340,000? Nothing. If the producer in his business venture should make a profit of a like amount he would have to pay over \$110,000 of tax to the government.

We encourage by our excessive income tax rates the unproductive investment of capital and discourage business. Under excessive rates industry cannot function normally but is constantly being forced into wasteful channels. This unnatural diversion yields no revenue to the government, and is costly to industry. Excessive rates cost the taxpayer two dollars; the government gets one and the other is thrown away, resulting in a loss to the accumulated

(Continued on page 49)

INCOME TAX SERVICE

AUDITING — ACCOUNTING SYSTEMS

CHAS. H. PRESTON & CO.

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS AMERICAN INSTITUTE OF ACCOUNTANTS

PLYMOUTH BUILDING

MINNEAPOLIS

Invest Direct In Your Community's Growth Preferred Shares Northern States Power Co.

45,000 Shareholders
14 years of Steady Dividends

Make Inquiry at any of our offices:

Minneapolis
Faribault

St. Paul
Mankato

STANDARD OIL ISSUES

CARL H. PFORZHEIMER & CO.
DEALERS IN STANDARD OIL SECURITIES
25 Broad Street New York

MORRISON & Co.
Foreign BONDS Domestic
 Suite 224-26 2830
 Metropolitan Bank Building
 Minneapolis - Minnesota

FOR SAFETY'S SAKE
 Invest in
TRUST GUARANTEED BONDS
 THE SUPER-SAFE FIRST MORTGAGE REAL ESTATE BOND

Stock and Bond Quotations

MINNEAPOLIS BANK STOCKS

	Div. Rate	Bid	Asked
	Pct.		
Camden Park State	..	180	..
Central State	10	200	..
East Hennepin State Bank	..	175	200
First National	12*	260	265
Gateway State	..	180	..
Medicantile State	..	90	100
Merchants & Manufacturers State	..	180	140
Metropolitan National Bank	6	125	185
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	92	95
Munsingwear Corp., pfd.	7	99 1/2	101 1/2
Northern States Power, pfd.	7	98	100
Northwestern Fire & Marine, com.	10	170	..
Russell Miller Milling, com.	..	150	..
Russell Miller Milling, pfd.	6	94	..
Washburn Crosby Co., pfd.	7	109 1/2	111
Pillsbury Flour Mills, com.	..	30	..

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	..	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	101	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
Minneapolis Gas Light, 1st 1930	5	97 1/2	99
Mpls. Gas Light Sec. Notes 1930	6	101 1/2	102 1/2
Mpls. Str. & St. P. City Joint 1928	5	97	98 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	105 1/2	106
Minn. Tribune Co., 1st 1943	6 1/2	103	104 1/2
Northern States Pr. 1948	6	103	104
Northern States Pr. 1941	5	98	98 1/2
Northwestern Elev. Co., Ltd. 1930/2	6 1/2	100	6.00 B
Northwestern Terminal Co. 1930/5	6	97	100
Ottertall Pr. Co. 1st & Ref. 1933	6	102	102 1/2
Ottertall Pr. 1939	6 1/2	103	..
Pillsbury Flour Mills 1933	7	101 1/2	..
Pillsbury Flour Mills 1943	6	102	102 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	101	..
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	100	101
St. Paul Gas Light, Gen. 1952	6	103 1/2	105
St. Paul Gas Light, Gen. 1954	5 1/2	100	101
St. Paul Union Stockyards 1946	5	96	99
Tri-State Tel. & Tel. 1942	5 1/2	103 1/2	104 1/2
Twin City Telephone Co., 1st 1926	5	99 1/2	100 1/2
Union Public Service, 1st 1936	6	98	100
Watab Paper Co. 1st 1942	6 1/2	101 1/2	102 1/2

CHICAGO BANK STOCKS

Quotations June 16, by John Burnham & Company, Inc.

	Bid	Asked	Book Value
Calumet National	260	..	169
City National Evanston	305	..	279
Continental & Commercial National	349	353	262
Drovers National	200	200	150
First National	484	490	378
Foreman National	409	..	258
Irving Park National	260	..	184
Jefferson Park National	180	200	135
Kenwood National	250	..	215
Mutual National	285	290	230
National Bank Republic	194	199	168
National Bank of Commerce	163	..	142
Stock Yards National	280	290	190
†Washington Park National	250	..	141
Austin State	225	..	185
Central Mfg. District	370	390	234
Central Trust Company	240	..	170
Chicago City	380	385	338
Chicago Joint Stock Land	155	165	125
Chicago Lawn State	220	240	179
†Chicago Trust Company	165	170	174
Citizens State of Chicago	290	300	156
Cosmopolitan State	180	200	155
Drexel State	235	..	209
Drovers Trust & Savings	360	..	307
Franklin Trust & Savings	235	..	279
Greenebaum Sons	425	440	300
Guarantee Trust & Savings	255	265	200
Halsted Street State	235	..	202
Harris Trust & Savings	410	..	262
Home Bank & Trust Company	265	275	198
Hyde Park State	225	..	210
Illinois Merchant Trust	475	480	335
Kaspar American State	200	210	132
†Lake Shore Trust	222	..	147
Lake View State	200	..	165
Lake View Trust & Savings	325	..	251
Lawndale State	375	..	220
Liberty Trust & Savings	200	225	141
Lincoln Trust & Savings	185	200	182
Marquette Park State	205	..	163
Mercantile Trust	210	..	159
Mid-City Trust & Savings	220	230	142
Noel State	213	..	130
Northern Trust Company	400	..	367
Northwestern Trust & Savings	325	..	183
Oak Park Trust & Savings	235	250	174
Peoples Stock Yards	265	..	146
Peoples Trust & Savings	250	..	168
Pioneer Trust & Savings	230	..	144

Pullman Trust & Savings	250	..	186
Reliance State	200	210	143
Roseland State	260	300	188
Security Bank of Chicago	345	..	257
Schiff Trust & Savings Bank	275	300	131
†Sheridan Trust & Savings	225	230	164
South Chicago Savings	270	..	184
South Side Trust	215	225	154
South West Trust	200	..	202
State Bank of Chicago	555	570	363
State Bank and Trust Evanston	305	325	255
Stony Island State Savings	220	226	160
Stockmen's Trust	175	190	180
Suburban Trust & Savings	210	250	200
Union Bank of Chicago	200	210	156
†Union Trust Company	329	..	225
United State	210	..	185
West Englewood-Trust	290	300	180
West Side Trust & Savings	245	255	156
West Town State	255	..	151
Wiersema State	225	..	229
Woodlawn Trust & Savings	255	265	164
†New Stock	..	..	..

CHICAGO SECURITIES

Quotations June 16, by John Burnham & Company, Inc.

	Bid	Asked
Beatrice Creamery (\$50 par)	61	63
Beatrice Creamery Co., pfd.	104	106
Borden Co., The, com.	150	153
*Borden Co., The, pfd.	107	111
Brunswick-Balke Coll., pfd.	101	103
Bucyrus Co., com.	150	153
Bucyrus Co., pfd.	106	108
Buda Company, pfd.	104	..
Butler Brothers (\$20 par)	32	33
By-Products Coke Corp., com.	59	61
By-Products Coke Corp., pfd.	105	106
Chicago Cold Storage, com.	54	58
Chicago Cold Storage, pfd.	85	90
Chicago Rapid Transit, com.	6	7
Chicago Ry. Equip., com. (\$25 par)	47	50
Chicago Ry. Equip., pfd. (\$25 par)	25	26
Chicago Title & Trust	435	455
Columbia Sugar (\$10 par)	8	..
Continental Gas & Elec. Pr., pfd.	90	95
Continental Gas & Elec., com.	84	..
Continental Gas & Elec., warrants	10	..
Creamery Pkg. Not., com. (no par)	29	31
Creamery Pkg. N. D., com. (no par)	29	30
Creamery Package Co., pfd.	99	..
Elgin National Watch (\$25 par)	70	72
Godchaux Sugars, 1st pfd.	43	46

Great Lakes Transit, com. (no par).....	20	25
Great Lakes Transit, pfd.....	80	83
Hercules Powder Co., com.....	109	...
Hercules Powder Co., pfd.....	106	108
Holland-St. Louis Sugar (\$10 par).....	6	7
Illinois Traction, com.....	106	...
*Illinois Power & Light, pfd.....	94	96
Interstate Iron & Steel, pfd.....	93	96
Keystone Steel & Wire Co., com.....	36	40
Keystone Steel & Wire Co., pfd.....	96	...
Kraft Cheese Co., pfd.....	101	103
Michigan Sugar Co. (\$10 par).....	6	7
Michigan Sugar, pfd. (\$10 par).....	7	8
National Grocer, com. (\$10 par).....	6	7
National Grocer, pfd.....	84	87
National Tea Co., pfd.....	104	108
Northern States Power, pfd.....	99	101
Northwestern Yeast.....	161	165
Palmolive Co., com. (no par).....	80	84
Palmolive Co., pfd.....	104	106
Tri-City Ry. & Light, pfd.....	80	...
U. S. Gypsum Company, pfd.....	115	116
Utah-Idaho Sugar Co. (\$6 par).....	2	3
Wahl, The Co., pfd.....	69	72
Western Grocer Co., com.....	65	70
Western Grocer Co., pfd.....	99	...

BANK TRANSACTIONS

Washington—Debits to individual accounts, as reported to the Federal Reserve Board by banks in leading cities for the week ending June 10, aggregated \$10,729,000 or 7.8 per cent. below the total of \$11,633,000 reported for the preceding week. New York City reported a decline of \$676,000,000 while other large reductions are as follows: Chicago, \$170,000,000; Philadelphia, \$76,000,000; St. Louis, \$56,000,000; Boston, \$52,000,000; Cleveland, \$19,000,000 and Detroit \$18,000,000. The largest increase, \$14,000,000 was reported by Dallas. As compared with the week ending June 11, 1924, debits for the week under review show an increase of \$1,339,000,000 or 14.3 per cent. Substantially larger debits are shown for all of the more important centers, the principal increases being as follows: New York City, \$777,000,000; Chicago, \$69,000,000; Boston, \$31,000,000; Philadelphia and San Francisco \$29,000,000 each, and Detroit and Minneapolis \$20,000,000 each. Aggregate debits for 141 centers for which figures have been published weekly since January, 1919, were \$10,063,283,000, as compared with \$10,988,273,000 for the preceding week and \$8,802,347,000 for the week ending June 11, 1924. Debits to individual accounts were reported to the Federal Reserve Board for banks in 257 centers, of which 255 are included in the summary by Federal reserve districts.

City	Week ending		
	June 10, 1925	June 3, 1925	June 11, 1924
New York.....	\$5,546,330,000	\$6,222,083,000	\$4,769,462,000
Chicago.....	672,792,000	843,138,000	603,972,000
Boston.....	355,406,000	407,353,000	324,493,000
Philadelphia.....	354,843,000	430,605,000	326,225,000
San Francisco.....	194,216,000	193,504,000	165,526,000
Pittsburgh.....	186,026,000	190,108,000	181,667,000
Los Angeles.....	169,346,000	162,384,000	158,877,000
St. Louis.....	159,000,000	215,400,000	153,400,000
Detroit.....	155,876,000	173,415,000	136,045,000
Cleveland.....	142,889,000	161,401,000	139,001,000
Twin Cities	126,400,000	125,175,000	106,544,000
Minneapolis.....	89,243,000	89,516,000	69,555,000
New Orleans.....	80,217,000	75,299,000	62,848,000
Kansas City.....	78,997,000	82,627,000	63,223,000
Milwaukee.....	63,886,000	61,788,000	59,651,000
Washington.....	58,764,000	53,755,000	50,470,000
Omaha.....	47,676,000	46,115,000	39,811,000
Dallas.....	46,726,000	33,020,000	34,228,000
Seattle.....	43,511,000	44,667,000	44,826,000
Denver.....	38,901,000	46,062,000	34,337,000
Portland.....	37,956,000	30,595,000	34,813,000
St. Paul.....	37,157,000	35,659,000	36,989,000
Duluth.....	31,756,000	32,819,000	16,745,000
Sioux City.....	19,993,000	17,961,000	18,213,000
Des Moines.....	17,593,000	13,888,000	23,641,000
Spokane.....	11,995,000	11,923,000	11,254,000
South St. Paul.....	6,897,000	7,231,000	5,171,000
Sioux Falls.....	3,983,000	3,652,000	3,390,000
Fargo.....	3,372,000	3,011,000	2,736,000
La Crosse.....	2,385,000	2,369,000	2,139,000
Helena.....	2,372,000	1,801,000	1,989,000
Billings.....	1,725,000	1,540,000	1,700,000
Superior.....	1,648,000	1,701,000	1,724,000
Grand Forks.....	1,588,000	1,392,000	1,359,000
Aberdeen.....	1,523,000	1,269,000	1,432,000
Minot.....	1,324,000	1,182,000	971,000
Winona.....	1,140,000	1,089,000	1,158,000
Red Wing.....	622,000	775,000	479,000
Jamestown.....	488,000	361,000	458,000
Dickinson.....	327,000	423,000	291,000
Total, 255 cities	\$10,728,749,000	\$11,633,236,000	\$9,390,211,000

BANK SWINDLERS BUSY IN THE EAST

New York—Losses estimated as high as \$100,000 have been suffered by banks in New York in the last month through the operation of swindlers, who deposit a small amount of cash against which they draw a large check immediately. The checks prove worthless and the bank is out the amount of the checks which it cashed. The swindle is so old that surprise is expressed in bank-

ing circles that it still works in many cases. The usual procedure, recently, it is said, has been to open an account with cash and a large sized check on a bank in Florida or some other distant point. The losses in most cases have been due to the failure of clerks to put a proper "stop" on the checks so that no money would be paid out until the funds have been received from the distant banks whose names the swindlers use.

The city and state prosecuting authorities are cooperating with bankers to halt the frauds, which are said to have amounted to as much as \$20,000 in single instances. They say that the swindlers appear to be the work of an organized band.

RESERVE BANKS GAIN \$25,000,000 PROFITS IN SIX MONTHS

Washington—Net profits of all member banks of the Federal reserve system for the six months ended December 31, 1924, amounted to \$170,268,000 and represented an annual rate of return of 7.5 per cent. on their \$4,537,435,000 of capital, surplus and undivided profits, the board announced June 12.

While net profits were about \$21,000,000 lower for the last half than for the first half of the year, they were over \$24,000,000 higher than for the last half of 1923.

Decreased profits for the last six months of the year, as compared with the first, both in 1923 and 1924, resulted chiefly from the fact that a considerably larger amount of losses, was written off at the end of each year.

For the entire year 1924 the net profits of all member banks amounted to \$361,343,000, which was 8.04 per cent. of their average capital investment for the year. This represents an increase of \$25,000,000 over the preceding year.

Notwithstanding the prevalence of lower interest rates, gross earnings of these banks were \$65,000,000 larger in 1924 than for the preceding year, owing to the higher level of earning assets and to increased income other than interest received.

A considerable portion of the increase in gross earnings was absorbed by an increase in expenses reflecting chiefly larger payments of interests to depositors on an exceptionally larger volume of deposits.

ARTHUR YOUNG & Co.
Member American Institute of Accountants
ACCOUNTANTS and AUDITORS
INCOME TAX SERVICE
First National-Soo Line Building, Minneapolis

New York	Chicago	Milwaukee	Pittsburgh	Kansas City
Los Angeles	Dallas	London, Eng.	Paris, France	

John Burnham & Co.
(INCORPORATED)

Investment Securities

41 So. La Salle St., Tel. Long Distance 173
CHICAGO, ILL.

New Banks and Changes

MINNESOTA

George E. Heyman Elected Assistant Cashier

Dunnell—George E. Heyman, formerly bookkeeper, has been elected assistant cashier of the First National Bank.

J. P. Jensen Resigns Cashiership

Goodridge—J. P. Jensen resigned as cashier of the Goodridge State Bank to enter real estate business in Minneapolis.

Elmer Marpe Becomes Cashier

Becker—Elmer Marpe, formerly of Sioux Falls, South Dakota, has been elected cashier and director of the State Bank of Becker.

Genola Bank Reopens

Genola—The First State Bank which closed last March has reopened with a capital of \$15,000. H. J. Vierk is president and E. R. Asplund, cashier.

Stephen Bank Closes

Stephen—The State Bank of Stephen was closed June 10. It was capitalized at \$25,000 with Charles R. Gillespie as president and T. Anderson, cashier.

William Viesselman Promoted to President

Minneapolis—William Viesselman has been advanced from vice president to president of the University State Bank succeeding M. P. Buzell, who resigned.

Ulen Bank Closed

Ulen—The Ulen State Bank, capitalized at \$25,000, was closed June 15. H. Herzog was president; L. D. Foskett of Crookston, vice president, and A. Skrien, cashier.

Strandquist Bank Authorized

Strandquist—The State Bank of Strandquist, capitalized at \$10,000, has been chartered. L. C. Simmons is president; F. R. Ward, vice president, and N. O. Folland, cashier.

Raymond B. Allmann Advanced to Cashier

Waconia—Raymond B. Allmann has been advanced from assistant cashier to cashier of the First National Bank, the vacancy caused by the resignation of Paul A. Laeser.

E. Bjorklund Resigns as Vice President

South St. Paul—E. Bjorklund resigned as vice president of the Drover State Bank to become associated with Henry L. Doherty & Co. Mr. Bjorklund will make his office in South St. Paul.

Floodwood Banks Consolidate

Floodwood—The Farmers State Bank and the First State Bank have consolidated and will continue as the former, occupying the quarters of the First State Bank. Nels Muus is president; N. B. Arnold, vice president and B. J. Muus, cashier.

NORTH DAKOTA

J. J. Rott Becomes Cashier

Lehr—J. J. Rott has been elected cashier of the State Bank of Lehr.

F. J. Seeba Elected Cashier

Harvey—F. J. Seeba has been elected cashier of the Farmers State Bank.

C. H. Pieschel Made Assistant Cashier

Tuttle—C. H. Pieschel has been made assistant cashier of the Tuttle State Bank.

J. C. McRae Elected Assistant Cashier

Hamilton—J. C. McRae has been elected assistant cashier of the Bank of Hamilton.

Theodore W. Sette Becomes Assistant Cashier

Niagara—Theodore W. Sette has been made assistant cashier of the Bank of Niagara.

J. A. Gefroh Appointed Cashier

Karlruhe—J. A. Gefroh has been elected cashier of the Security State Bank succeeding W. J. Gebbard.

L. W. Zoldan Cashier at Lisbon

Lisbon—L. W. Zoldan of Minneapolis has been elected cashier of the First National Bank, succeeding H. E. Schaff who resigned.

Abercrombie Bank Closed

Abercrombie—The First National Bank, capitalized at \$25,000, has been closed. I. E. Hoel was president and Alma Tweto, cashier.

C. B. Vogen Elected Cashier

Plaza—C. B. Vogen has been elected cashier of the First National Bank, taking the place of O. P. Peterson, who resigned some time ago.

C. V. Alldrin Made Vice President

Williston—C. V. Alldrin, formerly with the First National Bank of Malta, Mont., was elected vice president and director of the Commercial State Bank of Williston.

SOUTH DAKOTA

McLaughlin Bank Changes Hands

McLaughlin—The Hartung interest in the McLaughlin State Bank has been taken over by local business men and farmers and the following are the officers: C. L. Nielsen, president; S. C. Hatch, vice president and C. H. Moen, temporary cashier.

