

COMMERCIAL WEST

PUBLISHED WEEKLY

BANKING

INVESTMENTS

INSURANCE

GRAIN AND MILLING

VOL. 48—No. 2

MINNEAPOLIS, SATURDAY, JULY 11, 1925

PRICE { Fifteen Cents a Copy
Five Dollars a Year

Haine, Webber & Company

ESTABLISHED 1880

BONDS AND NOTES
U. S. GOVERNMENT
FOREIGN GOVERNMENTS
MUNICIPALITIES
RAILROADS
PUBLIC UTILITIES
INDUSTRIALS

McKnight Building

Minneapolis

Boston

New York

Chicago

St. Paul

Duluth

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

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

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

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

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

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

Before Buying Bonds

investigate our offerings of high-grade 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	
Jemiesen Elected President of the National Real Estate Association	2	Prices of Bank Stocks and Other Securities.....
Municipal Bond Offerings and Sales.....	3	Bank Transactions
Prices of Government Bonds.....	4	New Banks and Changes.....
Standard Oil Stocks.....	4	Officers of District Groups, Minnesota Bankers Association
Personals	5	Compulsory Automobile Insurance in Massachusetts
Editorial—		Income Tax Returns and Index to Liberality.....
No Limit to Price Change in Free Market.....	7	The Tax Burden on Agriculture.....
The Troubles of the Grain Marketing Company	7	Nebraska Bankers Study Farming.....
Nurse Prosperity Rightly.....	8	Late Legal Decisions and Question Box.....
Conserving Shale Oil Resources.....	8	Realty Trade Denied North Dakota Banks.....
Statements of Twin City Banks.....	10	South Dakota's Guaranty Fund Law Invalid in Part
Financial News of the Twin Cities and Northwest..	10	Montana May Lose Through New Note Issuing Act.
Building Activity in Minneapolis.....	11	Bank Debits to Individual Accounts in Canada.....
Chicago Bank Deposits Increase Largely.....	12	Review of the Live Stock Markets.....
Dean-Onetivia Failure Shocks Chicago.....	14	Crop and Grain Marketing Conditions.....
Merchandising a Bank's Service.....	16	Van Dusen-Harrington Northwestern Crop Report..
The Federal Reserve System and American Finance	18	Chicago Grain Futures in Decline.....
Analysis of a Financial Statement.....	22	Work of the Department of Agriculture in the Northwest
An Analysis of Bank Operating Cost.....	24	Market Prices and Miscellaneous Grain Statistics..
		Favors Additional Powers for National Banks.....

Jemison Elected President of National Real Estate Association

Detroit, Mich.—Robert Jemison, Jr., of Birmingham, Alabama, was elected president of the National Association of Real Estate Boards at the annual convention of that body just closed at Detroit, Mich. Mr. Jemison will take office at the annual business meeting of the Association to be held in January, 1926.

Harrison Colburn, New York, was elected first vice president under a new plan adopted by the Association, which will give it 15 vice presidents instead of the 11 who previously served. The first vice president will be a direct assistant to the president. The 15 vice presidents authorized by an amendment to the constitution passed at the convention, will include the chairmen of the seven divisions of the Association. The remaining seven vice presidents are given territorial jurisdictions.

Condemns Inaccurate Appraisals

Resolutions were adopted by the Association urging strong action against the use of inflated appraisals of real estate, favoring the consideration of city planning separately from city zoning, recommending further standardization of building materials and quantity production of building parts to lessen building costs, and favoring the passage of a statute by the various states to provide under proper safeguard of individual rights for settlement of commercial disputes by arbitration.

"The great majority of construction enterprises represent careful planning, substantial investment and honest financing," the resolution decrying the use of inaccurate or unauthentic appraisals states. "But in many cities certain concerns interested in the flotation of bond issues or the promotion of building enterprises have through their own employes or irresponsible appraisers secured excessive appraisals as the basis for exorbitant loans or wholly unjustified reports to the public as to the value of the properties involved.

"Therefore be it resolved that this Association recommends to its constituent boards that steps be taken to discipline any members of such boards using, permitting or making appraisals which cannot be fairly sustained by the fact, and which tend to deceive the public as to the values of the properties involved."

The Association recommended to the executives of cities, counties and states and to the city planning and zoning commissions that immediate study be made of outdoor advertising so as to prevent the despoilation of scenic spots by billboards. It instructed its own committee on city planning and zoning to commence investigation as to legislation advisable for regulating use of sign boards so as to give full legitimate opportunity for necessary advertising and at the same time conserve the appearance of natural beauty spots and of residential districts.

Outlines Tax Adjustment Program

The Association passed resolutions outlining a program of tax adjustment calling for the abolition of all Federal inheritance taxes and the preparation of a uniform state inheritance tax law, and recommending the working out of a general plan of degregation of taxable property so that taxes on real estate would be devoted to local purposes, and that real estate be relieved from state taxation. It called for further general reduction of Federal taxes, recommended that all income producing properties owned by religious and charitable organizations be taxed, when not used actually for the purposes of the organization, and urged the immediate passage of a law making it a criminal offense except in a judicial procedure to publish information concerning income tax returns.

COUNTY BANKERS ELECT OFFICERS

St. Peter, Minn.—E. H. Lindberg, cashier of the Nicollet County Bank of St. Peter, was elected president of the Nicollet County Bankers Association at its meeting July 7. V. F. Quist of Lafayette was elected vice president and C. R. Dosslee of North Mankato secretary treasurer.

Western Municipal Bonds

FUTURE BOND ELECTIONS

- July 10**—Douglas County, Neb., School District No. 44 (P. O. Omaha)—\$6,000 bonds.
- July 13**—Harlan County, Neb., School District No. 4 (P. O. Stamford)—\$4,500 6 per cent. bonds.
- July 14**—Gladbrook, Iowa, \$6,500 waterworks system bonds.
- July 19**—Jackson County, Oregon, School District (P. O. Ashland)—\$105,000 bonds.
- July 20**—Moorhead, Minn.—\$50,000 water and light plant repair bonds.
- July 28**—Racine, Wisconsin, School District, \$900,000 bonds.

FUTURE BOND SALES

- July 13**—Caldwell, Idaho, \$41,000 street improvement bonds; 6 per cent. City clerk.
- July 14**—Kootenai County, Idaho (P. O. Couer d'Alene), \$120,000 court house coupon bonds; denomination \$1,000; 6 per cent.; 1-10 years; certified check 5 per cent. C. O. Sowder, clerk board of county commissioners.
- July 15**—Graham County, Arizona, School District (P. O. Safford), \$15,000 school district No. 20 bonds; \$56,000 Safford school district No. 1 bonds and \$44,500 Thatcher school district No. 4 bonds.
- July 15**—St. Paul, Minn., \$1,000,000 sewer bonds; 4 per cent.; 18¾ years and \$500,000 school bonds; 4¼ per cent. 30-years; denomination \$1,000; certified check 2 per cent. W. F. Scott, city comptroller.
- July 15**—Dakota County, Minn. (P. O. Hastings) \$44,023.72 highway reimbursement bonds, denomination \$1,000; not to exceed 5 per cent.; 11-20 years; certified check 5 per cent. All bids verbal. R. W. Downs, County Auditor.
- July 16**—Lincoln, Neb.—\$552,210 special assessment bonds; 5 per cent.; 1-10 years. Theodore H. Berg, city clerk.
- July 20**—State of Oregon (P. O. Salem)—\$1,000,000 Veterans State Aid Gold series No. 4 coupon bonds; denomination \$1,000; not exceeding 6 per cent.; 1¼ year average; certified check 2½ per cent. W. P. Simpson, secretary world war veterans state aid commission.
- July 24**—Lakeview, Oregon—\$10,000 sewer bonds; denomination \$500; 6 per cent.; 1-10 years; certified check 5 per cent. Harry J. Augustead, town recorder.

BOND SALES

- Elsie, Neb., School District—An issue of \$25,000 bonds was authorized by a vote of 76 to 50.
- Pontiac Township, Illinois (P. O. Pontiac)—A recent election authorized \$30,000 road bonds by a vote of 298 to 297.
- San Bernardino, Cal.—An issue of \$60,000 various improvement bonds carried by a vote of 944 to 72 at a recent election.
- Cedar County, Nebraska, School District No. 97 (P. O. Hartington)—A recent election authorized \$2,000 bonds by a vote of 25 to 4.
- Fergus Falls, Minn.—The Minneapolis Trust Company purchased \$75,000 4¼ per cent. 1-20 year serial street improvement certificate bonds.
- North Mankato, Minn. (P. O. Mankato)—An issue of \$30,000 municipal building bonds was authorized at a recent election by a vote of 350 to 342.
- Pullman, Wash.—An issue of \$35,000 4½ per cent. city bonds was sold to Blyth, Witter & Co. of Los Angeles at a premium of \$67-100.19 per cent.
- Ashland, Oregon—An issue of \$18,000 5 per cent. 10-year South Oregon Normal site purchase bonds was awarded to the Ralph Schneeloch Company of Portland at par.
- Hampton, Iowa—The White-Phillips Company of Davenport bought \$11,000 4½ per cent. 10-year waterworks bonds at a premium of \$119.40-101.08, a basis of 4.36 per cent.
- Colorado (P. O. Denver)—The International Trust Company of Denver purchased \$500,000 5 per cent. 4-15 year highway (series G) bonds at 104.198, a basis of 3.86 per cent.
- Grand Junction, Colorado—An issue of \$21,000 5½ per cent. 12-year sidewalk No. 9 bonds was purchased by Bosworth, Chanute & Co. of Denver at 100.02, a basis of 5.49 per cent.

La Harpe, Illinois, School District—The White-Phillips Company of Davenport was the successful bidder for \$25,000 5 per cent. 19¾ year bonds at a premium of \$1,640-106.56, a basis of 4.49 per cent.

Snohomish County, Wash., School District No. 99 (P. O. Everett)—An issue of \$14,000 4½ per cent. 5½-year bonds was purchased by Blyth, Witter & Co. of Portland at 100.21, a basis of 4.46 per cent.

Cook County, Illinois (P. O. Chicago)—The Northern Trust Company of Chicago and Detroit Company of Detroit, jointly, purchased \$500,000 4 per cent. 1-20 year hospital bonds at 99.827, a basis of 4.02 per cent.

Fargo, N. D.—An issue of \$75,000 4¾ per cent. special improvement bonds was sold to The Merchants Trust & Savings Bank of St. Paul and Paine, Webber & Co. of Minneapolis, jointly, at a premium of \$130-100.17.

Tulare County, Cal., Earlimart School District (P. O. Visalia)—The First National Bank of Earlimart was the successful bidder for \$15,000 5½ per cent. 21-year bonds at a premium of \$752-105.01, a basis of 5.08 per cent.

Orange County, Cal., Laguna School District (P. O. Santa Ana)—An issue of \$9,000 5 per cent. 1-9 year bonds was sold to the Freeman, Smith & Camp Company of Los Angeles at a premium of \$94.20-101.04, a basis of 4.76 per cent.

St. Paul, Minn.—Eldredge & Co. of New York and the Wells-Dickey Company of Minneapolis, jointly, purchased \$500,000 4¼ per cent. 30-year school bonds and \$500,000 4 per cent. 18¾ year sewer bonds at 101.326, a basis of 4.06 per cent.

Du Page County, Illinois, Community High School District No. 49 (P. O. West Chicago)—An issue of \$140,000 4¼ per cent. 13-year school site bonds was awarded to the National City Company of Chicago, at a premium of \$441-100.31, a basis of 4.22 per cent.

Cedar Rapids, Iowa—George M. Bechtel & Co. of Davenport were the successful bidders for \$80,000 4½ per cent. bonds as follows: \$80,000 7 1/6 year sewer and \$18,000 5½ year fire equipment bonds at a premium of \$1,940-101.97, a basis of 4.16 per cent.

State of Idaho (P. O. Boise)—A syndicate composed of the First National Bank and Salomon Brothers & Hutzler, both of New York, and the Ralph Schneeloch Company of Portland, purchased \$500,000 1-year treasury notes at 3.60 per cent., plus a premium of \$10.50.

Port of Seattle, Wash. (P. O. Seattle)—A syndicate composed of Minton, Lampert & Co. of Chicago, and Bond & Goodwin & Tucker and Ferris & Hardgrove, both of Seattle, was the successful bidder for \$600,000 4½ per cent. 16-year average water front site purchase bonds.

Port of Portland, Oregon (P. O. Portland)—An issue of \$600,000 4½ per cent. 6-20 year improvement and equipment bonds was offered to A. B. Leach & Co., and A. G. Becker & Co., both of Chicago, and Lumbermens Trust Company of Portland, jointly, at 101.704, a basis of 4.33 per cent.

Los Angeles, Cal.—A syndicate composed of the First National Bank, Blair & Co., Hallgarten & Co., Eldredge & Co., Halsey, Stuart & Co., Hayden, Stone & Co., Redmond & Co., Detroit Co., Phelps, Fenn & Co., Rutter & Co., and R. W. Pressprich & Co., all of New York, Stevenson, Perry, Stacy & Co. of Chicago, Anglo London Paris Company of San Francisco and Bank of Italy of Los Angeles for the successful bidder for \$11,350,000 bonds as follows: \$8,000,000 4½ per cent. 1-40 year water supply, \$2,000,000 4 per cent. 1-40 year Colorado river aqueduct, \$500,000 3½ per cent. 19¼ year bridge, \$500,000 3½ per cent. 19¼ year branch library and \$350,000 4 per cent. 1-35 year pedestrian tunnel bonds at a premium of \$37-100.0003, a basis of 4.30 per cent.

PANAMA CANAL PROFIT \$14,000,000 LAST YEAR

Washington—The Panama Canal netted about \$14,000,000 profit for the Government during the fiscal year which ended June 30. The Treasury Department announced this profit, however, is not as large as the year before, when profits amounted to \$27,063,024.48 and expenditures were only \$8,387,900.90. The decrease is attributed by Government officials to the lowering of transcontinental freight rate and a falling off of traffic in oil between the Pacific and Atlantic coasts.

COUNTY — CITY — SCHOOL BONDS

BOUGHT AND SOLD

Correspondence solicited

The Hanchett Bond Company
39 South La Salle Street CHICAGO

Established 1885

H. C. SPEER & SONS CO.

MUNICIPAL,
COUNTY AND SCHOOL BONDS

First National Bank Building - CHICAGO

UNITED STATES GOVERNMENT BONDS

Price range for week ending July 8, 1925, as reported by C. F. Childs and Company, 609 Second Avenue South, Minneapolis, Minnesota. Quotations on Libertys are in 32nds in accordance with the practice on the New York Stock Exchange. The Treasury Certificates, Treasury Notes and Federal Land Bank Bonds, for convenience, are also quoted in fractions of 1/22.

Issue	High	Low	Close	Yld.
1st Liberty Loan, 4 1/4s, 1932-47.	101-5	101	101	3.32
1st Liberty Loan, 4 1/4s, 1932-47.	103-6	102-26	103-3	3.76
2nd Liberty Loan, 4 1/4s, 1927-42.	101-16	101-12	101-12	3.61
3rd Liberty Loan, 4 1/4s, 1928.	101-28	101-22	101-23	3.72
4th Liberty Loan, 4 1/4s, 1933-38.	103-10	103-3	103-4	3.81
Treasury, 4 1/4s, 1947-52	108-10	108	108-2	3.71
Treasury, 4s, 1944-54	104-14	104-5	104-6	3.66

Treasury Certificates and Notes

Issue	Bid	Asked	Yld.
TS-2 3/4s, Sept. 15, 1925	99-29	100	2.75
B-4 3/4s, Dec. 15, 1925	100-15	100-19	3.05
TD-3s, Dec. 15, 1925	99-30	100	3.00
A-4 3/4s, March 15, 1926	100-30	101-2	3.22
TJ-3s, June 15, 1926	99-30	100	3.00
B-4 1/4s, Sept. 15, 1926	100-30	101-2	2.46
B-4 3/4s, March 15, 1927	101-30	102-2	3.49
A-4 1/4s, Dec. 15, 1927	102-31	102-2	3.58

Federal Land Bank Bonds

Rate	Maturity	Bid	Asked
4 1/2s	May and Nov. 1, 1922-37	100-30	101-8
4 1/2s	May and Nov. 1, 1923-38	100-30	101-8
4 1/2s	May and Nov. 1, 1924-39	100-30	101-8
4 1/2s	May 1, 1932-42	102-4	102-12
4 1/2s	Jan. 1, 1933-43	102-8	102-16
4 1/2s	Jan. and July 1, 1933-53	102-8	102-20
4 1/2s	Jan. 1, 1935-55	102-24	103-4
4 3/4s	July 1, 1933-53	103-24	104-4
4 3/4s	Jan. and July 1, 1934-54	104	104-12
5s	May and Nov. 1, 1931-41	104-4	104-16

FOREIGN GOVERNMENT BONDS

Reported July 9 by Salomon Bros. & Hutzler, Minneapolis, Minn.

	Bid	Offer	Yld.
Argentine Nation, Govt. of, 7s, Feb. 1, 1927	102.88	103.08	4.95
Argentine Nation, Govt. of, 6s, Sept. 1, 1957	95.88	96.25	6.28
Austrian, Govt. of, 7s, June 1, 1943	99.25	99.62	7.03
Belgium, Kingdom of, 8s, Feb. 1, 1941	107.75	107.75	7.45
Belgium, Kingdom of, 7 1/2s, June 1, 1945	108.12	108.75	7.00
Belgium, Kingdom of, 6 1/2s, Sept. 1, 1949	92	93	7.15
Belgium, Kingdom of, 6s, Jan. 1, 1955	86.12	86.50	7.16
Canada, Dominion of, 4s, Sept. 15, 1925	100	100.08	3.62
Canada, Govt. of Dom. of, 5s, April 1, 1926	100.62	100.88	3.80
Canada, Govt. of Dom. of, 5 1/2s, Aug. 1, 1929	102.50	103	4.65
Canada, Govt. of Dom. of, 5s, April 1, 1931	102.50	103	4.60
Canada, Govt. of Dom. of, 5s, May 1, 1952	103.75	104	4.70
Dutch East Indies, 6s, Jan. 1, 1947	102.25	102.75	5.77
Dutch East Indies, 5 1/2s, March 1, 1953	100.25	100.75	5.43
Dutch East Indies, 5 1/2s, Nov. 1, 1953	100.25	100.75	5.43
Dutch East Indies, 6s, March 1, 1962	102.25	102.75	5.78
France, Republic of, 7 1/2s, June 1, 1941	99.25	99.50	7.56
France, Republic of, 8s, Sept. 15, 1945	102.12	102.37	7.92
France, Republic of, 7s, Dec. 1, 1949	90.25	90.50	7.85
France, Republic of, 7s, Dec. 1, 1949	84	85	8.32
French Cities (Bdx. Mss. Lyons) 6s, Nov. 1, 1934	96.75	97	7.29
German, 7s, Oct. 15, 1949	85	86	8.20
Greek Govt. W. I., 7s, Nov. 1, 1954	94	94.25	7.05
Japanese Govt. Sterling, 6 1/2s, Feb. 1, 1954	83.25	84	6.75
Japanese Govt. Sterling, 4s, Jan. 1, 1931	99.75	100	6.00
Japan, Industrial Bank of, 6s, Aug. 15, 1927	103.50	103.88	5.76
Netherlands, Kingdom of, 6s, Oct. 1, 1940	110.62	110.88	4.00
Norway, Kingdom of, 6s, Aug. 15, 1943	100.50	100.75	5.92
Norway, Kingdom of, 6s, Aug. 1, 1944	100.50	100.62	5.94
Norway, Kingdom of, 6s, Oct. 15, 1952	100.50	100.62	5.94
Sweden, Govt. of, 6s, June 15, 1939	103.75	104.25	5.55
Sweden, Govt. of, 5 1/2s, Nov. 1, 1954	100.62	101	5.40
Switzerland, Govt. of, 5s, Aug. 1, 1926	100.04	100.12	3.50
Switzerland, Govt. of, 5 1/2s, Aug. 1, 1929	102.12	102.50	4.80
Switzerland, Govt. of, 8s, July 1, 1940	115	115.50	6.32
Switzerland, Govt. of, 5 1/2s, April 1, 1946	102.25	102.50	5.25
Un. Kng. of Gt. Brit. & Ire., 5 1/2s, Aug. 1, 1929	116.62	117	.....
Un. Kng. of Gt. Brit. & Ire., 5 1/2s, Feb. 1, 1937	104.88	105.12	4.90

STANDARD OIL STOCKS

	Bid	Asked
Anglo-American Oil	21.50	22
Atlantic Refining, pfd.	117	117.75
Borne-Scrymser	215	218
Buckeye Pipe Line	60	60.75
Chesegh Mfg., com.	65	66
Chesegh Mfg., pfd.	111	112
Continental Oil	25.50	25.62
Crescent Pipe	10.50	11.50
Cumberland Pipe	143	145
Eureka Pipe	73	76
Galena Signal	54	55
Galena pfd., old.	105.50	112
Galena, pfd., new	100	102
Humble Oil	66.37	67
Illinois Pipe Line	135	138
Imperial Oil of Canada	32.75	33
Indiana Pipe	70.50	72
International Petroleum	25.37	25.50
Magnolia Petroleum	142	145
National Transit	21.50	22
New York Transit	55	58
Northern Pipe	78	79
Ohio Oil	67	68
Penn Mex	25.50	27
Prairie Pipe Line	125.50	126
Prairie Oil and Gas, new	59	59.50
Solar Refining	223	225
South Penn	170.50	171
South Pipe Line	80	81
South West Pipe Line	65	68
Standard Oil of Indiana, \$25 par.	65.12	65.25
Standard Oil of Kansas	35	35.50
Standard Oil of Kentucky, \$25 par.	124	125
Standard Oil of Nebraska	240	245
Standard Oil of New Jersey, pfd.	117	118.12
Standard Oil of New York	43.75	44
Standard Oil of Ohio	348	352
Standard Oil of Ohio, pfd.	120	121
Swan & Finch Oil	16	17
Swan & Finch Oil, pfd.	15	22

Union Tank	126	130
Union Tank, pfd.	115.50	116.50
Vacuum Oil, \$25	88.12	89
Washington Oil	30	33

FARM SEEKERS INTERESTED IN THE NORTHWEST

St. Paul—Since January 1 the Northern Pacific has had over 19,000 inquiries from prospective settlers in the Northwest, according to A. B. Smith, passenger traffic manager. Advertising has been largely responsible, he said, and expressed the hope that the Northwest is again coming into its own in so far as the attention of the rest of the country is concerned and also the prosperity of its own people.

Mr. Smith said, "Minnesota, North Dakota, Montana, Idaho, Washington and Oregon are today apparently of greater interest to practical settlers than at any time for eight years. Well planned advertising during the last three years by the railroads serving this territory has contributed largely to this increasing interest. The special monthly advertising campaigns in which the Northwest people so enthusiastically joined brought in hundreds of letters from farmers. The Northern Pacific has been advertising in farm magazines, small town newspapers, and other publications, as well as publishing more and better books about the Northwest, and this energetic advertising is certainly helping.

"However, I think more than anything else, the spirit of Northwestern people, the letters they are writing, and the hospitality with which they receive new comers have been the most helpful. Of course this is backed up by fundamentally sound agriculture in the Northwest."

NEW OBSERVATION CARS FOR NORTHERN PACIFIC

St. Paul—The Pullman Company is building for the Northern Pacific ten "Palaces on Rails," which are to be known as North Coast Limited observation cars. They are 77 feet 3 inches in length, and are about 10 feet longer than the usual observation cars heretofore constructed. To give, in addition to this extra length, exceptional interior space, the forward vestibule is omitted. The observation platform at the rear, however, is very spacious.

Unlike most railroad observations, the entire space in these new North Coast Limited cars is devoted to "club" and sight-seeing purposes. The observation room will have 18 chairs, a luxurious davenport, tables and stand lamps, writing desk, book case, etc. The windows of the observation room, in fact of the entire car, are exceedingly large.

Club facilities for ladies include a "ladies boudoir" with dressing table, long mirrors, electric beauty apparatus and a bath. A maid will be in attendance.

For men, there are two lounging and smoking rooms with comfortable chairs and card tables. A barber shop and bath are adjacent. All bath and toilet rooms are in white.

MUNICIPAL BORROWING IN 1925 SHOWS DECLINE

With complete figures for the first half of the year available, The Daily Bond Buyer of New York reports a decrease in state and municipal borrowings of over \$100,000,000 from record 1924 figures.

At the end of May, 1925 was running ahead of the record of last year, the biggest year on record for municipal bond issues. In June, however, bond sales aggregated only \$120,497,031 as compared with the June, 1924, flotations of \$286,507,401.

Bank Convention Dates

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.

BANKING INSTITUTE TO MEET IN KANSAS CITY

The National Convention of the American Institute of Banking will be held this year in Kansas City from July 13 to July 17 at which all chapters of the association will be represented.

PERSONALS

Secretary of Labor James J. Davis, it is reported, will purchase his birthplace in Treear, Wales, and present it to residents of town for library.

* * *

W. N. Hale, assistant cashier of the Federal Reserve Bank of San Francisco, has located in Spokane, Wash., and will direct the Spokane branch of the bank.

* * *

W. F. Kunze, vice president and trust officer of the Marquette National Bank of Minneapolis, has been appointed a member of the Minneapolis board of public welfare, to succeed Dr. A. H. Parks.

* * *

Joseph L. Myers, general manager, financial sales department and Glyn Davies, manager, foreign department, have been elected vice presidents of General Motors Acceptance Corporation of New York.

* * *

James Dunn, Jr., vice president of The Union Trust Company, Cleveland, Ohio, and the head of its tax department, is in Europe and will investigate English and other taxation laws in connection with the proposed revision of income and Federal estate tax laws in this country.

* * *

W. D. Longyear, vice president of the Security Trust & Savings Bank of Los Angeles, has completed his thirty-fifth year of service with the Security Trust & Savings Bank. He entered the employ of the bank as a bookkeeper and moved up through the chairs to his present post of vice president.

* * *

Chauncey H. Murphy, formerly a vice president of the Metropolitan Trust Company, of New York, who held the same position with the Chatham & Phenix National Bank & Trust Company after the latter absorbed the Metropolitan, has been admitted to general partnership in the firm of Davies, Thomas & Co., members of the New York Stock Exchange

* * *

Sidney W. Souers, heretofore president of the Mortgage & Securities Company of New Orleans, has been elected a vice president of the Canal-Commercial Trust & Savings Bank of New Orleans, to succeed Felix E. Gunter, who recently resigned to become president of the Liberty Central Trust Company of St. Louis. Mr. Souers, it is understood, will continue his connection with the Mortgage & Securities Company as a director and a member of its executive committee.