K. I. Shager Buys Control Interest in Bank

Parker—K. I. Shager has purchased the controlling interest in the First National Bank from Fred S. Hill, president and Rodney Hill, vice president. Mr. Shager is now president; Dan E. Hanson, vice president; V. L. Gotthelt, cashier and Karl Shager, assistant cashier.

WISCONSIN

E. D. Reck Resigns Assistant Cashiership

Monroe—E. D. Reck severed his connections with the First National Bank as assistant cashier.

E. J. Lawrence Resigns as Assistant Cashier

Beaver Dam—E. J. Lawrence has resigned as assistant cashier of the old National Bank to accept a position as salesman with a bond house in Chicago.

R. E. Doms Elected Cashier

Omro—R. E. Doms has been made cashier of the Peoples Bank succeeding Fred Loker, who resigned to accept a similar position with the new Paine Bank of Oshkosh.

John C. Brown Resigns as Cashier

Lake Geneva—John C. Brown has resigned as cashier of the Farmers National Bank to accept a position with Thompson, Kent & Grace, Inc., bond house in Chicago.

Wesley S. Goode Buys Bank Interest

Menomonee Falls—Wesley S. Goode purchased the interest of the late Albert Eckhardt in the Farmers and Merchants Bank, thus becoming the largest stockholder.

IOWA

Eleanor M. Falcon Elected Cashier

Mount Vernon—Eleanor M. Falcon has been elected cashier of the Citizens State Bank.

Minnie Christiansen Made Assistant Cashier

Mapleton—Minnie Christiansen has been advanced from bookkeeper to assistant cashier of the First National Bank.

R. E. Thorne Resigns Cashiership

Farragut—R. E. Thorne sold his interest in the Commercial Bank and resigned as cashier on account of ill health.

Charles Miller Elected Vice President

Britt—Charles Miller has been elected vice president of the Commercial State Bank, succeeding the late T. B. Erwin.

Officers for New Bank at Rockford

H. S. Goodall is president, L. L. Ackenbach, vice president and F. P. Jorgenson, cashier of the new Rockford First State Bank.

H. J. Richards Becomes Cashier

Allerton—H. J. Richards, formerly assistant cashier of the Cotter Savings Bank, has been elected cashier of the Security State Bank.

Dedham Bank Authorized

Dedham—The Dedham Savings Bank, capitalized at \$25,000 has been chartered. Leo J. Wegman will be president; Henry Hackfort, vice president and William Schultes, cashier.

Marian Peckham Elected Assistant Cashier

Ossian—Marian Peckham has been made assistant cashier of the Ossian State Bank succeeding Rolf J. Kvamme who resigned to accept a position as cashier of the Scales Mound State Bank of Scales Mound, Illinois.

Changes at Norway Bank

Norway—William M. Uthoff has been advanced from vice president to president of the Benton County Savings Bank succeeding the late John F. Schloeman. E. M. Williams was elected vice president, succeeding Mr. Uthoff.

Manchester Bank Reorganized

Manchester—The Farmers & Merchants Savings Bank which was closed has been reorganized with a capital of \$50,000. J. J. Burbridge is president; F. H. Munson and G. H. Dunham, vice presidents; W. W. Matthews, cashier and T. H. Lillibridge, assistant cashier.

MONTANA

Promotions at Columbus

Columbus—William Witt has been advanced from cashier to vice president of the First National Bank and H. LeCombs, formerly cashier of the Columbus State Bank, was elected cashier. H. J. Stange resigned as assistant cashier.

Control — Minnesota Bank

We offer bare control in dandy little bank, Waseca territory. Capital \$10,000; surplus \$5,000; deposits around \$150,000; no borrowed. Big cash and secondary reserve; paper guaranteed. Deal involves about \$9,000; \$5,000 cash will handle. Inquire File No. 684.

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.

NEBRASKA

W. P. Carpenter Buys Bank Stock

Carleton—W. P. Carpenter purchased the stock of the Citizens State Bank owned by G. H. Wrightsman and W. H. Dick.

Merger of Grand Island Banks

Grand Island—The First National Bank and the State Bank of Grand Island have consolidated and will continue as the former. S. N. Wolbach of the First National remains as president, while cashier I. R. Alter was made a vice president together with Frank Cleary and V. E. Evans of the State Bank.

COLORADO

Kersey Has New Bank

Kersey—The Citizens State Bank, capitalized at \$12,000, has opened for business. A. H. Dake is president; J. H. Christmas, vice president and Albert F. Fruse, cashier.

WYOMING

Burns Banks Consolidate

Burns—The Farmers Bank and the Burns State Bank have consolidated and will continue as the Farmers Bank.

WASHINGTON

F. C. Poole Resigns as Cashier

Tekoa—F. C. Poole has resigned as cashier of the Citizens State Bank.

George C. Jewett Becomes President

Spokane—George C. Jewett has been elected president of the Federal Land Bank succeeding the late Daniel G. O'Shea.

CALIFORNIA

Bernard Schmitz Becomes Vice President

Reseda—Bernard Schmitz bought the interest of A. B. Prior in the Reseda Bank and was made vice president, succeeding Mr. Prior.

Bellflower Bank Chartered

Bellflower—The Commercial National Bank has been authorized with a capital of \$25,000. C. S. Thompson is president and C. H. Connett, cashier.

IDAHO

Buys Bank Interest

Bonnors Ferry—C. D. Simonds and C. W. King have bought the interests of M. P. DeWolf, president, and A. H. DeWolf, director, in the First National Bank.

Elvin Whitehead Cashier at McCammon

McCammon—Elvin Whitehead, formerly assistant cashier of the First National Bank at Grace, Idaho, has been elected cashier of the McCammon State Bank, succeeding E. C. Goodwin, who recently resigned.

ILLINOIS

Thomas H. Kelley Becomes President

Chicago—Thomas H. Kelley has been elected president of the Cottage Grove State Bank.

Samuel M. Fitch Elected Assistant Cashier

Chicago—Samuel M. Fitch, formerly assistant cashier of the Lake State Bank has been elected assistant cashier of the Guardian National Bank.

BANKING NOTES

Lemmon, S. D.—The Lemmon State Bank's capital has been increased from \$10,000 to \$40,000.

Fairdale, N. D.—The capital of the Farmers State Bank has been increased from \$10,000 to \$15,000.

Union National Bank to Have New Building

Minot, N. D.—A three-story fire-proof building is being planned for the Union National Bank.

Amboy Will Have New Bank Building

Amboy, Minn.—The First National Bank is erecting a new building on a site recently purchased.

Mandan Bank Enlarges Building

Mandan, N. D.—The First National Bank will enlarge and make improvements on their building.

Building Sold to Mondak State Bank

Fairview, Montana—The Mondak State Bank purchased the building of the old First National Bank.

New Bank Building at Grand Island

Grand Island—A new bank building is erected on the site of the State Bank of Grand Island to cost approximately \$150,000.

SOUTHERN CALIFORNIA BANKS

Correspondence invited from Bankers desiring to buy control in California.

SANDERS-McCULLOCH CO., Bank Brokers

Suite 1005, Story Building. Los Angeles

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

Minneapolis, Minn.

ASSISTANT CASHIERSHIP

Ideal for experienced young man who can purchase fifteen shares at book value. Western Minnesota town of 500; German-Catholic territory. Leads into cashiership.

BOOKKEEPER—Southern Minnesota town of 1,500; about 15 letters a day on the dictaphone. Good typist can handle. Ideal location.

MIDWEST EMPLOYMENT BUREAU

1014 Lumber Exchange Bldg.

MINNEAPOLIS, MINN.

Competent help furnished without charge to employer.

CASHIER --- SALARY \$2,500

Mighty attractive Northwestern Iowa proposition — joint control — substantial associates — sixty shares involved — no residence — terms to right party.

Footings — \$400,000

No borrowed or rediscounts

Total deal around \$10,000 — Protestant best — A-1 man necessary. Good high school.

Bank No. 5314

Northwestern Placement Bureau

720 Metropolitan Life Bldg., Minneapolis, Minn.

BANK HELP FURNISHED — NO CHARGE TO EMPLOYER

Automobile Casualty Insurance Presents a Problem

New York—Casualty underwriters are decidedly worried over the growing number of suits brought against assureds by blood relatives to recover damages for personal injuries suffered, or claimed to have been received, in automobile accidents. They are studying the best means of dealing with the condition. When a number of years ago news came from Indiana of the payment of a liability claim for injuries sustained by a party riding in a machine on the invitation of its owner, underwriters here felt that the law had been stretched pretty far. Since that time, however, a lot of water has passed under the bridge, and claims of this character have become fairly common.

Indeed, so generally is the liability of an automobilist for injuries sustained by an occupant of his car recognized, that some motorists refuse to carry guests; not through any lack of friendship, but solely because of their unwillingness to assume financial responsibility in the event of an accident. But the general guest hazard is not the one about which underwriters are particularly concerned, rather it is the claims brought by blood relatives which are growing in number and which inject into the business a moral hazard of large proportions, or which threatens to become so.

Company managers were severely jolted when, several months ago, they learned of a suit brought against a car owner of Connecticut by his wife to recover for personal injuries sustained by the latter while motoring with her husband. Since that time a number of similar actions have been instituted. Independent of possible judgments, cases of this character, of course, have to be defended by company carriers, and by virtue of the peculiar relationship of plaintiff and defendant their handling calls for especial study.

In the minds of some underwriters the proper way to deal with the general condition would be to cease granting the omnibus cover under the automobile liability policy, and revert to the old practice of simply insuring the owner of a car, charging an additional premium for each further assured. The increased liability is thus assumed through the medium of a rider attached to the underlying policy.

INCREASE IN MORTGAGE RISK INSURANCE

New York—The increase in building during the last few years has resulted in a wide spread call for life insurance policies guaranteeing the payment of mortgages in the event of the death of the bread winner, according to the Prudential officials. The public is rapidly being educated up to protection against almost every kind of loss, so the foreclosing disaster is occurring less frequently. Today the average man who has built a home takes precaution that in the event of his death it will be well secured for his family and not become the property of the person holding the mortgage.

"As fire insurance provides for the covering of losses from fire, so can life insurance be written to provide for the payment of a mortgage in event of the death of the person whose property is so burdened," said F. A. B. Page, of the Prudential ordinary issue department. "The property is thus left free and clear for his heirs. The high rents of recent years prompted many persons, formerly content to be tenants, to put all their savings in a home. In many instances the purchase of the home represents the sum total of the family resources. Loaded with a mortgage, there is always danger that these savings of years may be lost should the breadwinner die and the house have to go by foreclosure.

"Term insurance, familiar to every business man, is now written for the purpose of mortgage redemption. The man who has planned to pay off his mortgage during the coming ten years may not be able to afford to pay the regular premiums on other forms of insurance for an amount as large as he would wish. While he has the mortgage interest and installments to meet, term insurance will give him the necessary protection at a minimum expense. The term policy can be converted into another form within a specified period," he continued, "and where possible it is always desirable that this should be done and thereby procure a

greater equity than is possible in the term policy because of the low premium. But the provisions of the term policy have proved very attractive to the recent home builder, judged by the increasing number of applications for it."

60,000 EMPLOYEES OF THREE RAILWAYS INSURED FOR \$150,000,000

Louisville, Ky.—Group insurance on the lives of more than 60,000 employes of three railroads, for a total coverage of approximately \$150,000,000 has been announced by the Louisville and Nashville railroad. The other roads involved are the Nashville, Chattanooga and St. Louis and the Louisville, Henderson and St. Louis. The policy will become effective July 1, or on acceptance by 75 per cent. of the workers. It is said to be the largest single life insurance transaction on record.

All employes of the railroad are included in the insurance arrangement, the amount of protection being based on monthly earnings. The lowest premium will be for \$1,000 and the maximum for \$3,000 with additional accident benefits.

The insurance will be issued on a contributory basis, the road announced, the employe paying a uniform sum to the premium cost, while the companies will bear the remaining expenses.

CANADIAN FIRE LOSS HEAVY DURING MAY

Toronto—Canadian fire losses in May are heavier than for the previous month or for the same month last year. Fire losses last month, as estimated by the Monetary Times, was \$3,189,850, compared with \$1,924,100 in April, and with \$2,418,213 in May, 1924. Cumulative fire losses for the first five months of 1925 total \$15,232,808, compared with \$14,773,741 in the corresponding period of 1924.

The most serious fire in May was that which destroyed a large part of the business section of St. Joseph d'Alma in Quebec and did damage estimated at \$1,000,000. Next in importance came the destruction of the United Grain Growers Sawmills, Ltd., sawmill at Prince George, B. C., which was valued at \$250,000.

OFFICIALS OF AUTO POLICY FIRM ARRESTED IN NEW YORK

New York—Two officials of the Keystone Automobile Service Corporation, Rochester, N. Y., have been arrested and held on a technical charge of vagrancy, as the result of the efforts of the concern to sell a combination service policy including towing, legal representation and bail bonds, without adequate financial assets, says a current bulletin from New York of the National Better Business Bureau of the Associated Advertising Clubs.

The men are Harry Bernstein, president, and Max Karpnitz, secretary-treasurer, the bulletin adds, while a third member of the firm Jacob Platt, left Rochester without leaving a forwarding address.

According to the bulletin, "several hundred Rochester motorists became interested in the proposition, believing they were obtaining insurance policies protecting them against liability, property damage, etc."

The following statement, the Bureau reports, appeared in the concern's advertising:

"Carry in your pocket the power of attorney of the world's largest surety company, authorizing you to sign your own bail bond up to \$5,000, in case of arrest for violation of any motor vehicle laws."

The surety company referred to is believed to be the National Surety Company of New York, although this company refused to do business with the Keystone organization.

When arrested, the bulletin says, the men admitted they had only about \$100 in the bank.

ALCOHOLIC INSANITY TREBLES IN DRY YEARS

Albany, N. Y.—Alcoholic insanity has trebled in New York State in the five years since prohibition went into effect, according to a report of the State Hospital Commis-

Bank established in 1864

SKANDINAVISKA KREDITAKTIEBOLAGET

GÖTEBORG STOCKHOLM MALMÖ

Branches in all parts of Sweden

Own funds	Kr.	182.000.000—
Deposits, December 31, 1924.....	ca. "	648.000.000—
Total assets, December 31, 1924.....	" "	1.002.000.000—

Transacts all kinds of banking and exchange business. Inquiries and correspondence invited.
Telegraphic address "KREDITBOLAGET"

sion. The number of men and women who have become insane through the use of intoxicating liquors since 1920 is shown as follows in the commission's figures:

- 1920—Men 90 and women 32.
- 1921—Men 167 and women 26.
- 1922—Men 194 and women 32.
- 1923—Men 220 and women 56.
- 1924—Men 302 and women 71.

The total of 373 cases admitted to state institutions last year was greater than in any year since 1917, when there were 594 new cases.

15,000 DEATHS A YEAR CHARGED TO ARSON

Washington—Arson rings, headed by "unscrupulous politicians and business men," are operating in virtually every city in the country and causing an indirect loss to business of \$160,000,000. T. Alfred Fleming, supervisor of conservation of the National Board of Fire Underwriters, asserted in an address before the recent convention of the National Association of Credit Men.

Deaths resulted from incendiary fires in the United States average 15,000 a year, Mr. Fleming said.

The High Cost of Maintenance of State Governments

Washington—Total payments of the state governments in 1923 for operation and maintenance, interest, and outlays amounted to \$1,310,332,793 or \$11.95 per capita, according to statistics made public by the census bureau.

Of this total, \$895,782,000 represents the expenses of operating the general departments, which includes \$223,241,119 apportionments for education to the minor civil divisions of the states; \$10,354,743, expenses of operating public service enterprises; \$50,446,313, interest on debt; and \$353,577,955, outlays for permanent improvements.

Of outlays for permanent improvements, \$274,911,189, or 77.8 per cent. of the total, were for highways and water ways. In 1922 the total payments for the states were \$1,280,319,931, and in 1918, \$565,485,937, a per capita of \$11.82 and \$5.47 respectively.

The totals include all payments for the year, whether made from current revenues or from the proceeds of bond issues. Proceeds from the issuance of debt obligations are not considered revenue receipts.

Revenues \$11.38 Per Capita

The total revenue receipts of the 48 states for 1923 were \$1,247,304,821 or \$11.38 per capita. This was \$290,549,983 more than the total payments of the year exclusive of the payments for permanent improvements, but \$63,027,972 less than the total payments, including those for permanent improvements. The revenue receipts include \$352,503,895 from general property taxes; \$218,777,523 from special taxes; \$6,668,552 from poll taxes; \$338,741,772 from licenses; \$102,426,344 from subventions from the United States Government; \$9,698,175 from earnings of public service enterprises; and \$218,488,560, the remainder, from special assessments, fines, forfeits and escheats, interests, rents, privileges, and pension assessments. The per capita revenues were \$10.71 in 1922 and \$5.69 in 1912.

Debt Nearly a Billion Dollars

The net indebtedness—funded and floating debt less sink-

ing fund assets—of the state governments amounted to in 1922 was \$8.12 and in 1918 \$4.86.

\$955,584,105 or \$8.72 per capita. The per capita net debt For 1923 the assessed valuation of property subject to general ad valorem taxation for state purposes was \$108,675,661,403 for the 48 states; and the amount of taxes levied was \$34,521,052 or \$3.13 per capita. The per capita levy on property subject to general property taxes was \$3.37 in 1922 and \$2.26 in 1918. In 1923 no general property taxes were levied in Pennsylvania, North Carolina, and California.

\$5,000,000 IN QUEBEC BONDS SOLD

The Province of Quebec, Canada, has sold \$5,000,000 of 4½ per cent. Sinking Fund Gold bonds to the Harris Trust & Savings Bank of Chicago, and the National City Company and Wood, Gundy & Co. of Montreal. The bonds are due March 2, 1950, and are being offered at 97½ and interest to yield about 4.70 per cent.

Organized 1911

STERLING FIRE INSURANCE COMPANY

INDIANAPOLIS, IND.

January 1, 1924

Assets	\$2,879,690.19
Liabilities	248,551.21
Cash Capital	850,000.00
Reinsurance Reserve	1,181,043.35
Surplus to Policyholders.....	1,450,095.63

**Automobile, Fire, Lightning,
Tornado, Hail and Rain Insurance**


WESTERN DEPARTMENT
JOHN H. GRIFFIN, GENERAL AGENT
NEW YORK LIFE BLDG., MINNEAPOLIS, MINN.

Poor Advertising

A rate book carried about and occasionally displayed by a non-producer might be a form of Company advertising.

But we do not believe in that kind of advertising. Lincoln National Life officials are certain that they can well afford to put an added investment in the man who carries their rate book in order to help him to succeed. So they give a thorough correspondence course to all new men and supplement it by personal co-operation and prompt service.

Believing that a successful agent is the best form of Company advertising, Lincoln National Life officials point to hundreds of men scattered over the country as examples of the fact that it pays to



LINK UP WITH THE LINCOLN

The Lincoln National Life Insurance Company
"Its Name Indicates Its Character"
Lincoln Life Building Fort Wayne, Indiana
More Than \$365,000,000 in Force

Government Will Help in Fight Against Commercial Frauds

Department of Justice Will Cooperate With the National Association of Credit Men

Washington—Assurance that the Department of Justice will continue its drive on credit "crooks" and "criminals" was emphasized to the National Association of Credit Men at their recent convention by William J. Donovan, Assistant Attorney General, who told his hearers that they could reciprocate by extending aid to the Federal Government in the collection of income taxes.