MINNESOTA LIGHT & POWER EXPANSION AT DULUTH

Duluth, Minn.—Work on four new substations and considerable underground cables and overhead lines to improve the distribution capacity of the Minnesota Power & Light Company in Duluth will start within the next ten days, according to announcement made by C. J. Snyder, manager of the Duluth division. About \$300,000 will be spent on the improvements.

One hundred and fifty men will be employed in the construction work by the company, the building program requiring four months for completion. More than a year was spent by the power company engineers in studying Duluth conditions before the final plans were made.

The substations will be located at Lakeside, in the East end, next to the present station at Fifteenth avenue west and at Sixty-second avenue west. Each station will cost about \$50,000. Increase of loads in the outlying sections beyond the capacity of existing lines made the improvements necessary.

MINNEAPOLIS BUSINESS MEN WANT CANAL AROUND ST. ANTHONY FALLS

Need of the development of river traffic by means of a 3,900 foot canal around St. Anthony Falls if Minneapolis is to continue drawing the trade of the Northwest, and to meet the competition of waterway routes being developed through the Great Lakes and down the Missouri River,

was noted by speakers at a recent meeting of North Side business men.

Civic organizations represented at the meeting of the North Side Commercial Club were the St. Anthony Commercial Club, Plymouth Avenue Business Men's Club and West Broadway Business Men's Association.

The canal, estimated to cost \$4,000,000 with a capacity of 5,000,000 tons of freight a year, and with river terminals above the falls where the river gorge is lowest, would bring coal and other raw materials cheaply to Minneapolis, and would draw wheat and iron ore from the Northwest, thus attracting industries and generating trade with Minneapolis as the center.

ACTIVITY IN MINNESOTA FARM LAND TRANSFERS

Activity in farm land transfers continues throughout Minnesota, with prices improving steadily and with inquiries for property reaching a volume which compares with that of the pre-war era, according to a survey of farm land sales in the state in the last 60 days, made by the Minnesota Realty Association.

Results of the inquiry, tabulated, disclose that farm lands have sold in the last two months for a consideration as high as \$325 an acre, and that prices on lands in the choice farming sections are being transferred at prices ranging from \$125 to \$200 an acre.

Home seekers from other states are turning their attention to the attractive farm properties in the Red River Valley.

R. C. Mathwig of Warren, a director in the Association, is decidedly optimistic about the Red River Valley and reports that "very good business is anticipated."

To September 30



Double Daily Service West



"The North Coast Limited" One of America's Fine Trains

Let me plan your trip
G. F. McNeill, A. G. P. A.
522 Second Ave. So.
Phone Main 6141

M·L·T·C

INDEXING THE WEALTH OF THE NORTHWEST

THE MINNESOTA LOAN AND TRUST COMPANY
GROWTH OF BANK DEPOSITS SINCE 1916

1916	.....	\$3,953,502
1917	.....	\$4,200,265
1919	.....	\$5,239,146
1921	.....	\$7,402,677
1924	.....	\$11,344,490
1925	.....	\$15,117,450

Forty-two Years of Steady and Consistent Growth

THE real wealth of a community cannot always be definitely measured by a balance sheet, because in estimating values we must also take into consideration those less tangible assets which are found in *Good-will*, *Experience* and the *Ability* to perform a needed service.

Yet the average individual today has been educated to think of wealth in relative terms, and that is why a comparative report of bank deposits, as shown above, has been chosen as an index to the growing wealth of this community and a measure of the confidence which this institution enjoys.

Tracing the history of this Company, since its organization in 1883, we find that the years have been marked by a normal and healthy growth, clearly reflected in an increase in bank accounts, in the number and amount of mortgage loans, in the volume of bond underwritings, and in the demand for other Trust Company service.

Looking at the situation from another angle, we may say that the growth of the Northwest has been possible through the service of such institutions.

The stockholders and directors of this Company have reason to be proud that The Minnesota Loan and Trust Company has grown to its present size by virtue of the outstanding service it has been able to render this community. Backed by 42 years of financial experience, this institution is in an excellent position to serve, and supply the needs of individuals and organizations throughout the Northwest.

THE MINNESOTA  LOAN & TRUST CO
405 Marquette Minneapolis

CAPITAL AND SURPLUS \$2,000,000 :: RESOURCES OVER \$17,500,000

1883

COMMERCIAL WEST

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, JULY 11, 1925

No Limit to Price Changes in Free Markets

In his recent address at Mandan, N. D., Secretary of Agriculture Jardine delivered a message to the farmers of the Northwest that in the main was full of sound reasoning and good common sense. "Farmers must adjust the volume of production to the needs of the market," the secretary said, if they expect to realize prices that will net them a profit. The new Secretary of Agriculture has no delusions regarding quack remedies for the ills of the farmers. He was not fooled into supporting the McNary-Haugen Bill nor any other price-fixing scheme to involve the Government in costly efforts to boost or maintain a higher price for wheat. Now he frankly tells the farmers that the remedy for low prices is less wheat, and that farmers themselves must decide upon how much wheat to raise.

The secretary talked good business and sound economics in discussing cooperative marketing, holding that able and efficient management is the first essential of a successful cooperative enterprise, just as it is with any other business concern. He urged the farmers to take an active interest in their marketing organizations, and to see that wise management is in control of them at all times. "Farming is a business, and a highly specialized and complicated one, says the secretary, and wastes must be eliminated and business principles observed in every step as well as to follow the most scientific methods of farming, if farmers are to succeed."

In touching on this matter of waste in agriculture he spoke of the enormous dockage on wheat shipments estimated at over 110,000,000 bushels for the farmers of the Northwest during the past 20 years on wheat sent to Minnesota markets, simply because they failed to clean their wheat, but kept on paying freight on foreign seeds that could have been used to advantage if kept on the farm for feed.

He also gave the farmers wise counsel on such economic subjects as land speculation and the need of keeping some liquid assets at all times, instead of going the limit of expansion by reckless buying of land and taking on the burden of heavy mortgages. If the farmers in this section had heeded such advice during the war period and the years immediately following, there would have been a different story written in the history of the Northwest during the past three years.

It is to be regretted that Secretary Jardine marred his otherwise admirable address by injecting a "slam" at the grain exchanges. Not that such organizations are not well able to stand any criticism, as they have been hammered right and left for so many years that they should be toughened to endure almost any attack. Referring to the ups and downs in the wheat market of some months ago, the secretary said "there must be something wrong when wheat prices fluctuated 12 cents to 15 cents a bushel in one day." It would seem that just a little reflection on this subject would convince anyone that the swing of prices in a free market, whether on grain, stocks and bonds or general merchandise, simply reflects the mood and judgment of buyers and sellers at a given time. There is absolutely no question of right or wrong involved, whether wheat prices go up or down two cents, 15 cents or even 50 cents a bushel. If a scare develops in any market and there is a scramble for fear of a shortage, or if at some other time there is a rush to sell in anticipation of lower prices, there is nothing to prevent wide swings in market quotations. No action either by the Government or by directors of grain exchanges can stop traders from bidding prices up or down. Any arbitrary interference of the free play of these economic forces would simply destroy the market.

Why not get right down to basic facts in our talk about markets and quit fooling ourselves by hinting that there is any way to control forces that must be left free to act in order that prices may register values? There is no complaint from farmers when wheat prices advance sharply, not even if they jump 25 cents in a day. It is only when a sharp decline follows that the political agitators set up a clamor and demand investigation of the grain exchanges by the Department of Agriculture. Farmers are quite willing to enjoy the profits created by the speculative buyers, but object to the activities of speculative sellers. Let us have done with all this nonsense of attacking traders, or insinuating there is something wrong in their actions, simply because prices have wide swings at certain times rather than keep to the usual modest changes in quotations. A marketplace is where buyers and sellers meet and the free play of buying and selling creates market prices. In no other way can we arrive at a price basis.

Secretary Jardine, in his talk at Mandan, stated that, "the grain exchanges of the country perform a useful function. At least we have perfected no better system of marketing." This is the point. Now why not frankly admit that arriving at grain prices is what grain exchanges are for, and that any interference with their free activities would defeat the purpose for which they were established?

Troubles of the Grain Marketing Company

News from Chicago tells of the likely beginning of the end of the greatest farmer cooperative enterprise ever undertaken—the unscrambling of the twenty-six-million-dollar Grain Marketing Company. Two of the largest units of the concern, The Armour Grain Company and the Rosenbaum Brothers Grain Company have made application to the Chicago Board of Trade to re-enter trading on their own accounts and under their old names. More than a week ago the Davis-Noland-Merrill Company of Kansas City, another important unit of the concern, commenced trading under the company's former name. At that time it was understood that the Grain Marketing Company was unable to make payments on account of capital borrowed, approximately four million dollars being payable on July 28. However managers and officials of the Grain Marketing Company reported that the money due would be raised. It appears that the inability of the company to persuade farmers to buy sufficient stock to meet the obligations on account of this money advanced for working capital and which must be now paid, is the reason for the move to dissolve the mammoth combination. Another feature of the affair is that owing to the character of the organization the Indiana Securities Commission refused permission for the sale of the concern's stock in that state. This fact may have had its influence in keeping farmers from investing in the company's securities, even though the plan under which the concern was organized was approved by the American Farm Bureau Federation, and officers of the latter body became directors and incorporators of the marketing company.

About a year ago the Grain Marketing Company was incorporated under the Congressional Act providing for the operation of such farmers' cooperative marketing concerns, the objective being the ownership eventually by the producers of agricultural products. Four of the leading grain companies of the United States—Armour Grain Company, The J. Rosenbaum Grain Company, Rosenbaum Brothers Grain Company, all of Chicago, and the Davis-Noland-Merrill Company of Kansas City, agreed to sell their mammoth plants to the cooperative company, including their lines of country elevators numbering nearly four hundred. At that time the plan was variously criticized. C. T. Jaffray, president of the Soo Line and then chairman of the Agricultural Credit Corporation said:

While I have no objection to farmers organizing cooperative associations to handle their products, I have a very strong objection to their becoming owners of large terminal elevators and hundreds and hundreds of country elevators; for in my judgment, this not only means the loss of their investment, but with no good results from the ownership. Cooperative selling is one thing, but cooperative buying of large plants which have not been great money makers in my judgment, is a mistake, and any friend of the farmer who is advising this will realize the mistake before many years have passed.

In the issue of July 5, 1924, prior to the consummation of the big deal, the Commercial West in its editorial columns said: "If anything comes out of this proposal, which the American Farm Bureau Federation confirms, farmers will have a chance to

see what they can do in actual merchandising of grain by using existing mechanism." Farmers have had their "chance" and the results are about to be known.

It has been generally accepted that the Grain Marketing Company had only leased the four large plants. From the Commercial West of August 23, 1924 we reprint from the editorial pages:

Instead of the farmers, through their national federation, launching into the grain marketing game by the investment of \$26,000,000 in elevators and other equipment, it is now announced that the Grain Marketing Company of Delaware, a new concern organized by the Federation, has taken a year's lease of the Chicago and Kansas City properties of five big grain companies which they talked of buying. This lease is on an eight per cent. basis of appraised valuation of the aggregate properties including the holdings of these five concerns. * * * The presumption is that at the close of the year's activities the farmers will then know whether or not they will want to make a purchase of all these properties and continue in the business of merchandising their grain. The experiment will be watched with much interest by members of the grain trade and bankers throughout this country and in Canada.

It may be possible that the concern will in some manner manage to meet the four million dollars payment due on July 28, and eventually acquire ownership of the vast properties. Yet, this is merely a possibility.

Conserving Shale Oil Resources

When the oil wells and the pools begin to be exhausted it is then that there will be a keen realization of the value of our oil shale supply. In the Rocky Mountain states there are vast areas of oil shale, greater than is known elsewhere on earth. It is to these great shale beds the future generations must look for oil once the oil wells can no longer produce. While there seems no immediate danger of the present known oil regions becoming non-productive, and with the discovery of new fields in various parts of the world continually going on, at the present rate that petroleum is being used, another century at the farthest will demonstrate the necessity of extracting oil from the shale.

In Scotland for years past oil has been extracted from shale, the output averaging about 1,200,000 barrels a year, which necessitates the utilization of approximately three million tons of shale.

That our Government officials are farsighted enough to see the value of our shale deposits, is shown in the action of Congress in appropriating \$90,000 a year for the purpose of experimentation with processes that are hoped to solve the problem of making profitable the production of shale oil. It was a matter of foresightedness on part of the Government that extensive shale tracts in Colorado and Utah have been withdrawn from public entry. In time these tracts may prove of inestimable value to our Government as a source of supply of oil for the navy.

Nurse Prosperity Rightly

Well informed men who have been watching the trend of financial and business affairs in the West and Northwest, feel assured that no longer does depression exist in the agricultural sections. Perhaps there will not come a time when complaints will not be heard. A certain percentage of people

take more pleasure in howling and complaining than in noting the pleasing things surrounding them. Just now the Northwest is in better financial condition than it has been in a number of years.

The Commercial West has just received an interesting letter from R. A. Johnson, cashier of the Reservation State Bank of Makoti, North Dakota. Mr. Johnson's views are such as entertained by the average banker who may have noted how people are swayed by either prosperity or depression. The following extract from his letter will interest the readers of the Commercial West:

The writer is fully convinced that North Dakota, and more particularly the northwest section, has fully recovered from the financial depression, and that it is today in a more sound and stable condition than at any time in its history. This speaks "a mouthful" but it is nevertheless true. Circumstances surrounding any argument contrary thereto might be substantiated in the fact that the bankers in northwestern North Dakota are loaning money now only in instances where needed—for legitimate purposes. This may leave the impression with a great many that prosperity is lacking. Prior to 1920 the North Dakota banker was loaning everybody's money, local, foreign, and otherwise, to anybody and far beyond the resources and earning power of the community in which the bank operated.

It is a different story today. But this may be an old story in itself. We are now riding along on another wave of apparent prosperity, brought about by good crops and equally good prices and with prospects of still greater prosperity after the 1925 crop has been marketed. Prior to 1924, we had come to our senses, realizing the need of

economy, the importance of diversification, and thrift in general. We became reconciled to the "Tin Lizzie" mode of conveyance, all of which has now brought us the enjoyment of a sound condition. Many farmers have even succeeded in paying off their first mortgage loans.

The question in my mind at present is just where we are going to land with the banks filling up with healthy reserves—all of it from the proceeds of two good crops in succession. The idea seems to be with so many farmers—and bankers—that "one good crop deserves another," and with the danger of anticipating obligations, or spending too freely in advance of an assured crop, little reckoning with misfortunes, of which there are always many. The "Little Henry" is giving way to the car with a longer hood and bigger tires, which also means more gasoline, greater upkeep and other added expense. So there is a danger in too big a crop, as it may mean the neglect of diversification and thrift, so essential to our future welfare. I recall the answer to my question and if put to one farmer, it was asked of a hundred—namely, what did the 1915 crop do to you? The answer invariably was: "It busted me." And so it did. Just what to do about it is a question I cannot answer. The only thing to do if it will help, is to give the warning in time, NOW! And that is what I am mostly concerned about, and am preparing articles, for local publication,—and they will not be of the hair-splitting kind either. My idea is not to retard progress, nor interfere with even the automobile salesman and his business, but rather, to impress the importance of the "Pay as you go" method. This ought to be good business sense, even in the eyes of the automobile industry.

Northwestern bankers who are observers of things that go toward the progress of a community are generally in accord with the sentiments expressed by Mr. Johnson.

What Is a Vacation?

That a real vacation is one which affords a change in the point of view as well as a change of environment is evident to the psychologist although it is generally overlooked by the individual who takes the conventional kind of a vacation. A tired business man who took eight consecutive vacations without getting real enjoyment out of one of them has lately published his "confessions" in *Psychology*. He says:

"Now quite obviously there is something radically wrong about me, or else there is something radically wrong about vacations." He intimates that others may have had the same experience, and suggests a remedy after describing some of his failures.

His first experience was vacationing with his family in a lonely spot next to nature. He admits that the fishing was good, but says that his children were bored to distraction because there was no company, no jazz. These were the exciting elements that they most craved in life and a real vacation for them meant artificially stimulated thrills and jazz without stint. He spent his days trying to find them a satisfactory substitute for these excitants in the wilderness, and failed.

Next year he tried a two-weeks boat trip. It was delightful—monotonously delightful. It palled on him and on his family. There followed other vacations, an automobile tour which whirled them over miles and miles of country roads, up hill and down dale, without any particular destination—"a futile two weeks," he says; a hunting and fishing trip in which he became a "human pack horse" for the convenience of his family; one vacation at a Florida Beach—which he describes as "Spanish moss, thundering surf, dances, dinners and card parties," but no rest and at last a trip to Europe, a month spent in rushing madly through England, France, Belgium, Germany, Italy and Switzerland. At the end of that time he was—strangely enough—not one whit rested.

So he decided that vacations, for him, were a failure. He would never take another. When the time came for vacationing the next year he packed his family off to the seashore and settled down to a few weeks of doing just as he wanted to. Of this period he writes: "I was at my desk practically every day. I did precisely as I pleased. If I felt like taking a day off to do some odd thing that popped into my mind to do, I did it. Most of the things I did wouldn't be called vacationing at all." One day he simply hung around the house and read and loafed; another he visited the neighborhood in his city inhabited mostly by foreigners; he made it a point to get acquainted, gastronomically, with his home city; for the first time he fussed considerably over ordering meals and did a lot of investigating of new and strange kinds of dishes. One afternoon he played tennis with a group of friends.

"One of my lifelong little diversions has been painting in oil," he says, "but I really had no time. During that summer—you will consider me quite crazy—I often painted until long after midnight, standing before the canvas dressed only in a light linen smock, and blithely appearing on time at the office the next morning. I was actually refreshed. I had a perfectly satisfactory time; felt quite renewed and have not since then had the slightest desire for a vacation."

However, he fails to note the psychology of his particular case for in truth his stay-at-home vacation was his first real one. The privilege of doing just as he pleased, instead of the conventional thing, was the change he craved. In his case routine and the following of itineraries was a bore, while there are many who can get no enjoyment out of a vacation unless it is carefully planned so that they are assured of no slip-up in the carrying out of their schedule, there are others, who spend their whole lives in routine occupations and in carrying out business schedules and therefore find neither change nor rest in a vacation which follows the same order of things. The real vacation is a complete change in the point of view. It is mental rather than physical.

Twin City Bank Statements

According to returns made in response to the call of the Comptroller of the Currency for the condition of national banks at the close of business June 30, 1925, and statements given to the Commercial West by state and savings banks and trust companies for the same date, deposits in Twin City banks aggregated \$461,002,000, an increase of more than \$49,000,000 over the aggregate deposits in banks of the Twin Cities a year ago.

TWIN CITY TOTALS

	June 30, 1925	April 6, 1925	June 30, 1924
Deposits	\$461,002,000	\$469,995,000	\$411,349,000
Loans, discounts ..	214,851,000	219,183,000	196,457,000

MINNEAPOLIS TOTALS

Deposits	\$310,478,000	\$305,873,000	\$264,647,000
Loans, discounts ..	139,684,000	138,246,000	119,004,000

ST. PAUL TOTALS

Deposits	\$150,524,000	\$164,122,000	\$146,702,000
Loans, discounts ..	75,167,000	80,937,000	77,453,000

Security State	991,000	975,000	1,046,000
Snelling State	1,376,000	1,331,000	1,168,000
Payne Ave. State....	1,054,000	1,089,000	1,041,000
Minn. Transfer State	870,000	906,000	814,000
Commercial State ..	2,541,000	2,500,000	1,880,000
Western State	628,000	660,000	669,000
Great Northern State	717,000	702,000	643,000
Exchange State	480,000	497,000	379,000
City Bank	541,000	546,000	469,000
Liberty State	464,000	450,000	331,000
Citizens State	300,000	306,000	288,000
Mounds Park State..	677,000	702,000	563,000
Produce Exchange..	422,000	384,000	391,000
St. Anthony Park St.	370,000	380,000	309,000
Midway State	341,000	315,000	239,000
Fars. & Mers. State..	768,000	749,000	626,000
Cosmopolitan State..	320,000	339,000	256,000
East Side State....	498,000	447,000	431,000
Cherokee State	321,000	296,000	241,000
Rice Street State....	272,000	264,000	174,000
Phalen Park State..	104,000	98,000	58,000
Grand Ave. State....	332,000	323,000	160,000
Broadway State	240,000	213,000	159,000
West St. Paul State..	168,000	151,000	96,000
State Savings	8,189,000	7,950,000	6,980,000
Northern Savings ..	.....	.....	2,850,000
Merch. Trust & Sav.	7,242,000	6,895,000	6,612,000
Central Trust Co....	.....	6,003,000	2,107,000
Total	\$150,524,000	\$164,122,000	\$146,702,000

ST. PAUL BANK LOANS AND DISCOUNTS

	June 30, 1925	April 6, 1925	June 30, 1924
First National	\$25,316,000	\$31,613,000	\$21,712,000
Merchants Natl.	22,351,000	22,942,000	21,987,000
American Natl.	5,631,000	4,942,000	4,312,000
Stock Yards Natl. ..	2,532,000	2,489,000	2,684,000
National Exchange..	3,554,000	3,375,000	3,148,000
Drovers State	1,388,000	1,217,000	1,446,000
St. Paul State	1,316,000	1,396,000	1,556,000
Ramsey County State	921,000	873,000	1,220,000
Twin Cities Natl....	566,000	550,000	593,000
Dayton's Bluff State.	1,412,000	1,325,000	595,000
Security State	744,000	864,000	906,000
Snelling State	989,000	1,002,000	1,041,000
Payne Ave. State....	988,000	426,000	483,000
Minn. Transfer State	621,000	678,000	720,000
Commercial State ..	1,706,000	1,554,000	1,567,000
Western State	427,000	439,000	484,000
Great Northern State	436,000	695,000	494,000
Exchange State	254,000	246,000	255,000
City Bank	485,000	472,000	411,000
Liberty State	285,000	159,000	250,000
Citizens State	138,000	268,000	217,000
Mounds Park State..	202,000	625,000	259,000
Produce Exchange..	356,000	333,000	292,000
St. Anthony Park St.	156,000	172,000	162,000
Midway State	226,000	211,000	184,000
Fars. & Mrs. State..	703,000	657,000	361,000
Cosmopolitan State..	255,000	281,000	245,000
East Side State....	316,000	304,000	291,000
Cherokee State	157,000	131,000	137,000
Rice Street State....	14,000	117,000	89,000
Phalen Park State..	92,000	103,000	17,000
Grand Ave. State....	151,000	144,000	74,000
Broadway State	200,000	197,000	158,000
West St. Paul State..	147,000	137,000	93,000
Total	\$75,167,000	\$80,937,000	\$77,453,000

MINNEAPOLIS BANK DEPOSITS

	June 30, 1925	April 6, 1925	June 30, 1924
First National	\$89,054,000	\$92,534,000	\$75,529,000
Northwestern Natl..	82,012,000	76,162,000	66,960,000
Midland Natl.....	18,408,000	19,551,000	14,974,000
Metropolitan Natl..	9,254,000	9,057,000	7,339,000
Mercantile State ...	1,764,000	1,792,000	1,686,000
Bankers Natl.	1,819,000	2,042,000	2,018,000
Marquette Natl.	1,271,000	1,179,000	1,221,000
Trans. Brhd. Natl...	1,887,000	1,877,000	1,459,000
Union State	1,880,000	1,857,000	1,842,000
Mer. & Mfgs. State	1,394,000	1,371,000	1,370,000
Central State	1,616,000	1,588,000	1,400,000
Gateway State	893,000	811,000	858,000
Camden Park State..	915,000	918,000	829,000
Liberty State	496,000	561,000	501,000
Millers & Traders St.	653,000	643,000	657,000
University State ...	660,000	735,000	629,000
E. Hennepin State..	822,000	796,000	703,000
Lake Street State..	765,000	780,000	657,000
Nokomis State	382,000	383,000	334,000
North Commercial St.	472,000	473,000	436,000
Calhoun State	380,000	398,000	308,000
American State	384,000	394,000	336,000
26th St. State	339,000	317,000	292,000
Fidelity State	233,000	351,000	316,000
Continental State ..	412,000	494,000	488,000
Harriet State	210,000	200,000	178,000
Chicago-Lake State.	321,000	319,000	267,000
Penn Ave. State....	384,000	373,000	291,000
Security State	477,000	465,000	425,000
Sixth Ave. State....	167,000	150,000	126,000
Produce State	805,000	769,000	640,000
Far. & Mechs. Sav...	47,516,000	47,338,000	44,252,000
Henn. County Sav...	10,439,000	10,583,000	9,722,000
Minn. Loan & Trust.	15,117,000	13,088,000	11,344,000
Minneapolis Trust ..	14,971,000	9,109,000	8,042,000
Marquette Trust ...	1,806,000	1,119,000	1,847,000
*Wells-Dickey Trust	.....	5,296,000	4,361,000
Total	\$310,478,000	\$305,873,000	\$264,647,000

*Merged with Minneapolis Trust Co.

MINNEAPOLIS BANK LOANS AND DISCOUNTS

	June 30, 1925	April 6, 1925	June 30, 1924
First National	\$51,928,000	\$55,610,000	\$43,508,000
Northwestern Natl..	52,680,000	48,156,000	42,342,000
Midland Natl.....	12,298,000	12,497,000	11,550,000
Metropolitan Natl..	5,942,000	5,709,000	5,033,000
Mercantile State ...	1,598,000	1,487,000	1,671,000
Bankers National ..	1,795,000	1,839,000	1,971,000
Marquette National.	987,000	839,000	994,000
Trans. Brhd. Natl...	205,000	208,000	212,000
Union State	1,211,000	1,214,000	1,227,000
Mer. & Mfgs. State.	1,163,000	1,134,000	1,304,000
Central State	1,380,000	1,480,000	1,358,000
Gateway State	736,000	676,000	741,000
Camden Park State..	837,000	789,000	774,000
Liberty State	401,000	301,000	305,000
Millers & Traders St.	433,000	484,000	475,000
University State ...	529,000	579,000	565,000
E. Hennepin State..	603,000	618,000	560,000
Lake Street State..	692,000	642,000	546,000
Nokomis State	287,000	283,000	300,000
North Coml. State..	387,000	325,000	360,000
Calhoun State	318,000	300,000	297,000
American State	233,000	315,000	299,000
26th Street State..	292,000	262,000	249,000
Fidelity State	222,000	303,000	227,000
Continental State ..	364,000	379,000	398,000
Harriet State	157,000	110,000	125,000
Chicago-Lake State.	239,000	259,000	233,000
Penn Ave. State....	360,000	323,000	291,000
Security State	382,000	340,000	389,000
Sixth Ave. State....	155,000	136,000	124,000
Produce State	770,000	700,000	566,000
Total	\$139,684,000	\$138,246,000	\$119,004,000

ST. PAUL BANK DEPOSITS

	June 30, 1925	April 6, 1925	June 30, 1924
First National	\$50,371,000	\$57,440,000	\$52,239,000
Merchants Natl.	42,550,000	44,206,000	43,478,000
American Natl.	10,089,000	10,450,000	6,009,000
Stock Yards Natl...	4,277,000	3,645,000	3,426,000
National Exchange..	5,945,000	6,003,000	4,161,000
Drovers State	1,782,000	1,547,000	1,407,000
St. Paul State.....	1,484,000	1,529,000	1,482,000
Ramsey County St..	1,418,000	1,417,000	1,403,000
Twin Cities National	900,000	819,000	816,000
Dayton's Bluff State.	1,482,000	1,495,000	1,301,000

REWARD FOR THIEVES AND BANK ROBBERS

Amateur sleuths and others who have no fear of bandits, bank or otherwise, are overlooking a small gold mine, according to records in the office of Charles D. Brown, secretary of the Minnesota Bankers Protective Association.