Discussion of the deprivations on credit and the measures that may be taken to correct this form of crime developed the fact that members of the organization from New York and 15 other cities had subscribed \$1,042,879 to finance an intensive campaign against commercial fraud.

The campaign will be operated from three administrative headquarters—New York, Chicago and San Francisco. Twenty-five district offices will be established in important centers where records of every commercial criminal known to that section will be kept with his complete record. A report made by the Committee on Investigation and Prosecution showed that since that body has been in commission 824 cases have been accepted, 601 indictments obtained, 276 fraudulent debtors convicted and \$528,369 in concealed assets returned to estates. Acknowledgment was made of the cooperation received from officers of the Department of Justice in capturing debtor-offenders.

Colonel Donovan's Views

In his address Colonel Donovan said that in the prosecution of frauds arising out of business transactions the Department of Justice and its local representatives, the district attorneys, must depend upon the credit men for cooperation and assistance. He suggested that credit exchange bureaus operated in the business centers should urge the adoption of proper business methods, notably, the importance of keeping books of account. He said:

"To the honest merchant, there could be nothing but advantage to the Government greater facility in the collection of revenue from income tax sources; and to the crook who kept books because he had to follow the custom of the community concealment of assets would be made more difficult.

"I wonder too, if it is beyond the bounds of possibility that these bureaus should induce merchants to insist upon financial statements before extending credit. It is apparent that financial statements have a direct bearing upon concealment of assets and other commercial fraud prosecution.

"Every Federal Reserve Bank requires from its member banks financial statements to cover commercial paper offered for rediscount. There would seem to be no good reason why a debtor should refuse to give such a statement when asking credit from a merchant.

Keeping Lists of Debtors

"In addition credit managers should have in their files the history of their debtors and should be informed as to whether their debtors or those to whom they are selling have ever gone through bankruptcy or other insolvency proceedings or had suspicious failures or have been employed by those who were involved in suspicious failures.

"I think that credit men cannot altogether escape blame for the commission of certain of these commercial offenses. A credit may be extended whether out of a desire to get business or out of indifference or laziness in properly ascertaining the credit standing of the applicant. In the trial of some of these cases, I myself have seen in the examination of books that in the first instance had there been a measurement of goods purchased as against goods sold, the applicant would have been seen to have had only a small balance. Now these could have been easily determined with proper credit examination. It might well be that the purchaser was not dishonest, or even if he were, had he known that the credit man was standing at his elbow, he would not dare have been dishonest."

To Make Commercial Crime Unprofitable

William H. Pouch, president of the New York Credit Mens Association and chairman of the million dollar fund for the suppression of credit crime, outlined the plan of

the association to make commercial crime an unprofitable business.

"We have won our first big skirmish in our war against credit fraud," said Mr. Pouch. "We still have a big fight before us. Our present victory is a definite victory but it is not a complete victory; the big work is yet to be done. We intend to harrass credit criminals and prosecute them, and if necessary, persecute them until they will turn to some more profitable line of making a living."

Mr. Pouch reported that in the raising of the million-dollar fund to prosecute credit "crooks" New York led with a contribution of \$381,096. Other cities made contributions as follows: Philadelphia, \$70,985; Milwaukee, \$24,850; Indianapolis, \$21,005; Cleveland, \$54,257; Chicago, \$71,500; Baltimore, \$26,030; Buffalo, \$28,360; Pittsburgh, \$41,014; St. Louis \$45,000; Twin Cities, \$59,805; Cincinnati, \$52,665; and Boston \$92,770.

For his work in collecting the million dollar prosecution fund Mr. Pouch was presented with a silver cup by J. H. Trejoe, executive manager of the association on behalf of the national staff. In collecting evidence against commercial fraud, the national association will work through a new body to be known as the Credit Justice Department, heretofore known as the Committee on Investigation and Prosecution.

Gain in the Alien Population of the United States

Washington—Since the beginning of this calendar year to the end of March, 69,484 immigrants were admitted to the United States, making a total of 216,221 entering the country since July 1, 1924, the beginning of this fiscal year. In the same nine months 72,894 aliens departed, leaving a net increase of 143,327 in the alien population of the country.

Europe furnished 16,594 immigrants in March and a total of 105,593 since July 1, 1924. During the nine months 263,341 American citizens arrived, 116,747 non-immigrant aliens, and 18,601 immigrant aliens were debarred from landing, making the total arrivals for the nine months 614,910.

Immigrants admitted from Asia in March numbered 229 and for the nine months' period 2,859; from Africa 22 in March, and for the nine months 312; from Pacific Islands 22 in March, and 315 in the nine months; and from the Western Hemisphere 9,751 in March, and 107,142 in the nine months' period. The largest number of the latter immigrants came from Canada, with 4,326 in March and 81,189 during the nine months, and from Mexico with 4,937 in March and 20,813 during the nine months' period. The largest number of immigrants reaching this country during the nine months is given by nationality as English with 39,784; the next largest number being German with 37,896; Irish 30,773; Scotch 21,093; Mexican 20,387; French 18,112; and Scandinavian 15,926.

The intended future permanent residence of immigrant aliens arriving during the nine months' period was given as New York by 49,728 of them; Massachusetts by 22,394; Michigan by 19,921; Illinois by 15,002; Texas by 14,467; and Pennsylvania by 12,501. Of the total immigrants 8,047 were classified as belonging to professional occupations; 36,929 as skilled artisans; and 81,468 were classed as miscellaneous, together with 89,777, who gave no occupation, including women and children. Of the skilled workmen entering during the nine months' period, 23,276 classified themselves as laborers; 18,432 as servants; 11,916 as farm laborers; 10,825 as farmers; and 9,879 as clerks and accountants.

SHEARING SEASON STARTS IN MONTANA

Forsyth, Mont.—The shearing season in this section of Montana has begun. Flockmasters predict average fleeces of nine pounds. About 20 per cent. of the clip, it is reported, is already under contract, at from 42 to 50 cents. The lamb crop has averaged more than 90 per cent., it is said. Range conditions have been excellent.

3,200 Copies in Use by Bankers

You too should have a

BANKERS GUIDE BOOK

by *W. R. Morehouse and John Edson Brady*

An encyclopedia on every-day banking problems by the two foremost practical writers on banking subjects in the United States. A 287 page volume, comprising 1,190 questions and answers (with references) on legal banking problems and bank-business building methods. Price \$3 postpaid.

TEAR OUT AND MAIL

COMERCIAL WEST
Minneapolis

You may send a copy of the following Morehouse books, for which you will find enclosed my remittance to cover.

- Bankers Guide Book \$3.00.**
- How to Succeed in the Bank \$2.50.**
- Bank Letters** (a series of 100 actual business building letters for bank use) **\$10.00.**

NAME

BANK

ADDRESS

Political vs. Private Bank Management

Everywhere in the world, the dangerous notion that banks are best run by politicians is being disproved. Frequently the disillusionment is expensive to bank stockholders and depositors, and almost always to the public itself. If, however, the lesson is thoroughly learned, the fiascos so frequently experienced in state banking of one sort or another during recent years, may after all have some virtue and benefit in them.

State paternalism in its finest flower has been illustrated by the South Dakota Rural Credit System. At the close of 1924, the "system" had made roughly 12,000 loans, of which 4,400 (or 36 per cent.) were definitely delinquent, with a tendency for the latter figure to rise further toward 5,000. The total loss to the state is difficult to estimate—good judges place it between \$10,000,000 to \$15,000,000. Incidentally, the treasurer of the system is now in jail on account of certain irregularities. When his present sentence is terminated, he must at once face further prosecution on other charges.

In such cases, it must always be remembered that a politician suddenly placed in charge of a bank usually remains a politician without becoming a banker. The callings are distinct. Professional politicians must be cheerful and accommodating, while the successful banker must be skeptical on occasion and retain his ability to say "No." Credit is a very necessary adjunct to business, but as a rule a dangerous partner to political ventures.

The real interest of the public is affected by such cases as that of the South Dakota Rural Credit System in several ways. Often—and such was the case in this instance—the whole state is bonded to raise the funds for the venture in state banking. One hundred years ago, state bonds were issued in this country to set up state banks. But while in those days, repudiation of the bonds after the banks had collapsed was not uncommon, such a step could not be taken out of the impasse today. Thus a trail of long term debts for the tax payers of the state to settle

remains after such unsuccessful attempts in the political juggling of credits.

Moreover, the unsound competition afforded private banks by a state owned institution doomed to disaster tends to spread unsoundness among these other banking institutions, which in the long run is a menace or an actual burden to the private citizen.

The principal way to avoid a recurrence of political banking is to continually point out to the public its ill effects in the past. After the heavy cost both to our state governments and to private citizens, in many parts of the country, this can be done today with unusual ease.—American Banker.

EXPENSE OF ALASKA'S ADMINISTRATION

Washington—Federal administration of the Territory of Alaska last year cost the United States Government \$10,467,064, according to a statement issued by the Secretary of the Interior Work.

BUILDING ?

Maximum Economy in Construction, Without Sacrificing Strength, Durability, Utility or Appearance.

WALTER H. WHEELER, E. M., MEM. AM. SO. C. E.
DESIGNING AND CONSULTING ENGINEER
BUILDINGS - BRIDGES - DAMS - GRAIN ELEVATORS, ETC.
1112-10 METROPOLITAN LIFE BUILDING. MINNEAPOLIS, MINN.

Are You Going to MOVE ?

We can move you across the street or we can move you 500 miles by closed auto van trucks.
If you figure on shipping to California or Florida, we can save you 25 per cent on the freight.
We store your goods in up-to-date moth-proof, fire-proof warehouse.

"Our better service costs you no more"

SKELLET COMPANY, Minneapolis

"Our Business is Moving"

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.

A deed given by a wife directly to her husband conveys no title.

Editor Commercial West:

In April, 1920, one of our garage men, Mr. E., burned out and had a loss of about \$5,000 above the amount of insurance carried. A meeting was held by about six or eight and they decided to take up a subscription and raise enough money to build another garage for Mr. E. Forty-six individuals signed up notes in amounts from \$100 to \$1,000. In all \$12,450 was raised. They told Mr. E. to go ahead and build a new garage, which he did during June and July, 1920. There was a mutual understanding that the National Bank in our town should act as trustee for the 46 individuals. On July 29, 1920, all these notes were turned over to cash or raise money on. One-third of the amount was taken over by each of the three banks here and cashed at face value. Mr. E. in turn gave a note for like amount to each individual. All of these notes were held by the National Bank as trustee.

There was some misunderstanding about taking the notes as some claim that those that were canvassing told them that these notes would only be used as collateral and that the share of the estate that Mrs. E. was interested in would be divided and out of her share they would be paid back. Nothing came of this supposition; nothing had been promised by either Mr. or Mrs. E. Then in the fall of 1921, when they saw nothing would be paid back on the principal, a meeting was called, and a committee of three was elected to see that a mortgage was given on the building. Mrs. E. gave Mr. E. a warranty deed to five lots on which the building was located. Mr. E. in turn gave a mortgage on these lots to the National Bank, trustee, in the sum of \$12,450. Mr. E. personally paid interest on this the first time and the National Bank the second time. When this note and mortgage for \$12,450 was delivered to the National Bank trustee, they returned to Mr. E. all these individual notes that he had given. Except for these two interest payments Mr. E. has not paid anything except to keep the building insured and the taxes paid, which has cost from \$325 to \$420 a year.

In the fall of 1923 a number were dissatisfied, so a meeting was called and it was decided to try to sell the building for about 50 cents on the dollar that we had put into it, or for about \$6,225. A committee was appointed to get a warranty deed from Mr. E. which was done, signed as noted on the bottom of the note, the grantee's name not filled in and deed deposited with the National Bank, trustee, to be delivered to the one who bought the garage. No sale has been made, and now a bunch is getting anxious to have something done so as to get some money out of it. A meeting was held this April. A price could not be agreed upon so that the most talked of was to foreclose the mortgage held by the National Bank, trustee, but how that could be done was the question. A committee of five was appointed to devise some way to go about this and I am one of that committee and when we are ready we are to call another meeting to report.

Here are a number of solutions that have been proposed and we would like to have your opinion about it.

Some think that we should agree on a price from 33 1-3 per cent. up to 50 per cent. of the face amount involved and get Mr. E. to raise that and then for the National Bank to release the mortgage. Could they do that with all signing up and agreeing to it, and would the title be clear as far as the mortgage was concerned? If all did not sign up agreeing to the satisfaction of the mortgage would the National Bank be liable to those who did not sign up? Some think that a national bank cannot act as trustee, therefore cannot satisfy the mortgage. How about that?

Some think that the trustee should go ahead and foreclose the mortgage by getting the consent of as many as possible, foreclosure by action and include those who do not sign up as defendants in the action so as to shut out their claim over what is realized on the sheriff's sale so no deficiency judgment would be filed. Then Mr. E. would have a year of redemption, would he not? The mortgagee would not bid at the sale, someone else would do that. That way they claim that each one that was interested would have a chance to bid on the property.

Others claim that they have had legal advice that the above proposition won't do at all, but that a receivership must be applied for and must apply to the District Court for permission to sell at private sale or to foreclose this trustee mortgage by the receiver. The trusteeship is null and void as no record has been kept and nothing filed with the District Court or the Register of Deeds to show there is a trusteeship and who are interested.

I wish that you would give us some light on this proposition how best to proceed so as to protect everybody interested, each individual, the National Bank and Mr. E. I think that everyone except perhaps one or two would be satisfied to get about 35 per cent. of the face value. They don't want a deficiency judgment. Can the trustee or receiver get away from a deficiency judgment without everyone waiving it?

This is really it. Can the trustee satisfy the mortgage if everyone consents to it? If one holds out must the trustee, and can they foreclose the mortgage, and will they have to file deficiency judgment? Who should bid in at the sheriff's sale? If the trustee cannot foreclose, what can and should be done?

State Bank, _____, N. D.

ANSWER

Upon the facts as stated, in our opinion there are certain fatal defects which entirely invalidate the so-called mortgage and deed which has been given to the National Bank. In the first place, it is evident that Mrs. E. owned the property upon which the garage was erected. After the new garage was put up with the money which had been raised Mrs. E. gave Mr. E. a warranty deed to the property. In our opinion a deed attempting to pass a title from a husband to a wife is invalid.

A new arrangement was entered into by a committee of creditors in which a warranty deed signed by E was given to them and deposited in the National Bank. In our opinion this deed is void and of no force and effect whatsoever, and any attempt to convey title by inserting the name of a grantee in said deed would be of no effect. The title which the purchaser at the mortgage foreclosure sale would get would be based upon the instruments heretofore referred to and would not convey good title, and it is not necessary for us to decide whether or not the National Bank has the right to act as trustee in a case of this kind. As we understand it, the banking laws provide that a national bank may act as trustee after having first obtained the consent of the Federal Reserve Board, and it is open to question whether under the circumstances given in your letter the bank had this power.

As to how this matter could be worked out to the satisfaction of all concerned, there are so many elements that enter into the decision that it is impossible for us to outline any plan of action. If all parties are in accord and are simply attempting to work out a plan whereby all can get at least a certain portion of the money invested, we do not see the necessity for bringing a law suit. This would be expensive and it would seem to us that a plan could be worked out whereby a corporation could be formed and stock issued to the various persons who have invested money in this concern, and the corporation deeds, conveyances and releases could be properly executed to this corporation and they in turn could dispose of the property in the event that they desire to obtain a return upon the money invested.

There are a number of different ways in which this could be worked out and the solution is dependent upon

so many details and circumstances not contained in the letter that we hesitate to make any definite suggestions with reference thereto.

Depositor in a bank held bound by rules printed in passbook which he accepts and retains.

H. S. Semingson sent a check drawn by one Allen Person upon the First National Bank of Crosby, North Dakota, in the sum of \$10.25 to the Stockyards National Bank at South St. Paul, asking the bank to credit his account.

The bank wrote him, stating that the check had been entered for collection, and then sent the check to the Citizens National Bank of Crosby for collection.

The check was paid, and on November 10, the Citizens Bank issued its draft on the First National Bank of Minneapolis for \$1,024.50 and sent it to defendant. It was received on November 13th, and credited to plaintiff's account. The draft was put in the usual channel for collection and presented to the First National Bank of Minneapolis on November 14, but payment was refused for want of funds, and the draft went to protest.

The bank charged the draft back to the account of Semingson, who sued to recover the amount of the check. The trial court directed a verdict for the bank and the supreme court of Minnesota affirmed the decision, saying:

The answer pleaded a notice in the plaintiff's passbook which reads thus:

"All items not payable in South St. Paul, received by this bank for credit or collection, are taken at the owner's risk. This bank, as agent for the owner, will forward same to collecting agents out of this city, but should such collecting agents convert the proceeds, or remit in checks or drafts which are hereafter dishonored, the amount for which credit has been given will be charged back and the dishonored paper delivered to the owner. This bank assumes no responsibility for neglect or default of collecting agents."

The weight of authority is to the effect that if a depositor in a savings bank accepts and retains a passbook containing printed rules of the bank, he is deemed to have consented that the rules should become a part of the contract between him and the bank. It may be that a depositor in such a bank does not occupy the same position as a depositor in a commercial bank, but the principle is the same and is recognized in other business transactions in which the terms under which the parties deal with each other are expressed in an instrument delivered by one to the other.

We conclude therefore that the principle of the savings bank cases * * * is applicable to the case at bar and that plaintiff is bound by the provisions of the printed notice contained in his pass book.

Semingson vs. Stockyards National Bank. 203 Northwestern Reporter, 412.

OLEOMARGARINE RESOLUTIONS UNLAWFUL

Washington—Resolutions calling upon merchants and citizens to stop selling and using oleomargarine are unlawful, the Federal Trade Commission held in an order to the Wisconsin Cooperative Creamery Association, Madison, Wis., and 40 member cooperative Wisconsin creameries, commanding that such practices be stopped. The commission found that the association, at one of its meetings, adopted a resolution urging elimination of oleomargarine traffic, charging that the butter substitutes were "injurious to public health."

NEW NORTHWESTERN PATENTS

The following patents were issued June 9, 1925, to Minnesota and Dakota inventors, as reported by Williamson, Rief & Williamson, patent attorneys, 925-935 Metropolitan Life Bldg., Minneapolis, Minn.:

A. N. Bessessen, Minneapolis, Minn., syringe; J. M. Born, St. Paul, Minn., rim expanding and contracting device; E. Chute, Minneapolis, Minn., thread cutter; J. Cochran, Duluth, Minn., smoke filter; L. G. Finnicum, St. Paul, Minn., tire rim for automobile wheels; R. L. Gerth, Minneapolis, Minn., plate for lighting fixtures (3 patents); V. J. Hend-

ricks, Minneapolis, Minn., lock valve; F. A. Holmgren, Minneapolis, Minn., gauge; R. E. Kimball, St. Paul, Minn., folding tent and bed equipment for vehicles; H. E. Kruger, Minneapolis, Minn., combination attachment for automobile; F. H. Lanley, Duluth, Minn., motor hoist; J. L. Lynch, Starbuck, Minn., egg crate; H. Mack, Finlayson, Minn., tractor hitch; C. S. Olson, Duluth, Minn., wrench; E. Rue, Minneapolis, Minn., washing machine; E. R. White and M. J. Thornton, St. Paul, Minn., lumber handling roller; E. T. Winget, H. E. Bradley and M. C. Walter, Minneapolis, Minn., signal for motor vehicles; F. W. Busch, Berlin, N. D., fuel economizer; I. Chapman, Eckelson, N. D., attachment for stapling machine; W. J. McFerran, Pierre, S. D., pole cap.—(Advertisement)

Chattel Mortgages

Interested in the new forms in triplicate? We have four forms. Send for samples.

WALTER S. BOOTH & SON, INC.

305 South Fifth Street

MINNEAPOLIS, MINN.

Patent and Trademark Lawyers

WILLIAMSON, REIF & WILLIAMSON

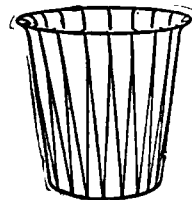
Phone, Geneva 4551. 925 Met. Life Bldg., Minneapolis. Patent and Trademark Litigation. Solicitors of U. S. and Foreign Patents, Trademarks and Copyrights. James F. Williamson, 40 years' practice, Formerly Examiner U. S. Patent Office. Charles C. Reif, 12 years Examiner U. S. Patent Office. Geo. F. Williamson, formerly Assistant to J. F. Williamson.

LEGAL DECISIONS

The complete opinion in any case noted in this department and reported in the National Reporter System, can be obtained from the West Publishing Company on receipt of twenty-five cents.

WEST PUBLISHING CO.

ST. PAUL, MINN.



A Drink of Water In Your Office

HOW do you secure a drink in your office—from a common drinking glass that has served others over and over again—or from an individual, sanitary cup never before used by anyone else?

If Lily Cups, those "nicest individuals" are dispensed at your water supply, you have the surest, most inexpensive health insurance provided for everyone, from the "boss" to the newest freckle-faced office boy.

Reduced Prices on Lily Cups

3 oz. Cups, per 100.....40¢
per 1000.....\$3.75
5 oz. Cups, per 100.....50¢
per 1000.....\$4.25

Farnham's
LEADING
MINNEAPOLIS
PRINTERS & STATIONERS

417-19 Hennepin Ave.

Minneapolis

North Dakota to Pay \$700,000 Industry Bond Interest

Bismarck, N. D.—The state treasury of North Dakota will become obligated to pay, on July 1, exactly \$672,611.25 in interest to bond holders, exclusive of interest on the latest issue of bonds, dated April 1.

Bond interest is met either by profits from the state industries or tax levies, and since there are no profits from the industries the amount needed to pay the interest will come from the taxpayers, excepting the receipts from holders of real estate loans from the Bank of North Dakota. All bonds issued for purposes other than supporting the so-called program laws were retired last year.

There will be no default. The State of North Dakota has never defaulted in its obligations, and as bond coupons are presented to State Treasurer C. A. Fisher for the July payment the state's check will be issued.

First in the list of bonds on which interest must be paid are the capital stock bonds of the Bank of North Dakota, which bear five per cent. interest. The semi-annual interest installment is \$50,000.

A total of \$4,500,000 bonds have been issued for the state-owned, state-operated flour mill and elevator at Grand Forks—\$3,000,000 for construction of the mill and \$1,500,000 for its operation. The semi-annual interest payment on the construction bonds is \$42,000 and on the operating bonds \$44,000. Since the mill has earned no profit the \$86,000 comes from tax receipts.

The first of the bonds issued for the construction of the state mill and elevator are due January 1, 1937, an issue of \$500,000. The next maturity in this class is in 1942 when \$1,200,000 must be paid. The remainder of the \$3,000,000 issue matures in 1947.

The largest amount of bonds issued is in the rural credits department of the Bank of North Dakota. A large part of the interest payment is met from the payments of persons to whom loans were made, although it has been necessary for the state to raise money by tax levies, because of poor loans made in the first series of bonds. The semi-annual interest charge on rural credits bonds is \$493,486.25. The amount of bonds now outstanding is \$26,859,000, the annual interest charge being \$1,435,222.13, including the issue of April 1.

First of the rural credits bonds to become due on maturity are issues totaling \$210,000 on July 1, 1931. Other issues outstanding run as far ahead as July 1, 1952.

The state treasury has \$72,023.86 in its bond interest payment fund to meet the interest due on Bank of North Dakota bonds. There is \$11,789.86 in the mill and elevator construction bond fund, and \$37,409.65 in the mill operating bond fund, while the real estate bond interest and maturity fund is \$866,264.96, the latter fund including the annual installments on the principal of the loans as well as the interest.

NORTH DAKOTA'S BOND SELLING PLAN UNSATISFACTORY

Bismarck, N. D.—Officials of the Bank of North Dakota are understood to have made representations to the state industrial commission for an alteration of the plan of Governor Sorlie under which the last sale of \$2,000,000 farm loan bonds was made, on the ground that under the arrangement the bank is losing heavily.

The state bank officials say, it is understood, that they

lose the premium on the bonds which has gone to them in the past and must pay \$10,000 to \$12,000 expense in addition, while such profit as was realized from the last bond sale was scattered over so many private banks in the state that none gained materially.

Formerly when the industrial commission advertised for bids on North Dakota bonds, either of the farm loan or milling series, the Bank of North Dakota handled the transaction and received the premium on the bonds to be marked up on the asset side of the ledger. The bank was required, however, to pay for the printing of the bonds, the approving legal opinion and the small annual handling charged to a New York institution for cashing the interest coupons, bond investors desiring to be able to cash their coupons in New York.

As the last sale was made, two months ago, the \$2,000,000 rural credit bonds were offered to private banks in the state at par, 4½ per cent. It was presumed that the private banks would buy the bonds to carry as a part of their reserve. The issue was heavily oversubscribed. Since the sale, however, one Twin Cities bond house has advertised \$500,000 of the bonds for sale and another bond house has advertised \$300,000 for sale. The Twin City bond houses had purchased them from banks, many of the bond houses having bid through banks.

The Bank of North Dakota, however, is required to pay the printing charge, the opinion approving and the handling charge, said to amount to \$10,000 to \$12,000 on the issue. Should there be three such issues during the course of a year the bank would be out of pocket \$30,000 to \$35,000, which would increase the difficulty of the institution in making a good financial showing.

The industrial commission is to offer \$2,000,000 more bonds for sale July 1. The state board of university and school lands has about \$1,500,000 in cash on hand, and it is the plan to sell this board most of the bond issue. Officials of the Bank of North Dakota have urged that the bonds be sold at a premium to cover the expense of handling the sale and that if bonds be sold to any other agencies the matter be handled so that the Bank of North Dakota will not lose money.

When the legislature first provided for authorization of real estate bonds, providing funds to make farm loans, it made an appropriation to the industrial commission to pay the expense of printing the bonds, which fund also was used for the approving legal opinion and other expenses. The 1923 legislature, which enacted a new law, extending the rural credits loaning provision, did not provide any such appropriation.

Bond houses have offered a premium for most of the bonds sold in the last three years, and this premium has been given to the Bank of North Dakota as the fiscal agent of the industrial commission, except one premium credited to the state mill and elevator association, and the Bank of North Dakota, has profited even though it has paid expenses of the sale.

SCHOOLS GET \$387,912 AID IN NORTH DAKOTA

Bismarck, N. D.—A total of \$387,912.98 has been apportioned to the various counties for the benefit of school districts from amounts accumulated during the last quarter in the interest and income fund of common school districts and receipts from fines. The money is reapportioned by counties to the various school districts. The apportionment is made on the basis of the number of persons between 6 and 21.

MISSOULA, MONTANA, BANK PAYS DIVIDEND

Missoula, Mont.—Depositors in the defunct American Bank and Trust Company are receiving their first dividends from the bank, which closed in January, 1924.

A dividend of 6 per cent., representing approximately \$61,000, is being distributed by the receiver, George K. Dick, who predicts that it will be possible to pay another dividend by late fall. About 1,800 depositors are receiving checks, ranging from nominal sums to as high as \$1,001.

STUDEBAKER AUTO LIVERY

10 E. Grant Street, Minneapolis
Main 1794

Open and Closed Cars Rented
With or Without Drivers

Baggage Transfer

South Dakota's Bank Guaranty Law Still Functions

Pierre, S. D.—South Dakota's state bank guaranty law, repealed by the 1925 legislature, will continue in effect indefinitely despite its repeal by the last legislature, as a result of a referendum on the law requiring its submission to the voters of the state in 1926, and bankers and officials of the state banking department are contemplating the possible effect of the referendum on the banking situation in the state.

Regarded as the most important law of the late legislative session by some members of the legislature, the act repealing the bank guaranty law was given as much attention and study before submission to the two houses as any other act of the legislature, save the administrative reorganization act, which probably required more work in drafting than any other law ever put on South Dakota's statute books.

Bankers of the state had urged unanimously the repeal of the guaranty law; the guaranty fund was more than \$25,000,000 in debt after the failure of 150 state banks in 1922 and 1923, and most bankers saw little opportunity to pay losses already incurred by the guaranty fund when the 1925 legislature met, much less continue to guaranty state bank deposits. The law was rendered meaningless by the large deficit, they argued; it put a premium on bad banking, they asserted, and was an experiment that, however, successful it might have been in normal times, had been disastrous in a period of deflation and ought to be abandoned to save the state loss. But it was not feasible merely to repeal the law. So the act of the legislature repealing it also did other important things.

It provided importantly that no bank might nationalize or go into voluntary liquidation without paying assessments to the guaranty fund for 1925 and 1926, and provided that all state banks should pay assessments for those years. This was, first, to guard against nationalization of all state banks which could get into the national system and thus escape the obligation of helping make up a part of the guaranty fund deficit, and second, to accomplish termination of the guaranty fund clause gradually. The guaranty repeal was not actually to have been effective until January 1, 1926.

Now, pending the referendum, state bank deposits will continue to be guaranteed by the state, despite the huge indebtedness of the guaranty fund. Bankers already see a possibility of a rush by solvent state banks for the national bank system. If the referendum results in ratification of the law by popular vote, it will become effective retroactively, accomplishing, somewhat the same end as was intended by the farmers. If it is beaten, the next legislature will have the whole problem of bank legislation to struggle with again.

PLENTY OF LABOR FOR SOUTH DAKOTA FARMERS

Brookings, S. D.—A plentiful supply of farm labor for South Dakota is reported by the Federal statistician at State College. The supply is greater than last year while the demand is less.

HALF MILLION IN FORGED PAPER OF SOUTH DAKOTA BANK

Tyndall, S. D.—Illegitimate Security State Bank certificates of deposit in the amount of at least \$500,000 are in circulation, it was learned here when the extent of the alleged embezzlement of bank funds by George E. Pfeifle, former cashier, was revealed by directors of the bank in explaining why the institution closed its doors recently.

Pfeifle is charged with issuing certificates of deposit without the consent of the directors and without consideration to the bank.

The discovery was made that the stock room was short a book containing 100 certificates of deposit, the last book of the series on hand at that time. The legitimate certificates of deposit in use at the bank were in the book bearing the serial number of 23000, while the missing book contained certificates numbered from 45001 to 46000. Just how many certificates of deposit were written from this book is not yet known, but \$90,000 worth have already been pre-

sent. They range in denominations from \$2,500 to \$10,000.

Several of the worthless certificates are held by Sioux City business men, according to reports received here.

CANADIAN CURRENT LOANS INCREASED

Ottawa—Demand deposits held by Canadian banks showed an increase of over \$20,000,000 at the end of April as compared with the end of March. Savings deposits fell off by approximately \$2,000,000 during April and deposits outside Canada decreased by \$21,000,000. The monthly statement issued by the finance department today reflecting the condition of the banks as on April 30 last, shows that the amount of current loans in Canada held by the banks decreased by approximately \$8,000,000 during April, while call loans in Canada increased \$4,000,000. There was an increase of nearly \$29,000,000 during April in the amount of call loans held outside Canada.

CANADIAN COPPER PRODUCTION LARGER

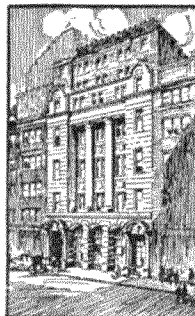
Toronto—Final statistics on Canada's 1924 copper production shows total of 104,457,447 pounds, which, figured at 13.024 cents a pound New York, is \$13,804,538, against 86,881,537 pounds valued at \$12,529,186, in 1923, with copper at 14.421 cents New York.

This is an increase of 20 per cent. in production and 8 per cent. in value with 1924 production establishing a new high record since 1918. British Columbia produced 65,451,246 pounds, Ontario 37,113,193, mostly from Sudbury, and Quebec 1,893,008. Of this production, 3,534,177 pounds were refined in Canada.

PLANS TO ENLARGE TERMINAL FACILITIES AT ST. LOUIS

St. Louis, Mo.—Plans are under consideration here for expenditure of about \$50,000,000 in extension and improvement of terminal railroad facilities. A committee of railway engineers, chamber of commerce representatives and other business men is working on a detailed program, which is expected to be ready in the near future. The St. Louis Terminal Railroad Association, in anticipation of action, has voted to increase its bonded indebtedness from \$50,000,000 to \$100,000,000.

Foreign Banking



Complete facilities for financing all types of international transactions in dollars or foreign currencies. ∴ ∴

INTERNATIONAL ACCEPTANCE BANK, INC.

52 Cedar Street, New York

PAUL M. WARBURG
Chairman

F. ABBOT GOODHUE
President

Advance Dates for Payment of Cascade County, Mont., Bonds

Great Falls, Mont.—Redemption of all serial bonds one year in advance, for the expressed purpose of saving Cascade County more than \$61,000 in interest payments, has been ordered by the board of commissioners.

The aggregate levy will be materially reduced, by the saving of \$61,526 on the county's bonded indebtedness, totaling \$1,538,000.

With the exception of \$255,000, the bonds are payable serially on July 1 and January 1 of each year. By a stipulated option, the county is empowered to redeem them one year in advance, which forms the basis of the plans adopted by the board, contemplating the liquidation of the county's total bonded indebtedness by 1942.

The advance cancellation will begin July 1, 1926, when it is planned to call in \$37,000 due on that date and \$32,000 due July 1, 1927. January 1, 1927, it is planned to take up bonds maturing January 1, 1928, in addition to those maturing in 1927.

The resolution providing for the advance redemptions passed as follows:

"Whereas, the County of Cascade, state of Montana, has certain bonded indebtedness payable on the first of January and July of each year, with the option of calling in and paying the same one year prior to their maturity, and

Whereas, the board of county commissioners of said county desires to take advantage of said option and to call for payment and cancellation such bonds one year prior to their maturity, it will be necessary to increase the levy 2 mills, and by exercising the option will mean a saving to the county of more than \$60,000 in interest during the life of said bonds, and the paying off and canceling all of the bonded indebtedness of the county in 1942, now,

"Therefore, be it resolved, by the board of county commissioners of Cascade County, Montana, and it is hereby ordered, that all serial bonds, beginning with the ones maturing July 1, 1927, be called in and paid one year prior to their maturity thereof and for each issue maturing thereafter on January 1 and July 1 of each year, until all issues of serial bonds now outstanding are fully paid and retired.

"Be it further resolved, That the county treasurer of said county be and he is hereby directed to notify the holders of, or owners of said bonds or the banks where the interest on said bonds is payable, of the intention to pay off and retire each issue of said bonds one year prior to the maturity thereof."

FEDERAL LIVE STOCK SURVEY TO BE MADE IN MONTANA

Bozeman, Mont.—A cooperative live stock survey between the Bureau of Agricultural Economics and the Bureau of Animal Industry of the United States Department of Agriculture and the Montana experiment station is being made in the range counties of eastern and southern Montana. It is recognized that the range stock industry is going through a period of change, that new conditions in the range areas and new demands at the market are having their effect upon the beef producing industry. The purpose of the survey is to find out how best the live stock producers and farmers of the state may meet the changed conditions.

The field work is being conducted by Dr. B. Youngblood, director of the Texas experiment station, one of the leading range live stock authorities in the United States; H. E. Selby of the Montana experiment station; R. H. Wilcox of the Bureau of Agricultural Economics, and V. V. Parr of the Bureau of Animal Industry, M. L. Wilson formerly with the Montana extension service and now head of the office of farm management of the United States Department of Agriculture, is directing the survey.

Mr. Selby, in commenting on the survey, states that "while it is frequently stated that the day of the big cattle outfit is past, that live stock production will be limited to smaller units, there has been no concrete evidence upon which to base such opinions. In a state of such varied conditions as are found in Montana, we do not know but that there are areas where the big cattle ranch will find a place. If, on the other hand, the big specialized cattle

ranch is a thing of the past, without hope for the future, the sooner we find that out the better off we will be, for there are still a number of cattlemen in the state continuing their efforts along the old lines on the expectation that times will soon change so that their business will be profitable again. If further changes are necessary, we want to know what those changes are, in order that the live stock business may get back on a profitable basis as rapidly as possible."

MONTANA HAS REDUCED EXPENSE OF FOREST FIRE PREVENTION

Missoula, Mont.—Fires in the national forests so far have cost the forest service in this district but 1 per cent. of the total expended for the same purpose by June 1, 1924. Whereas the Government spent \$60,000 for fire fighting in May of last year, it has spent but \$600 in this district so far.

Word was received recently at district headquarters to the effect that allotments under the Clarke-McHenry bill for the coming fiscal year, beginning July 1, will amount to \$14,470 for Montana and \$22,200 for northern Idaho. This sum, \$36,670 in all, will be spent for fire protection in cooperation with private owners within the district during the next year.

Reports from all parts of the district are that the forests are wet and the fire situation safe for the coming three weeks. During the past 10-day period there were 23 fires, with a total of 33 for the season. So far only 117 acres of forest service land have been burned over, and but 29 acres during the past 10 days. The Selway forest had 12 small lightning fires, none of which spread to any dangerous extent, while the Pend d'Oreille forest had six man-caused fires.

ANACONDA COPPER COMPANY TO INCREASE CAPACITY OF ZINC REFINERY

Great Falls, Mont.—Anaconda Copper Mining Company is to increase the capacity of its electrolytic zinc refinery at Great Falls 60 tons a day or approximately 40,000,000 pounds of zinc a year, bringing yearly capacity of the plant to 220,000,000 pounds from its present maximum capacity of 15,000,000 pounds a month or 180,000,000 pounds a year.

It is expected that the new equipment will be ready for operation in about 10 months. This is dependent upon obtaining reasonable deliveries upon the electrical equipment required.

Anaconda is at present the largest producer of zinc in the world. The Great Falls plant is operating as a custom plant on zinc ores mined and shipped practically entirely by other companies. It is planned to continue to operate the Great Falls plant on custom ores, although Anaconda Company is itself developing large bodies of zinc-silver ore of good grade in the western part of the Butte camp. It is understood that Anaconda has no intention of mining at present these zinc ores of its own on a large scale.

MELVIN A. TRAYLOR TO ADDRESS MONTANA BANKERS CONVENTION

Helena, Mont.—An excellent attendance is expected at the coming convention of the Montana Bankers Association at Glacier National Park on July 11 to 13. Plans are rapidly nearing completion and President T. O. Hammond of the association states that most of the speakers have already accepted invitations; these including Melvin A. Traylor, president of the First National Bank, Chicago; Samuel Hill, the pioneer good roads man of the West; Frederick William Wile, war correspondent and author, and Ralph Parlette, the humorist philosopher.