Mr. Brown has issued a statement saying that under a provision of the newly organized Minnesota county rangers, a number of special rewards for the arrest of criminals are being offered. For the capture of a store or bank burglar, caught "flat footed," the rangers will pay \$1,000 a man, it was said. This provision also extends to \$5,000 in the case of banks, that is, the most the arresting person can get is \$5,000, no matter how large the gang he arrests. If the arrest is made after the commission of the crime a reward of \$500 will be paid.

Plans of the rangers' organization have been sent to member banks of the association including the schedule of rewards and detailed working arrangement.

STREET CAR FARES RAISED IN TWIN CITIES

Street car fares for the Twin City Rapid Transit lines were raised to 8c by the State Railway Commission July 3. While the increase was considered a favorable development in utility circles, the commission at the same time provided that ten tickets should be sold for 60c, bringing the fare for regular passengers to 6c.

It is understood the company is not contented with such an arrangement and will probably appeal through the courts for a further increase in regular fares. The company executives, it is said, look upon the order as a straddle on the part of the commission, which would not give the company an adequate return on its property.

Building Construction Active in Minneapolis

Construction of approximately 1,800 homes was started in Minneapolis in the first six months of 1925, according to figures tabulated at the office of the city building inspector.

Total cost of construction begun in the city from January to June, inclusive, has exceeded by \$2,700,000 the total cost for the corresponding period a year ago. For the first six months of 1925 the city building inspector's office issued 5,041 permits for a total of \$14,549,725, as compared with 4,942 permits issued during the first six months of 1924, at a total cost of \$11,865,855.

The building record for June has shown a tremendous increase over the 1924 figures: 940 permits were issued for operations costing \$3,322,525, as compared with 934 permits issued in June, 1924, for \$1,901,140.

Statisticians at the building inspector's office believe that the total volume of building in Minneapolis in 1925 will equal the heavy building year of 1922. They point out that with the exception of 1923, when the total permits reached \$32,000,000 for the year in Minneapolis, building in 1925 promises to set a record.

The cost of building by months in Minneapolis for the first six months of the year as compared with corresponding months in 1924, follows:

	1925.	1924
January	\$1,095,420	\$1,120,845
February	1,520,530	1,280,970
March	2,311,060	1,835,010
April	3,435,405	3,221,480
May	2,864,785	2,506,410
June	3,322,525	1,901,140
Totals	\$14,549,725	\$11,865,855

A comparison of the various classes of construction follows:

Class—	First quarter	Second quarter
Stores	30	28
Warehouses	12	19
Mills and factories	2	4
Municipal buildings	0	5
Office buildings	2	8
Public garages	9	19
Churches	3	3
Hotels	0	2
Apartments and flats	29	28
Brick and store dwellings	5	9
Veneered dwellings	460	842
Frame dwellings	161	273
Private garages	311	1,199

At the building inspector's office it has been pointed out that these figures show an increase in warehouses, factories, office buildings, public garages, hotels and dwellings.

MINNESOTA'S CASH ON HAND

St. Paul—Cash on hand in the Minnesota state treasury at the end of the fiscal year, June 30, totaled \$14,265,579, E. W. Stark, state treasurer, reported July 2.

This is approximately \$9,000,000 less than the amount in the state treasury a year ago when \$23,414,729 was reported, but this is due to the reduced rural credits fund. One year ago this fund totalled \$9,201,396, as compared to approximately \$500,000 on July 1.

The total revenue fund at the end of the 1924 fiscal year totalled \$3,056,711, as compared to \$2,694,868 a year ago.

Although the total fund is less than a year ago, Mr. Stark explained, the various trust funds of the state are in "better shape" than they have been in some years past.

WORTHLESS PAPER CAUSES A MINNESOTA BANK TO CLOSE

St. Paul—The State Bank of Becker, Becker, Minnesota, was closed July 7, according to a statement issued by A. J. Veigel, banking commissioner. Its capital was \$20,000 and it had deposits of \$230,000. A. J. Praxel was its president and J. I. Hines, vice president.

Officials connected with the state banking department attribute the cause of the failure to mismanagement. In the notice sent out by the superintendent it is stated that certain persons in the Twin Cities have for some time been issuing mortgages for much more than the land covered is worth, and offering them to banks at a discount. In some cases they have purchased the controlling interest in certain banks, and then loaded the banks with such paper.

In the case of the closed Becker bank, the department hopes to get enough evidence to prove conspiracy to loot

the bank. This case will be thoroughly investigated and all facts reported to the county attorney. All banks are warned against buying paper of this kind except from responsible persons.

Golden Anniversary of the Merchants Bank of Winona

July 1, The Merchants Bank of Winona celebrated its fiftieth anniversary in an appropriate way. The bank secured its first charter as a national bank in May, 1875, and opened for business in July the same year. It was converted into a state bank in May, 1879, with an authorized capital of \$50,000. This was increased in 1919 to \$100,000 and again in 1919 to \$200,000, the present capitalization. In addition to these changes, the bank took out a membership in the Federal reserve system in 1914, and also enlarged its facilities through the organization of the Merchants Trust Company in 1919.

The first directors elected at the time of the organization of the new bank were prominent men of the city at that time. They were C. H. Berry, H. D. Perkins, G. W. Bennet, N. F. Hilbert, Conrad Bohn, Mark Willson and C. C. Beck. Mr. Wilson was chosen as president, serving in such capacity until 1895, when he was succeeded by H. Choate, who served for two years, resigning in 1897. E. D. Dyar was then elected and served until his death in 1905, when W. P. Tearse was elected to succeed him and he also served until his death in 1916. H. E. Blair was then elected president, serving until his removal from the city in 1921, when, upon his resignation, S. A. Steffen was advanced from the vice presidency to the presidency, and is continuing to serve. Mr. Steffen came to the employ of the bank in 1897 and was elected cashier in 1910.

Theodore Wold, long identified with the activities of the Merchants Bank, first came into its employ as cashier in 1897, and managed the institution until 1910 when he resigned, and later assumed the responsibilities of the governorship of the Federal Reserve Bank of the Ninth District. Mr. Wold is now vice president of The Northwestern National Bank of Minneapolis, and incidentally has retained a substantial interest in the Merchants.

In 1885, ten years after the bank opened its doors, the deposits were \$124,967. The institution was then located in the building on Center street, occupied until recently by the Western Union Telegraph office. Today the deposits of the bank reach the three million and a half figure.

On May 11, 1897, the Merchants Bank consolidated with the German American Bank and changed its location to the building at the southwest corner of Third and Walnut streets. The interested parties in the consolidation were John Dietze, W. P. Tearse, H. C. Garvin, E. D. Dyar, E. G. Nevius, J. P. Schmitz, H. S. Youmans and V. Simpson. Some of these men became associated with the active affairs of the Merchants Bank after the consolidation. Several are still stockholders.

Little more than 12 years ago the Merchants Bank moved into its handsome and conveniently appointed home at the northeast corner of Third and Lafayette streets, its third location in the 50 years of banking service.

The present directors of the bank are J. R. Baker, J. R. Chappell, H. Choate Jr., John Dietze, E. S. La France, J. R. McConnon, Emil Miller, C. M. Morse, S. A. Steffen, C. D. Tearse. Officers are S. A. Steffen, president; Emil Miller, vice president; J. R. Chappell, vice president, and cashier; H. A. Tornow, assistant cashier.

C. M. Morse is president of the Merchants Trust Company; Mr. Steffen is vice president; R. M. Tolleson is secretary-treasurer; and H. H. Bublitz is assistant secretary and treasurer.

STATE BANKING OFFICIALS WILL VISIT MINNEAPOLIS

State banking officials from practically every state will dine in Minneapolis July 22 in connection with the convention of the National Association of Supervisors of State Banks to be held in St. Paul, July 21, 22 and 23. Members will be guests of the Federal Reserve Bank of Minneapolis at the dinner. A. J. Veigel, state commissioner of banks, is in charge of arrangements for the convention.



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

Chicago Bank Deposits Increase Largely

Chicago, July 7—A remarkable increase in deposits of Chicago banks has been revealed by reports made yesterday in response to calls of statements of condition by the controller of the currency and state banking department. The larger national banks showed an increase of \$67,300,000 and 19 of the larger state institutions displayed a total increase of \$77,000,000 in deposits, the Illinois Merchants alone showing a gain of \$58,400,000, which is a notable revelation as the institution now has commercial deposits of \$415,502,000, the largest in Chicago, and savings of \$79,909,000. For the banks of both classes within the loop the total increase was \$144,300,000. Loans also expanded, but not in proportion to the growth of deposits. The loans of national banks increased \$16,500,000 and those of state banks were amplified \$25,500,000. Cash resources of the state banks increased \$74,800,000 and the total of state and national banks reached the total of \$667,756,000 comparing with a total of \$578,921,000 on April 6.

Loans Gain Slightly

Total loans and discounts of state and national banks as of June 30 were \$1,698,304,000 comparing with \$1,634,209,000 on April 6 last. Deposits reached the grand total of \$2,617,185,000 against \$2,484,038,000 at the time of the previous call and savings totaled \$653,301,000 on June 30 against \$640,680,000 nearly three months before. "It is no wonder that rates of discount have been low," was the comment of one banker when he looked over the figures returned by the local banks within and without the loop.

Mitchell Expects Good Trade

There has been no slackening in business as is usual in mid-season, according to John J. Mitchell, president of the Illinois Merchants Trust Company, who authorizes the statement that the largest mercantile clients of the institution note some improvement in trade within the last week and see a notable betterment in comparison with two months ago. "The money market offers some indication of the trend of business," he said, "although mercantile and industrial expansion are not primarily responsible for temporary advance in rates. This week I have passed upon loans ranging from \$500,000 to \$2,000,000 that would not have been possible a few weeks ago, and banks have less idle funds in relation to their total reserves than ordinarily as they have been putting money out abroad and into securities. Our largest mercantile clients say trade is better than it was two months ago and the second quarter of the year will be the best three months' period we have experienced in the last two years.

Expects Easy Money

"Money rates will remain fairly easy and the existing firmness in call loan rates is due to heavy disbursements to be made on interest and dividend disbursements, and the desire of bankers to present a strong position for the impending bank call. A year ago we had money, about \$100,000,000, out on call loan in New York at 2 per cent., while we now have only \$25,000,000 out at 4 to 5 per cent. but I do not believe these rates will obtain after the turn of the new month. Recent rains have improved the crop situation and there is a favorable outlook in view for

general business with a good corn and spring wheat yield in prospect."

Reynolds Analyzes Situation

In analyzing the returns from general business for the first half of the current year, the Continental & Commercial National Bank's review says the showing is in favor of 1925 in making a comparison of the returns for the corresponding period last year. "Business sentiment, however, is not always as stable as business," is the comment contained in the bank's statement, "as sentiment runs to higher peaks than the statistical chart will show and it reaches depths that the figures can never tell." It goes on to show that money rates have been lower in the first six months of this year and have shown greater stability, and adds that this easy money has been an aid to business. Measured by Bradstreet's index the price level has been higher each month in 1924 than in the corresponding month last year," the review continues. "The downward tendency last year carried this index down from \$13.27 in January to \$12.29 in June, while this year's figures are \$13.93 to \$13.62, and stability at a fairly high level has characterized prices so far, while there is no prospect of a price slump at present."

White Sees Good Year

F. Edson White, president of Armour & Co., who returned to Chicago from Europe last Friday, said he is now more optimistic about business than he has been at any time since the war. "England has made remarkable strides," he commented on what came under his observation while he was abroad, "and Europe is undoubtedly coming back. The company's outlook is favorable because some of the departments which were unprofitable last year are now making satisfactory returns, and considering business as a whole the results for the first six months of 1925 are better than in the corresponding period in 1924. Other European countries besides England are economically sounder than might be suspected, but lack of adequate credit is the greatest handicap to better business. "The Armour plants in South America are doing a big business in supplying Europe with beef and the export trade from the United States is improving."

Union Trust Aids Employes

On July 1 employes of the Union Trust Company to the extent of 120 received checks approximating \$26,850, which represents the first annuity payment of the bank's profit-sharing savings investment plan. Under this plan as each employe-member deposits monthly 5 per cent. of his salary in the fund the bank deposits an equal amount. Thus the employe is credited with double the amount of his individual deposit in addition to compound interest.

Edward J. Ryan, well known in La Salle Street and with Clement, Curtis & Co. for a quarter of a century, has been seriously ill for nearly two months.

F. W. Sargent, president of the Chicago & Northwestern Railway, in sending dividend checks to stockholders of the company, enclosed a brief statement to the effect that the property is in good physical condition and capable of handling a larger volume of business. He asks that shareholders will find it mutually advantageous and profitable to cooperate with officials of the road in increasing traffic.

Guaranty Trust Company of New York

NEW YORK LONDON PARIS BRUSSELS
LIVERPOOL HAVRE ANTWERP

Condensed Statement, June 30, 1925

RESOURCES

Cash on Hand, in Federal Reserve Bank and Due from Banks and Bankers.....	\$175,342,760.18
U. S. Government Bonds and Certificates.....	38,403,613.69
Public Securities.....	21,522,331.92
Other Securities.....	23,498,801.54
Loans and Bills Purchased.....	394,639,638.30
Real Estate, Bonds and Mortgages.....	2,081,800.00
Items in Transit with Foreign Branches.....	5,356,638.39
Credits Granted on Acceptances.....	39,290,565.39
Real Estate.....	8,032,848.04
Accrued Interest and Accounts Receivable.....	8,512,184.33

\$716,681,181.78

LIABILITIES

Capital	\$25,000,000.00
Surplus Fund.....	15,000,000.00
Undivided Profits.....	5,369,140.95
	<u>\$45,369,140.95</u>
Accrued Interest, Reserve for Taxes, etc.....	3,775,262.96
Acceptances	39,290,565.39
Outstanding Dividend Checks.....	677,523.00
Outstanding Treasurer's Checks.....	50,347,224.18
Deposits	577,221,465.30

\$716,681,181.78

On his return from New York last week after his election as president he appointed George W. Hand and William H. Dalton assistants to the president.

Maurice Mercadier, general representative for North America of the Banque Nationale Francaise du Commerce Exterior, visited Chicago this week.

Among out-of-town bankers visiting Chicago's financial district this week were R. R. Karraker, cashier of the St. Louis National Bank, St. Louis; C. O. Ball, cashier of the State Bank of Coloma, Coloma, Mich.; C. T. Wilhelms, assistant cashier of the Peoples State Bank of Shannon, Ill.

Harvey Behrens has been appointed financial secretary of the Northern Trust Employees' Savings & Loan Association. He succeeds F. F. Lovell, who resigned.

A. J. Bell & Co., specializing in public utility and corporation securities, have opened an office in the Illinois Merchants Bank Building.

Thompson Ross & Co. opened their new offices in the banking rooms on the second floor at 29 South La Salle Street last Monday. The quarters are commodious and well lighted, and supply an advantageous location in the financial district which will permit further expansion of the firm's business.

Directors of the Noel State Bank have transferred \$100,000 from undivided profits to surplus account, which now totals \$250,000.

Bonbright & Co., who distributed \$10,000 among 23 prize winners in an essay contest on the power and electric light industry, have compiled the three winning papers in book form.

Due to a readjustment of central telephone exchanges in Chicago it has been necessary to allocate all telephones in the Harris Trust Building to the Randolph exchange.

John J. Mitchell, president of the Illinois Merchants Trust Company, has presented to the Field Museum a collection of rare Chinese drinking cups carved from rhinoceros and buffalo horns. The cups date from the Ming dynasty of 1368 to 1643 to the Manchu dynasty of 1644 to 1911 and have a value of \$15,000.

Safety of Principal is the first consideration in the choice of an investment

City of Saint Paul Minnesota

4¼% and 4% School and Sewer Bonds

Dated July 1, 1925—Due July 1, 1951 to 1955

Exempt from Federal Income Tax.
Exempt from Minnesota Moneys and Credits Tax.

Legal to secure Public Funds in Minnesota.

PRICE: To yield 4.00%

Send for July Investment Bulletin

Wells-Dickey Company

Established 1878

MINNEAPOLIS

Chicago St. Paul Duluth Great Falls

Dean Onativia Failure Shocks Chicago

Chicago, July 7—Not in the last quarter of a century has the financial district of Chicago been as distinctly shocked as it was last Friday morning when Secretary Atkinson of the Chicago Stock Exchange announced the failure of Dean, Onativia & Co., reputed to be one of the strongest private wire houses in La Salle Street as well as one of the youngest. With liabilities of approximately \$36,000,000 to be taken care of while assets are now estimated at around \$29,000,000 the smashup has written new history into the records of the stock exchange and created uneasiness which has not yet been allayed. The house has in the past two years specialized in Stewart-Warner Speedometer and Yellow Taxi and Yellow Cab Manufacturing shares among others in large pool operations, and through the influence of its members, notably J. Clarke Dean and Hart Taylor, it had attracted a clientele of the most notable character. Both Mr. Dean and Mr. Taylor, in addition to Harold E. Wiley, another partner, had been recruited from the house of S. B. Chapin & Co., when the new firm was organized four years ago with the backing of Edward S. and Emanuel F. Rosenbaum, both of whom are members of the house. Benjamin R. Cahn, who has been in La Salle Street within the earliest recollections of veteran bankers and has consistently remained in North La Salle Street although the Chicago Stock Exchange departed from the corner of Washington and La Salle Streets more than 15 years ago, also joined the new house when it made its bow to La Salle Street and the financial world. Hart Taylor retired from the firm a year ago on account of ill health and has since been enjoying life in the pursuit of the wily black bass and speckled trout, and since that time Mr. Cahn has given more attention to the main office at 208 La Salle Street than the branch in the Burnham Building at the north end of the financial district.

Banks Largest Creditors

Chicago banks are creditors to the extent of \$8,000,000 and New York institutions loaned \$20,000,000 to the bankrupt house, but the banks claim to be amply secured by collateral, and it was some of this collateral which caused the trouble. Stock of the Rosenbaum Grain Corporation which until recently had a market valuation of \$50 a share, was held by a Chicago bank against a loan, and when it asked for a change in collateral, Dean, Onativia & Co. were unable to respond and filing of an involuntary petition in bankruptcy followed. Judge Carpenter appointed the Chicago Title & Trust Co. as receiver after an all night session participated in at the Drake Hotel by leading Chicago bankers and heads of big corporations whose securities are largely traded in on the Chicago Stock Exchange, who arranged to have their stocks protected in Friday's transactions. It is believed that the firm is indebted to clients to the extent of about \$6,000,000 as it had a large following of big traders at its four offices, one of which is in Washington under the management of John Callan O'Laughlin, former Washington newspaper correspondent and at one time in charge of the publicity campaign of the Grain Marketing Company.

Memberships in the New York and Chicago Stock Exchanges, Chicago Board of Trade, New York Curb and New York Cotton Exchanges were held by the firm. It transpires that when Dean, Onativia & Co. was organized the Rosenbaums financed their part in the capitalization of the firm with a deposit of 45,000 shares of Rosenbaum Corporation preferred stock, of which 72,500 shares of \$50 a share par value were marketed more than two years ago at \$51 a share and listed on the New York Curb Exchange. It is said that it became necessary to buy up at various times about 45,000 shares of this stock in order to sustain its market, and when banking props were removed the shares dropped to \$36 a share on the New York exchange.

Resumption Is Possible

Today the hope is expressed that the firm will be able to resume business toward the end of the current week. Thirty creditors, including nine Chicago banks, to whom the firm was indebted, were present at a meeting yesterday which represented 80 per cent. of the indebtedness of the

firm. To clients of the house there is owed about \$6,000,000 and it has been proposed that creditors reduce their credit balance 20 per cent. and allow the firm to resume business on this basis. The creditors would eventually receive 80 per cent. in cash and 20 per cent. in notes spread over a period which would enable the company to take care of its floating indebtedness and hold its clients. In La Salle Street the belief is expressed that additional capital will be supplied tomorrow or Thursday at the latest to enable the firm to reopen its doors.

Market Given Support

The failure of Dean, Onativia & Co. resulted in a large line of stocks being thrown on the market here, but support has been arranged for and the market absorbed 16,250 shares at a decline of 4 points, with a subsequent recovery of 3 points. Balaban & Katz, the Armour issues, Borg & Beck, Montgomery Ward common, Pick shares, Swift International, Union Carbide, Wrigley and Yellow Cab and Yellow Manufacturing went through a liquidating process on Friday and Monday, but from the lowest levels there were stiff recoveries on Tuesday. United Light & Power although selling ex-rights, ran up 8 points for the series A common, touching a new high level of 117 with the rights selling at 5 $\frac{3}{4}$ to 7 $\frac{3}{4}$. There was no uneasiness on the floor of the Chicago Stock Exchange after it had been explained that ample support for the market was in prospect, and results since have justified that report by the banking creditors.

Mail Order Sales Big

Sales of Montgomery Ward & Co. last month totaled \$14,430,960, an increase of 10.67 per cent. over 1924 for the corresponding period and were 19.66 per cent. in excess of those of last May. Sales for the first six months of 1925 totaled \$82,425,775, an increase of 8.85 per cent. over the same period in 1924. Improvement in the morale of the employe organization has been responsible for a material increase in the profit of the company since Theodore F. Marseles became president. All of the present officers of the corporation went through the difficult period experienced between 1920 and 1921, and their average of 40 years presages 20 years more of undiminished productive efficiency, in the view of President Marseles, who departed for Europe last Wednesday. A feature which is worth remembering is that improvement in the business of the company during the past four years has been accomplished without recourse to new financing and the improvement which has actually taken place in internal budgetary controls.

Berlin Issue Sold

Diversification of new capital offerings in the Chicago market was signalized by an offering of a \$15,000,000 city of Berlin loan bearing 6 $\frac{1}{2}$ per cent. and offered at 89 and accrued interest, to yield about 7.50 per cent., by a banking syndicate composed of Speyer & Co., Blair & Co., Inc., and the Equitable Trust Company of New York. The belief exists among banking houses that this emission will be followed by numerous requests from other German cities who will soon place municipal bond issues in the United States. One of about \$4,000,000 has been in the progress of negotiation with the City of Cologne by Lee, Higginson & Co., and Czecho-Slovakia has been endeavoring to place a loan of \$10,000,000 here, but the latter has not received favorable attention as the Czechs have made no suggestion that they are willing to fund their debts to the United States and until this is done it is expected that the Treasury Department will frown on an undertaking of that character. The Berlin loan was largely oversubscribed.

Oil Issue Marketed

A syndicate headed by Blair & Co., Inc., brought out \$6,000,000 Oil Well Supply Company convertible 7 per cent. cumulative preferred stock at \$100 a share and dividends. Business was established in 1862 and company has plants stretching from Pittsburgh to Los Angeles. Earnings last year were 3.50 times dividend requirements.

An offering of \$4,500,000 W. S. Dickey Clay Manufacturing Company 6 per cent. bonds was made at prices to yield from 5.50 to 6 per cent. by the Harris Trust & Sav-



**CAPITAL,
SURPLUS
and
UNDIVIDED
PROFITS**
\$112,255,584.68

Head Office
55 Wall Street
New York

The National City Bank of New York

including

Domestic and Foreign Offices

Condensed Statement of Condition as of June 30, 1925

ASSETS

CASH in Vault and in Federal Reserve Bank	\$95,185,184.44	
Due from Banks, Bankers and United States Treasurer	205,051,014.36	\$300,236,198.80
Loans, Discounts and Acceptances of Other Banks		531,417,313.92
United States Government Bonds and Certificates	105,847,465.53	
State and Municipal Bonds	53,549,077.03	
Stock in Federal Reserve Bank	3,000,000.00	
Ownership of International Banking Corporation	12,500,000.00	
Other Bonds and Securities	66,476,952.23	241,373,494.79
Bank Buildings		17,609,664.99
Items in Transit with Branches		282,122.22
Customers' Liability Account of Acceptances		62,064,191.53
Other Assets		1,747,363.78
TOTAL		\$1,154,730,350.03

LIABILITIES

Capital	\$50,000,000.00	
Surplus	50,000,000.00	
Undivided Profits	12,255,584.68	\$112,255,584.68
Deposits		910,903,905.93
Liability as Acceptor, Endorser or Maker on Acceptances and Foreign Bills		114,535,771.04
Circulation		849,995.00
Bonds Borrowed		775,000.00
Reserves for:		
Accrued Interest, Discount and other		
Unearned Income	2,417,013.69	
Taxes and Accrued Expenses, et cetera	452,014.78	
Dividend payable July 1, 1925	2,000,000.00	
Contingencies	6,180,235.73	15,149,264.20
Other Liabilities		260,829.18
TOTAL		\$1,154,730,350.03

Above includes The National City Bank of New York (France) S. A.

ings Bank, First Trust & Savings, Foreman Trust & Savings and the Commerce Trust Company of Kansas City. The company has been in successful operation in Kansas City for 40 years manufacturing vitrified sewer and culvert pipe, tile and fire brick and earnings in 1924 approximated three times annual interest needs.

Halsey, Stuart & Co., Inc., White, Weld & Co., and W. C. Langley & Co. offered \$1,627,000 Brooklyn City Railroad Company 5 per cent. bonds maturing in 1941 at 96 and interest, to yield about 5% per cent.

De Wolf & Co., Inc., Kuechle & Co., of Milwaukee and Carman, Fox & Snider, Inc., offered \$750,000 Hotel Racine 6½ per cent. bonds at 100 and interest.

A syndicate composed of Dominick & Dominick and White, Weld & Co. brought out \$2,500,000 De Laval Separator Company 10-year 6 per cent. sinking fund notes at 100 and interest.

Estabrook & Co., Stone & Webster, Inc., and Parkinson & Burr sponsored an offering of \$2,000,000 Columbus Electric & Power Co., first 5 per cent. series B bonds at 95½ and interest, to yield 5.30 per cent.