CONDITION OF MONTANA STATE BANKS

Helena, Mont.—Total resources of 152 state banks of Montana declined \$2,487,000 during the first quarter of 1925 according to figures reported on April 6th last. Resources now aggregate \$77,261,000. This decline was largely explainable by a drop in demand deposits of \$2,203,000 to a total of \$37,565,000. As a consequence of this decline there was also a reduction in bank balances with correspondents

of \$2,965,000. During these three months loans increased \$171,000 to a total of \$36,455,000. Cash reserve on hand April 6 was \$16,639,000.

The state banking department reports the granting of a charter in March to the Bank of Miles City, with a capital of \$50,000. The State Bank of Redstone had been changed to the Farmers & Merchants State Bank of Plentywood. On April 4, 1925, the Sumarta State Bank reopened for business. On January 1 the Farmers State Bank of Glentana was absorbed by the Farmers State Bank of Opheim. On February 14 the South Side State Bank of Butte was absorbed by the Metals Bank & Trust Co. of that city. Also the Roundup State Bank of Roundup was absorbed by the Miners & Merchants Bank of Roundup.

North Dakota's Excess Tax Law May Bring Millions

Bismarck, N. D.—Taxes amounting to large sums, may be assessed by T. H. H. Thoresen, state tax commissioner, on domestic corporations, joint stock companies and associations under the corporate excess tax law of 1923.

Whether the tax will be great or probably nothing at all, depends upon the tax commissioner's interpretation of the corporate excess law in conjunction with the law of 1923 reenacting the exemption of moneys and credits. The tax commissioner's present attitude is that under the law he has no choice but to hold that moneys and credits may not be deducted in arriving at the corporate excess tax.

"As we view the matter now the matter of assessing corporate excess is determined by law and moneys and credits are not deducted," Tax Commissioner Thoresen states. "We take no position whether it is a just law or not, but will enforce it as it appears on the statute books."

The corporate excess tax amounts to a tax on good will—value of stock or surplus of a corporation doing business in the state. Foreign corporations doing business in the state are not included.

Far reaching results would be expected to follow the assessment of the tax without the moneys and credits exemptions. Domestic corporations would be required to pay a tax not assessed on foreign corporations, and the natural result would be to cause many corporations to incorporate in other states.

Basis of Computation

The corporate excess, without exempting moneys and credits, would be arrived at by listing the market, or actual, not par, value of capital stock, surplus and undivided profits and subtracting book value of real property, tangible personal property which is listed for taxation and debts, the balance to be taxed at the general property tax rate.

The corporate excess tax law has been virtually a dead letter in the state for several years. Blanks have not been sent out the last two years because former Tax Commissioner Converse regarded moneys and credits as exempt and under this situation held there would be nothing to tax. The corporate excess tax law was first enacted in 1913 and was virtually inoperative for five years because of deductions provided, except indebtedness for current expenses. In addition to deduction of value of all real and personal property of the corporation.

The 1919 legislature amended and re-enacted the corporate excess tax law but provided moneys and credits were exempt from taxation and it was held there was nothing to tax, since the taxable valuables would be chiefly moneys and credits.

In 1923 the corporate excess tax law was re-enacted when the legislature sought to clear up the situation under which bank stock was held exempted from taxation, a tax being provided on it, and the same session enacted a law exempting moneys and credits, except moneyed capital which is so invested or used as to come into competition with money invested in bank stock of banks doing business in the state.

Exemption Laws May Conflict

Among the questions raised are:

One law of the 1923 legislature appears to provide for a tax on moneys and credits under the guise of corporate excess; another law exempts moneys and credits.

The legislature exempts moneys and credits of individuals and foreign corporations, but if moneys and credits are not

deductible from the corporate excess tax, would tax them on domestic corporations.

Moneys and credits, as defined in the state code, are: "The word 'money' means gold and silver coin, treasury bank notes, bank notes, and every deposit which every person owning the same or holding in trust and residing in this state is entitled to withdraw as money or on demand; the term 'credits' means and includes every claim and demand for money or other valuable things, and every annuity or sum of money receivable at stated periods, due or to become due, and all claims and demands secured by deeds or mortgages due or to become due * * *"

The attorney general's office has held that moneys and credits should be deducted when corporate excess tax is assessed.

Between 3,000 and 4,000 domestic corporations in the state would be affected.

9 Day Cruise Great Lakes

THE steel steamships, *Tionesta*, *Junata* and *Octorara* of the Great Lakes Transit Corporation sail every three days from all the principal ports on Lake Erie, Lake Huron, Lake Superior.

2230 MILES

of incomparable scenery on luxurious ships—a world renowned cuisine and the finest of sleeping accommodations. Meals and berth included in fare.

ORCHESTRA DANCING

For further information, tickets and reservations call any Tourist or R. R. Ticket Agent, or



W. H. Elliott, G. A.,
Great Lakes Transit Corp.
1125 Metropolitan Life Bldg.,
Minneapolis, Minn.



Glacier NATIONAL PARK

Open June 15 to Sept. 15

America's million-acre Rocky Mountain playground on the main line of the Great Northern. Loaf and relax in fine hotels or rustic chalets. Fish, ride horseback, motor, hike. Climb up to mile-high ledges. Glide in launches on the lakes. Explore glaciers. All-expense-paid tours of 1 to 7 days or longer. "See America first." Travel out to Glacier National Park on the superb

New Oriental Limited

This new, specially Pullman-equipped, all-steel, wonder train leaves St. Paul-Minneapolis daily for Fargo, Minot, Glacier National Park, Spokane, Seattle, Tacoma, Rainier National Park and Portland, with free side trip to Vancouver, B. C., on all round trip tickets. Wonderful meals—diner all the way. Longest cinderless mileage in the Northwest—over 1,100 miles behind giant oil-burning locomotives. For special Glacier Park booklets, low Round Trip Summer Fares and other Northwest travel information, apply any Great Northern Agent.

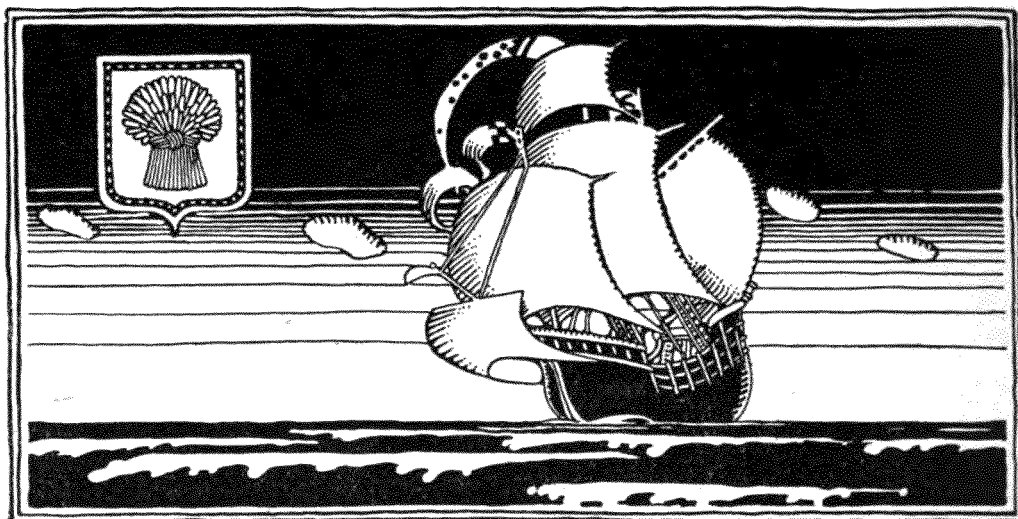
A. J. Dickinson, P. T. M.
St. Paul, Minn.

GREAT NORTHERN

Head Office and
Foreign Department:
TORONTO

Western
Superintendencies
at

WINNIPEG
REGINA
CALGARY
VANCOUVER



A Commercial Bank for the Producer and the Trader

THE CANADIAN BANK OF COMMERCE

Paid Up Capital \$20,000,000

Reserve Fund \$20,000,000

Canada and the Gold Standard Discussed by Sir John Aird

Sir John Aird, President of the Canadian Bank of Commerce. An Address Before the Canadian Manufacturers Association at Hamilton, Ontario

Whatever difference of opinion there may be among economists and financial experts as to the expediency of the resumption of gold payments by Great Britain for the people of that country, there can be no doubt that so far as Canada is concerned, and particularly the manufacturers of Canada, the resumption of gold payments by Great Britain must be of advantage to them. Canada imports a great many manufactured articles from Great Britain and we hear complaints from time to time that British manufacturers have been ousting or displacing domestic products. So that the pound sterling was at a discount, the exporter of British manufactured goods had an advantage over his Canadian competitor. A Canadian dollar with the pound at a discount could buy that much more. With the pound at par the Canadian manufacturer is on more even terms with his English competitor.

One Canadian Viewpoint

Apart from this consideration there is another Canadian viewpoint. Great Britain, next to the United States, is our chief market in the past two years for our exports. Relatively, of course, Great Britain is our best customer; for every dollar we import from Great Britain we export nearly \$3.00, whereas from the United States we import substantially more than we export. With the British pound at par, the Britisher will for the same number of pounds be able to import more wheat and other products therewith than he could when the pound was at a discount. It is, therefore, a decided advantage to Canada to have the British pound at par, because it increases the purchasing power of, all things considered, the customer whose trade it is most desirable that we should cultivate.

There have been doubts in the minds of many competent observers as to the ability of Great Britain to maintain the pound at par. Within the last few days a financial writer in the New York Times, in pointing out the facts which tend to maintain the British pound at par, recalls that the holdings of securities of Great Britain in outside countries even after the close of the war amounted to fifteen billion dollars, yielding a return of perhaps seven hundred and fifty million dollars a year in interest. Other financial authorities estimate these "unseen imports" at one thousand million dollars per year. Within the past few days Secretary Hoover points out that the United States will import this year rubber to the value of four hundred million

dollars, a large part of which will come from plantations owned by British capitalists. Sixty-nine per cent. of the raw rubber output of the world is in British hands and 29 per cent. is said to be in the hands of the Dutch, but the Britishers have even a substantial interest in the Dutch holdings. The result has been that with the increasing demand for rubber the price has gone up very materially, as men who are interested in the importation know quite well.

The New York Times writer states that out of rubber alone Great Britain will be able this year to discharge the annual one hundred and sixty million dollars war obligation to the United States. Many of us can recall that fifteen years ago or thereabouts, there was a mania in Great Britain for investment in rubber companies. Scores of rubber companies were floated and huge sums of British money were invested in rubber plantations in every corner of the globe where rubber could be produced. What was regarded by some at the time as a mere mania and stock speculating affair has turned out to be one of the elements in the financial salvation of Great Britain in the past two or three years. Our friends to the south, who generally manage to obtain raw materials at their sources, were a day after the fair in so far as rubber is concerned. The British investments abroad and raw rubber sales in the United States are two material factors in favor of the pound sterling.

Canada and the Gold Basis

But what about Canada? There are those who say that Canada should completely remove the embargo from the export of gold (now exportable under license only) and make an announcement that Dominion notes should be redeemed in gold. But would there be any advantage in this? Practically none that I can see, for we are and have been in recent months on a gold basis as far as it concerns the trade and commerce of the country. In fact, during the past ten days, New York funds have been at a slight discount. Our dollar in New York is as good as the United States dollar. For months past New York funds have been within the "gold points"—that is to say, neither the premium nor the discount on New York funds in Canada would pay for the transportation of equivalent gold from one country to the other.

Would there be any disadvantage? I say, yes. We would have to establish a large credit in New York, as Great Bri

tain has done. \$300,000,000 and that would cost this country a substantial sum so long as the credit had to be maintained. Besides announcements in the despatches are that Great Britain, since the declaration for a gold basis, is steadily buying gold—no less than three million pounds sterling from Russia alone in the past week. It costs something to buy and hold gold in reserve.

We can well afford therefore under these circumstances to await the outcome of Great Britain's venture for if there should have to be a resort to the credits established with J. P. Morgan and Company, and the Federal Reserve Bank of Great Britain, were we on a gold basis also, we too in all probability would have to resort to the buying of gold or using our credit or both.

Canada May Borrow to Pay Maturing Obligations

Ottawa—The Federal Government of Canada must deal during the current fiscal year with a substantial volume of maturing liabilities and it is now in the process of securing authority from Parliament to raise, by way of loans, \$164,000,000 for the redemption of existing obligations and general purposes. Five loans, totaling \$164,408,633.33, are due to mature before the fiscal year ends and of these the most important are \$24,333,333.33 worth of Treasury bills at 4½ per cent., falling due in London on August 12; \$90,000,000 worth of 4 per cent. one-year notes, due in New York on September 15, and a domestic issue of \$42,014,500 at 5 per cent., due on December 1. The main speculation surrounds the Government's plans for dealing with the large issue of one-year notes which were sold in New York to clean up temporary loans from the chartered banks of Canada. It is quite possible that they may be renewed for another year, but as money for Government bonds is reasonably plentiful in Canada the opinion is widely held that the Finance Department may ask the chartered banks to take care of the amount required to liquidate the notes for two months and secure funds for their repayment by a long term domestic issue of at least \$150,000,000 in the late autumn, which would also provide for the bulk of the other obligations. There ought, however, to be no difficulty in renewing the Treasury bills in London if it is so desired. Apart from these financial operations of the Federal Government for its own purposes, its guarantee will be required for others, which the Canadian National Railway will be compelled to undertake and the total sum required by the Dominion authorities before this fiscal year ends will not be short of \$200,000,000.

Foreign Trade Growing

The foreign trade returns of Canada continue to be reasonably satisfactory and the United States retains its pre-eminence as the Dominion's most valuable customer. In April Canadian exports to the United States totaled \$27,268,410 in value and imports \$39,851,761; it is true that the exports were some \$15,000,000 less than in March, 1925, but they were \$3,000,000 ahead of the figures for April, 1924. During April Canada's aggregate trade with Great Britain was only 42 per cent. of her trade with the United States, exports to the mother country being valued at \$17,326,542 and imports from it at \$10,528,161. In the 12-month period ended April 30 the United States took from Canada imports valued at \$420,231,394 and sent her exports valued at \$507,740,355.

Germany imported goods from Canada to a value of \$24,234,685 during the year, the report shows, or more than twice as much as France bought. Japan's imports amounted in value to \$22,000,000; Belgium's were \$16,000,000; Italy's \$14,000,000, and France's \$10,000,000.

Canada's trade for the fiscal year totaled \$1,886,000,164, made up of exports amounting to \$1,067,353 and imports totaling \$736,932,811. Value of exports increased \$23,716,297, while imports showed a reduction of \$96,434,056. Of the import trade, 74 per cent. was carried on with the United States and the United Kingdom, while these nations accounted for 76 per cent. of the export trade. Exports to the United States were \$417,257,171 while imports from the republic were \$510,003,256. Canada sold goods valued at

\$395,850,982 to the United Kingdom and bought in return \$151,100,822 worth.

Based on population, the Dominion had an export trade amounting to \$212 per capita, including \$122 of exports and \$90 of imports. Canada's favorable trade balance increased to \$272,134,542 in the year ending March 31.

1923 INCOMES SHOW INCREASE IN NORTH DAKOTA

Fargo, N. D.—North Dakota, for the year 1923, had 18,054 reporters of income within the Federal Income Tax Act. They reported a gross income of \$48,633,212, and paid a gross tax of \$424,774.

YOUR WEALTHY NEIGHBOR

Just over an imaginary line lies the Dominion of Canada, with the richest undeveloped areas of agricultural land on the continent of North America.

**Rich, Virgin Lands,
\$15 to \$20 an Acre**

are giving opportunity to thousands. With opportunity comes settlement; with settlement, trade; with trade, wealth.

Keep a friendly eye on Canada.

For information write

**Department of Immigration
and Colonization
Room 902, Ottawa, Canada**

Private Wires
PROMPT service in exchange transactions, transfers of money, and other pressing banking business is always an important factor.

Our customers may profit by the direct wire facilities which we operate between the more important centres of Canada, the United States and Cuba.

The Royal Bank of Canada

Write to our Supervisor at Winnipeg, Calgary or Vancouver for information.

Business Want Department

A medium for the sale of banks, stocks, municipal bonds, real estate, farm lands, for the man who wants a bank position or a location for a bank, investment or other business.

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

BUSINESS CHANCES

BANK STOCK FOR SALE

FORTY SHARES NORTHWESTERN NATIONAL BANK AT \$235. ADDRESS "N38" COMMERCIAL WEST. (87-24)

FINANCING THE BUSINESS OF FARMING

(Continued from page 23)

sociations pledge the commodities delivered by the farmer as security with banks and other loaning institutions throughout the United States.

The Cotton Associations have used three principal sources for credit: First, the War Finance Corporation; second, the Federal Intermediate Credit banks; third, Commercial banks. From September, 1921, to the end of 1924 approximately \$38,500,000 were advanced by the War Finance Corporation to Cooperative Marketing Associations a considerable percentage of which it is reasonable to state was advanced to cotton associations. As the associations have developed they have found it less difficult to borrow from banking institutions and also since early in 1923 they have been borrowing substantial amounts from the Federal Intermediate Credit banks, principally on straight loans secured by warehouse receipts covering the commodity that is being marketed. In order to facilitate the marketing and handling of the crop, the Intermediate Credit Bank usually enters into an agreement with a bank or some other institution located near the head office of the marketing association to act as custodian of the documents, warehouse receipts or bills of lading which have been pledged as collateral to secure the loans.

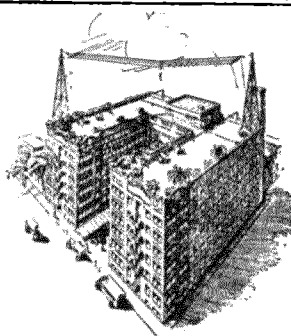
In financing their operations, the associations have used two methods of securing bank credit; first, direct borrowing with banks on promissory notes secured by warehouse receipts; second, by acceptances. Since the method of borrowing from bank on collateral notes is not essentially different from that followed by other customers of those institutions, it is not necessary to describe in detail the arrangements that the associations have made with banks to secure credit of this type. There are certain advantages in financing such operations by using bankers' acceptances and associations have turned to this medium for obtaining funds and most satisfactory results have been had. As the associations have become established, it has been relatively easier for them to arrange acceptance credits in the central money markets of the country.

In arranging acceptance credits with a bank, each association enters into an agreement with the bank covering the aggregate amount of credit that it expects to use during the marketing season. The association then draws drafts on the bank from time to time as funds are needed during the marketing season. All drafts must mature and be paid in full by July 30th of the year following that in which the commodity is produced. In the case of the Intermediate Credit banks it is usual to appoint a trustee or custodian near the office of the association to handle the documents for the association and the accepting bank and each draft that the association draws on the accepting bank must be secured by the following documents placed with the trustee.

First, negotiable warehouse or compress receipts rating specific bales of cotton or negotiable railroad bills of lading.

Second, insurance policies covering the cotton pledged.

Third, a statement by licensed classifier of cotton that the cotton is classed and graded in accordance with standards set up by the United States Department of Agriculture.



Fireproof Construction
European Plan
Safe in Connection

TELEPHONE 7600
KENWOOD

A DAY IF YOU LIKE—OR LONGER

The Oak Grove Hotel

AN IDEAL HOME

Convenient Refined Cheerful

230 OAK GROVE STREET
MINNEAPOLIS

While only a few of the associations have attempted to sell their acceptances at open market rates, the associations which are still borrowing at a flat rate including a commission for accepting, have been able to obtain funds at a much cheaper rate, usually between four and five per cent., than the individual producers could secure in their respective marketing centers. All drafts drawn by the association under the terms of the acceptance agreement are required to conform with the rules and regulations of the Federal reserve board which makes them eligible for rediscount or purchase in the open market by the Federal reserve banks.