W. W. Armstrong Company of Aurora, First Wisconsin Company of Milwaukee and Blodget & Co., brought out \$1,500,000 Western United Corporation 5½ per cent. series E notes maturing in five years at 100 and accrued interest. This company owns all of the common stock of several Illinois public utility companies and its consolidated earnings for 12 months to April were equal to 4.90 times annual interest requirements on all outstanding issues.

Lime Makers Borrow

A syndicate composed of the Second Ward Securities Company and the National Republic Company offered \$1,350,000 first 6 per cent. series A sinking fund bonds

of the New England Lime Company at 99½ and interest. Earnings over a period of six years have exceeded five times maximum interest charges on this issue and since 1902 the company has been operated at a profit.

Realty Basis of Loan

Dillon, Read & Co. offered \$3,000,000 Bryant Park Building 6½ per cent. bonds at 100 and interest. A first mortgage on the building and lease hold on property in New York City supplies security as it is appraised at \$4,650,000 and net income is 1.50 times interest requirements.

Porter, Skitt & Co. offered \$275,000 Mark D. Strong Building Corporation 10-year 6½ per cent. bonds at 100 and interest.

A. B. Leach & Co. brought out \$1,000,000 New Jersey 4¼ per cent. highway extension bonds, due in 1955, optional 1940, at 103¼ and interest. This supplies a yield of 3.95 per cent. to the optional date and 4.25 per cent. thereafter.

E. H. Rollins & Sons brought out \$2,125,000 5 per cent. bonds of the Northern New York Utilities, Inc., at a price to yield 5.30 per cent. The company is controlled by the Power Corporation of New York.

An issue of \$500,000 Cook County Hospital 4 per cent. bonds was awarded to the Northern Trust Company and the Detroit Trust Company on a bid of 99.8272, which compared with a bid of 99.8262 by the Illinois Merchants Trust and 99.769 by the First Trust.

In commenting upon the stock market situation, Paine, Webber & Co. said: "Buy good stocks on all reactions or weak spots."

Thomson & McKinnon said of the security market: "If business improves the low stocks will advance. If business does not, the high ones will not maintain their position."

Merchandising a Bank's Services

The successful salesman convinces his prospect of the specific usefulness of the commodity which he has for sale.

"The plan is so simple that I don't like to be quoted as calling it an advertising scheme, and yet it has brought our bank more business than anything else we have done," said the cashier. His bank is the youngest in its community although one of the most prosperous and it is located in a territory where the number of banks puts a keen edge on competition.

"Our advertising has had to count—every word of it," continued the cashier. "Our competitors were advertising their various services in the weekly newspaper, or rather, they were calling attention to such services. So we decided that we must do something different if we were to get our share of the business. We must sell our services directly to the people and in such a way that they would understand, specifically, what this service meant to them instead of merely having the idea that if they called at our bank they would, in the natural course of events, be waited upon. Our idea was to merchandise our services just as if it was a commodity that we were introducing to the public. We are still using this simple plan with profit."

Putting Yourself in the Other Fellow's Place

"Four times a year we send out a personal letter to every depositor and prospect in town," continued the cashier. "In this letter we put ourselves in the other fellow's place. We do not take it for granted that he knows as much about banking as we do, but rather, that he has everything to learn. In our letter to John Jones, the farmer, we talk about farm mortgages, insurance, or of any other service that we feel will be of special help to him. And we do not stop there. We tell him how to go about it to secure a farm mortgage, tracing each step of the procedure and offering to give him our help and advice in negotiating the loan. We invite him to come into the bank and talk the matter over with us and when he does call he gets our very best attention. It is surprising how few farmers know the actual details of the procedure necessary to obtain a loan on their property—and I don't mean this jokingly—most of them are satisfied to leave all the details to someone else and simply 'sign on the dotted line.' But we find that they are interested in knowing what it is all about and when it is explained to them they like to take the initiative themselves. They seem, then, to regard banking more as a business not unlike their own, and less as a process by which money changes hands in some unseen and mysterious fashion where the advantage is all with the bank.

"When we write to Mary Smith urging her to open a checking account, we do not merely tell her that such an account will be an advantage to her; we tell her why. Many women never stop to think that paying bills by check affords an accurate receipt which may be valuable to them in future, and that it offers a simple means of checking their expenditures, as well as the advantage of receiving interest on their money when the account is maintained above the service-charge point.

"When we solicit a new savings account we explain to the prospect how such an account operates, tell him how to go about it to open the account and make a point of the fact that interest will begin on a certain date. We find that surprisingly few people have a definite knowledge of how interest is figured on their savings. In fact, an unfortunate fact in connection with bank advertising is that bankers as a whole are apt to assume that the public is as familiar with simple facts about banking as they, themselves."

Appealing to Human Nature

"Another advertising plan that has won us a lot of good will and a number of desirable accounts is this," and the cashier brought out from his desk a stout mailing envelope about six by eight inches, from which he drew a daintily decorated "baby book" of the kind familiar to every fond mother. "We watch the birth notices very closely," said he, "and every baby born in this community receives one of these books from us, a personal letter and a savings pass book showing one dollar deposited to the child's credit.

"Very few of the parents let that savings account go unnoticed. Even if they do not add materially to it, many of them start an account of their own as a result of the friendly feeling engendered by the little gift. In this way, we not only reach the child's father and mother, but frequently other relatives who are greatly interested in the baby. It's human nature for an entire family to be interested in a new baby and the attentions shown the child are not soon forgotten. Besides, it takes our bank directly into the home and makes it a human institution to the family, instead of a pile of brick and mortar located on a certain street.

"The cost of the baby book is small compared to its advertising value," concluded the cashier, "and it has proved one of the best salesmen we have employed for the merchandising of our service."—L. R. Hoppin.

* * *

BETTER TYPOGRAPHY NEEDED IN BANK ADS

I am impressed with the fact that we, as bank advertising men, must give more attention to the typography of our printed advertising. Comparatively few printers give sufficient thought to the selection of proper type faces in relation to the border, spacing of the message, etc., to produce an artistic and attractive whole so that a beautiful result may be attained without even the use of illustration, and unless this harmonious whole is achieved the advertisement loses its distinction and the message loses part of its "punch," and perhaps it may be of such mediocre appearance that it will not be read at all.

To the smaller banks who have to contend with some of the monstrosities that local printers produce, it is of great importance that the advertising man take an intelligent interest in the various kinds of type faces, initials, decorative material and composition. Many advertisements which lack interest can be made distinctive by judicious use of simple brass-rule borders and a decorative initial which are carried in stock by all printers. Plenty of white space in the margin is always attractive.

Many beautiful results could be obtained from ideas gleaned from the catalog of the American Type Foundries Company. This wonderful book can be borrowed from your printer and should be frequently studied by progressive bank advertising men. I find it worth while to read the Printing Trade Journals as they contain sample pages showing interesting combinations of colors, papers and inks and also specimens of fine composition.—Stanley Boberg, Assistant Cashier, Woodlawn Trust and Savings Bank, Chicago.

* * *

A SWARM OF BEES

Here is a swarm of bees. If you attend to them they will make you the honey of success, and if you neglect them you are apt to get stung.

1. Be polite. Politeness will get you out of more difficulties, climb you more hills, cut you more barbed wire, find you more smiles, than any quality you can acquire.
2. Be sure. Don't guess. Don't suppose. Find out exactly. Know. And if you don't know, ask.
3. Be clean. Water and whisk brooms are cheap.
4. Be honest. Even when nobody's looking.
5. Be on time. People that have to wait for you don't like you.
6. Be patient.
7. Be cheerful. And if you can't be cheerful, look cheerful anyhow.—Dr. Frank Crane.

* * *

PASSING THE BUCK

The evening lesson was from the Book of Job and the minister had just read, "Yea, the light of the wicked shall be put out," when immediately the church was in total darkness.

"Brethren," said the minister with scarcely a moment's pause, "in view of the sudden and startling fulfillment of this prophecy, we will spend a few minutes in silent prayer for the electric lighting company."—Boston Transcript.

HENNEPIN COUNTY SAVINGS BANK

MINNEAPOLIS, MINN.

Statement at close of business June 30, 1925

RESOURCES

United States and Municipal Bonds.....	\$ 4,073,855.04
Mortgage Loans	4,220,965.00
Loans and Discounts.....	1,840,971.45
Overdrafts	2,694.48
Cash on Hand and Due from Banks....	985,884.85
Furniture and Fixtures.....	52,768.59
Tax Account	3,338.10
	<hr/>
	\$11,180,477.51

LIABILITIES

Capital Stock.....	\$ 500,000.00
Surplus	200,000.00
Undivided Profits	26,406.99
Reserve for Taxes.....	9,000.00
Contingent Fund	5,150.00
Deposits	10,439,920.52
	<hr/>
	\$11,180,477.51

OFFICERS

W. H. LEE	President
W. F. McLANE	Vice President
DAVID P. JONES	Vice President
ROGER I. LEE	Cashier
H. H. BARBER	Secretary

TRUSTEES

F. A. CHAMBERLAIN	F. M. PRINCE
DAVID P. JONES	RUSSELL H. BENNETT
HORACE M. HILL	W. H. LEE
W. F. McLANE	EARL PARTRIDGE

The oldest savings bank
in Minnesota
1870 1925

The First National Bank

GRAND FORKS, NORTH DAKOTA

STATEMENT OF CONDITION JUNE 30, 1925

RESOURCES

Loans and Discounts.....	\$1,400,603.61
Commercial Paper	535,000.00
Call Loans	400,000.00
Overdrafts	445.17
U. S. Government Bonds.....	330,450.00
Other Listed Bonds.....	386,662.95
Banking House, Furniture and Fixtures.	134,840.68
Other Real Estate	41,856.70
Cash and in Banks.....	941,091.89
	<hr/>
Total.....	\$4,170,951.00

LIABILITIES

Capital	\$ 200,000.00
Surplus and Profits.....	71,468.88
Circulation	198,700.00
Deposits	3,700,782.12
	<hr/>
Total.....	\$4,170,951.00

OFFICERS

A. I. HUNTER	Chairman
J. R. CARLEY	President
W. H. SHULZE	Vice President
OTTO BREMER	Vice President
W. M. EDMUNDS	Cashier
I. A. BERG	Assistant Cashier
H. A. HUNTER	Assistant Cashier

MEMBER FEDERAL RESERVE BANK

THE NATIONAL BANK OF LA CROSSE

LA CROSSE, WIS.

Statement at close of business June 30, 1925

RESOURCES

Loans and Discounts.....	\$3,322,621.63
Overdrafts	724.92
U. S. Bonds to secure circulation.....	250,000.00
U. S. Bonds and Treasury Notes.....	527,600.00
Federal Land Bank Bonds.....	126,000.00
Other Bonds	949,350.00
Stock in Federal Reserve Bank.....	22,500.00
Five Per Cent Redemption Fund.....	12,500.00
Banking House and Fixtures.....	75,000.00
Cash Resources	1,034,319.94
	<hr/>
	\$6,320,616.49

LIABILITIES

Capital	\$ 500,000.00
Surplus	250,000.00
Undivided Profits	235,911.31
Reserved for Taxes.....	12,000.00
Circulation	250,000.00
Deposits	5,072,705.18
	<hr/>
	\$6,320,616.49

OFFICERS

Geo. W. Burton, President	L. C. Colman, Vice President
F. H. Hankerson, Vice President	H. R. Fox, Cashier
Jos. Boschert, Vice Pres.	R. C. Wheelpley, Asst. Cashier

DIRECTORS

L. C. Colman	Henry Gund	E. L. Colman
F. W. Sisson	Joseph B. Funke	P. M. Gelatt
Geo. H. Gordon	C. F. Michel	D. W. MacWillie
Geo. W. Burton	F. H. Hankerson	

The First National Bank

Winona, Minnesota

Statement at close of business June 30, 1925

RESOURCES

Loans and Discounts.....	\$2,152,570.27
Banking House	113,000.00
Other Real Estate.....	3,000.00
U. S. Bonds and Securities.....	1,312,429.49
Other Bonds	999,572.38
Other Assets	23,886.93
Stock in Federal Reserve Bank.....	15,750.00
Customers Liability Account Letters of Credit	2,500.00
Cash Due from Banks and U. S. Treas..	725,906.89
	<hr/>
	\$5,348,615.96

LIABILITIES

Capital Stock	\$ 225,000.00
Surplus Fund—all earned.....	300,000.00
Undivided Profits—Net	26,159.78
Reserves	10,820.55
Circulation	219,100.00
Letters of Credit.....	2,500.00
Deposits	4,565,035.63
	<hr/>
	\$5,348,615.96

OFFICERS

C. M. YOUMANS, President
FRANK HORTON, Vice President
C. L. BISHOP, Vice President
W. A. MAHL, Active Vice President
THEO. HECK, Cashier
A. V. GARDNER, Asst. Cashier
JOHN G. LIBERA, Asst. Cashier

The oldest, continuous banking
institution in Minnesota

ESTABLISHED 1854

The Federal Reserve System and American Finance

L. E. Pierson, Chairman of the Board, Irving Bank-Columbia Trust Company, New York, N. Y., at the Thirtieth Annual Convention of the National Association of Credit Men, Washington

Of all the broad underlying factors which affect the daily life of the nation, none is more important or less understood than the method by which modern American business finances its operations.

The average citizen has a fairly definite conception of the special problems of manufacture, transportation and distribution. He understands that the manufacturer must secure coal and raw material; that he must build and equip a factory; that he must maintain a steady flow of production in order to keep his wheels turning and his labor employed. He knows that the railroads of the country must transport raw materials to the manufacturer and take out finished products to waiting markets, and has a fairly definite idea of the problems which the railroads face in the maintenance of their road beds and equipment and the adjustment of their freight and passenger rates.

He has an even clearer conception of the special problems which confront the retailer in the form of inventories, competition, advertising and prices. Manufacture, transportation and distribution carry on their activities where all may see and observe. Their problems are tangible; their aims and purposes fairly evident. In any question affecting these three primary elements of commerce, the public has means of arriving at conclusions which are reasonably accurate.

Running through the warp and web of these primary factors, however, is a fourth factor, of which the public has only a fragmentary knowledge.

Manufacture, transportation and distribution could not be carried on as they are carried on today, except for the facilities which finance places at their disposal. But, because financial operations cannot be seen and understood with the naked eye, the average man has no fixed conception of what constitutes a sound system of finance. He is willing to form his opinions of financial systems without investigation, and his notions on the subject are colored by whatever school of thought makes the most popular appeal.

Business a System of Exchange

All industry and all business is a system of exchange. In every exchange there must be a measure of value and the medium through which the exchange is affected and the respective values established is a necessary part of every business transaction.

Money and bank credit constitute the medium of exchange. And finance and credit, currency and negotiable paper are all necessary in the processes of modern business. The more that the average man knows of the scientific principles which modern finance applies to its operations, the smoother and better will all business proceed.

It is therefore a real privilege to discuss the subject you have assigned to me today and although there is a great temptation to dwell only on the niceties and technicalities of the operations of the Federal Reserve System before a group trained and experienced as you are in scientific finance, I hope you will permit me to discuss the Federal Reserve System, not as a pure banking proposition but rather in its relation to the economic fabric and as a part of the general scheme of modern American business.

Cause for the Federal Reserve

The Federal Reserve System, which has been the chief instrument of American finance during the past decade, has been fortunate in two respects. In the first place, it has had an opportunity during the first ten years of its existence to prove its ability to cope with great financial emergencies. It has also been fortunate, perhaps, because of the great responsibilities which have been thrown upon it, to escape the fierce political issues which disrupted the First and Second Banks of the United States.

For many years prior to the charter of the Federal Reserve System in 1913, the bankers and economists of the country had been seeking for some method of giving greater stability to the credits and currency of the nation and for some addition to the existing financial machinery which

would coordinate the activities of individual banks and enable them to unite their strength.

Every student of finance knew that in spite of the phenomenal growth of the commerce of the country and the complex demands of commerce upon our financial machinery, the nation had no adequate means of adjusting its credit facilities and its currency to changing needs, and no real protection against a repetition of the disastrous money panics which from time to time, have swept over the country.

Your own Association as well as the American Bankers Association and the United States Chamber of Commerce had all given considerable thought to this subject and all were impressed with the necessity for giving to the United States a scientific system of expanding and contracting its credit and currency to keep pace with the needs of business.

With many minds concentrated on this problem, it was inevitable that various solutions should have been offered and that the final draft of the act creating the Federal Reserve System should have represented an attempt to take the best of every suggestion and to effect a compromise on points where there was a sincere difference of judgment.

It was in a way providential that differences were adjusted, the act was passed and the Federal Reserve System was organized and made ready to function before the full effect of the European war was felt in this country.

At any rate, when the nations of Europe began to dispose of their American securities, and American manufacturers first felt the need for expansion to take care of the war orders which poured in upon them, the Federal Reserve System was in a position to meet this unprecedented situation with financial machinery large enough and strong enough for the occasion.

With No Central System—What

Consider for a moment what the situation would have been if we had had no central system of finance to carry us through the war emergency. To meet war time demands business and industry were in immediate and almost universal need of expansion. Every bank had demands for credit and currency far in excess of normal requirements. Without some central bank, every individual bank in the country would have curtailed credit and have entered upon a mad competition for currency, which could only have resulted in driving the price of money to unheard-of levels. This, in turn, would have meant that the price of every commodity would have soared; the cost of living would have mounted to unbearable heights and in every attempt to meet the myriad demands upon us, we should have been embarrassed with social and financial questions of the greatest difficulty.

With the Federal Reserve System marshalling the resources of the nation's banks into a common reservoir and with a law which permitted reserve banks to give credit and issue currency against commercial paper, we were able to finance ourselves through the greatest strain in our history. We absorbed the European securities which were turned back to us. We expanded our factories to meet war time demands and finally, when our own nation entered the war, we were able to float our government loans, maintain our armies in the field, finance our industries and assist our Allies without a single crack in our financial structure.

Our Currency Circulation

In July, 1914, before the outbreak of the European war, the total currency in circulation in the United States amounted to three billion, four hundred and two million dollars or \$34.35 per capita. To meet mounting war expenditures, the Federal Reserve System steadily increased the issue of its notes and in December 1920 our currency in circulation had risen to a grand total of six billion, three hundred and forty million dollars, of which three billion, three hundred and fifty million dollars was in Fed-

THE obligations of this institution are selected as appropriate and sound mediums for short term investment by a large banking clientele. They may be obtained in convenient denominations and suitable maturities.

Full information may be secured through usual banking channels, or by addressing Financial Sales Department, at any of our offices.

GENERAL MOTORS ACCEPTANCE CORPORATION

Executive Offices:

224 West 57th Street, New York City

Branch Offices:

Atlanta
Boston
Buffalo
Charlotte
Chicago
Cincinnati

Cleveland
Dallas
Dayton
Denver
Detroit
London, England

Kansas City
Los Angeles
Memphis
Minneapolis
New York
Omaha
Toronto, Canada

Philadelphia
Pittsburgh
Portland, Ore.
St. Louis
San Francisco
Washington

eral Reserve notes. And the per capita money in circulation had risen from \$34.35 to \$59.10.

Between August 1914 and April 1917, we took in from Europe American securities amounting to about two billion dollars, and from 1914 to December 1920, our Government floated Liberty and Victory Loans and Treasury Bonds amounting to approximately eighteen and one half billion dollars.

That we were able to do all this and at the same time to meet the rapid increase of war expenditures, to buy back American securities from abroad and successfully distribute our Government obligations without a money panic and without undue hardship upon our industries and our people, affords complete proof that the basic principles underlying our Federal Reserve System are sound.

From a Debtor to a Creditor Nation

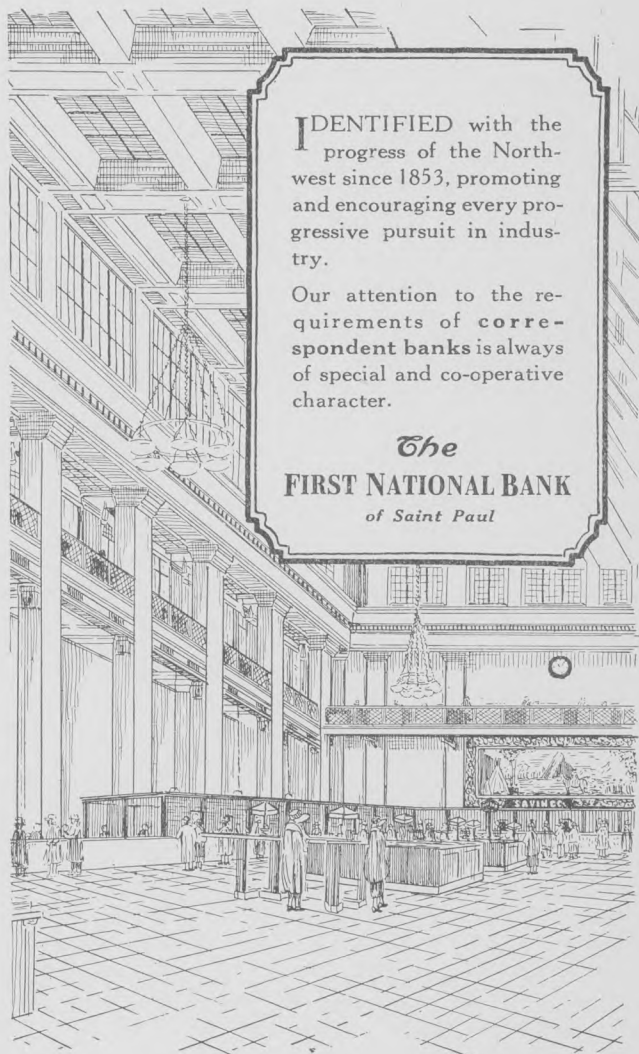
The war changed us from a debtor to a creditor nation and brought us in the years following the war a surplus of gold such as has never been held by any other nation in the history of the world. It is difficult to estimate how greatly this flood of gold would have expanded prices in the United States if we had established no scientific banking control to withstand this sudden accumulation of bullion.

As it was the Federal Reserve System was able to adjust itself to this changed situation and brought us safely through what might otherwise have proved an extremely trying financial crisis.

Coincident with the arrival of this European gold, the industries of the country experienced a sharp depression. They had expanded to meet war demands and they were confronted with the necessity of contracting at a time when their foreign markets were in a state of chaos.

The Deflation Period

Deflation of trade and industry became imperative and in that necessity lay the need of depression and demoralization. The rest of the world was in the midst of unemployment, falling prices, and depreciated currencies. America alone remained calm and reasonably prosperous. If a money panic had come upon us at the time, our own situation



IDENTIFIED with the progress of the Northwest since 1853, promoting and encouraging every progressive pursuit in industry.

Our attention to the requirements of correspondent banks is always of special and co-operative character.

The
FIRST NATIONAL BANK
of Saint Paul

would have become precarious and world rehabilitation would have been set back an additional decade. This world-wide depression brought special distress to the agricultural sections of our country. The farmers found themselves with excess crops, planted in anticipation of a continuance of war conditions, and with a falling off in foreign demand, due to reduced purchasing power throughout the world. That a money panic was averted, and that American farmers were tided over the worst of their troubles was largely due to the strength of the Federal Reserve System. The reserve banks in the agricultural districts drew upon their resources to assist their member banks, and the Reserve banks in the industrial East freely assisted the Western Reserve banks in their need.

Altogether it is not too much to say that the service of the Federal Reserve System to American industry and American agriculture was as great during the post-war depression as during the time of abnormal war inflation.

World's Best Financial System

Thus far I have spoken of the Reserve System solely as it affects and has affected our own country. We must not forget that its influence has permeated far beyond our own borders, until today it stands throughout the world as an example of the highest form of scientific banking. This thought was well expressed by Sir Edward H. Holden, one of England's great financiers, when in an address to the shareholders of the London City and Midland Bank in 1918, he said that he wanted to congratulate the Federal Reserve Board and the bankers of America "on having succeeded in creating and building up a banking system which surpasses in strength and in excellence any other banking system in the world."

Various countries which have reorganized their banking systems during the past ten years have borrowed freely from the plan of our Reserve System. Peru and Colombia have incorporated in their new national banking organization many of the underlying principles of our Federal Reserve Act. Cuba has under serious consideration the adoption of a similar system suited to her special needs. The comprehensive bank act of Norway, which went into effect at the opening of the present year, contains several provisions that are closely similar to those which have been proved useful and necessary in American banking experience.

Influence on Commerce

This world-wide recognition of the soundness of American banking practice is destined to be of incalculable service to the future of our commerce. As the great creditor nation of the world, it is inevitable that in the years to come our foreign trade will steadily expand. To an increasing extent we shall be called upon to buy and sell in world markets. And in that field, America, at the apex of its financial structure, has facilities equal to its every need.

We should not permit our enthusiasm over the Reserve System, however, to cause us to relax our efforts to make improvements in the System's detailed operations where such improvement seems possible or desirable.

During the past few years we have been able to observe the workings of the Federal Reserve banks under conditions approaching normal. Out of that observation have come several suggestions as to ways in which the benefits of the Reserve banks may be increased. The country knows from experience that the Reserve System has been effective in an emergency. It knows that at bottom at the scientific banking principles which have been incorporated in the Reserve System are practical and sound. Yet the fact that there have been amendments to the act creating the Federal Reserve System in the first ten years of its existence shows that the Nation believes that, while the system as a whole is of immense value, it is perhaps capable of refinement in some of its details.

Presenting a Balance

It might be interesting to draw up a balance sheet showing on one side the undoubted benefits which have followed the creation of the Federal Reserve System, and on the other the suggestions which have been made for its improvement.

On the credit side we would have a summary of the

nation's experience with the reserve system during the past decade. That summary would show

1. That the Federal Reserve System has brought American business safely through the war and post war crises of inflation and deflation.

2. That it has given the United States a method of increasing the amount of credit and of currency when business is active and of decreasing the amount when business is dull.

3. That it has removed from the mind of the average American business man the fear of money panics.

4. That it has greatly reduced the seasonal fluctuations in the rates of interest.

5. That it has saved millions of dollars to American business through its par payment system for the clearance of checks.

6. That it has proved a powerful instrument for assisting American banks in financing America's foreign trade.

7. That it has brought to American business a confidence in its financial machinery which it never had before.

8. That it has given to the United States the means of marshalling its entire financial resources in time of need and a method of formulating and pursuing a banking policy which is national in scope.

The Debit Side

On the debit side of this balance sheet should be listed the suggestions that have been made from time to time upon the operations of the system. Some of these suggestions come from sources which are not qualified to pass upon scientific banking questions. Some of them, however, come from men who are competent and friendly to the system as a whole and who seek to improve an admittedly valuable banking instrument. The principal suggestions might be summarized as follows:

1. While it is true that the Federal reserve has proved its ability to inflate the currency, has it shown an equal facility to deflate with scientific rapidity?

2. In order to free the reserve system from any possible chance of political pressure, would it not be better to select its governing board by an election in which all member banks would participate, rather than by Presidential appointment?

3. Would it not be better to leave part of their gold reserves with the individual member banks rather than to pool their entire reserves in the Federal Reserve Bank as at present?

4. Is it wise to permit the reserve banks to issue reserve notes against gold as well as against commercial paper?

5. Are there not possibilities of needless inflation in the practice of the Federal Reserve banks in making their rediscount rate lower than the current market rate?

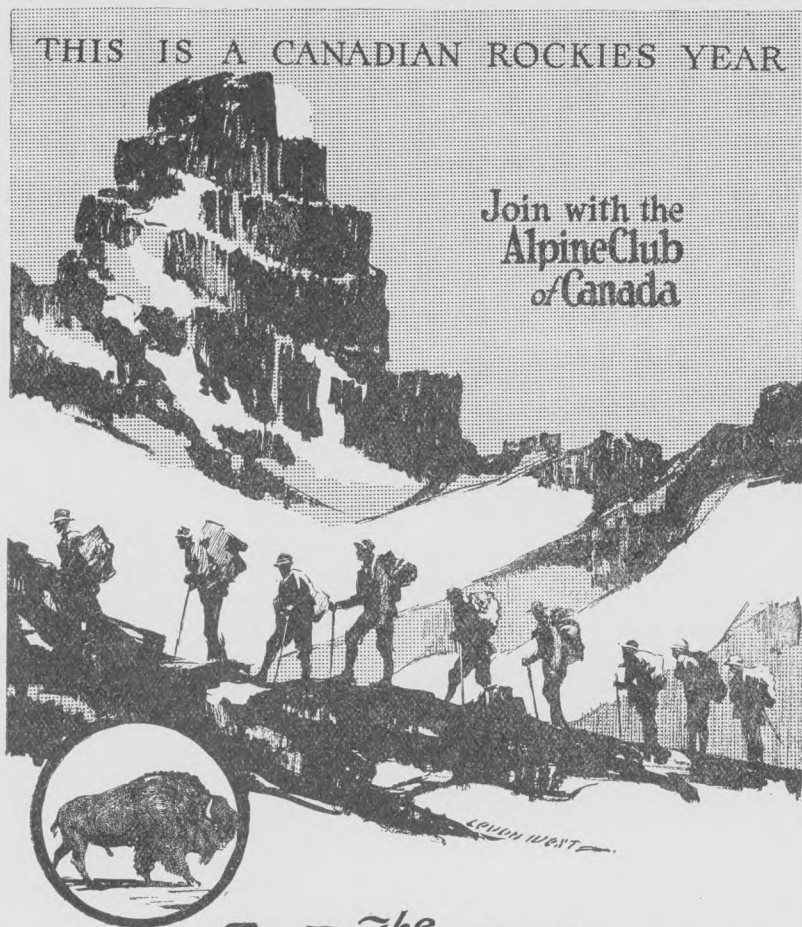
6. Is it wise to permit the Reserve banks to engage in open market operations and in the purchase of government obligations since both practices might have a tendency to create a larger volume of currency than may be required by the country's commercial transactions?

A comparison of the credits and debits of this imaginary balance sheet reveals at once that the improvement suggested in the Federal reserve system are improvements in detail rather than changes in principle.

This is in itself an encouraging fact. It shows that, while there may be possibility of improving the methods of the Federal Reserve System, the nation has definitely convinced itself of the essential soundness of the system as a whole.

When the Reserve System was created, it was generally understood that the debatable points would become clearer after the system began to function and that time would show how the original act might be polished and perfected. No set of men are wise enough or farsighted enough to determine the exact effect of a law or an institution before actual experience has demonstrated the uses to which that instrument or institution may be put. The very framework of our national Government went through the process of detailed change and adjustment during the first 20 years of its existence. Twelve amendments were added to the Constitution between 1787 and 1804, as time disclosed the possibility of improvement.

On the other hand, nothing is so damaging to an insti



The Mountaineer

"Takes you in comfort"

\$72 ROUND TRIP TO THE NORTH PACIFIC COAST

(Fares proportionately lower to resorts in the Mountains.)

Lv. Minneapolis	12:25 P. M.
Ar. Banff	7:05 A.M.
Ar. Lake Louise	8:45 A.M.
Ar. Vancouver	7:15 A.M.

TICKET OFFICE
109 South Fifth St.
or address
H. M. Lewis, G. P. A.
Minneapolis.



"600 Miles of Mountains"

SOO LINE

tution or to a law as to discuss and possibly criticize its detailed workings without proper consideration of the law as a whole. Nothing could be better calculated to weaken public confidence in the Federal reserve system than to point out its possible imperfections without reference to its essential values.

To Investigate the Reserve System

It is encouraging to know that the business interests of the country are awake to this fact and that plans have already been formulated for a calm and dispassionate examination of the operations of the Federal Reserve System.

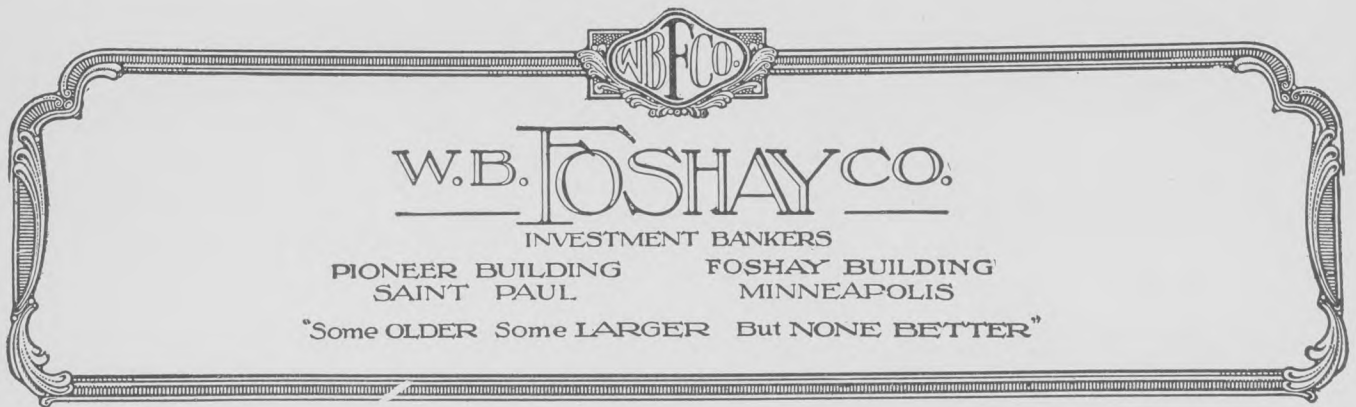
At a recent meeting of the Chamber of Commerce of the United States definite steps were taken to this end. The president of the chamber was authorized to call a conference which would include representatives of banking and business, labor and agriculture, to make an impartial analysis of the workings of the reserve system in the light of the financial history of the last ten years.

Though the chamber will take the lead in calling this conference, it will not be a chamber conference, but will be an autonomous body functioning for the nation as a whole. To this conference will be referred every question which has arisen on the policies of the Reserve System. And committees of experts will be appointed to make a thorough-going study of every phase of the system's activities.

In place of scattered and haphazard opinions as to our present financial machinery, there should come out of this conference a scientific analysis and definite recommendations which will be of greatest service to the system itself and to the country, when, in the not far distant future, the recharter of the reserve system is to be considered.

One of the elements which has a real part to play in this approaching conference is the organization which you represent, and I feel quite sure that your credit association

(Continued on page 49)



Analysis of a Financial Statement

William K. Adams, Vice President First Wisconsin National Bank of Milwaukee. An Address Delivered Before the Wisconsin Bankers Association

The financial statement of a borrower is of vital importance to his banker, but it only measures in part the desirability of a loan.

We all realize that the character and personal standing of the interested parties in a business should have great weight in the banker's verdict. Furthermore, general conditions in the commercial world and in the particular line under consideration should be given careful consideration.

One authority weighs character at 40 per cent., the financial statement at 40 per cent., and the general conditions at 20 per cent., in forming a decision as to the value of a prospective loan.

The statement itself when properly drawn presents a picture of a business without which one is working in the dark.

The first point to be brought out is the liquidity of a borrower. It is well to set out on one side the cash, notes and accounts receivable from customers, the merchandise, and the liquid securities owned, against which should be shown accounts and notes payable, taxes and other indebtedness payable within the year, the net result being the working capital.

We, of course, continue the analysis with the fixed assets made up of the land, buildings, machinery, non-liquid securities and intangible assets, while on the liability side will appear the mortgage and long time indebtedness, other reserves and capital liabilities.

A profit and loss account should also be attached reconciling with the last previous figures the use made of the earnings of the business, particularly noting the dividends paid or the withdrawals made by the partners.

Assets and Liabilities

A concern making good earnings, with quick assets well in excess of liabilities, whose invested capital carries the fixed assets and a reasonable portion of the current liabilities, may be looked upon with favor.

It is well to endeavor to go beneath the figures submitted as sometimes a closer examination will disclose latent defects unknown to or hidden by the compiler of the statement.

Statement of assets and liabilities, Eagle General Store, December 31, 1924:

Assets	
Cash on hand and in bank.....	\$ 326.71
Accounts receivable	3,902.62
Merchandise inventory	14,824.76
Liberty bond	50.00
Total quick assets	\$19,104.09
Land and buildings.....	22,000.00
Furniture and fixtures.....	4,000.00
Total assets	\$45,104.09
Liabilities	
Notes payable	\$ 7,300.00
Accounts payable	4,136.19
Total quick liabilities	\$11,436.19
Mortgage payable	12,500.00
Total liabilities	\$23,936.19
Net worth	21,167.90
	\$45,104.09

The statement of the Eagle General Store shows quick assets of \$19,104.09 to pay quick liabilities of \$11,436.19, with a net worth of \$21,167.90. On its face this appears to be a business in a very fair condition. A closer study

alters the situation materially. Almost \$1,800 of the accounts are past due and should be placed with the slow assets, with a bad debt reserve set up to cover. Merchandise we find was inventoried at selling price, the cost or market being \$9,107.61, the difference being a reduction of net worth.

On the other side no provision has been made for accrued interest or unpaid taxes and wages amounting to \$1,200.

Corrected statement of assets and liabilities, Eagle General Store, December 31, 1924:

Assets	
Cash on hand and in banks.....	\$ 326.71
Accounts receivable—considered good	2,116.18
Merchandise inventory	9,107.11
Liberty bond	50.00
Total quick assets	\$11,600.00
Accounts past due—very doubtful.....	1,786.44
Land and buildings	22,000.00
Furniture and fixtures	4,000.00
Total assets	\$39,386.44
Liabilities	
Notes payable	\$ 7,300.00
Accounts payable	4,136.19
Interest accrued	540.00
Unpaid wages, etc.	278.00
Unpaid taxes	400.00
Total quick liabilities	\$12,654.19
Mortgage payable	12,500.00
Total liabilities	\$25,154.19
Reserve for bad debts.....	1,786.44
Net worth	12,445.81
	\$39,386.44

A corrected statement of the same store now shows quick assets of \$11,600.00 with quick liabilities of \$12,654.19, making a dangerous situation instead of a desirable one.

Offsetting Current Liabilities

Another case is the Sunbeam Canning Company. The statement shows total assets of \$364,931.15, of which \$153,199.10 are quick assets to pay quick liabilities of \$77,770.81. There are outstanding mortgages of \$57,000 and a net worth of \$230,000. A very fair statement is shown with which to ask accommodations.

Statement of assets and liabilities, Sunbeam Canning Company, December 31, 1924:

Assets	
Cash	\$ 15,617.85
Notes receivable	12,600.00
Accounts receivable	8,681.25
Inventories	116,300.00
Total quick assets	\$153,199.10
Plant, buildings and equipment.....	172,006.48
Farms and equipment thereon.....	38,510.16
Prepaid insurance, etc.	1,215.41
Total assets	\$364,931.15
Liabilities	
Notes payable bank.....	\$ 35,000.00
Notes payable others	24,100.00
Accounts payable	8,670.81
Total quick liabilities	\$ 77,770.81
Mortgage on plant.....	45,000.00
Mortgage on farm.....	12,000.00
Total liabilities	\$134,770.81
Capital stock, common	70,000.00
Preferred	150,000.00
Surplus	10,160.34
	\$364,931.15

Note, however, that on December 31 the company had on hand \$116,300 of inventory. Year's sales were \$250,000. This inventory was made up of

Short-time 11% investments Self-liquidating — Doubly secure

Several bankers in Minneapolis and Minnesota are directors and officers in this company whose automobile contracts, bought from dealers, we offer for sale to net 11% for time money is invested—

Payable monthly; 6, 8, 10 and 12 months. We make collections, guarantee payments of paper, give you fire and theft insurance policy with each sales contract, and financial statement of purchaser. Every piece of paper is bankable and passed on by the discount board.

Inquiries and correspondence invited.

BANKERS DISCOUNT ACCEPTANCE CORPORATION

519 METROPOLITAN LIFE BUILDING (Telephone MA in 4269) MINNEAPOLIS, MINNESOTA

18,136 cases of peas.....	\$37,026.70
Seed	11,180.40
Boxes, cans and labels.....	66,960.96
Supplies	1,131.94
	<hr/>
	\$116,300.00

All these items, except the first, while of value in next year's operations, are useless for the reduction of current indebtedness.

Corrected statement of assets and liabilities, Sunbeam Canning Company, December 31, 1924:

Assets	
Cash	\$ 15,617.85
Notes receivable	12,600.00
Accounts receivable	8,681.25
Inventories	37,026.70
Total quick assets	\$ 61,325.80
Notes receivable, stockholders.....	12,600.00
Inventory of cans, labels, next season requirements	79,273.30
Plant, building and equipment.....	172,006.48
Farms and equipment thereon.....	38,510.16
Prepaid insurance, etc.	1,215.41
Total assets	\$364,931.15
Liabilities	
Notes payable bank.....	\$ 35,000.00
Notes payable, others.....	34,100.00
Accounts payable	8,670.81
Mortgage due current year.....	7,250.00
Total quick liabilities.....	\$ 85,020.81
Mortgage on plant.....	40,000.00
Mortgage on farm.....	9,750.00
Total liabilities	\$134,770.81
Capital stock, common	70,000.00
Preferred	150,000.00
Surplus	10,160.34
	<hr/>
	\$364,931.15

In addition, we find \$7,250 of the mortgage indebtedness matures this year and must be classified as a current liability. Reconstructing the statement we find quick assets of \$61,325.80 to pay quick liabilities of \$85,020.81, a far less favorable situation which will likely require the indulgence of the creditors.

Large Contingent Liability

Finally, I show you the statement of the General Manufacturing Corporation, with quick assets of \$59,986.50, to pay liabilities of \$28,005.78, the net worth being \$83,877.42. This statement is correct except for a large contingent liability.

Statement of assets and liabilities, General Manufacturing Corporation, December 31, 1924:

Assets	
Cash	\$ 4,265.50
Accounts receivable	16,210.48
Inventory (Cost or market whichever lower).....	39,510.52
Total quick assets.....	\$ 59,986.50
Plant and equipment.....	63,400.00
Autos	4,100.00
Prepaid insurance, etc.	615.80
Total assets	\$128,102.30
Liabilities	
Notes payable	\$ 15,000.00
Accounts payable	9,845.68
Accruals for taxes, etc.....	3,160.10
Total quick liabilities	\$ 28,005.78
Reserve for depreciation.....	14,350.00
Reserve for bad debts	1,869.10
Capital stock	\$50,000.00
Surplus	33,877.42
	<hr/>
	\$83,877.42
	<hr/>
	\$128,102.30

A purchase contract had been executed by the corporation for \$60,000 of raw material, the market for which has dropped to \$30,000, though the goods have not yet been delivered. This will, you see, increase the quick assets by \$30,000, the real value of the goods, while the liabilities will go up to \$60,000, the payment price. The loss of \$30,000 will reduce the net worth to \$53,877.42.

Corrected statement of assets and liabilities, General Manufacturing Corporation, December 31, 1924:

Assets	
Cash	\$ 4,265.50
Accounts receivable	16,210.48
Inventory (Cost or market whichever lower)	\$39,510.52
Present market value merchandise con-	
(Continued on page 31)	

9 Day Cruise Great Lakes

THE steel steamships, Tionesta, Juniata 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. F. Ticket Agent, or



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



When Moonbeams Kiss the Mountains in

Glacier National Park

Open June 15 to Sept. 15

MAGIC moonlight nights. Days of thrilling sport and gorgeous scenery. Horseback riding. Fishing. Mountain climbing. Hiking. Launching on the jewel lakes. Motoring over scenic highways. Camping out. Loafing and relaxing luxuriously at fine hotels and rustic chalets. Wonderful meals. Something different to interest you every moment at Glacier National Park.

The Northwest

Via the New Oriental Limited

Fine Great Northern trains bring you direct to Glacier Park gates. See Spokane, Seattle, Tacoma, Portland and Vancouver. Visit Lake Chelan, Rainier and Crater Lake National Parks. Ask about all-expense-paid 1 to 7 day tours of Glacier National Park and Glacier - Yellowstone circuit tours. Apply any tourist or ticket agent, any Great Northern office or A. J. Dickinson, Passenger Traffic Mgr., St. Paul, Minn.



GREAT NORTHERN

Route of the New Oriental Limited
Finest Train to the Pacific Northwest—No Extra Fare

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

An Analysis of Bank Operating Cost

From Address at Minnesota Bankers Group Meetings by Charles H. Preston, Minneapolis Public Accountant

When bankers invite an accountant to talk to your group, you will doubtless expect that accountant to return the compliment by talking just as frankly. There appears to be no question but that a great deal of mutual benefit should be derived from a close contact and an exchange of ideas between the banker and the certified public accountant. Is it not true that the two professions are in reality blood relatives in the great community of business? And that, therefore, frank exchange of opinions is perfectly right and proper? The profession of public accounting really had its growth and stimulus through the demands made by bankers for disinterested audits and financial statements of borrowing customers made by outside experts.

Another function of the public accountant, aside from checking records and certifying to the financial position of a business is that of analyzing the operations of that business for the purpose of pointing out important tendencies, inefficient operative methods and to make comparison between the operating results of the business under review with operating results of other businesses of a similar nature. To go further in this analysis and to point out what departments of a business are on a profitable basis and what are on an unprofitable basis.

This last function is to my mind the most important of all, for it assists in efficient operation of a business. Here again is where your business and mine have a common ground, for who is more interested than the banker in a business analysis which will serve as a guide to better business, more profitable and more serviceable business? There seems every reason for us to get together and to know one another better and to give each other the benefit of our experience in our respective fields of activities.

Now for my impression of the banking business. In the first place, and speaking frankly just between ourselves, the banking business appears not to be in a healthy condition. From an analysis of the operations of some hundreds of banks, it would seem that many of them are not even on a self-supporting basis.

In the second place, and speaking more frankly, it would appear to an accountant that you bankers are among the most unprogressive business men in the country. You seem to have less facts in regard to the operations of the banking business, less data in the way of analysis of costs, than does almost any other business in the country.

Cost of Doing Business

The print shops of the country through their business organizations have made careful analysis of costs in every detail and have had figures on the subject accumulated over at least 15 years. The shoe manufacturers have minute cost systems. The wholesale grocers know to a fraction of a cent what the average operating cost in a wholesale grocery business has been. We have important figures in the retail grocery business, in the retail jeweler business, and the retail shoe business. The ice cream manufacturers of the country are now engaged in careful analysis of cost in their line of business. But it appears that the bankers have accumulated no important data in their particular business. They do not know what it should cost to maintain and operate a bank of a half million deposits for instance. They haven't the slightest data as to the difference between the cost of maintaining \$100,000 in checking accounts as compared with \$100,000 in savings accounts. They do not know what accounts are profitable and what accounts are unprofitable. It is true that a great deal of work has been done by some of the larger banks

in investigating the matter of the cost of handling checking accounts, but the work has only just begun and, as yet, there is very little important information along that line for general use. Outside of an investigation made by the System Magazine Company some ten years ago, the results of which were published in book form, there has been very little done or written on the subject of the analysis of bank operating costs. It would appear, however, that there has been no time in the history of the banking business when such a subject is more important than right now, for the reason that bank operating costs apparently are increasing to a point where the available income is scarcely able to cover costs and provide for losses, let alone providing for dividends to stockholders.

About a year ago, your late Secretary, George H. Richards, ever anxious to further the interests of the bankers of Minnesota, enthusiastically suggested that our office assemble the figures obtained through our income tax service for Minnesota bankers extending over a period of four or five years; first, for the purpose of ascertaining the average operating costs in Minnesota banks, and, second, to compare those costs from year to year to ascertain the tendencies in the banking business in the state. Acting upon that suggestion, our office did prepare averages for nine different groups of banks, according to sizes, the figures being taken from statements of some four or five hundred banks.

What Cost Charts Show

Your attention is now called to three charts showing comparisons of operating figures for 1923 as compared to 1924. The first chart shown you is a comparison between 1923 and 1924 of a group of the smaller sized banks, having average deposits of between two and three hundred thousand dollars the same banks being used in each year. It will be seen by referring to this chart, that the average income for the year has slightly increased. The income, compared to invested capital having increased from 1.7 per cent. for 1923 to 2.8 per cent. for 1924. It was quite apparent from an analysis secured a year ago that the years 1922 and 1923 were the low water mark years for banking in the states in all respects with the exception of losses from bad paper. Therefore it is gratifying to see that the results show some little improvement. It will be seen by referring to the other charts that the same condition held good for both the medium and the larger group of banks with the difference that the average income was higher for both of the larger groups than it was for the small group. The income for the medium group has increased from 4.1 per cent. to 4.9 per cent. of invested capital, and the net income for the larger groups has increased from 5.1 per cent. to 5.95 per cent. of capital. It will be seen too by comparing the three groups that the two larger groups had a material increase in deposits in 1924 over those in 1923 while the smaller group did not have any perceptible increase. With the smaller group you will notice that the deposits increased from an average of \$264,000.00 to an average of \$265,000.00. It will be noted that the loans and discounts did not increase in any of the groups. This means, of course, that the banks have a larger cash reserve available or have more funds invested in so-called commercial paper or other forms of investment. The percentages shown in these charts are, as you notice, based upon the total deposits.

Salary Expense

It may be interesting to see that salary expense decreases in proportion to the size of the bank. The salary expense for

Your Duluth Business

The head of the lakes is rapidly gaining in importance as a general distributing point for Northwestern territory. Sooner or later you will need an account here. Why not form a connection now with the largest National Bank located at this strategic point?

THE FIRST NATIONAL BANK

DULUTH, MINN.

Capital \$2,000,000.00

Surplus and Profits \$2,250,000.00

1923 in the smaller group being 1.97 per cent. of the deposits, that for the medium group 1.6 per cent., and for the larger group 1.19 per cent. It will also be noted that while the percentage of gross income is less for the larger banks, the operating cost is also less and that the larger banks show a larger percentage of income.

Another chart will be shown here to compare the operating costs of a country bank with those of the city bank having exactly the same amount of average deposits. It will be readily seen that the operating expenses of the city bank are greatly in excess of those in the country bank, and, therefore, that a city bank cannot operate profitably with a small volume of deposits.

Another chart here shown compares a bank's operation over a period of years. If this is a typical condition of most banks, it can be seen that the unit operating costs have been steadily increasing over a period of years, while the income compared to the deposits has been remaining stationary or decreasing.

However, I wish to point out that the chief value of bank cost analysis is not alone to secure unit costs for the purpose of comparing your bank with other banks or with your own bank year after year. Although you will readily see the importance of obtaining unit costs for this purpose, the chief value of analysis of bank operations is, I believe, to learn the cost of handling deposits and the profitableness or unprofitableness of individual accounts. It is important to know the cost of handling checking accounts as compared with other operating costs of a bank.

The next chart will show you an analysis of a bank's operating cost with this purpose in mind. The total expenses of this bank have been segregated, many of them, it is true, by estimates so as to show: First, the total cost of handling the time deposits. Second, the total cost of handling checking accounts. Third, the cost of making loans, (i. e., the expenses of the credit department), and Fourth, general overhead or unsegregated costs. In the analysis here shown, it will be seen that the cost of maintaining the checking accounts was more than five times the cost of maintaining the savings accounts. Yet there were more than three times the amount of savings deposits compared to the amount of commercial deposits. In other words, it apparently costs fifteen times as much to carry \$1,000 worth of commercial deposits than to carry the same amount of savings deposits.

Analysis of Deposits.

After ascertaining the total cost of maintaining the commercial accounts, it is possible to arrive at a fair estimate of the net value of these accounts and by analyzing any individual deposit account to ascertain whether or not it is profitable. By counting the total number of items passing through the bank in a certain month and by dividing this sum into the total cost of handling the accounts, a fair estimate of the cost for handling each item may be made. A careful analysis of this subject in larger banks seems to have disclosed that the cost of handling the average deposit is from 2½ to three times that of handling the average checks drawn on the bank. By making the computations in this particular case, it will be found that the average cost of handling deposits, in this particular bank, was 15.5 cents during the month examined, while the average cost of handling a check drawn on the account was 6.2 cents. These figures are about double the figures used in some of the city banks for analyzing accounts, but an analysis of several country banks seems to show that while operating costs in the country, compared with the city, are

lower as based upon the value of business, it seems to cost more per item than it does in the city. This is probably due to the greater activity of the city accounts and hence the greater number of items passing through the bank each day.

Using these unit figures as the basis, one can by analyzing an individual account, ascertain fairly accurately whether or not that account is profitable. By examining the account of John Smith, for instance, we may find that it has an average balance of \$1,000, but that the average float in the account, i. e., the checks drawn on out of town banks, amount to approximately \$250. That means

(Continued on page 42)

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.