Any prejudice that may have existed in the minds of the public generally against farmers organizations, and especially cooperative organizations, has largely disappeared, and they are looked upon today as the one strong influence that can be met in general council upon any important problem in the relationships of life and it is felt that they will consider such important problems with a due regard for the interests and welfare of all the people. The farmers of America do not organize to destroy good government as the farmer is, by the nature of his business, both capitalist and laboring man, and as such, is the one element in society that will be found in the front ranks of America and American institutions.

SHIPPING FROM AMERICAN PORTS

Washington—Water-borne foreign commerce of the United States in 1924 aggregated a total traffic of 92,000,000 tons, which was but a few tons in excess of the business so transported in 1923. Import shipments increased from 49,000,000 tons in 1923 to 52,000,000 in 1924, while exports dropped about 43,000,000 tons in 1923 to a little more than 40,000,000 tons in 1924.

Shipment of exports and imports at New York aggregated 21,853,308 tons in 1924, of which 11,890,468 tons were represented by exports and 9,962,810 were imports.

These figures were made public today by the Shipping Board, which announced that traffic was handled in 1924 through 181 domestic ports, an increase of 11 over the number of ports recorded in 1923. Of this number 64 handled more than 100,000 tons in each year, while 19 handled more than 1,000,000 tons in 1924, as compared with 17 in 1923.

Nineteen ports handled more than 2,000,000 tons in each year, and in 1924 11 ports imported and exported more than 68 per cent. of the entire water borne foreign commerce.

Of the 11 principal ports only the first four in importance—New York, New Orleans, Baltimore and Philadelphia—maintained the same relative standing. Los Angeles went from tenth to fifth place; Galveston from eighth to seventh place and Norfolk from eleventh to ninth place, while Buffalo descended from fifth to sixth place; Boston from sixth to tenth. San Francisco from seventh to eighth and Port Arthur from ninth to eleventh. The foreign commerce at the ten principal ports aside from New York was given as follows:

New Orleans	.....8,164,434	Galveston	.....3,221,521
Baltimore	.....5,421,195	San Francisco	.....3,087,737
Philadelphia	.....5,406,608	Norfolk	.....2,831,927
Los Angeles	.....4,215,990	Boston	.....2,216,521
Buffalo	.....3,798,041	Port Arthur	.....2,310,727

Review of the Live Stock Markets

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

South St. Paul, Minn., June 16, 1925—Although current prices of virtually all killing classes have shown uneven advances since this time last week, this was the result of unusually light supplies rather than the result of consumptive demand. Packers have fought the advance throughout, claiming that the stagnant conditions of the dressed market which is largely due to the severe hot weather prevailing at eastern centers does not warrant any advance at present.

Mixed yearlings on today's market made \$10.75, other good and choice grade yearlings selling between this price and \$10.00, bulk of all little cattle scoring downwards to \$9.00 with merely warmed up offerings as low as \$8.50. Medium and heavyweight bullocks were dull performers throughout packers on a number of sessions practically ignoring these kinds. Few, if any, big weight cattle have made the \$10.00 quotation this week, \$9.75 stopping the best in this line bulk of all medium and heavy weight steers selling from this price downwards to \$9.00.

Fat she stock values have worked sharply higher owing to shipper and city butcher competition, a range of \$5.00 to \$6.50, taking bulk of the fat cows with weighty fed offerings upwards to \$7.50 and above. Common grassy heifers have sold as low as \$5.00 but for fed offerings a range of \$7.00 to \$8.00 prevails, light weights scoring upwards to \$9.00. Canners and cutters continue at \$3.00 to \$3.50 with bologna bulls from \$4.25 to \$4.60. Veal calves hit new bottom levels for the season, good light sorts at present selling at \$7.50 to \$7.75.

Stocker and feeder output while seasonally light has been at slightly higher levels, net upturns amounting to 15 to 25c or more. Quality of offerings continues largely common and medium, a spread of \$5.00 to \$6.00 taking the bulk out of first hands.

Light hogs have again reached the high money among butcher and bacon hogs though at no time during the past week were they as severely discriminated against as at other markets because of the broad demand for pigs and light lights for feeder purposes. With active demand from packers this week and with moderate receipts around the western market circuit price advances of around 50c from last Tuesday placed average values at the highest point since May 12. Bulk of the desirable butcher and bacon hogs cashed today at \$12.25 to \$12.35, with the latter figure taking more of the light weight material. Top price of \$12.40 was paid for a few loads of more closely sorted kinds. Packing sows, which are continually becoming more numerous, were sorted out at \$11.00 for the bulk. Feeder pigs held steady today at about 40c above last Tuesday's prices, bulk realizing \$12.25.

Fat lambs continued unchanged from last Tuesday until today when a 25c upturn was noted. Bulk of the fat natives cashed at the one price, \$15.00. Odd lots of yearlings cashed at \$12.00 to \$12.50. Handyweight ewes are unchanged for the week, bulk still scoring at the \$6.00 mark. Heavy ewes, however, suffered uneven 25 to 50c declines, bulk going scaleward today at \$3.00 to \$3.50.

CHICAGO

Contracted shipping demand due to the dull and sharply lower market for the dressed beef more than offset the material decrease in receipts this week with the result that all classes of both beef and butcher stock are at or near the low levels reached at the windup last week.

Inbetween and heavy bullocks are off anywhere from 25 to 40c and in some cases extremely heavy bullocks are fully 50c lower than the recent high time. Grassly steers and short fed offerings as well as all but the better grades of fed cows and heifers were discriminated against and had no reliable outlet, with common kinds of she stock practically at a standstill.

Extremely high money for fed yearlings was \$11.65, mixed offerings stopping at \$11.50 while best big weight bullocks made \$11.00 with medium weights stopped at \$11.25. Numerous loads of matured bullocks scored at \$10.00 to \$10.75 while inbetween grades of yearlings predominated

at \$9.50 to \$10.50. Only the best fed cows were eligible to \$7.50 and upward, bulk scoring at \$7.00 and down with grassy kinds mostly at \$4.50 to \$5.50. Grass heifers sold as low as \$5.50, with \$6.50 to \$9.50 taking bulk of the heifer supply while light weight fed offerings were noted upwards to \$10.60. A few big bologna bulls made \$5.50 bulk of the supply selling at \$5.00 to \$5.25. Canners and cutters sold at \$2.75 to \$3.00 for cannery, cutters selling upwards to \$3.50. Choice vealers sold upwards to \$8.75 but for most good lights \$8.50 was paid with medium kinds around \$8.00.

Stocker and feeder output was of small volume with prices quoted as nominally firm, a spread of \$5.75 to \$7.00 taking the bulk of offerings out of first hands.

During the last week light hogs and light lights were depressed quite sharply, these grades selling in some instances as much as a dollar under better butchers. This week the trend is changing back, light hogs showing decided advances through medium and heavyweight butchers are still selling 10 to 20c above the general run of lights. Though receipts this week are practically the same as a week ago, a broader demand for all butcher and bacon hogs had a bullish influence, average prices being around 50c higher than last Tuesday. Bulk of the good and choice 225 to 325 pound butchers cashed today at \$12.65 to \$12.85 with the top at \$12.90. Desirable 160 to 210 pound averages were weighed at \$12.33 to \$12.75, light lights selling down to \$12.25 and strongweight slaughter pigs at \$11.75 to \$12.00. Packing sows found an outlet at \$11.55 to \$11.90 for the bulk.

Fat lambs have been maintained on a fairly stable basis during the past week, prices compared with a week ago being steady on better westerns and strong to 25c higher on natives. Top price of \$16.00 was paid today for several loads of choice Idahos with bulk of the natives scoring at \$15.50 to \$15.75, sorting moderate. Cull natives are salable at \$10.50 to \$11.00. Fat sheep have dropped off a quarter, bulk realizing \$5.00 to \$6.25 with lights up to \$6.50. No feeding lambs were offered odd lots of yearlings going at \$9.50 to \$10.00 for feeding purposes.

SIOUX CITY

There has been practically no change in average quotations in the cattle division during the past week, though some strength was noted on yearlings today. Bulk of yearlings cashed at \$8.00 to \$11.50 with heavies at \$7.50 to \$11.00. Fed heifers turned at \$6.50 to \$10.50, fed cows at \$6.00 to \$8.25, with grassy kinds down to \$4.00. Cannery and cutters held steady at \$2.50 to \$4.00. A slackening of demand for vealers brought about a \$1.00 to \$1.50 reduction, better lights selling today at \$9.00 to \$9.50. In the feeder division stockers and yearlings moved quite actively at \$5.00 to \$7.50 with feeding cows and heifers scoring \$3.00 to \$5.50. Practically nothing has been offered in the sheep house during the past week the market being quoted as steady for the period.

The higher trends to hog prices which have been noted at other points were reflected here, values netting an increase of 50 to 60c since last Tuesday. Bulk of the butcher and bacon hogs cashed today at \$11.75 to \$12.50, with packing sows down to \$10.75.

COST OF CARRYING FORD'S AIR FREIGHT

Detroit, Mich.—Complete figures for May on cost of operating Ford Motor Company's aeroplane the Maiden Dearborn II, in the company's air freight service between Chicago and Detroit, show the plane made only nine round trips, flying 4,590 miles and carrying 18,077 pounds of freight at cost of 12.23 cents a pound. Account of the plane shows the following items: Depreciation of plane, \$333; depreciation of motor, \$315; insurance, \$116; labor, \$733; gas, oil and repair parts, \$405, and miscellaneous expenses, \$48. Total costs were \$1,752, or \$194.75 for each of the nine trips. Actual cost of putting a pound of freight in the air was 9.69 cents while cost of handling at both ends of line was 2.54 cents.

Crop and Grain Marketing Conditions

Office of Commercial West, June 17—The report of Paul H. Kirk, Minnesota Agricultural statistician in his report made June 10, says that the acreage of spring wheat and barley sown this spring in Minnesota shows a substantial increase over last year's planting while oats sown show a reduction of 2 per cent. The forecast production, based on the June 1 condition, is less than last year's production and the 5-year (1920-1924) average for spring and winter wheat, oats, rye and all hay, while barley is below last year it is slightly above the 5-year average production.

The favorable season for seeding spring wheat, the poor prospects of winter wheat and fairly good prices are the factors which influenced an increase of 20 per cent. over the acreage seeded last year, or 1,889,000 acres. The condition June 1 is reported as being 88 per cent. of normal, which is 4 points below the 10-year June 1 average. The dry condition in the southern half of the state prior to June 1 is largely responsible for the low condition. The June 1 condition of 88 per cent. forecasts an acre yield of 12.32 bushels or a total production of 23,272,000 bushels. This compares with 34,313,000 bushels the 1924 production and 26,044,000 bushels the 5-year (1920-1924) average.

Winter wheat condition June 1 was 64 per cent. of normal which is 12 per cent. less than the May 1 report. The June 1 condition forecasts a production of 1,452,000 bushels, compared with 2,200,000 bushels in 1924 and 1,612,000 bushels the 5-year (1920-1924) average. The severe winter and dry spring were unfavorable for the crop. However, there are sections in the south central part of the state, although spotted, which still have prospects for a very good crop.

Oats acreage shows a reduction of 2 per cent. The condition June 1 is 85 per cent. of normal, 8 points below the 10-year average June 1 condition. This is due to dry weather in May, especially in the southern half of the state. There was some frost damage, but only of minor importance. The June 1 condition of 85 per cent. would forecast an acre yield of 32.3 bushels or a production of 142,443,000 bushels, compared with the 1924 production of 193,500,000 bushels and the 5-year average of 145,990,000 bushels.

Due to unfavorable weather and soil conditions in May, the condition of rye declined 13 points to 73 per cent. of normal. This is 14 per cent. below the 10 year average June 1 condition. The condition of 73 per cent. indicates an acre yield of 14.7 bushels or a production of only 8,011,000 bushels, compared with 11,780,000 bushels the 1924 production and 13,205,000 bushels the 5-year (1920-1924) average.

South Dakota

Although practically all crops in South Dakota show an increased acreage, indications do not point to greater total production because of the poor condition of many of the crops, according to the June report of O. L. Dawson, Federal statistician at South Dakota State College.

Acreage of all spring wheat planted this year in South Dakota shows a 12 per cent. increase over last year, barley a 20 per cent. increase, tame hay a 6 per cent. gain in acreage over 1924 while oats remain the same.

Conditions of grain crops and hay are reported extremely low so that prospective production is below last year. Prospects for the state wheat and oat crops are a third less than last year, barley and rye a fifth less, hay about 12 per cent. less than the light crop of last year and 30 per cent. less than the five year average.

Based on the June 1 estimate of 53, winter wheat production is forecast at 877,000 bushels. Spring wheat which shows a 12 per cent. increase over last year making the acreage 2,482,000, while a June 1 condition of 77 forecasts a crop of 21,977,000 bushels compared with 33,018,000 bushels last year and the five year average of 29,584,000 bushels.

Oats acreage for the state remains the same as last year or 2,650,000 acres. With a June 1 condition of 74, production is forecast at 67,655,000 bushels compared with the heavy production of 98,050,000 bushels last year and the five year average of 76,906,000.

Barley shows a condition of 75 compared with the ten year average of 93. On an acreage of 961,000 the prospec-

tive production is 18,023,000 which compares with 22,428,000 last year.

Chicago Pools Sell Wheat

Faced with the shortest crop of winter wheat harvested in 12 years and declining yields in Europe now that the intense heat is visiting continental grain fields, writes the Commercial West Chicago correspondent, bull pools decided to take profits on an advance of 1c caused by the government estimate of a production 38,000 bushels under the May estimate and 183,000,000 bushels short of last year. There was a subsequent recession of $8\frac{1}{2}$ @ $9\frac{3}{4}$ c when a flood of long grain came into the pit and returns from American spring wheat territory and Canada indicated better prospects since cooler weather and rains visited the Northwest. The week's market was another lurid and irregular affair, daily swings being broad and business large, particularly in the deferred futures. There was some indication of a return of foreign buying, Europe taking nearly 1,000,000 bushels, chiefly durum, during the period although early British and Russian returns suggested larger yields than in 1924, the figures from Russia forecasting a crop 300,000,000 bushels more than last year. India's crop is now estimated at 331,200,000 bushels against 168,000,000 bushels a year ago, and before the heat wave hit the continent this week prospects were excellent.

Statistics Are Bullish

World's shipments were about 500,000 bushels more than the week before, but nearly 6,000,000 bushels less than a year ago. Argentine shipments were 50 per cent. smaller, the amount afloat for Europe decreased 2,500,000 bushels and was nearly 12,000,000 bushels under that of a year ago and Bradstreet's noted a reduction of 8,836,000 bushels in American supplies, which are now 28,000,000 bushels less than in 1924 at this time. Farm deliveries have decreased and arrivals at primary markets for the week displayed a loss of 1,766,000 bushels, but were 959,000 bushels more than a year ago. Chicago stocks declined 810,000 bushels and display a loss of 6,282,000 bushels compared with a year ago, while Canadian stocks are more than 10,000,000 bushels greater than last year although there has been a further reduction of 800,000 bushels for the week. In the winter wheat country the harvest is now going forward and operations are gradually spreading over a larger area, hastened by the recent high temperatures.

In Canada

For the second crop report for this season the Manitoba Free Press queried 347 correspondents and has received by wire 325 replies and these indicate the following: Conditions generally good to excellent and ideal in large areas. There is abundance of moisture, only four points, and those in Alberta, want any more rain and a few places in Manitoba and Saskatchewan have had too much and some percentage of the crop has been lost from floods. These areas however, are not extensive. It will mean some slight lessening of acreages in all grains.

There has been very little permanent damage from the rather severe frosts late in May following the last report, and only in isolated cases was any reseeded from this cause necessary.

The only drawback on the crop is the presence of cutworms at a number of points, to be exact 214 in the three provinces. The damage from these pests is generally described as "slight" but some districts report "considerable" and a few damage from 10 to 15 per cent.

The Dominion Bureau of Statistics has announced the condition of the wheat crop on May 30 at 102 per cent. of the average yield per acre of the previous ten years. This compares with 96 per cent. on May 30, 1924, and 93 per cent. on May 30, 1923.

In the different Prairie Provinces the figures are: Manitoba, 102 per cent; Saskatchewan, 100 per cent, and Alberta 107 per cent.

Practically all field crops show higher percentages than last year. The condition of oats on May 30 was 99, compared with 94 yast year; for barley, 100 compared with 94; for rye 98, against 92; peas 97 against 90; mixed grains, 97

Barnes-Ames Company

GRAIN MERCHANTS

Correspondents of

Ames-Barnes Co., New York
 Hallet Carey Swart Limited, Winnipeg
 Barnes-Irwin Co., Inc., Philadelphia
 Barnes-Jackson Co., Inc., Baltimore
 Smyth-Barnes & Co., Ltd., London, Eng.

DULUTH and NEW YORK

against 91; hay and clover, 96 against 96; alfalfa, 97 against 95; pasture, 98 against 91.

Hay and clover are estimated at the same percentage as last year.

Wheat and Corn Crops in Nebraska

A loss of 13 per cent. on the condition of winter wheat the last month is noted by the Nebraska State Bureau of Crop Estimates. Condition is now 64 per cent., indicating 38,000,000 bushels, against 54,500,000 a year ago. Lack of moisture prevented thin stands from stooling and developing. Hessian fly infestation is severe in some localities and the crop is too far advanced to recover much from recent rains. On an acreage 10,000 acres below last year, when planting was done on 195,000 acres, a spring wheat crop of 2,000,000 bushels is indicated.

The present condition of corn in Nebraska is excellent. Fields are in a fine state of cultivation and moisture is ample. More than normal precipitation is needed because of a moisture shortage in the subsoil. Oats were injured by drought and the yield will be 3,000,000 bushels less. Hay and pastures are short in the eastern end but good in the West.

European Situation

The outlook for cereal crops is promising throughout the grain fields of Europe, according to a summation of the situation by the Institute of Agriculture.

A tabulation of the survey of the institute follows:

Germany: The condition of winter sown crops varies between a good average and a decidedly better outlook for the same period last year. Cereal crops sown in the spring are not quite satisfactory, although more than an average yield is predicted.

British Isles: An average yield is forecast.

Russia: Scanty information is obtainable here, but the outlook is reported to be favorable.

Italy: The condition of the crops is good and a yield above the average is expected.

Spain: Both spring and winter crops are satisfactory in northern Spain, but backward growth is reported from central and southern fields.

Scandinavian and Baltic countries: The outlook is generally favorable.

Bulgaria: An increase in grain is predicted of over 4 per cent.

Czecho Slovakia: Winter crops are in good condition, while spring crops are below the average.

Poland: Early estimates indicate an increase of 55 per cent. in winter wheat and 68 per cent. in winter rye as compared with the 1924 harvest.

Hungary: The forecast is for an above-average crop of wheat, rye and barley and an average crop of oats.

Rumania and Jugo-Slavia: Prospects for all cereal crops are favorable.

European production of wheat and rye this year may possibly be 480,000,800 bushels in excess of last year, according to Broomhall. On the basis of his recent estimate of 200,000,000 bushels more wheat than last year this would suggest a rye crop of 280,000,000 bushels in excess of 1924. The figures include 240,000,000 bushels wheat and rye for Russia.

Van Dusen-Harrington Northwestern Crop Report

Minneapolis, June 17—The grain crops of the Northwest have just passed through another week of favorable weather conditions. Since our last report there have been some more heavy rains covering the four states of Minnesota,

North Dakota, South Dakota and Montana. The sub soil now has sufficient moisture to carry all crops for some time. In the Red River Valley and a few other districts there has been too much moisture and water has been standing in low places in the fields.

The condition of the wheat crop, is still the best of the small grains. In some places it is thin and will probably head rather short, but generally it gives promise of a very satisfactory crop. Some fields are very weedy and probably this year's crop will show a heavier dockage than that of last season. Since June 1st the wheat crop has shown a marked improvement throughout the territory.

There is quite a variation in the fields of barley and oats. Some of the earlier sown were affected by drought or cold weather, and are thin and heading short. This condition is most prevalent in eastern South Dakota and western Minnesota. In the northern districts both barley and oats show a better condition.

There is but little to report on the rye crop, except to repeat that it is very poor.

Corn generally has made good progress. Owing to the heavy rains farmers have been unable to cultivate and some fields are very weedy. Only a small amount of corn has been damaged by cut worms or cold weather.

A rather uneven condition exists in the Northwest flax crop. The seed on old ground is not doing particularly well as the fields are weedy and thin, but there are a number of other places where the flax is very good. Our reports indicate that there has been some deterioration since the start of the crop.

The rains have greatly improved the condition of the pastures, which were suffering because of the drought. For a time there was insufficient feed for the stock, but this condition is being overcome.

We believe the satisfactory crop conditions, reported a week ago, have been fully maintained.

Ship Your Grain
 to
CARGILL COMMISSION CO.
 Minneapolis Duluth

The Peavey Company
Handlers of Grain
 Minneapolis

X B A N K E R S X

Throughout the Northwest recommend this firm as one of the most reliable and up-to-date concerns in the grain business. We handle on consignment the grain shipments of farmers, as well as many farmer and independent Elevator Companies. Let us know your wants—we will show you every attention.

The Van Dusen Harrington Co.
Business founded 1852
 Minneapolis Duluth

X X

Chicago Grain Market is Irregular

Chicago, June 16—People in the grain trade change their opinions as frequently this summer as women change their styles. A day of high temperatures and lack of rain makes the La Salle Street world bullish. And then again a drop of 30 or 40 degrees in the mercury and a shower or two creates a bearish undertone that can be only matched in the Paris bourse. John Smith leaves the Board of Trade to cross the street for a sandwich firm in the belief that December wheat will sell at \$2.50 a bushel, and when he returns half an hour later he is predicting dollar wheat before the end of the current year.

Weather Governs Sentiment

Why? Because this is a weather market. In the past week there were declines of 11c in wheat, 10c in rye and smaller losses in oats and corn. The week before there were rallies just as sharply defined. The domestic situation is bullish because of the shortage in winter wheat, rye and oats crops and the spring wheat yields are hanging in the balance, dependent upon the weather. Cables brought to Chicago in the past week information that the devastating heat had visited the continent of Europe and that promising fields had been affected by the terrific high temperatures which in the past month have scorched the United States. This information, together with the promise of a close adjustment of domestic requirements with American yields and stocks in sight, would ordinarily create a condition making for sharp advances, but this summer prices are fifty cents a bushel or more higher for wheat than they were a year ago, and this situation is not bullish "by a dog-gone sight," as one big professional trader expressed himself. On the other hand, Cutten and Patten have been buying on the soft spots and checking the rise with an abundance of offerings on the advances, but whether they will win as they did in the past year or contribute to the welfare of the smaller fry by losing is something that must become a part of future history.

Greater Loss Expected

People who sold wheat last week were banking on rains helping the winter wheat when as a matter of fact the harvesting of winter wheat is beginning to be general. "How foolish," was the comment of a worldly-wise trader who had made a personal investigation of field conditions in Kansas within a few days and knew that the wheat in the dough had undergone a severe test of heat and suffered the consequences. La Salle Street statisticians anticipate that their figures of the current week will go below those of the Government by an appreciable margin. Every week since last spring there has been a recession in prospective threshing returns and the cutting which has been in progress in Oklahoma, Texas and Kansas is bearing out these prognostications. All the rain did last week and so far this has been to delay the harvesting of the crop in the advanced states.

Crop Prospects Good

On the other hand the prospects of spring wheat yields are sufficiently favorable and Canadian prospects are suggestive of amplified yields which are expected to make amends for last year's shortage and again place the Dominion in a place of pre-eminence as an export factor during the remainder of 1925 and the early half of 1926. There has been no foreign interest shown in wheat for deferred shipment. Export buying has been confined to durums and the forward buying so noticeable at this time last year has been conspicuously lacking. Rains on the closing days of last week throughout Missouri, Indiana,

Illinois and Iowa were beneficial to corn, oats, barley and rye, particularly the spring sown fields. Some sections reported rains were too light to be of benefit to the grain fields, and that the losses in oats and hay were so pronounced that a reconstruction of ideas concerning the future prices of coarse grains and hay were to be expected. Corn experts point to the alternate days of rain and heat as the most advantageous conditions that could be expected for the maturity of a great crop next fall, and in this section of the country the future of the corn crop is of greater importance than that of any other cereal. It means big business for industry, larger car loadings for the railroads and more and better packing hogs.

Corn Under Pressure

Corn fell back 3@4c after rising 1½@2½c, the favorable character of crop news since rain has fallen and warmer weather prevailed. There has been a broader trade in futures and the spot market, too, has been more active under an improved demand from industries and shippers. Returns from surplus states told of some complaints of a set-back by the frost late last month, but prospects have improved with the return of more seasonal weather. Primary receipts for the week decreased 2,803,000 bushels and were 335,000 bushels less than a year ago, but Bradstreet's reported an increase of 974,000 bushels in domestic supplies to a total 6,800,000 bushels more than a year ago, while shipments from the Argentine fell off 3,600,000 bushels, but American exports were slightly larger.

Oats were strong during the greater part of the week. December rising to a new high owing to the unfavorable character of the Government report, but an advance of 5@6c was succeeded by a reaction of 3@4c in sympathy with other cereals. Low prices in comparison with wheat and rye stimulated the demand from investors, who have been deeply impressed by the severity of damage sustained by the crop and prospective shortage of 237,000,000 bushels compared with 1924. Argentine shipments receded nearly 400,000 bushels and Bradstreet's reported a decrease of 1,140,000 bushels in domestic supplies, which are now only 22,500,000 bushels greater than a year ago. Primary market arrivals decreased 840,000 bushels for the week and were 56,000 bushels less than a year ago.

Rye Shows Weakness

Rye did not respond to the Government figures noting a prospective recession of 10,100,000 bushels in this year's yield compared with 1924 and after a brief display of strength attributed to sympathy with wheat prices fell back 6@7c. The volume of trading was amplified, but July was liquidated freely, foreign buying lagged and American exports fell 100,000 bushels under a year ago.

Provisions were unsettled and irregular, lard rising 25@30c, while ribs fell back 40@45c, but bellies advanced 10@30c, with September reaching a new high level. Shorts covered with freedom and there was an excellent domestic demand for products, while foreign buying lagged except in the case of lard, which Germany is absorbing in quantity. Offerings were only moderate and local stocks reduced.

Chicago Cotton Recognized

Chicago's importance as a cotton market has been recognized by the Government, which in establishing a new board of examiners has given the Board of Trade's business an impetus by placing inspectors at Houston, Texas, as the representatives of the local market. In the past cotton intended for delivery on Chicago contracts has been classified by the board of examiners at New Orleans. This involved some delay, additional expense and at times dissatisfaction, and in order to overcome these difficulties and further pave the way for Chicago's success as a cotton center, Houston delivery has been designated for Chicago contracts. Texas cotton is recognized in all textile industrial centers as the best in the world, and as a result the Chicago Board of Trade market, whose contract provides for Houston and Galveston deliveries, has grown steadily since it was established last summer.

As a further stimulus to trading, regulations under the cotton futures act have been amended to make the trans-

The ALBERT
DICKINSON
 COMPANY
SEEDS
 FIELD SEEDS SEED GRAINS
 POULTRY AND LIVESTOCK FEEDS
 Minneapolis Chicago

GRAIN MARKETING CO.

Grain Merchants and Elevator Operators
WITH GENERAL OFFICES AT
208 South La Salle Street, CHICAGO

HAS ACQUIRED THE BUSINESS OF

ARMOUR GRAIN COMPANY
ROSENBAUM GRAIN CORPORATION

ROSENBAUM BROTHERS
DAVIS-NOLAND-MERRILL GRAIN CO.

The Executives of the Acquired Companies Have Been Retained as Managers

We Solicit Shipments of Grain to

CHICAGO

NEW YORK
FT. WORTH

KANSAS CITY
BUFFALO

ST. LOUIS
MILWAUKEE

GALVESTON
NORFOLK

TOLEDO

Specialists in Milling Wheats

Manufacturers of the HIGHEST QUALITY of

POULTRY - DAIRY - HORSE - HOG FEEDS

Members of Leading Exchanges

fer unit of certificated cotton for delivery on future contracts 25 bales instead of 100. A section was eliminated which required that transferred cotton should be delivered to the place for storage at destinations not later than 6 p. m. on the second business day preceding the day set for delivery.

Grain Trading Expands

There has been a large increase in the open interest in grain futures on the Chicago Board of Trade in the past month the total at the end of May being 195,050,000 bushels, comparing with 136,849,000 bushels on the corresponding date late last year and the high total of 340,720,000 bushels at the end of last February, immediately prior to the sharp break in prices. Open trades in wheat futures totaled 87,483,000 bushels; corn 54,477,000 bushels; oats 42,860,000 bushels and rye 10,230,000 bushels. At the same time last year wheat trades open were 65,129,000 bushels; corn 53,146,000 bushels, oats 12,502,000 bushels and rye 6,073,000 bushels. These figures are supplied by Dr. J. W. T. Duvel, grain exchange supervisor, who noted an open interest at the end of last February in all grains of 340,720,000 bushels, including 122,009,000 bushels wheat, 86,622,000 bushels corn, 114,327,000 bushels oats and 25,274,000 bushels rye, constituting the peak of the year's operations on the Board of Trade.

Against transactions of 1,347,285,000 bushels wheat in May there were actual deliveries of 7,532,000 bushels. Corn deliveries of 6,332,000 bushels compared with actual transactions of 477,479,000 bushels, and against total business of 138,333,000 bushels oats there were deliveries during the month of 5,568,000 bushels. Actual net deliveries on May contracts were 2,431,000 bushels wheat, 3,553,000 bushels corn, 3,566,000 bushels oats and 4,647,000 bushels rye.

Winter Crops Short

Although the outlook for wheat in Canada is far superior to last year, the suggested yield ranging from 335,000,000 to 355,000 bushels compared with 240,000,000 bushels last year, crop prospects in the United States are the poorest since 1912 so far as winter wheat is concerned, heat and drought following winter killing over a large area reducing the prospective yield of winter sown grain to 407,000,000 bushels, according to the Government forecast, a loss of 183,000,000 bushels from 1924. Although 19.2 per cent. greater acreage was seeded to spring wheat, this year's weather conditions were less favorable than a year ago and the crop is now estimated at 254,000,000 bushels, suggesting a total yield of all wheat of 611,000,000 bushels, or 212,000,000 bushels less than last year and only 11,000,000 bushels in excess of the annual domestic disappearance of bread grain. The recent frost unfavorably affected spring wheat, whose yield is approximately 29,000,000 bushels smaller than a year ago.

Oats have been affected by drought and high temperature and promise a crop of 1,295,000,000 bushels against last year's yield of 1,542,000,000 bushels and 62,000,000 bushels less than private estimates.

Rye was damaged by winter killing and dry weather, the forecast being for a crop of 53,000,000 bushels, or 10,100,000 bushels less than last year and the smallest in eight

years. On the other hand the barley yield promises to be 17,000,000 bushels more than last year due to a gain of 24.6 per cent. In the area, a crop of 205,000,000 bushels being forecasted, while hay has been hurt by lack of rain and recent high temperatures, and a prospective yield of 95,800,000 tons compares with last year's crop of 112,000,000 tons.

Concerning the Canadian wheat crop, N. C. Murray of Clement, Curtis & Co., said that based on the area of 21,500,000 acres this year and a suggested yield of 16.5 bushels per acre with a condition of 96 per cent., he figures the prospective crop at 355,000,000 bushels of spring wheat and a winter wheat crop of 22,000,000 bushels.

Members of the grain trade are expressing more bearish sentiments, but the technical position has been improved by recent liquidation and there has been quite a large short interest built up in the past week.

Frederick C. Partridge, son of the late Edwin Partridge, both former members of the Board of Trade, died last Thursday in Chicago at the age of 52.

Advices from North Dakota concerning wheat and rye have not been as favorable as the Government statistics.

Shortage of nearly 16,000,000 tons in the hay crop and the poor condition of pastures is having a stimulating influence on feedstuffs and old crop hay.

Mansfield & Co., a small grain house, failed last week, having claims against it which could not be settled.

Trading is increasing on the Board of Trade and the breadth of the market for all grains has brought in a large outside business. As a result there has been a brisk demand for memberships, which sold today at \$8,175, an advance of \$475 from the preceding transaction.

MEXICAN GOVERNMENT ECONOMIES

Mexico City—National treasury holdings of proved cash savings is 36,000,000 Mexican gold pesos. Considering government has recently paid arrears in salaries of Federal employes to the extent of 12,000,000 pesos, plus merchandise accounts of local traders in arrears, a further 11,000,000 pesos, saving effected since Calles took office totals close to 60,000,000 pesos. After paying another 3,000,000 pesos due merchants, the government savings by the end of September are expected to reach 50,000,000 pesos.

Brown Grain Co.

GRAIN COMMISSION MERCHANTS

A Carload or a Train Load,
each receives same careful
Sales Service. Ship to us.

1151 Chamber of Commerce, Minneapolis, Minn.

AISHTON FINDS RAILROAD INCOME INADEQUATE

(Continued from page 15)

ownership, and the bonds are secured by a first mortgage on fixed property.

A syndicate including Hornblower & Weeks and the Chicago Trust Company offered \$7,500,000 State of Missouri bonds bearing 4½ per cent. at prices to yield 3.90 to 3.95 per cent according to maturity.

A reorganization of the J. I. Case Plow Works of Racine is to be effected with the view to avoid a receivership and a meeting of stockholders has been called on July 7 with the view to obtaining their consent to a plan worked out by banking and other creditors. The reorganization committee, composed of C. B. Mills of the Midland National Bank of Minneapolis, Norman J. Ford of the Illinois Merchants Trust Company, David G. James of the First National Bank of Racine, Norris E. Crull of the Illinois Steel Company and Abner J. Stillwell of the Continental & Commercial National Bank, proposes a capitalization of \$1,111,200 first mortgage 5 per cent. bonds, 16,668 shares of \$100 par value 6 per cent. non-cumulative Class A stock and 160,000 shares of no par Class B common stock, and banking creditors and the Illinois Steel Company have agreed to accept 20 per cent. in bonds, 30 per cent. in Class A and four shares of Class B common for each share of Class A issued. Holders of old preferred will receive one share of Class B common, which has a book value of \$3.50 a share, for each share of old and common one of new B for 20 of old, and the new stock will be placed in a three-year voting trust. Settlement will be made on the basis of 56 per cent. of total claims of banking creditors and the steel company, while other creditors will be paid in full in cash in order to avert a receivership. The company has liabilities of \$8,588,102 consisting of \$6,278,745 of current claims, 7,000,000 preferred and 2,273,713 common stock and deficit of \$6,964,385. A stockholders' committee composed of H. E. Otte of the National Bank of the Republic, Holman D. Pettibone of the Chicago Title & Trust Co., W. B. Prickett of A. B. Leach & Co., and E. J. Costigan of St. Louis, has assented to the plan, which involves no assessment. The new company will have current assets of \$2,369,220 and current liabilities of \$104,053, fixed assets of \$1,397,476 and prepaid charges of \$15,938. On June 1 there was outstanding \$5,560,000 of unsecured notes, \$533,000 interest and \$104,000 miscellaneous debts, or about \$2,500,000 in excess of a fair market value in case of liquidation.

Belgian Bonds All Placed

J. P. Morgan & Co., and a syndicate composed of the Guaranty Company, First National, National City Company, Bankers Trust, National Bank of Commerce, Mechanics & Metals National, Equitable Trust and New York Trust of New York, Harris Trust & Savings Bank, Lee, Higginson & Co., Kidder, Peabody & Co., Dillon, Read & Co., Halsey, Stuart & Co. Inc., First Trust & Savings, Illinois Merchants Trust, Continental & Commercial Trust & Savings, Central Trust Company of Illinois and Union Trust Company offered \$50,000,000 Kingdom of Belgium 30-year 7 per cent. bonds at 98 and accrued interest, yielding more than 7.15 per cent. The issue is a direct external obligation of the Belgian government, which will create a cumulative sinking fund for the retirement of the issue by purchase or call by semi-annual payments of \$268,750 beginning December 1 next. There was a larger oversubscription.

Thomson & McKinnon said of the New York stock market: "The market's position is not a healthy one. A big account at a high level of prices calls for a more conservative policy, and we are of the opinion that the bulges should be met with selling orders. For the immediate future the safe course is to take advantage of every bulge to liquidate holdings."

Paine, Webber & Co. expressed the belief that with the

exception of specialties the whole list is too high. "Don't force stocks for sale, but take advantage of rallies to lighten accounts, the review says. "We do not think it is time for any real reaction."

J. S. Bache & Co. said of the market situation: "We are of the opinion that the main body of stocks has resumed its upward trend. Thus far professional efforts to bring about lower prices have not met with a great deal of success and if the general market rallies it will be indicative of his higher levels at least temporarily."

Butler Sales Larger

Complaints made by stockholders of Butler Brothers, who invested in the shares around \$60, while the current level approximates \$33, that they are dissatisfied with the position of the company, are answered by President Frank S. Cunningham, with the statement that sales in the first two months were largely in excess of last year and the remaining three months have supplied fair returns although not in the volume obtained in January and February. "Last year we did not do very well," said President Cunningham, "but so far this year our sales have been larger, notably so in January and February, and the season so far has been satisfactory. Houses like ours make the most money in the last six months of the year, and I am looking forward to a marked gain in business after the first of next month. Like all corporations whose securities are traded in on the curb market we do not supply statements of our condition except once a year, and naturally, until we have taken inventory, can we tell how much money we have made, but I can assure you that in the first five months of 1925 we did much better than in the corresponding time last year."

In 1924 the annual statement issued by Butler Brothers displayed a net income of \$2,773,173 after taxes and appropriation for employees' participation fund. This was equal to \$2.46 a share on 1,127,852 shares of \$20 par value stock, after payment of dividends there was a deficit of \$7,967 which was deducted from surplus. This compared with a net equal to \$2.97 in 1923. The company pays an annual dividend of \$2.50 a share and at the end of 1924 had a profit and loss surplus of \$7,432,164.