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

Stock and Bond Quotations

MINNEAPOLIS BANK STOCKS

	Div. Rate	Bid	Asked
	Pct.		
Camden Park State.....	10	209	...
Central State.....	10	175	200
East Hennepin State Bank.....	12*	260	265
First National.....	10	130	...
Gateway State.....	10	90	100
Mercantile State.....	10	130	140
Merchants & Manufacturers State.....	6	125	135
Metropolitan National Bank.....	8	165	170
Midland National Bank.....	6	170	...
Millers & Traders State.....	12	220	240
Northwestern National.....	10	170	...
Union State.....	10	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.....	10	150	...
First National Bank of Duluth.....	13	225	...
Minnesota National Bank.....	10	135	...
Northern National Bank.....	10	200	...
St. Louis County State Bank.....	10	200	...
Western State Bank, West Duluth.....	10	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	99½	101½
Northern States Power, pfd.....	7	98	100
Northwestern Fire & Marine, com...	10	170	...
Russel Miller Milling, com.....	10	150	...
Russel Miller Milling, pfd.....	6	94	...
Washburn Crosby Co., pfd.....	7	109½	111
Pillsbury Flour Mills, com.....	10	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	8½	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	99½	...
Clarkson Coal & Dock 1931/9.....	6	99	...
Dakota Central Telephone.....	6	103½	105½
Donaldson Realty Co. 1st 1925.....	6	100	...
Duluth Street Ry., 1st 1930.....	5	96½	98
Duluth Street Ry. Gen. 1930.....	5	86½	...
First Nat. Soo Line Bldg. 1st 1930/5	5	5¾ B	5¼ B
Geo. A. Hormel & Co., 1st 1930/34...	6½	102½	5.90B
Island Warehouse Co., 1st 1943.....	6	101	102
Marshall-Wells Bldg. Corp. 1930/7...	6½	6.25 B	6.00 B
Minneapolis Gen. Elec. 1st 1934.....	5	101½	102½
Minneapolis Gas Light, 1st 1930.....	5	98	99
Mpls. Gas Light Sec. Notes 1930...	5	101¾	102½
Mpls. Str. & St. P. City Joint 1928...	5	97	98½
Mpls. St. Ry. Secured Notes.....	5½	100½	101½
Minn. & Ontario Pr. Co. 1926/8.....	6	101	...
Minn. Pr. & Lt. Co. 1950.....	6	105¼	106
Minn. Tribune Co., 1st 1943.....	6½	103	104½
Northern States Pr. 1948.....	6	104½	105
Northern States Pr. 1941.....	5	98	98½
Northwestern Elev. Co., Ltd. 1930/2	6½	100	6.00 B
Northwestern Terminal Co. 1930/5...	6	97	100
Ottetail Pr. Co. 1st & Ref. 1933...	6	102	102½
Ottetail Pr. 1939.....	6½	103	...
Pillsbury Flour Mills 1933.....	7	101¾	...
Pillsbury Flour Mills 1943.....	6	101½	102½
Powell River Co., Ltd. 1926/9.....	6	101	...
Red River Lumber Co. 1st 1928.....	5	99	...
Red River Lumber Co. Notes 1925/7	6	100½	...
Red River Valley Pr. 1944.....	6½	101	...
St. Croix Power Co., 1929.....	5	99¼	100
St. Paul City Ry. Cable Cons. 1937...	5	95½	96½
St. Paul Gas Light 1st 1944.....	5	100	101
St. Paul Gas Light, Gen. 1952.....	6	103½	105
St. Paul Gas Light, Gen. 1954.....	5½	101	103
St. Paul Union Stockyards 1946.....	5	96	99
Tri-State Tel. & Tel. 1942.....	5½	103½	104½
Twin City Telephone Co., 1st 1926...	5	99½	100½
Union Public Service, 1st 1936.....	6	98	100
Watab Paper Co. 1st 1942.....	6½	101½	102½

CHICAGO BANK STOCKS

Quotations July 7 by John Burnham & Co., Inc., 41 South La Salle street, Chicago, Ill.

	Bid	Asked	Book Value
Calumet National.....	260	...	169
City National Evanston.....	205	...	279
Continental & Com. Nat.....	351	355	262
Drovers National.....	200	205	150
First National.....	482	490	378
Foreman National.....	409	413	258
Irving Park National.....	260	...	184
Jefferson Park National.....	200	...	245
Kenwood National.....	250	...	165
Mutual National.....	285	290	230
National Bank Republic.....	197	202	168
National Bank Commerce.....	162	167	142
Stock Yards National.....	280	290	190
*Washington Park National.....	250	...	141
Austin State.....	225	...	185
Central Mfg. District.....	380	400	234
Central Trust Company.....	262	266	170
Chicago City.....	395	...	338
Chicago Joint Stock Land.....	167	172	125
Chicago Lawn State.....	220	240	179
*Chicago Trust Company.....	170	...	174
Citizens State of Chicago.....	290	300	156
Drexel State.....	235	...	209
Drovers Trust & Savings.....	360	...	307
Franklin Trust & Savings.....	235	...	279
*Fullerton State.....	170	...	149
Greenebaum Sons.....	425	...	300
Guarantee Trust & Savings.....	255	265	200
Halsted Street State.....	235	...	202
Harris Trust & Savings.....	415	...	262
Home Bank & Trust Co.....	273	...	198
Hyde Park State.....	225	...	210
Illinois Merchant Trust.....	475	480	335
Independence State.....	200	...	128
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.....	225	...	142
Noel State.....	215	...	130
Northern Trust Company.....	410	...	367
Northwestern Trust & Savings.....	325	...	183
Oak Park Trust & Savings.....	235	250	174
Peoples Stock Yards.....	265	...	146
Peoples Trust & Savings.....	255	...	168
Pioneer Trust & Savings.....	230	...	144
Pullman Trust & Savings.....	250	...	186
Reliance State.....	200	...	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	565	363
State Bk. & Tr. Evanston.....	305	325	285
Stony Island State Savings.....	230	...	160
Stockmen's Trust.....	175	190	190

Suburban Trust & Savings.....	210	225	200
Union Bank of Chicago.....	200	210	186
*Union Trust Company.....	332	...	228
United State.....	210	...	186
West Englewood Trust.....	290	300	160
West Side Trust & Savings.....	245	255	186
West Town State.....	250	...	157
Wiersema State.....	225	...	226
Woodlawn Trust & Savings.....	255	265	164

* New Stock.

CHICAGO SECURITIES

Quotations July 7 by John Burnham & Company, Inc. 41 South La Salle Street, Chicago, Ill.

	Bid	Asked
American Public Utilities part pfd.....	78	82
American Public Utilities prior pfd.....	88	90
Beatrice Creamery (\$50 par).....	60	63
Beatrice Creamery Co. pfd.....	102	106
Borden Co. the com. (\$50 par).....	78	81
Borden Co., the pfd.....	107	109
Brunswick-Balke Coll. pfd.....	97	101
Bucyrus Co. com.....	147	152
Bucyrus Co. pfd.....	104	106
Buda Co. pfd.....	104	...
Butler Bros. (\$20 par).....	33¼	33½
By-Products Coke Corp. com.....	53	58
By-Products Coke Corp. pfd.....	104	108
Chicago Rapid Transit com.....	6¼	7¼
Chicago Ry. Equip. com. (\$25 par).....	47½	50½
Chicago Ry. Equip. pfd. (\$25 par).....	25½	26½
Chicago Title & Trust.....	440	450
Columbia Sugar (\$10 par).....	7¾	8½
Cont. Gas & Elec. pr. pfd.....	92	95
Cont. Gas & Elec. com.....	99	102
Cont. Gas & Elec. warrants.....	17	...
*Creamery Pkg. Vot. com. (No par).....	29½	30½
*Creamery Pkg. N. V. com. (No par).....	29	30
*Creamery Package Co. pfd.....	99	...
Elgin Natl. Watch (\$25 par).....	70½	72½
Fairbanks Morse pfd.....	106	107
Great Lakes Tran. com. (No par).....	20	25
Great Lakes Transit pfd.....	80	83
Hercules Powder Co. com.....	112	...
Hercules Powder Co. pfd.....	108	110
Holland-St. Louis Sugar (\$10 par).....	...	6½
Illinois Traction com.....	106	...
Illinois Power & Light pfd.....	94	96
Interstate Iron & Steel pfd.....	95	98
Keystone Steel & Wire Co. com.....	38	40
Keystone Steel & Wire Co. pfd.....	98	101
*Kraft Cheese Co. pfd.....	100	103
Michigan Sugar Co. (\$10 par).....	6½	7
Michigan Sugar pfd. (\$10 par).....	7¼	8¼
National Grocer com. (\$10 par).....	6	7
National Grocer pfd.....	84	87
National Tea Co. pfd.....	106	108
Northern States Power pfd.....	99	101
Palmolive Co. com. (No par).....	95	100
Palmolive Co. pfd.....	104	106
Pick Albert & Co. pfd.....	92½	94½
Tri-City Ry. & Light pfd.....	80	...
United States Gypsum Company pfd.....	115	116
Utah-Idaho Sugar Co. (\$6 par).....	2¾	3¼
Wahl, The Co. pfd.....	60	65
Western Grocer Co. com.....	65	70
Western Grocer Co. pfd.....	99	...

*—Ex-dividend.

BANK TRANSACTIONS

Washington—Debits to individual accounts, as reported to the Federal Reserve Board by banks in leading cities for the week ending July 1, aggregated \$12,729,000,000 or 15.2 per cent. above the total of \$11,053,000,000 reported for the preceding week. New York City reported an increase of \$1,013,000,000; Chicago, an increase of \$175,000,000; Cleveland, an increase of \$44,000,000, and San Francisco an increase of \$41,000,000. The only larger centers showing decreases are Boston, \$6,000,000; Atlanta, \$2,000,000, and Dallas, \$1,000,000. As compared with the week ending July 2, 1924, debits for the week under review show an increase of \$1,321,000,000 or 11.6 per cent. Substantially larger debits are shown for all of the more important centers; the principal increases being as follows: New York, \$811,000,000; Chicago, \$88,000,000; Detroit, \$62,000,000, and San Francisco, \$51,000,000. Aggregate debits for 141 centers for which figures have been published weekly since January, 1919, were about \$12,020,000,000, as compared with \$10,411,767,000 for the preceding week and \$10,758,560,000 for the week ending July 2, 1924. Debits to individual accounts were reported to the Federal Reserve Board for banks in 252 centers, of which 250 are included in the summary by Federal reserve districts.

City	July 1, 1925	July 2, 1924	June 24, 1925
New York	\$6,681,610,000	\$5,870,941,000	\$5,668,452,000
Chicago	916,300,000	828,400,000	741,000,000
Boston	420,369,000	411,727,000	426,055,000
Philadelphia	456,743,000	416,900,000	352,347,000
San Francisco	245,745,000	195,100,000	204,948,000
Los Angeles	190,408,000	172,515,000	174,822,000
Cleveland	188,638,000	166,623,000	144,778,000
St. Louis	168,500,000	169,000,000	160,000,000
Detroit	226,498,000	164,959,000	217,766,000
Twin Cities	142,552,000	124,857,000	132,264,000
Baltimore	108,724,000	104,757,000	96,310,000
New Orleans	82,000,000	77,474,000	63,904,000
Seattle	47,564,000	47,833,000	45,365,000
Buffalo	81,524,000	89,088,000	75,523,000
Minneapolis	97,876,000	89,603,000	86,267,000
Milwaukee	65,253,000	61,339,000	59,983,000
Dallas	39,645,000	34,800,000	40,615,000
Memphis	26,320,000	27,676,000	26,198,000
Louisville	48,655,000	46,360,000	40,734,000
St. Joseph	31,425,000	30,506,000	33,581,000
Indianapolis	41,945,000	42,372,000	34,232,000
Omaha	47,013,000	41,620,000	46,788,000
Providence	38,378,000	36,703,000	34,170,000
Portland, Ore.	36,616,000	34,494,000	34,005,000
St. Paul	44,476,000	42,660,000	38,589,000
Rochester	60,190,000	49,740,000	36,520,000
Hartford	39,328,000	37,327,000	29,309,000
Atlanta	34,496,000	32,407,000	36,774,000
Oakland	33,102,000	30,023,000	29,163,000
Columbus	35,407,000	31,514,000	34,822,000
Richmond	34,848,000	32,407,000	27,894,000
Birmingham	29,792,000	27,665,000	27,044,000
Duluth	29,213,000	21,793,000	24,515,000
Houston	29,458,000	25,450,000	27,881,000
Tulsa	30,752,000	26,544,000	23,488,000
Nashville	19,554,000	17,629,000	17,230,000
Norfolk	16,850,000	15,400,000	13,895,000
Salt Lake City	15,369,000	15,509,000	14,982,000
Des Moines	12,860,000	24,051,000	15,225,000
Fort Worth	17,481,000	14,830,000	14,247,000
Sioux City	19,783,000	16,474,000	19,396,000
Oklahoma City	19,805,000	21,131,000	17,448,000
Galveston	8,045,000	6,837,000	7,020,000
Wichita	13,135,000	9,969,000	11,056,000
Spokane	11,187,000	12,010,000	12,063,000
So. St. Paul	8,062,000	7,198,000	5,305,000
Sioux Falls	3,708,000	2,483,000	2,892,000
Fargo	2,682,000	3,034,000	2,709,000
La Crosse	2,427,000	2,388,000	2,672,000
Grand Forks	1,571,000	1,396,000	1,605,000
Helena	1,737,000	1,552,000	2,412,000
Jamestown		524,000	375,000
Aberdeen	1,393,000	1,460,000	1,219,000
Billings	1,439,000	1,453,000	1,480,000
Superior		1,463,000	2,161,000
Winona	1,079,000	980,000	1,265,000
Minot	1,374,000	1,381,000	1,264,000
Red Wing	633,000	492,000	710,000
Dickinson	341,000	274,000	164,000
Total (250 cities)	\$12,729,004,000	\$11,053,013,000	\$11,407,742,000

COMMUNITY TRUST IDEA SPREADING

New York—Fifty-five community trusts or foundations are in operation throughout the United States and 21 are in process of formation, it is brought out in a survey issued by the Committee on Community Trusts of the Trust Company Division, American Bankers Association.

"Thirty-nine trusts have received gifts in cash, under wills, or through living trusts, in seven cases the amount being reported as in excess of \$1,000,000," the committee says. "Eighteen trusts are distributing incomes, and in 22 cities committees on distribution have been appointed. In addition, there are 12 trusts with gifts undesignated under wills, and 26 trusts with designated gifts."

Discussing the community trust idea, Frank J. Parsons, chairman of the committee, says: "It has been stated that this movement is a plan to substitute contemporary wis-

dom for forethought in charities. It has seemed the part of wisdom to lay down as an essential policy the dictum that no elaborate machinery shall be built up, but that as far as possible existing agencies shall be utilized, and temporary groups formed for the putting into effect of specific programs. The question is often asked: 'Should we concentrate upon the undesignated gift or feature the designated gift?' As a practical matter, both plans will have to be followed for some time to come. There would seem to be no question but that the greatest good to the community will eventually grow out of the undesignated gift."

KANSAS BANK SHORT \$55,000; CASHIER A SUICIDE

Topeka, Kas.—A shortage of \$55,000 in the Scranton State Bank, whose cashier, C. F. Bolton, committed suicide recently, has been reported to Roy Bone, state bank commissioner by N. R. Oberwortman, examiner in charge of the Scranton institution. The bank had \$10,000 capital and \$12,000 surplus.

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

**A Complete Service
COMMERCIAL PAPER
and BONDS**

CLIENTS of this firm are able to obtain, from one source, the type of investment suited to conditions and their current needs.

LANE · PIPER & JAFFRAY · INC.

Incorporated

First National-Soo Bldg.
MINNEAPOLIS

Pioneer Building
ST. PAUL

Amer. Ex. Bank Bldg.
DULUTH

John Burnham & Co.

(INCORPORATED)

**Investment
Securities**

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



For Banks

A Reliable Investment Service offering a high type of securities meeting bank investment requirements.

Bond Department

MERCHANTS TRUST COMPANY

Fourth Street near Robert

Saint Paul

Affiliated with The Merchants National Bank

New Banks and Changes

MINNESOTA

Becker Bank Closed

Becker—The State Bank of Becker has been closed. It was capitalized at \$20,000 with A. J. Praxel as president.

A. C. Jenson Becomes Assistant Cashier

Olivia—A. C. Jenson has been elected assistant cashier of the Olivia State Bank succeeding Erwin Bertram, who resigned.

Sam E. Strom Elected Assistant Cashier

Bellingham—Sam E. Strom has been made assistant cashier of the Bellingham State Bank, the vacancy caused by the resignation of William C. Otto.

D. M. Main Resigns as Cashier

Luverne—D. M. Main has resigned as cashier of the First and Farmers National Bank to accept the receivership of the Merchants National Bank at Detroit.

Edward A. Arnold Promoted to Cashier

Eden Valley—Edward A. Arnold has been promoted from assistant cashier to cashier of the State Bank of Eden Valley succeeding N. J. Kremer who resigned on account of his health.

NORTH DAKOTA

Lidgerwood Bank Reopens

Lidgerwood—The First National Bank has opened for business. S. O. Quammen is president; James Goolsbey, vice president and C. A. Bonzer, vice president and cashier. The bank, formerly controlled by the Movius interests, was closed some time ago.

SOUTH DAKOTA

New Bank for Salem

Salem—The McCook County National Bank, capitalized at \$25,000 will open for business soon with James R. McGee as president; F. B. Stiles of Watertown vice president and Alex B. Knox cashier.

WISCONSIN

Mrs. Lester Martin Resigns

Blanchardville—Mrs. Lester Martin has resigned as assistant cashier of the First National Bank.

Frank P. McAdams Advanced to President

Watertown—Frank P. McAdams has been promoted from cashier to president of the Wisconsin National Bank, the vacancy caused by the resignation of A. F. Solliday. Herbert F. Schatz, formerly assistant cashier, succeeds Mr. McAdams as cashier. Fred J. Kaercher was re-elected as assistant cashier.

IOWA

William Frels Resigns as Cashier

Craig—William Frels has resigned as cashier of the Craig Savings Bank.

G. F. Stansberry Sells Interest in Bank

Gilman—G. F. Stansberry sold his interest in the Citizens Savings Bank to his associates in the bank and resigned as cashier.

F. F. Morris Leaves Ireton

Ireton—F. F. Morris resigned as cashier of the Northwestern Bank of Ireton to engage in the insurance business in Sioux City.

Klemme Bank Closes

Klemme—The State Savings Bank, capitalized at \$30,000, has closed. Paul M. Griesemer was president and F. J. Wenck, cashier.

Clarence A. Hahn Resigns Assistant Cashiership

Muscatine—Clarence A. Hahn has resigned as assistant cashier of the American Savings Bank to enter the real estate and insurance business at Vero, Florida.

Orvin Uhr Advances to Cashier

Eagle Grove—Orvin Uhr was promoted from assistant cashier to cashier of the Security Savings Bank succeeding S. A. Barnes who resigned on account of ill health.

MONTANA

F. E. Hanly Resigns as Assistant Cashier

Billings—F. E. Hanly has resigned as assistant cashier of the Midland National Bank to become an investment and income tax counsellor.

NEBRASKA

George H. Wood Resigns as Cashier

Louisville—George H. Wood has resigned as cashier of the Home State Bank.

E. E. Butler Resigns as President

Kearney—E. E. Butler, president of the American State Bank, resigned that position leaving L. J. Stutt, cashier and N. C. Anderson in charge of the bank.

Reorganization of Hooper Bank

Hooper—The Dodge County Bank has been reorganized with a capital of \$25,000 and will be known as the Hooper State Bank. J. H. Windhusen, president of the Dodge County Bank, was elected president of the new bank and G. F. Otteman was made vice president.

WASHINGTON

Changes at Centralia Bank

Centralia—Albert Smith has been promoted from cashier to president of the First Guaranty Bank succeeding J. E. Fitzgerald, who resigned. E. R. Fitzgerald, formerly assistant cashier, was made cashier succeeding Mr. Smith.

IDAHO

John Frye Becomes Cashier

Horseshoe Bend—John Frye purchased the interests of Theodore Nye, former cashier, and was elected cashier of the First State Bank.

BANKING NOTES

Hueneme Bank in New Home

Hueneme, Calif.—The Bank of Hueneme has moved into its new \$35,000 building.

Florence Has New Bank Building

Florence, Calif.—The Florence National Bank will have a new building of stippled brick and terra cotta.

Officers of District Groups, Minnesota Bankers Association

First District Group

P. D. Beaulieu, president, Austin National Bank, Austin.
H. F. Wittmer, vice president, Albert Lea State Bank, Albert Lea.

R. E. Shepherd, secretary-treasurer, First State Bank, Spring Valley.

Lyman S. Olson, executive committee, First National Bank, Owatonna.

Cashiership — Minnesota Bank

We have an opening for an experienced bank cashier for good bank in Mankato territory. Bank has capital of \$25,000; surplus \$10,000, and deposits around \$300,000. Investment required \$6,000 to \$10,000; salary open. Town is entirely modern, all leading church denominations and accredited high school. This bank has always made money and has paid dividends every year; if desired, bare control may be had carrying with it presidency of the bank. On this basis the investment would be around \$16,000; terms might be had if required. Inquire file No. 595.

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.

L. J. Luhman, executive committee, Deposit Bank & Trust Company, Winona.

Second District Group

Wm. Jacobsen, Jr., president, First and Farmers National Bank, Luverne.

T. A. Perkins, vice president, First National Bank, Windom.

M. H. Mickelson, secretary-treasurer, First National Bank, Mankato.

F. H. Krook, executive committee, Citizens State Bank, New Ulm.

R. E. Porter, executive committee, First National Bank, Fairmont.

Third District Group

Ray G. Kern, president, State Bank of Lake Elmo, Lake Elmo.

John Thien, vice president, First National Bank, Shakopee.

A. C. Tambornino, secretary-treasurer, First State Bank, Le Sueur.

S. H. Lockin, executive committee, First National Bank, Red Wing.

F. A. Birch, executive committee, Stock Yards National Bank, South St. Paul.

Sixth District Group

R. J. Tinklepaugh, president, Citizens State Bank, Brainerd.

A. O. Miller, vice president, Backus State Bank, Backus.

George H. Harris, secretary-treasurer, Merchants National Bank, Wadena.

Ed I. P. Steade, executive committee, First National Bank, Walker.

Harry Lee, executive committee, Bank of Long Prairie, Long Prairie.

J. K. Martin, executive committee, First National Bank, Little Falls.

Seventh District Group

A. Leidholm, president, Merchants and Farmers State Bank, Grove City.

H. M. Algyer, vice president, First National Bank, Tracy.

O. G. Hough, secretary treasurer, State Bank of Kerkhoven, Kerkhoven.

E. O. Hammer, executive committee, Farmers and Merchants State Bank, Litchfield.

L. A. Lien, executive committee, Graceville State Bank, Graceville.

Eighth District Group

J. C. McGivern, president, First National Bank, Biwabik.

D. W. Stebbins, vice president, American Exchange National Bank, Virginia.

H. W. Pribnow, secretary-treasurer, State Bank of Virginia, Virginia.

L. F. Luthey, executive committee, First State Bank, Cook.

F. K. Randall, executive committee, City National Bank, Duluth.

Ninth District Group

Alden Pearson, president, Security State Bank, Detroit.

A. F. LaBudde, vice president, Farmers State Bank, Gouville.

E. E. Rossberg, secretary-treasurer, Crookston State Bank, Crookston.

Elmer E. Adams, executive committee, First National Bank, Fergus Falls.

J. H. Shea, executive committee, State Bank of Perham, Perham.

Tenth District Group

C. M. Melberg, president, Big Lake Farmers State Bank, Big Lake.

A. E. Eddy, vice president, Brook Park State Bank, Brook Park.

V. W. Peterson, secretary-treasurer, First National Bank, Mora.

A. F. Oberg, executive committee, Security State Bank, Lindstrom.

A. G. Engberg, executive committee, First National Bank, Cambridge.

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.

WE QUALIFY AS EMPLOYMENT COUNSELORS

GENERAL CLERK-BOOKKEEPER, TELLER—Southern Minnesota bank; experienced young man. German-Lutheran.

TELLER-BOOKKEEPER—Southern Minnesota town of 1,500; deposits \$400,000. Experienced young man.

REGISTRARS—For correspondence school; exclusive territory; liberal commission for well-recommended permanent men.

MIDWEST EMPLOYMENT BUREAU

1014 Lumber Exchange Bldg. MINNEAPOLIS, MINN.

CONTROL WESTERN WISCONSIN

\$10,000 Capital Bank—close Twin Cities—one-bank point—town around 300. Clean shape—no borrowed—total deal involves around \$9,000. German and Scandinavian community.

Bank No. 5431.

Northwestern Placement Bureau

720 Metropolitan Life Bldg., Minneapolis, Minn.

BANK HELP FURNISHED — NO CHARGE TO EMPLOYER

Compulsory Automobile Insurance in Massachusetts

On the strange assumption that medicine frankly admitted to be a poor and doubtful dose for 1925 and 1926 will by some hook or crook become good medicine for the year 1927, the General Court has passed the compulsory automobile liability insurance bill. The proponents of the law, as we say, show no confidence or conviction whatever that they have really "thought out" this important legislation either as to all its essential details or even as to its major conclusions. Indeed, by providing that the act shall on no account take effect until January 1, 1927, they plainly evince their lack of confidence in the practical workings of the measure. They do not seriously pretend to know just how it will operate. They do not know to what ultimate consequences of a very serious character—such as a plunge of the Commonwealth into a vast system of state insurance—the act will lead Massachusetts. All they do know, or pretend to know, is that they wanted the state committed "in principle" to compulsory liability insurance now and at once, even if they had to accomplish the commitment by a hastily considered bill forced through the legislature in the over crowded closing hours of the session. And that object they have achieved, tacitly granting that they do not think the bill safe and sound enough to go into practical effect either in 1925 or 1926, but praying that it may, by some strange providential grace, become "good enough for 1927."

This demand for compulsory motor insurance "in principle" suggests a simple analogy. It is as though the board of directors of a great industrial concern should suddenly declare, "That attractive looking man named Longmeadow we certainly want in our employ. Let's pass a vote at once definitely committing us to engage him. Of course we don't know much about him. He has some good qualities, though for all we know he may be anything but a business getter. Someone has told us he might do a good job, and then again he may just now have come out of Sing Sing. We don't know and we don't care. Moreover, we don't know how much he is going to demand for salary. It may be \$50,000 or it may be \$100,000. We have not even considered very thoroughly how he will fit into our plant. His notions may force us to change altogether certain important elements in our entire system of production. But we can decide about all that later. What we wish to do is to engage him, engage him for 1927. The future can take care of itself well enough, just so long as we commit ourselves now to play into his hands."

The analogy is perhaps somewhat extreme. Analogies usually are. But it is sufficiently close to the fact. Driven onward by a hastily formed impression that "the public wants compulsory motor insurance,"—which may or may not be true—the General Court has passed a mandate which will unload upon the motorists of the Commonwealth an annual expenditure running from \$20,000,000 to \$30,000,000. And it has passed this mandate in the form of a bill concerning the soundness whereof, both in detail and in many major principles, it is so greatly in doubt that it has not dared make the mandate effective until 1927 or possibly 1928. This procedure has been unsound, and it unloads a pretty task of correction and amendment upon the public during the 20 months which now will follow before the new law becomes operative.—The Evening Transcript, Boston.

FIRE COST \$1,044 A MINUTE IN 1924

America's bill for fire waste last year, 1924, was \$1,044 a minute, an annual loss of \$548,000,000, exceeding all previous high records. These are the figures of the Actuarial Bureau of the National Board of Fire Underwriters quoted in a bulletin issued by the Insurance Department of the Chamber of Commerce of the United States and the National Fire Waste Council.