H. O. Stone & Co. prospered in 1924, according to the annual statement, which shows net earnings for the year ended December 31 of \$795,182 after all deductions except provision for Federal taxes, equal after preferred dividends to \$25.70 earned on 29,920 of \$10 par value common stock outstanding. This compares with \$547,020 in 1923. At the conclusion of 1924 \$730,898 was added to surplus compared with \$509,690 in the year previous. The balance sheet displays current assets of \$6,356,857 compared with current liabilities of \$3,422,133, and a profit and loss surplus of \$1,545,462. On account of the increasing business of the company and the desire to effect a wider distribution of preferred stock, stockholders at the annual meeting increased the senior issue from \$500,000 to \$1,500,000. Directors subsequently authorized the release of \$500,000 of 7 per cent. cumulative preferred stock, making the total outstanding \$1,000,000.

"The Chicago unlisted market was rather sluggish through the week, price tendencies being slightly easier with the volume of trading decidedly less," John Burnham & Co. said.

"It is understood that H. O. Stone & Co. earned in 1924 more than 11 times that entire year's dividends on the preferred stock. These earnings have no doubt been greatly responsible for the demand to buy units. All units offered for sale up to \$135 per unit have been quickly taken. During the week these units have advanced from \$130 to \$135 bid with no units offered for sale lower than \$140. At \$135 this represents an advance of \$20 per unit since May 20."

PER CAPITA CIRCULATION DECREASES

Washington—The Treasury Department today announced that the total stock of money in the United States June 1 last was \$8,274,924,217 compared with \$8,750,765,284 June 1 last year. Money held in the Treasury was \$4,172,727,726 against \$4,218,274,270 last year.

Money outside of the Treasury amounted to \$6,123,021,107 against \$6,128,670,123 last year. The amount in circulation was \$4,774,312,599 against \$4,815,401,455 last year and the per capita was given at \$41.89, against \$42.78 last year.

SHIP
YOUR **WOOL**
HIDES, PELTS, FURS, ETC.
To McMILLAN FUR & WOOL CO.
MINNEAPOLIS, MINN.
WRITE FOR CIRCULARS.

TAXATION AND ITS INFLUENCE ON BUSINESS

(Continued from page 25)

wealth of the country upon which alone the continued prosperity of us all depends. It is the economically unsound basis of surtaxes which is alone responsible for this loss.

What Constitutes Income?

I have said that with our dual governments, our intricate corporate organizations and our theories of what constitutes income, discrimination is inherent in our income tax law. This is true. A theoretically perfect law is probable not possible. But we can prevent discriminations being un-reasonable, a restraint upon conduct of business being undue, a law to collect revenue being a law which wastes more than it collects.

It is not the total amount of taxation which is objectionable but the effect of the unscientific high rates upon the normal play of economic forces. Idle funds in the hands of rich men are not attracted to a six per cent. taxable bond or to an eight per cent. investment when a perfectly safe 4½ per cent. tax-exempt security yields more net income to him. A man is not interested in risking his money and his energy in a new enterprise where if he wins the government appropriates half his winnings and if he loses he stands the whole of his loss. An investor does not desire productive assets when he can let a property lie idle and its increment in value is not reachable by the tax-collector. All this is wrong. Its effect ultimately is to increase costs and to narrow the margin upon which the credit of business rests.

If, however, we cut down these tax rates to a reasonable figure, the high differential of a tax exempt over a taxable investment is brought within proper limits and funds seek normal investment; initiative and new ventures are not so heavily penalized, and we can expect movement ahead; artificial restraints on business, artificial methods of handling industry, no longer are worth while, expense is saved, and we have a greater margin of profit available. This is the solution which is within the power of the country to make, and which I feel confident must ultimately come.

No system of taxation which forces business into tortuous and unnatural channels, can continue as the permanent policy of this country. We want a highway of taxation which makes it cheaper and quicker for the business man to go straight through to success, rather than to take the long way round in the effort to avoid the Government's toll of excessive taxes. In the end the country will benefit. We have become the greatest nation in the world only because we have given energy and ability free play; and any system of taxation which discourages initiative and penalizes success cannot be the right policy for America.

CHILDS CRITICISES FEDERAL TAXATION METHODS

(Continued from page 13)

Graham & Sons Bank has been ordered by the Chicago Title & Trust Co. This brings the total dividends paid up to 50 per cent. and there remain assets sufficient to warrant the payment of another dividend, according to Abel Davis, vice president of the company which now has more than 6,000 checks representing dividends ranging from 20 cents to \$20,000 whose owners have not called for them.

Paul B. Skinner, resident partner of Hornblower & Weeks, has been elected vice president of the Chicago Stock Exchange as successor to Albert G. Lester. Charles T. Atkinson has been re-elected secretary and chairman of the clearing house and Edwin Page vice chairman.

J. Louis Cohn has resigned as cashier of the Alliance National Bank, effective July.

F. A. Merrick, vice president and general manager of the Westinghouse Electric & Manufacturing Co., has been elected a director to succeed the late A. G. Becker, whom he also succeeds on the board of the Westinghouse Electric International Company.

Wallace Heckman has been elected first vice president of the Chicago Surface Lines, succeeding the late John M. Roach, whom he also succeeds on the executive committee.

Vice President Charles G. Dawes, accompanied by Rufus C. Dawes, President James E. Gorman, president of the Rock Island, and James A. Patten, returned this week from

Marietta, Ohio, where they participated in the commencement exercises of Marietta College.

Nine offices of Halsey, Stuart & Co. in Chicago, New York, Boston, Philadelphia, Detroit, Cleveland, Milwaukee and St. Louis and Pittsburgh are now connected by a private wire system.

Herbert Manning, vice president of John V. Farwell Company, died on Wednesday at Montrovia, Calif.

WHAT ABOUT BUSINESS IN THE WEST?

(Continued from page 21)

While business is at a low ebb, and while business men for obvious reasons are discouraged, there never has been a time since the war when the situation was so fundamentally sound, when the banks were in better shape, when credits were better and business enterprises were easier.

So I feel, with those principal elements of danger past, that if, frost and drouth for the irrigated sections, we will, after the beginning of the summer, come into a very much improved general business condition.

ALASKA FISHERIES 1924 VALUE \$40,289,273

Washington—The Alaskan fisheries harvest was valued at \$40,289,273 in 1924, an increase of over 2 per cent. over 1923 according to a bulletin just issued by the United States Bureau of Fisheries of the Commerce Department. The fisheries of southeast Alaska were valued at \$18,768,786, or 46.5 per cent. of the total; central Alaska \$12,560,864, or 31¼ per cent., and western Alaska \$8,959,623, or 22¼ per cent.

Salmon products of Alaska were valued at \$34,793,504, and included 5,294,915 cases of canned salmon valued at \$33,007,135; 5,187,200 pounds of mild cured salmon valued at \$1,137,301, and 4,494,610 pounds of fresh and frozen salmon valued at \$369,433.

The herring fisheries yielded 41,455,815 pounds of products valued at \$2,458,370, and included 19,020,650 pounds of Scotch cured herring valued at \$1,660,991, and 17,944,665 pounds of fish scrap and oil valued at \$726,829. The halibut fishery yielded 15,037,616 pounds of fresh and frozen fish valued at \$1,619,443; the whale fishery 3,023,820 pounds of products valued at \$391,781; and the cod fishery 1,580,026 pounds of products valued at \$100,777. The number of persons engaged in the fisheries in 1924 was 25,194 and the investment amounted to \$62,660,637.

ASBESTOS MERGER PLANNED

Montreal—Asbestos merger plans are all completed and in lawyers' hands. Company is to be named Asbestos Corporation and have three special shares besides 200,000 of no par value. Stock to be known as management stock will hold voting power for five years in the hands of three trustees who will have authority to make changes in board or management.

Net working capital will exceed \$2,500,000. Negotiations have been begun with Rhodesian companies for a world wide agreement.

Final statistics on asbestos production in Canada for 1924 show sales of 225,744 tons valued at \$6,710,830 against 231,482 tons at \$7,522,500 in 1923. Value per ton averaged \$29.73 in 1924 against \$32.50. Output was 226,469 tons in 1924, second highest ever recorded.

THOMSON & MCKINNON

NEW YORK

CHICAGO

INDIANAPOLIS

Brokers

**GRAIN, PROVISIONS, COTTON,
STOCKS, BONDS**

MEMBERS:

New York Stock Exchange
New York Cotton Exchange
Chicago Board of Trade
Chicago Stock Exchange
And All Leading Exchanges

ST. PAUL OFFICE

131 ENDICOTT BLDG.

PHONE: CEDAR 3710

GRAIN STOCKS AT MINNEAPOLIS

Table with 4 columns: Item, June 13, June 6, Year ago. Rows include No. 1 hard spring, No. 1 dark northern, No. 1 northern, No. 2 dark northern, No. 2 northern, No. 3 dark northern, No. 3 northern, Winter, Durum, Transfer, Other grades, Public houses, Private houses, Total, Decrease, Corn, Oats, Barley, Rye, Flax.

Table with 4 columns: Location, 30,200, 31,350, 28,800, 18,800. Rows include Toledo, Toledof, Indianapolis, Nashville, Portland, Ore., Seattle, Tacoma. Includes notes on Minnesota, Dakota and Iowa mills, and flour made by mills outside of St. Louis.

FLAXSEED RECEIPTS AND SHIPMENTS

Table with 5 columns: Location, 1924-25, 1923-24, 1924-25, 1923-24. Rows include Minneapolis, Duluth, Totals. Includes text: Receipts and shipments of flaxseed at Minneapolis and Duluth, September 1, 1924, to June 13, 1925...

MINNEAPOLIS GRAIN FUTURES

Table with 7 columns: Item, June, July, August, September, October, November, December. Rows include Wheat, July, September, Rye, Oats, Flax, Barley.

STOCKS OF WHEAT AT DULUTH AND SUPERIOR

Wheat stocks in Duluth and Superior elevators as on June 13, showing changes in the week: Wheat—Nos. 1 and 2 dark northern and Nos. 1 and 2 northern, 2,091,543 bushels; No. 3 dark northern and No. 3 northern, 68,918 bushels; other spring, 2,776,991 bushels; Nos. 1 and 2 amber durum and Nos. 1 and 2 durum, 186,774 bushels; No. 3 amber durum and No. 3 durum, 56,940 bushels; other durum, 1,978,929 bushels; Nos. 1 and 2 dark hard winter and Nos. 1 and 2 winter, 6,882 bushels; other winter, 1,233 bushels; bonded, 103,625; total wheat, 7,276,835 bushels, decrease, 576,710 bushels.

MINNEAPOLIS-DULUTH-SUPERIOR WHEAT RECEIPTS

Table with 5 columns: Location, 1924-25, 1923-24, 1922-23, 1921-22. Rows include Minneapolis, Duluth, Totals. Includes text: Receipts of wheat in Minneapolis and Duluth from September 1, 1924, to June 13, 1925, compared with the corresponding period of previous years, in bushels (000's omitted):

DULUTH GRAIN FUTURES

Table with 7 columns: Item, June, July, August, September, October, November, December. Rows include Durum, Flax.

GRAIN STOCKS AT CHICAGO

Table with 5 columns: Item, Public, Private, *Total, Last year. Rows include Wheat, Corn, Oats, Rye, Barley.

*Includes 177,000 bushels corn afloat.

UNITED STATES VISIBLE GRAIN SUPPLY

Table with 4 columns: Item, This week, Last week, Last year. Rows include Wheat, Corn, Oats, Rye, Barley.

WORLD GRAIN SHIPMENTS

World's shipments of wheat were the smallest of the season, decreasing nearly 5,000,000 bushels from the previous week. Details follow:

Table with 4 columns: Item, Last week, Prev. week, Last year. Rows include Wheat, Corn, Oats.

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:

Table with 5 columns: Location, June 13, June 6, June 14, June 16. Rows include Minneapolis, St. Paul, Duluth-Superior, Milwaukee, Totals, Outside mills, Aggregate spring, St. Louis, St. Louis, Buffalo, Chicago, Kansas City, Kansas City, Omaha, St. Joseph, Salina, Wichita.

CHICAGO GRAIN FUTURES

Table with 7 columns: Item, June, July, August, September, October, November, December. Rows include Corn, Oats, Rye.

WINNIPEG GRAIN FUTURES

Table with 7 columns: Item, June, July, August, September, October, November, December. Rows include Wheat, Flax.

WHEAT RECEIPTS—CARS

Table with 6 columns: Location, Year, 1925, 1924, 1923, 1922. Rows include Minneapolis, Duluth, Chicago, Winnipeg.

MINNEAPOLIS RECEIPTS—COARSE GRAINS

Table with 6 columns: Date, Corn, Oats, Rye, Barley, Flax. Rows include June 11, June 12, June 13, June 15, June 16, June 17.

Proposed Conference for Declaration of Economic Independence

Peoria, Ill.—Calling of a national conference of all classes to "draft a set of principles for economic independence and personal financial success" was proposed here June 18 by William E. Knox, president of the American Bankers Association, in an address before the Illinois Bankers Association. Deploring waste in American industry and in expenditure of personal income, he declared that the great need of today is systematic provision for the financial independence of the working classes.

"Upwards of 35,000,000 people in the United States have incomes under \$2,500 a year with an average under \$1,200 and their chief concern should be how to get a reasonable degree of financial independence out of what they earn," Mr. Knox said. "If employers and employes had spent part of the time used in quarrelling over wages for developing a sound cooperative scheme to help men get ahead on what they were actually getting, wealth would be vastly greater and more evenly distributed and we would have come nearer a solution of industrial controversies than we ever will by magnifying our differences. The quickest and best way to bring about a more even distribution of wealth is to establish an intelligent understanding of its use and to eliminate its waste.

The Toll of Waste

"Waste in American industry and in the use of private incomes represents enough money to give wage earners all they have asked for in their most extravagant demands, to furnish capital larger returns on invested capital and to save the public untold millions in the cost of commodities. This is a public loss and a social damage. It puts squarely before us a problem of universal economy that challenges the efficiency of our industrial system and the economic intelligence of American citizens, and strikes at the very heart of our economic civilization.

"The question of how to attain personal financial independence has not been worked out on the principle of individual responsibility. I should like to see brought together a group of understanding American men and women—business executives, life insurance men, bankers, labor leaders, and others—who would draft a set of principles for economic independence and personal financial success. If that were properly approached and followed through to its logical conclusion, those people would set before the people of this nation a purpose and a need comparable in its influence to the Declaration of Independence itself and they would go down in history as among the greatest benefactors of modern democracy.

"This proposal is in harmony with the President's splendid policy of economy in the operation of the Government. Such a group if called together might well further a movement to extend that policy of economy to the incomes of the common people.

Coolidge Economy Doesn't Hurt Business

"We have heard the strange economic fallacy voiced in recent weeks that personal economy on the part of our people is hurting business. Those who put forth this view have been quoted as doing the more amazing thing of blaming President Coolidge's economy program as being responsible for a slackening of trade. I am willing to go to the other extreme and say that if it had not been for the sound element of economy that the President had brought into the times the nation would now be in danger of a real depression.

"Of course in the accusation that 'Coolidge economy hurts business there was an obvious distortion of fact. The President's economy program has had to do with economy in government. But nevertheless, in so far as his economic administration of public business has been copied by our citizens and applied to their personal finance, it has been good for business and not bad.

"A major cause of business depression is extravagance and waste. These are a greater economic burden on business than taxation. On the other hand the foundation for sound economic conditions is the personal prudence of the individual multiplied by the millions of our population.

Personal economy means increased savings, means conserved and stored up purchasing power against future needs. Judicious spending, which is just as much a part of thrift as is saving, means a sound, steady buying demand for the staple products of industry. The recent complaint that economy was hurting business emphatically illustrates again the imperative need of more general, thorough going public education in economic subjects."

JULIUS KRUTTSCHNITT DEAD

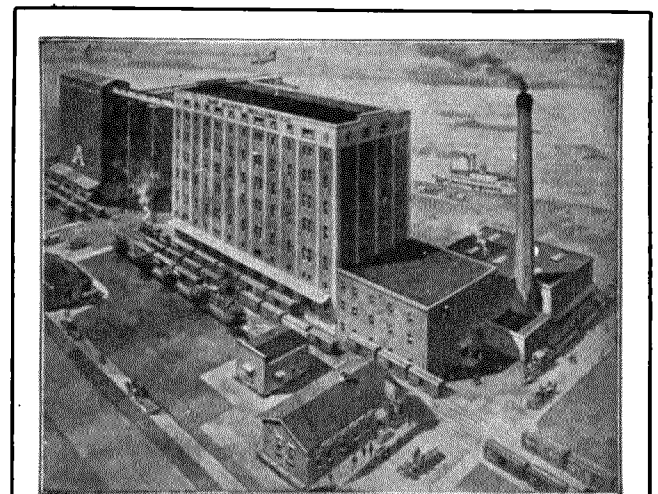
New York—Julius Kruttschnitt, former chairman of the board and directing head of the Southern Pacific Railroad, died suddenly of heart failure June 15. Mr. Kruttschnitt's retirement May 31 last, closed a career covering more than 48 years in service of America's carriers which culminated in his assuming the supervision of the Southern Pacific as heir of the Harriman tradition in railroading.

Under the Kruttschnitt directorship, the Southern Pacific grew in 12 years from a road of 10,000 miles with annual earnings of \$143,000,000 to 16,000 miles and earnings of more than \$300,000,000, placing it third in the list of national carriers. He was reputed to be one of a group of half a dozen executives whose annual salaries exceeded \$100,000.

Born in New Orleans July 30, 1854, the future commander in chief of the Harriman lines, graduated from Washington and Lee University 19 years later with the degree of civil engineer. After five years as a school teacher he entered the service of the Louisiana & Texas railroad, now a part of the Southern Pacific, as a resident engineer.



**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 August 1911.

This plant, with capacity of 4,000 barrels daily was designed and rebuilt of reinforced concrete, *absolutely fireproof*, in just *ninety days* from the date of the above calamity, by

The Bartnett & Record Co.

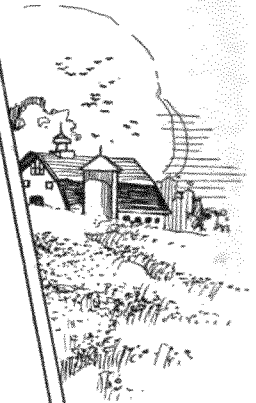
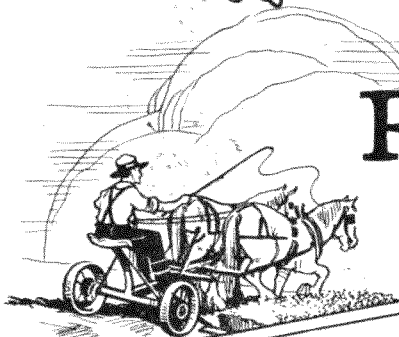
MINNEAPOLIS, MINNESOTA
DULUTH, MINNESOTA
FORT WILLIAM, ONTARIO

That is our specialty

Write us for designs and estimates



FLAX



SIXTY Nine Million Dollars—
this stupendous sum was
received by the farmers of the
Northwest last year, for the pro-
duction of 97.7 per cent of all the
flax raised in the United States.
According to statistics of the De-
partment of Agriculture this dis-
trict produced 29,487,000 bushels
out of a total yield of 30,173,000
bushels of flax.

As the leading financial institu-
tion in this great region, the First
National Bank in Minneapolis
serves over one-half of all the banks
in the Ninth Federal Reserve
District as direct correspondent.

The
FIRST NATIONAL BANK
in Minneapolis
Capital and Surplus
\$10,500,000