The total amount of property destroyed during the year was equivalent to more than half the annual interest on the national debt.

Much of this enormous loss is preventable waste. "Although the fire losses of the United States continue to mount," says the bulletin, "it is not necessarily an indica-

tion that they cannot be reduced. The experience of the 1924 Inter-Chamber Fire Waste Contest shows that losses in the reporting cities were reduced to the extent of \$4,000,000 over their average for the preceding five years, coincident with the activities undertaken by local fire prevention committees. The per capita loss in these communities was \$3.10, as compared with the national average of approximately \$5.00.

"What has been done in some cities might well be duplicated in others through energetic fire prevention programs carried on under the auspices of local chambers of commerce and similar organizations. Although fire waste is a national problem, it can only be solved through the combined endeavor of all communities."

CHECKING AUTOMOBILE THEFTS

The joy rider and the automobile thief have both come to grief through the enactment of laws for the certification of automobile titles. Twenty two states, according to the Chamber of Commerce of the United States, have enacted such statutes, seven of them this year, and more states are considering legislation of this character.

Estimates of automobile thefts vary, running from \$100,000,000 to \$150,000,000 annually in the aggregate. Certification laws have had the effect of checking them perceptibly by making it difficult for the thief to dispose of them, not being able to give title. Insurance companies have agreed to reduce their rates against theft 10 per cent. in the states where statutes are enacted.

The curb intended for thieves has also placed a check upon the joy-rider, as the latter often takes some one else's car when indulging in this diversion.

It is generally admitted that the maximum benefit will not be obtained from certification until it has been adopted in all the states. When this comes to pass the thief will not be able to dispose of the stolen cars without forging a certificate of title.

CLERGYMEN TAKE GROUP INSURANCE

Under a group insurance contract with the Metropolitan Life of New York about 100 priests of the diocese of Altoona, Pa., have been insured for \$5,000 each, according to an announcement Saturday. Unique in the history of both church and life insurance in this country, the contract, arranged with the Metropolitan Life by the Right Reverend John J. McCort, Bishop of the Diocese of Altoona, contains the first offer of group insurance ever made to Roman Catholic clergymen in the United States. For the purposes of the insurance the bishop is rated specifically as the employer of the priests and as such will be entitled to use diocesan funds to help defray the cost of protection provided by the group program, which is cooperative, as the diocese and the clergymen will jointly pay the premiums.

Insured for \$5,000, each subscribing priest has the privilege of designating his own beneficiaries, and in most cases two beneficiaries have been named, so that one-half of the proceeds of the insurance will be allotted to a Catholic charity and the remainder to a personal beneficiary. The group insurance contract carries the usual insurance benefits, including a disability clause which guarantees the payment of the full amount of his insurance in equal monthly instalments to any clergyman who becomes totally and permanently disabled before age 60.

SANTA BARBARA QUAKE LOSS SET AT \$10,000,000

Santa Barbara, Calif.—Santa Barbara's earthquake loss has been fixed by the committee of local engineers assisted by experts from Los Angeles and San Francisco, at \$10,000,000. Fire insurance policies have been reinstated by underwriters.

HAWAIIAN SUGAR CROP

Honolulu—The Hawaiian sugar crop for 1925 will reach a total of 753,700 tons, 60,000 tons more than the previous estimate, and exceeding any Hawaiian crop ever produced by 45,000 tons, the Hawaiian Sugar Factors announced.

Young people—the community's backbone

BANKERS are deeply concerned in the success of the young people in their communities—the future manhood and womanhood who play such an important part in civic and social up-building. Every community is proud of its successful young business people.

Progressive bankers maintain a close personal contact with the young folks. You are interested in their business training. For nearly 50 years this institution has been preparing young and mature men and women for business life.

"The Tools of Business" is an unusually interesting and attractive booklet for those wishing to better themselves. Gratis copies on request—no obligation. Additional copies sent free to bankers desiring them for their young people.

MINNESOTA SCHOOL OF BUSINESS

629 First Avenue North

MINNEAPOLIS

Geneva 2292, Rickard & Gruman, Proprietors

ANALYSIS OF A FINANCIAL STATEMENT

(Continued from page 23)

tracted for—not yet delivered.....	20,000.00	69,510.52
Total quick assets		\$ 89,986.50
Plant and equipment.....		63,400.00
Autos		4,100.00
Prepaid insurance, etc.		615.80
Total assets		\$158,102.30
Liabilities		
Notes payable		\$ 15,000.00
Accounts payable	\$ 9,845.68	
Accounts payable (for merchandise contracted for—not yet delivered) ..	60,000.00	69,845.68
Accruals for taxes, etc.....		3,160.10
Total quick liabilities		\$ 88,005.78
Reserve for depreciation.....		14,350.00
Reserve for bad debts.....		1,869.10
Capital stock	\$50,000.00	
Surplus	3,877.42	53,877.42
		\$158,102.30

The quick assets will be \$89,986.50, with current liabilities of \$88,005.78. Again, an investigation has changed the aspect of an apparently liquid customer to one heavily involved with a serious problem to work out.

In all these cases first impressions were wrong, though the statements in the main were undoubtedly made in good faith. The real situation behind the figures was quite different.

Necessity of Knowing Details

It is wise to insist on full details: (1) of receivables—their age, whether current or past due—their cause, whether given for goods or for other consideration, (2) of the inventory—how priced, whether current or old—salable or stale; (3) of mortgage indebtedness as to current or future maturity; (4) of contingent liabilities such as paper discounted, guarantees given or trade commitments entered into.

Other situations and contingencies will undoubtedly occur to you which may be brought to light by study and investigation.

The only safe course is that of ceaseless vigilance, careful consideration and intelligent study of each problem. The banker who has properly analyzed a true financial statement has a picture of the business which, with knowledge of the personal standing of its managers and acquaintance with business conditions, will guard against unwise loans and enable proper advice to be given customers.

Annual Meeting of the Idaho Bankers

Spokane, Wash.—Idaho Bankers Association concluded its annual convention at Lewiston, June 17, by electing Pocatello as the next meeting place and electing these officers for the year:

President: J. S. Bussell, president of the Citizens Bank and Trust Company, Pocatello; vice president, A. C. Chamberlain, vice president of the American Bank and Trust Company, Coeur d'Alene; treasurer, Guy Shearer, vice president of the First National Bank, Filer; secretary, J. S. St. Clair, vice president of the Boise City National Bank, reelected for fourth term.

Resolutions adopted encouraged Idahoans to use Idaho products, urged growers to grow products such as would demand a home market; urged each bank to pay expenses of a representative to attend the state conventions; expressed appreciation of the value of encouraging boys and girls in agriculture, and asked support of university ex-

tension work in every locality, asked that all banks make a service charge, urged that banks be assessed on the same basis as business property and that there be a standardization of all business forms used in banks.

R. M. BISSELL,
President

WILLIAM WALSH
Secretary

Twin City Fire Insurance Company

MINNEAPOLIS, MINN.

All agents today are selling **SERVICE**.

The Company furnishing the best service is the most valuable to you.

Fire, Tornado, Hail, Automobile, Tractor Insurance

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.,

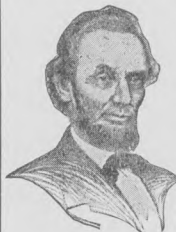
MINNEAPOLIS, MINN.

We Write Them All

One-third of our population is made up of children under fifteen years of age, according to the latest report of the National Bureau of Economic Research.

One third of the possible prospects in every community are therefore children.

Lincoln National Life agents can write children down to one day old under the Lincoln National Life Juvenile Policy which provides for waiver of premium in event of the death or disability of the father.



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

BANKERS planning to install new furnishings

will find it to their advantage to call at our office or communicate with us. We design and install equipment complete. We give you a large selection of materials, economy of construction and first costs.

Look over our plant and judge as to our ability to serve you.

Department of Bank Equipment

NORTHWESTERN MARBLE & TILE CO., Minneapolis

Income Tax Returns as Index of Liberality

New York—The generosity of typical citizens to religious, charitable and educational institutions, as tabulated from Dane County income tax returns, was summarized in an article recently prepared by Professor J. D. Gillin of the University of Wisconsin, for the American Sociological Society. The Wisconsin income tax law allows a deduction of 10 per cent. on income for contributions to these three purposes. Only 5,317 income tax returns out of the entire 27,000 in the county listed definite contributions. These 5,000 taxpayers, not only did not contribute the 10 per cent. of their incomes allowed by the law, but scarcely averaged more than 5 per cent.

The total taxable income of these 5,317 taxpayers amounted to 6,709,932; the total contributions to \$358,810. Of these contributions, 72 per cent. was given to religion, 18 per cent. to charity and 10 per cent. to educational organizations.

"A comparison of different vocational and professional groups throws an interesting light upon the philanthropic interests of the respective groups," wrote Professor Gillin. "The farmers, who had 6 per cent. of the taxable income in Dane County, gave 16 per cent. of their income to charitable purposes. Salesmen, on the other hand, who had 12 per cent. of the total taxable income, contributed only 3 per cent.

"The only groups of givers which contributed more than 10 per cent. of their taxable incomes were farmers, laborers, clergymen, and those whose occupations were unknown. Farmers stand at the top, salesmen at the bottom.

"Manufacturers, clergymen, lawyers are the only groups which gave above the 5 per cent. mean. Those groups which gave below the mean of 5 per cent. were professors, teachers, merchants, public officials and salesmen. Doctors and persons in the service of the public, students, bankers and mechanics gave just the average of 5 per cent.

"On the face of the returns farmers, clergymen, laborers, gave 10 per cent. or above; retired individuals and housekeepers, 7 per cent.; lawyers, office employes, public utility employes and manufacturers, 6 per cent.; doctors, those in the service of the public, students, bankers and mechanics, 5 per cent.; teachers, other professions, merchants and public officials, 4 per cent.; while salesmen trail along with 3 per cent.

"It is clear from these figures that religion commands much larger contributions than education or charity. That is easy to explain in the case of the farmer since the religious institution is the only one making any large appeal in the country. Bankers, doctors, lawyers, and public officials gave a much lower percentage than did laborers, mechanics, public utility employes and students.

"Four times as much was given to religion as to charity, and nearly twice as much to charity as to education. Then more than 5,000 taxpayers gave on the average about 5 per cent. of their taxable incomes to these philanthropic purposes.

"Probably this is not a just measure of either generosity or stinginess. Standards of living, the moves of each group and demands made upon some groups not deductible under the law, such as support of dependents, expenditures for sell, improvement, etc., would have to be considered in this connection. However, the figures do make clear that there are wide discrepancies in actual practice of giving."

RUST BILL BILLION AND A HALF YEARLY

Sir Robert Hadfield, in a paper on "Corrosion of Ferrous Metals," stated that during the period from 1860 to 1920 the world's output of iron and steel was 1,860,000,000 tons

and that the world's loss due to rusting was 660,000,000 tons. He also stated that in 1922 the world's production was 66,000,000 tons, that the loss due to actual wearing out was 17,000,000 tons, or about 25 per cent., while the loss due to rusting was 22,000,000 tons, or 33 1-3 per cent.

The Department of Commerce states that the steel production of the United States for that year amounted to 45,000,000 tons, or 70 per cent. of the world's production, which had a value of \$3,000,000,000. With this data it appears that the rust bill of the world approximates 50 per cent. of the steel products manufactured in the United States and that the world's loss from rusting is in the neighborhood of \$1,500,000,000.—Thrift Magazine.

The Tax Burden on Agriculture

Washington—Taxes paid locally for purposes of more than local scope tend to increase the unfair tax burden of agriculture, according to the United States Department of Agriculture.

Tax studies just completed by the department show that in many states a heavy burden of taxation on farmers has been added by what amounts to local taxation for state purposes. Theoretically, the area taxed for any particular purpose should be the same as the area benefited by the public expenditures for which the tax is raised. In practice the line between local and general benefits can hardly ever be drawn with precision. When the division is much out of line the burden of taxes for general or state purposes is unfairly distributed.

Numerous violations of the principle that state wide functions should be supported by state wide taxes are pointed out. Trouble arises from the fact that when a tax for a state wide purpose is levied in different districts at different rates, the tax may be fair enough within each district, but distinctly unfair as between districts. Thus, in the case of school taxes, the cost of education per pupil is much greater in rural than in urban communities, while the wealth and income per capita are less.

Most taxes on farm property are levied by local taxing units. So large a proportion of total tax revenues should probably not be raised locally, says the department. In 1919 county and other local taxes in 14 counties in an equal number of states were levied mainly for the support of schools and roads. Sixty-six cents out of every dollar paid in taxes by the farmers in Indiana in 1923 went for the support of roads and schools. Schools are also mainly supported by local taxes in Nebraska. This is typical of the distribution of taxes in many states.

A large part of local farm taxes should be supplanted by state taxes, with the revenues distributed in such a way as to benefit entire states, says the department. Local taxation for the support of both roads and schools is faulty because it rests on a division of states into more or less arbitrary districts unfitted for purposes of finance. In many sections the separate taxing units are not separate districts at all. They are merely parts of larger communities scattered around towns and cities. Logical separation is possible only in minor matters. In economic and social problems, responsibilities are interdependent. Attempts to maintain separate financial relationships in such circumstances, says the department, fly in the face of the natural organization of society.

One disadvantage of basing taxation, for general objects on local districts is that this method permits much taxable wealth to escape taxation. Local taxing units acting separately are not as well able as the state to reach taxable wealth or to maintain a fair system of taxation.

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

A Strong Tendency Toward Stabilization

New York—The general business situation at mid-year shows a strong tendency toward stabilization; notwithstanding the persistence of marked irregularities, according to the current issue of the "Guaranty Survey," published by the Guaranty Trust Company of New York.

"The culmination of an upward swing in production and the volume of business activity as a whole was reached early this year at levels comparable to the high points reached in the first quarter of 1924," the "Survey" continues. "But in contrast to the sharp decline of activity which brought mid-summer business in 1924 to the lowest levels reached since the spring of 1922, the recession this year was halted in April. Further declines in production in May, with distribution remaining active, have apparently brought a nearer approach to equilibrium.

Sound Bases Maintained

"In some lines of production the usual seasonal slackening is now apparent. Inventories, however, are in most cases conservative; involuntary unemployment is low; and a high rate of consumption in general is maintained, in contrast to the decline a year ago. The country's foreign trade in the first five months of the year shows important gains over that for the corresponding months of 1924. Interest rates continue easy, and there is likelihood of only a moderate advance, if any, with the passing of the summer slackness in credit demands.

"Activity in retail trade is well sustained. Freight car loadings remain well above the corresponding figures of last year, although traffic as measured by ton mileage in the first four months of the year showed a corresponding increase of less than one per cent. Commodity price averages have been more stable in recent weeks.

"These conditions tend to maintain essentially sound bases for a general expansion of activity. The most uncertain indication of the volume of business to be expected

in the later months of this year is the prospective agricultural yield. There is promise of no such enhancement of farmers' wealth as was experienced last year. But notwithstanding the adverse effects of weather conditions in some sections in recent weeks, the agricultural outlook remains on the whole favorable."

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"



German Police Dogs

The most intelligent watch dog in the world.

A companion and a friend.

We have for sale puppies, from our choice dogs. We own only registered dogs, and them with exceptional bloodlines.

Our Sire is a Nephew of Strongheart of movie fame.

Prices very reasonable.

Write for free pictures and full information.

THE CULPAUGH KENNELS
SAXMAN, KANSAS

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.

Depositor may not offset general claim against assessment as stockholder.

Editor Commercial West:

If a stockholder in a national bank has money on deposit in such bank, can those same funds be used to pay the stockholder's double liability in case of liquidation and stockholder's assessment, the liquidation being either voluntary or directed by proper authorities?

Farmers & Merchants Bank, ———, S. D.

ANSWER

A stockholder of an insolvent national bank who happens also to be one of its creditors cannot cancel or diminish the assessment to which the provisions of Section 5151 Rev. St. make him liable by offsetting his individual claim against it. This was decided in the case of *Hobart, Receiver, et al vs. Gould*, 8 Fed. 57.

A depositor is only a general creditor, and, as such, entitled to share equally with other creditors in the funds to be disbursed, which might not be sufficient to pay the claims in full, so that depositors might get only a portion of the amount of their claims. To allow a stockholder who was also a depositor to offset the amount of his deposit against the amount for which he is assessed would enable him to receive 100 per cent. on his claim as a depositor, which would be manifestly unfair to other depositors.

* * *

A Trespasser Cannot Acquire Title to Growing Crops
Editor Commercial West:

We are in receipt of your letter of June 30th containing your attorney's opinion (published in the July 4 issue of the Commercial West). That letter presumes that the former owner put in the crop and that we knew about it. The fact is the contrary. We have not given him any permission to do so, nor has he asked it, nor will he write in answer to our letters. We have a letter from one of his neighbors stating that he is cropping the place. What are our rights under these circumstances?

First National Bank, ———, Wisconsin.

ANSWER

According to the facts in the foregoing letter the former mortgagor at the time that the crops were put in was nothing more than a trespasser and he now occupies the land as a trespasser. Under this state of facts we are of the opinion that ouster proceedings can be started immediately against him and that he has no rights in the crop whatsoever.

Any action that you might wish to take should be taken immediately because the law says further that a trespasser who sows and gathers a crop is the owner of it even as against the owner of the land, and the only remedy which the bank would have in that instance would be an action in damages against the trespasser.

Defense of duress cannot be invoked where parties on both sides negotiated for several weeks, both sides employing attorneys for purpose of drawing the contract sought to be avoided.

Action brought by the American National Bank of Lake Crystal against J. S. Helling et al. Facts were that Clifford Helling before the commencement of this action acted as cashier of the bank bringing this action. He was under a \$10,000 surety bond for the faithful performance of his duties. Clifford embezzled \$45,000 of the bank's funds. At first it was assumed that the shortage amounted to some \$18,000 which money and securities turned over to the bank with the exception of several bonds for which the suit was brought. The bank in negotiating this settlement made the defendants, Helling asserted that they had received assur-

ances from the bank that the default would not be reported to the bonding company and further that they made the contract to turn over the money and securities to save their brother from arrest. The jury found that the contract had been obtained by duress. The bank made a motion for judgment notwithstanding the verdict which was denied and the bank appealed. The Supreme Court of Minnesota reversed the decision of the lower court, saying, "As a rule, duress will not prevail to invalidate a contract entered into with full knowledge of all the facts, with ample time and opportunity for investigation, consideration, consultation and reflection."

Here defendants had full knowledge of all the facts. The negotiations extended over a period of two weeks during which they consulted with close friends and relatives who were active and experienced business men, and also had the aid and advice of able counsel. Their refusal to deliver the mortgage signed at the instance of Champlin and their final refusal to execute.

The record in the present case shows that the defendants were in full vigor and possessed strong and alert minds. Their desire to soften the blow to their mother and to shield Clifford and save the family name from stain as far as possible was the impelling cause which induced them to make the contract. But they knew that the Federal bank examiners had ascertained all the facts; and they were told, and must have known, that neither they nor the bank officials could prevent Clifford's arrest. They dealt with the bank at arms' length. For approximately \$18,000 they secured the release and discharge of an undisputed claim of more than \$45,000 against Clifford and the cancellation of a bond which secured \$10,000 of that amount.

See *American National Bank of Lake Crystal vs. Helling et al*, 202 Northwestern Reporter, 20.

* * *

Possession of note by maker is not evidence of payment where possession was obtained by fraud or unauthorized delivery.

Michael O'Leary and wife bought some real estate from Maria Borges and for part of the consideration gave a note for \$2,900. Although on the margin of the note it was written that it was secured by a mortgage, no mortgage was in fact given.

Maria Borges sued on the note and on the trial the O'Learys testified that the note had been returned to them, and claimed that this was evidence that they had paid it. The jury brought in a verdict for the plaintiff and the defendant appealed.

The Supreme Judicial Court of Massachusetts affirmed the lower court and stated the law to be as follows:

"When a promissory note comes into the possession of the maker such possession unexplained is prima facie evidence of payment by him."

The defendants contended at the trial and offered evidence to show that the full amount of the note had been paid to the plaintiff's husband. The plaintiff testified that nothing had been paid on the principal except the first installment of \$200, and that no interest was paid after November 11, 1915. She further testified that she never authorized her husband to collect any payments on the note, except those for which she gave to him receipts to be delivered to the defendants. The plaintiff's husband died on June 20, 1922. Mrs. O'Leary testified that after paying the note in full she made demand upon the plaintiff's husband for its return and that it was thereafter delivered to her. The plaintiff testified that in April, 1922, she delivered the note to her husband for the purpose of having him take it to the defendant's counsel, as the latter could not find any record of a mortgage securing the payment of the note; that he "wanted the note so as to check it up." She further testified that on July 6, 1922, she went to the house of the defendant's counsel, Mr. Hurley, and asked him for her note; that he said to her, "I mailed that note to Mrs. O'Leary; go to her and ask her for it;" that the next day she saw Mrs. O'Leary and told her that Hurley had sent her

for the note, and that the note was then handed to her. Hurley did not testify at the trial.

If, as the plaintiff testified and the jury could have found, she delivered the note to the defendants' counsel at his request for inspection, and he thereafter, without authority, delivered it to the defendants, possession obtained by such unauthorized act would not be evidence that the note had been paid.

Borges vs. O'Leary et al. 147 Northeastern Reporter 347.

* * *

Indorser's agreement on note to repurchase on due date creates merely an option to sell and does not create a contract to sell.

The Hickson State Bank of North Dakota brought this action against the Sheridan County State Bank of Plentywood, Mont., to recover the amount of three promissory notes sold by the latter to the former under an agreement to repurchase them at maturity. Both banks are now in the hands of receivers but for convenience will be designated as plaintiff and defendant respectively.

The lower court found for the defendant (Sheridan County State Bank of Plentywood) and the plaintiff (Hickson State Bank) appealed. The Supreme Court sustained the lower court, saying:

Each note was indorsed by defendant without recourse, but bore a guaranty of payment executed by its cashier personally. Each note was accompanied by a chattel mortgage on live stock as security for its payment, and by an agreement executed by both parties, one of which reads as follows, and the others are similar in form:

"October 29, 1920.

"For and in consideration of the payment to the Sheridan County State Bank, Plentywood, Montana, by the Hickson State Bank, Hickson, North Dakota, the sum of two thousand dollars (\$2,000.00), the Sheridan County State Bank, Plentywood, Montana, agrees to repurchase the Harry Martin note of \$2,000.00 at face value, on its due date (October 30, 1921), note being dated October 30, 1920, and interest having been paid in advance to maturity."

We think the trial court was right in construing this agreement as merely giving plaintiff an option to require defendant to repurchase the note, and not as creating a bilateral contract binding plaintiff to sell and defendant to purchase. It will be observed that the agreement, although signed by both parties, contains no provision obligating plaintiff to do anything. Under it, plaintiff has the right to require defendant to repurchase the note "on its due date." The maker had promised to pay it on that date and presumably would do so. If he did, plaintiff could not resell it to defendant. If the agreement created a contract binding plaintiff to sell and defendant to purchase, defendant's indorsement, "without recourse," was meaningless; but if it only created an option, and plaintiff should see fit to look to the maker and the security instead of exercising the option, the indorsement would release defendant from further liability. It is true that an agreement to buy or to sell, in form unilateral, may be construed as binding both parties where it is obvious that such was the intention. But here the promises are all on one side, and the facts and circumstances will not justify us in holding that the parties intended to create a contract as distinguished from an option.

Lower court sustained, 203 Northwestern Reporter, 434 Engen vs. Sheridan County State Bank.

NEW NORTHWESTERN PATENTS

The following patents were issued June 30, 1925, to Minnesota and Dakota inventors, as reported by Williamson, Reif & Williamson, patent attorneys, 925-935 Metropolitan Life Building, Minneapolis, Minn.:

A. C. Bennett, Minneapolis, Minn., oil burner; V. A. Brey, Minneapolis, Minn., footprinting or impression; J. S. Eloffson, Hasty, Minn., sanitary coupling device for pumps; W. H. Freeman and B. J. Lee, St. Cloud, Minn., affixing poster bills; F. W. Griswold, Minneapolis, Minn., traffic semaphore; J. A. Heidbrink, Minneapolis, Minn., electrically

operated surgical bone cutting device; C. T. Hibbard, Minneapolis, Minn., flexible flywheel; R. S. Jurgens, St. Paul, Minn., radiator attachment; E. H. M. Klukas, Balaton, Minn., cultivator; E. A. Malm, Wadena, Minn., sash stop; A. W. Olson, Mahanomen, Minn., folding mail box; O. A. Poirier, Gladstone, Minn., expectorating device for vehicles; P. Schroeder, Buffalo, Minn., chair; P. W. Grady, Grand Forks, N. D., wrench; H. Hegna, Sisseton, S. D., dirigible headlight construction; R. P. Lier, Mitchell, S. D., automobile bumper and brace; W. McNames, Aberdeen, S. D., burglar alarm system; J. R. Tobin and C. J. Langford, S. D., insect guard and muzzle; L. P. Wood, Nisland, S. D., dumping body for trucks and wagons.—(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.

Your Customers Can Collect Their Accounts Without Expense By This Method

The Remindograph keeps your accounts up-to-date.



Book will last a year.

Only \$2.00

Famham's LEADING MINNEAPOLIS PRINTERS & STATIONERS

417-19 Hennepin Ave.

Minneapolis

Realty Trade Denied North Dakota Banks

Bismarck, N. D.—The Supreme Court, in an opinion delivered in the appeal of George W. Rennix and others from Richland County, has laid down the rule that a banking house in North Dakota has no authority to engage in a general real estate business.

Under the laws of this state a banking corporation is authorized to employ money and assets in the purchase of real estate, under restrictions, the court held, including investment of part of its capital and unimpaired surplus in a banking house, to loan money on mortgage, take land in satisfaction of mortgage and purchase under judgments, decrees or mortgages to satisfy debts to it.

"But," added the court, "such banking corporation has no authority to engage in the general real estate business, and employ its funds in the purchase of real estate or enter into contracts and pledge its credit, for the purchase of real estate in any other circumstances than those so specified; and all contracts for the purchase of real estate in circumstances not so authorized are illegal and unenforceable."

The court held the contract in suit was illegal and furnished no basis for cause of action. The case was an action for the foreclosure of a mortgage on real property. The plaintiff, H. O. Smith, sold land to the defendant, George W. Rennix. Mr. Rennix paid \$1,000 cash and agreed to pay a mortgage of \$3,000 and further delivered notes for \$5,000. At the time Mr. Rennix was cashier of a bank. He then conveyed the property to the bank. The plaintiff contended Mr. Rennix was obligated to pay the \$5,000 second mortgage and the defendant bank denied there was a legal obligation. The court found the bank could not be held liable. In its opinion the court reversed the decision of District Judge McKenna.

RULING WOULD REDUCE EXCESS PROFIT TAXES IN NORTH DAKOTA

Bismarck, N. D.—Moneys and credits should be deducted by the state tax commissioner in assessing North Dakota corporations under the 1923 corporate excess tax law. Judge Fred Jansonius of the Burleigh district court has ruled in the case brought by the Gamble Robinson Company of Bismarck against T. H. H. Thoreson, state tax commissioner.

The court held that the legislature of 1923, which passed the corporate excess law and also the law exempting moneys and credits, intended to reach only intangible property "as represented between the actual value of the stock and the real and personal property, which is otherwise taxed."

More than 3,000 domestic corporations are affected by the decision. The corporate excess tax is to be levied as of July 1.

If moneys and credits were not deducted in reaching the amount to be taxed under the corporate excess law, North Dakota corporations would be taxed so heavily that they would have to incorporate in other states, attorneys for the plaintiff contended.

Judge Jansonius, citing that the legislature had sought to encourage domestic corporations in the state in the past few years, pointed out that foreign corporations are exempt from the corporate excess law and he did not believe the legislature had sought to put North Dakota corporations at a disadvantage without outside companies.

NORTH DAKOTA'S HAIL FUND HAS SURPLUS

Bismarck, N. D.—The surplus of the state hail insurance department had risen to \$3,738,989.07 on March 31, 1925, a report of O. B. Lund, accountant for the state board of auditors, shows. As a contingent liability on that date, he deducts approximately \$900,000 representing the 1923 hail insurance deficit which was ordered paid out of the surplus fund.

The surplus fund has been built up rapidly in the six years of operation of the hail insurance fund. The auditor shows that is accrued largely from the flat acreage tax, levied on lands whether insured or not, the flat tax for six years amounting to \$2,207,923.45. The rest of the fund

was built up from interest on balances and from penalty and interest on delinquent taxes, which goes into the surplus fund.

There now is levied a flat acreage tax of one cent per acre each year until the surplus reaches \$4,000,000, the surplus being increased about \$270,000 each year by this tax.

The surplus is now greater than the hail losses sustained in most years. In 1924, the report shows, hail losses were but \$1,537,748, the lightest year in the history of the department.

Showing the distribution of funds received by this department, the audit report says 27.82 per cent. of the receipts for the last year went to the surplus fund, 64.75 per cent. went to pay hail losses, 5.9 per cent. or \$141,710.54 represented the overhead cost and 1.46 per cent. was paid in interest and to reserve.

EMPLOYERS TO GET DIVIDEND FROM NORTH DAKOTA'S INSURING FUND

Bismarck, N. D.—Dividends approximating \$60,000 will be made to employers of the state insuring under the state workmen's compensation act, payable July 1, it is announced, after the commissioners had completed study of experiences of the last fiscal year and adopted rates recommended by the actuary for the ensuing year.

The dividend, which is to be paid by giving credit on premiums in the ensuing year, is approximately the same as last year. The experience of the fund has been favorable on the whole during the year ending June 30, 1925 and after payment of dividends the fund will be left in about the same condition as last year, it was said.

The commissioners adopted a new rule increasing the maximum credit which is allowed the individual employer on the basis of the number of accidents among his employes, from 15 to 25 per cent. The maximum penalty was made the same, being increased from 24 to 25 per cent. Under this rule, an employer who has no accidents during the year would pay a rate of compensation insurance 24 per cent. below the manual rate, while an employer with a heavy accident experience might pay as high as 25 per cent. above the manual rate.

The dividend authorized applies to about one-half the employers required to insure in the state fund. Thirty per cent. of the amount paid in by employers last year is to be credited on the ensuing year's insurance for the following classes: dealers in farm machinery, general stores, chauffeurs, express companies, lumber yards, grain elevators, office workers, telephone and telegraph exchange employes, hospitals and asylums, and schools.

NORTH DAKOTA'S AUTO LICENSE FEES PASS MILLION MARK

Bismarck, N. D.—Automobile license receipts will pass the \$1,000,000 mark for the first time in 1925, it is estimated by Fred B. Ingstad, motor vehicle registrar, basing his estimate upon record breaking receipts for the first six months of 1925.

Auto owners paid into the state treasury \$918,994.10 in the first six months of this year, ending June 30, as compared with \$706,620.85 for a similar period last year. Receipts to date in 1925 exceed the entire receipts of \$816,871.15 for 1924 by approximately \$100,000.

There were 117,000 motor vehicles registered during all of last year, and the number on June 30, 1925, was 126,427.

The new motor vehicle fee law, passed by the last legislature, does not become effective until January 1, 1926, according to Mr. Ingstad, who asked for the opinion of the attorney general on the matter. This law materially increases the automobile license fees.

WAR TIME TOWN COST TWO MILLION, SOLD AT \$347,595

Portsmouth, N. H.—Sale of a war time village which cost the Government \$2,000,000 was concluded July 2 for \$347,595. The village of 278 buildings was constructed near Freeman's Point. The property was auctioned to numerous New England buyers.

South Dakota's Guaranty Fund Settlement Unconstitutional

Parker, S. D.—The law providing for the pro rata settlement over a period of two years of the state depositors guaranty fund certificates held by depositors in South Dakota closed banks, which was passed by the last legislature, was held unconstitutional by Judge L. L. Fleeger in circuit court here June 29, when he decided the actions brought by depositors in the Bank of Herrick and the Farmers Savings Bank of Tea against the guaranty fund commission in favor of the plaintiffs.

According to Thomas H. Kirby, Sioux Falls attorney, who represented the plaintiffs in the cases, the decision is extraordinarily far reaching. The law which it affects also provides for the suspension of the guaranty fund commission, but this provision is scheduled for referendum, and if a vote of the people voids the law and the commission is retained, it may result practically in the elimination of state banks in South Dakota and the substitution of national banks, Mr. Kirby said.

He explained that if the Supreme Court upholds the decisions of the circuit court judges and requires the commission to pay the depositors in the three banks involved the full amount of their certificates the fund will be exhausted. The funds collected in the future then would have to be used to pay off the remaining certificates. He suggested that the solvent state banks would not be desirous of paying money into the fund merely to pay off the depositors of closed banks and with no protection for themselves.

Judgment in the actions was filed today. Judge Fleeger indicated his decision following arguments of counsel on the testimony which was submitted June 1. The actions were brought to compel the commission to pay depositors in the Herrick Bank, which was the second one to close following the practical exhaustion of the fund early in 1923, and in the Tea Bank, the third to close, the full amount of their deposits. The Fort Pierre Bank was the first to close.

FARMERS' COOPERATIVE PACKING PLANT OF HURON, SOUTH DAKOTA, SOLD

Sale of the Farmers Cooperative Packing Plant of Huron at auction Monday at a bid of \$751,000 is confirmed by P. G. Honegger, referee in bankruptcy. Following the confirmation it was announced by Fred J. Reynolds of Chicago, the successful bidder, that he represented Armour & Co.

Terms of sale were \$251,000 cash, \$250,000 August 1, and \$250,000 September 1, when a deed will be delivered, with title free and clear of all liens. Claims against the plant total about \$325,000. These will be paid in full. Stockholders having a total of over \$1,000,000 in stock will be paid the balance, with a settlement of over 40 cents on the dollar.

Sale of the plant at this figure is declared one of the most encouraging things that ever happened in South Dakota in a business way. Operation of the plant, built in 1917 but never previously operated, will be a great factor in the development of Huron. Good prices to farmers in the territory, which has large hog production, also are anticipated.

SOUTH DAKOTA BUSINESS MEN ORGANIZE TO BOOST STATE

Sioux Falls, S. D.—Sixty Sioux Falls men have started the ball rolling for a state wide organization to boost for the Sunshine State.

This depends on two things, they agree. First, attraction of outsiders to the low priced lands; and second, spending of South Dakota money at home. It was decided to work hand in hand with the South Dakota Development Association, which has successfully "sold" South Dakota abroad and at home for the past seven years. The new organization is to be known as the Greater South Dakota Committee of the South Dakota Development Association.

Mr. Adams was named as permanent chairman and H. V. Harlan, vice president of the Minnehaha National Bank, treasurer. The temporary organization will expand itself

through the active workers of the South Dakota Development Association, with a goal of 10,000.

Ward Patton, president of the Chamber of Commerce, said that the task is for the business men of the towns and cities to induce immigration and boost for diversified farming. The task is for business men of the entire state, he declared.

With only 75,000 farmers in the state and with 31,000,000 acres of unbroken land, the number of farms can easily be doubled, with all of them plenty large, Mr. McCaffree said. If South Dakotans used South Dakota manufactures there would be room for 200,000 more persons in the manufacturing line, and these additional persons would make room for 100,000 more in other lines of necessary activity, he declared.

NORTH DAKOTA PROFITS BY BOND SALE

Bismarck, N. D.—The second state bond sale of the present industrial commission has been completed without loss to the Bank of North Dakota.

The Board of University and School Lands, in meeting, agreed to take \$1,000,000 Bank of North Dakota farm loan bonds offered to it, at a net interest rate of 4.32 per cent., a little more favorable rate to the land board than the market rate on the bonds. It had been expected \$2,000,000 real estate loan bonds, bearing on their face 4½ per cent. interest, would be offered July 1, but slackening of real estate loan demand and the ability of the Bank of North Dakota found itself out of pocket several thousand dollars in paying for printing, approving opinion and service charge. Attorney General George F. Shafer and Commissioner of Agriculture and Labor J. A. Kitchen, members of the industrial commission, insisted the present sale be made on a basis so that the Bank of North Dakota would not lose money.

In offering the bonds to the land board at a net rate of 4.32 per cent., the industrial commission made possible a premium for the Bank of North Dakota calculated to reimburse it for expenses in the last sale, printing of the present bonds and leave the bank a small profit.

Desiring to permit the Bank of North Dakota to profitably invest its funds, the commission also decided the bank could carry several hundred thousand dollars of real estate mortgages in the next several months. The bank also will invest \$600,000 of funds of the board of university and school lands, on which the board has received no interest, under a plan to net the board four per cent. interest.

FOUR OIL LEASES GRANTED BY UNITED STATES

Washington—Four oil and gas leases on public lands in three Western states have been granted by the Secretary of the Interior, bringing the Government approximately \$427,420 in royalties, it was announced July 3.

Leases were granted to the Texas Production Company on 640 acres located in the Salt Creek oil field in Natrona County, Wyoming; to the Transcontinental Oil Company, of Colorado, on several tracts of public land situated in Colorado; John N. Moore, of Great Falls, Mont., on 743 acres in Toole County, Mont., and on thirty-four acres of public land in the Kevin-Sunburst oil field in Montana was granted to William Seabrook.

STUDEBAKER AUTO LIVERY

10 E. Grant Street, Minneapolis
Main 1794

Open and Closed Cars Rented
With or Without Drivers

Baggage Transfer

Montana May Lose Through New Note Issuing Act

Helena, Mont.—Although the Montana supreme court recently upheld the constitutionality of the act of the recent legislature in authorizing the sale of state treasury notes to the amount of \$3,750,000 to bear interest at the rate of 4 per cent., the money to be used in retiring registered general fund warrants drawing 6 per cent. interest, there is a strong probability that the notes will never be offered for sale by the state board of examiners, it is announced.

Figures now in the hands of Governor J. E. Erickson, which take into consideration both the advantages and the disadvantages of the refunding plan provided by the act, tend to prove that instead of a saving to the state the issue of these notes will really occasion a loss in addition to disrupting the present system of financing.

The figures, which were prepared by a state official well acquainted with the details in the office of the state treasurer, tend to show that on a very conservative basis the change would occasion a loss to the state of \$3,170, whereas he believes that the actual operation will show a much larger loss.

While the act authorizes the issuance of Treasury notes aggregating \$3,750,000, the full amount would not be issued for the reason that the aggregate of the outstanding registered 6 per cent. warrants is now below \$3,000,000.

However, presuming that \$3,000,000 of the notes should be issued with \$1,000,000 falling due January 15, 1926, \$1,250,000 falling due July 15, 1926, and \$750,000 falling due January 15, 1927, they would cost the state in interest at 4 per cent. a total of \$115,000.

These notes would retire \$3,000,000 in outstanding 6 per cent. warrants, which, in the ordinary course of business based on the operations of the past year, would have been called by the treasurer in varying amounts so that all would be retired by June 15, 1926. Figuring the interest at 6 per cent. on all of these estimated warrant calls from July 15, 1925 to June 15, 1926, when it is anticipated all could be retired, would show a cost to the state of but \$95,250, so that the loss to the state by the issuance of \$3,000,000 in Treasury notes would total \$19,750.

In addition there would be expenses which the state would incur in the printing or engraving of the notes, the advertising and the opinion of a bond attorney such as is always required by bond houses. This is very conservatively estimated at \$2,000 although it is believed that the actual cost may be nearer \$5,000.

It is further pointed out that after the sale of the notes it will require the treasurer's office at least 15 days in which to calculate the interest on the 30,000 or more registered warrants before they can be called, during which time the state will be duplicating interest on both the registered warrants and the Treasury notes to its loss which is estimated at \$5,000.

Possible Loss on Common School Funds

Then arises the matter of loss on common school funds and other state funds now invested in these registered 6 per cent. warrants. At the present time about \$800,000 of these funds are invested in warrant and an immediate call of these warrant would leave \$800,000 of state money uninvested for a time, which loss of interest to the school funds is estimated at \$9,340.

As it is understood this law requires the state treasurer to credit to the general fund all moneys to which it should be credited, but on the last day of each month he would transfer all money in that fund to the Treasury certificate redemption fund, and no money could be paid from the general fund until that in the certificate redemption fund amounted to as much as the notes and the interest thereon.

In that event considerable money would be lying in the banks for a long period, on which the state would receive 2½ per cent. depository interest, which would be an offset to the loss sustained by the note issue. It is estimated that the state would thus be entitled to depository interest aggregating \$32,920 but from the experience of the state treasurer, it is said to be doubtful if the banks would furnish additional collateral and pay interest on money coming

in during November and December which they knew would have to be paid out before January 15, following, to take up Treasury notes then falling due. Therefore it is considered very probable that the estimated depository interest income of \$32,920 would be materially reduced.

Summarizing these figures it is shown that the issuance of Treasury notes to the extent of \$3,000,000 would cost the state in interest on those notes \$115,000, expenses of sale of notes, estimated at \$2,000, loss to the state by duplication of interest \$5,000, and loss of interest on school funds \$9,340, or a total of \$131,340; against which, figuring the saving on interest on registered warrants to be refunded at \$95,250, and the depository interest upon the Treasury certificate redemption fund at \$32,920, making a total credit of \$28,170, would leave a loss to the state of \$3,170.

MONTANA SAPPHIRES IN LARGE DEMAND

Missoula, Mont.—"Montana is famous among New York jewelers, Antwerp lapidaries and European aristocracy for its sapphires, according to Charles P. Hubbschmitt, of Lynbrook, N. Y., a visitor here.

"In certain circles of trade and society, both here and abroad, your copper, your wool and your wheat is secondary in importance to your gems, of which your output is annually increasing in volume. The words, 'Montana sapphire' are becoming quite generally used."

Mr. Hubbschmitt said he visits Montana about once a year as a representative of a firm importing food products, but that his hobby is jewels. He predicts a growing market for Montana agates which he says are of amazing character.

"Not infrequently I have taken pleasure in telling people in Montana about their own resources in gems and it is surprising to know that many Montana folk know very little of this industry. You are shipping gems out of this state by the tons every year. One of your best sources is over in Granite County near Philipsburg.

"There is a big demand for the smaller gems, that are used in watches as jewels for bearings. In London I have seen Montana sapphires of such quality that they were worth almost as much as diamonds. The sapphire of the better quality is growing in favor as a jewel. I regret to say that your finest stones do not stay in this country: invariably they are sent abroad. The great jewel collections are not in the United States and neither are the collectors."

Mr. Hubbschmitt says he could make a living simply walking along the banks of the Yellowstone river at low water and picking up agates. "You call Montana the 'Treasure State'," he said. "Time will show that this title is justified literally by the treasures it has stored in gems."

PLANS TO DEVELOP RUST-PROOF-METAL MINE IN MONTANA

Big Timber, Mont.—New interest has been aroused locally in the chrome deposits at Contact by the arrival of Shelby J. Gish, who has taken up a number of chrome claims at that point.

It is said this metal will have a revolutionary effect on many industries, including automobiles, plumbing materials and the manufacture of all articles made of steel or iron that require a high finish. The new metal is said to be absolutely rust proof and nontarnishable and is destined to replace all enameled, varnished, painted or baked parts that are now in common use.

Under present conditions nearly all the chrome used in the United States is imported and is duty free. The deposit at Contact is the largest known chrome deposit in the world and with new and additional uses for this valuable mineral being developed, Big Timber will undoubtedly in a few years become the world's distributing center for chrome and its by-products.

COPPER MAY BE RECOVERED FROM JUNK

Butte, Mont.—James Gillie, superintendent of the precipitating tanks of the Anaconda Copper Mining Company, has furnished an interesting statement as to the turning of

old tin cans, old iron and all kinds of junk into copper of a good grade by the steady flow of water from the mines of the company. The water from all the depths of the mines is pumped to the surface and thence into immense tanks, which contain all the old junk. There the steady flow of the copper water into the tanks and over the old junk and the old tin cans comes out in the form of copper.

It is said that precipitation was discovered and put into use here in 1890, after Mr. Gillie paid a visit to his old home in Tennessee and learned of the precipitation there. When he returned he made arrangements with the late Marcus Daly, the copper king, to engage in the business and cleaned up upwards of \$200,000 before his contract ran out. While it has not been definitely known what percentage of copper water is carried into the tanks from the mines, experienced precipitation workers state that water has been known to carry one-twentieth of its own weight in copper. At the present time the High Ore runs .04 and the Leonard .0156 per cent. in copper, an apparently insignificant quantity, a fraction of one per cent., but it is dripped and tanked, run through leaching beds and tanked again until a considerable quantity of fine copper is recovered every year.

AGRICULTURAL CREDIT ASSOCIATION READY TO MAKE MONTANA LOANS

Helena, Mont.—Under the same terms as last year, the Agricultural Credit Association is prepared to make loans in Montana to responsible farmers, according to word received here from the association's headquarters at Minneapolis. These loans are primarily for the purchase of live stock with pure bred sires.

A very considerable number of loans were made by the association last year to Montana farmers and the results have been so satisfactory to all concerned that it was determined to continue the work this year. Where farmers are interested it is suggested that they take the matter up with their county agent. It is also suggested that action may be had before the fund set aside this year is exhausted.

One county agent, H. L. Lantz, of Phillips County, has already taken advantage of the opportunity this year, and the farmers of that county have received a carload of pure bred Holsteins.

MONTANA AUTO RECORDS SHOW GAIN IN NUMBER OF CARS

Helena, Mont.—Twelve thousand more automobiles were in use in Montana in June this year than at the same time last year, records of the motor registration department of the secretary of state's office show. Approximately 8,000 of these were new machines. Registration this month included 1,700 new cars. The registration June 30, 1925, with comparative figures for June 30, 1924, follow:

	1924	1925
Passenger cars.....	61,900	73,350
Trucks	8,000	10,600
Motorcycles	216	192
Motor vehicle dealers	295	384
Accessory dealers	168	170

MONTANA TO CONTRACT FOR BIG DAM

Butte, Mont.—Bids for the construction of a \$3,000,000 reservoir in Sun River canyon above Diversion dam, which will assure adequate water even in dry years for the irrigation of thousands of acres of land adjoining the present project, will soon be received, Governor J. E. Erickson said here after accompanying Secretary of the Interior Hubert Work and Commissioner of Reclamation Elwood Mead over the project.

MONTANA ADOPTS LEASE POLICY

Helena, Mont.—Montana state lands will not be leased for oil and gas exploration in less than half section tracts hereafter the state land board decided Thursday. The only exceptions will be isolated tracts of less than that acreage for which a scale of \$100 for each 160 acres was fixed. The board agreed, also, to refuse to issue oil and gas leases to

persons who allowed their former leases to lapse in order to avoid the penalty for failure to explore.

Sale of about 43,000,000 feet of timber in the Elk Creek and Sunset Hill units of the Clearwater forest was approved by the board. The buyer is the Anaconda Copper Mining Company. The appraised price is \$3 per thousand. The timber is in isolated tracts with which the year's holdings are interspersed. It contains 27,285 feet of yellow pine and 15,650 feet of larch and fir, the state forester reported.

A general land sale some time this fall was decided upon by the board. Sales will take place in counties where land is applied for.

NEW LIDGERWOOD, NORTH DAKOTA, BANK OPENED

Lidgerwood, N. D.—The new, reorganized First National Bank of Lidgerwood, replacing the old national bank which has been under receivership for some time, opened here July 1.

The new institution will assume 50 per cent. of the deposit liability of the old bank, and will purchase a like amount of assets. The balance of the assets will be held in trust for the benefit of creditors.

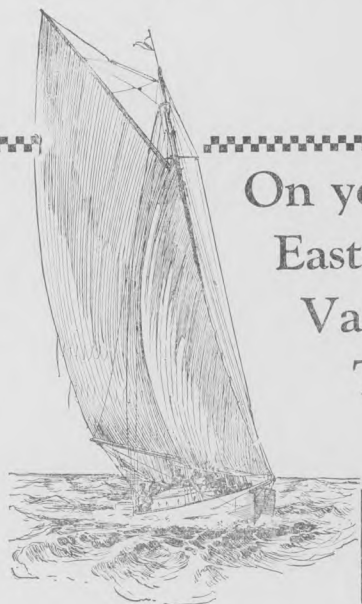
The new institution has capital and surplus of \$30,000. S. O. Quammen is president; James Goolsbey, vice president; and C. A. Bonzer, vice president and cashier.

A. W. Johnson, receiver of the old institution, is to assume the cashiership later, under present plans.

BIG POWER PROJECT IN QUEBEC

Quebec—What Premier Taschereau of Quebec terms the greatest industrial development ever projected will reach maturity without delay in the Lake St. John district of the province of Quebec as a result of the approval of the development of 600,000 horsepower at the falls known as "Chute A. Caron."

The agreement was reached by the Provincial Government and the interests concerned. According to plans, between \$75,000,000 and \$90,000,000 will be expended on the power development and the construction of a plant for the manufacture of aluminum.



On your
Eastern
Vacation
Trip

Use the



de luxe **3** trains
each way—every day
between
The Twin Cities
and
Chicago

	Chicago Limited	North Coast Limited	Oriental Limited
Lv. Minneapolis	7:20 p. m.	8:30 p. m.	7:05 a. m.
Lv. St. Paul	8:00 p. m.	9:30 p. m.	8:00 a. m.
Ar. Chicago	7:55 a. m.	9:25 a. m.	7:55 p. m.

Information—Reservations
B. W. WILSON, General Agent
228 Railroad Building, St. Paul, Minn.

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"

Bank Debits to Individual Accounts in Canada

Winnipeg, Man.—Bank debits to individual accounts in the clearing house centers of Canada, constituting the most complete record in existence of the volume of business transacted as reported to the Dominion Bureau of statistics by the Canadian Bankers Association were 2.3 per cent. greater in May, 1925, than in the preceding month. This gain, however, would be more than offset if allowance were made for seasonal variation. As compared with the record of the corresponding month of last year, the debits were nearly maintained in May, 1925, the decline being less than one-half of one per cent.

The figures for May, 1925, \$2,281,817,679; for May, 1924, \$2,290,109,812; for April, 1925, \$2,229,135,033.

Clearings Not Reliable

Bank clearings for May were nearly five per cent. in excess of the April record, but when adjusted for seasonal tendencies according to the records of the past ten years, a decline of more than five per cent. was indicated. Bank clearings in May, 1925, compared with those of May, 1924, show a decline of six per cent. This shows the unsatisfactory nature of clearings as a barometer of business conditions, for in this long term comparison, the decline of the debits was less than one-half of one per cent.

The reasons for the supersession of bank clearings by bank debits as a barometric record are stated as follows in a recent address by Sir John Aird, president of the Canadian Bankers Association.

"For nearly 35 years in Canada, the banks have compiled and published what are known as clearing house returns. The first clearing house was established in Canada at Halifax in 1887, after which the system quickly spread to the principal financial centers. The total clearings through the banks have been regarded for many years as a barometer of the trade of the country. Bank clearings are merely interbank transactions but inasmuch as in recent years banks have been disappearing through amalgamation and other causes, the volume of clearings has been correspondingly reduced. Bank clearings, therefore, for purposes of comparison with years past are not a correct indication of the volume of Canadian business.

"In cooperation with the Dominion Bureau of Statistics the Canadian Bankers Association has since January 1, 1924, compiled statistical information indicative of the relative volume of business in Canada, on a new basis, namely, what is known as debits to individual banking accounts. At all clearing house points in Canada, some 28 or 30 in number, the banks submit totals of these debits for each month to the association and these are in turn compiled and forwarded by the association to the Dominion statistician who publishes them. No doubt from time to time these debits will for comparative purposes become increasingly valuable and a study of them will make clear to manufacturers and others the points at which the volume of business is increasing or decreasing as the case may be."

CANADA BUYS 52 MILLIONS LESS MINERALS FROM UNITED STATES

Ottawa—Canada's declining purchases in the United States—purchases which have dropped seventy-two millions in the last twelve months—are shown by

more detailed official figures available to be largely among the minerals. Iron and iron products imported from the United States were, in the 12 months ended May, 31 million dollars less than in the year previous; non-metallic minerals were 21 million dollars less. There was a drop of six million dollars in imported fibres and textiles and of three million dollars in wood and paper. Dutiable goods imported from the United States were 59 million dollars less; free goods, 13 million dollars less. During the same twelve months, Canadian exports to the United States decreased five million dollars.

SILVER PRODUCTION GIVES CANADA FIRST PLACE WITHIN EMPIRE

About one-eighth of the world's annual silver production comes from mines within the British Empire, says Natural Resources. Canada's silver mines have been the greatest producers within the Empire for two decades.

Records of production have been kept since 1858. These records show a total recovery of 451,000,000 fine ounces to the end of 1923. Last year the recovery was slightly in excess of 20,000,000 fine ounces. The price of silver fluctuates from day to day; the highest yearly average recorded is \$1.35 per standard ounce 925 fine, and the lowest 51½ cents. The total market value placed on Canada's production during the years for which records are available is necessarily based on average market value from year to year. Between the years 1858 and 1923, the silver produced was valued at \$290,705,532; in 1924 the value was 13,519,043.

The mines of Cobalt, South Lorrain, and Gowganda, all in the province of Ontario, are Canada's principal silver producers. Since the first discoveries in this area, about 20 years ago, the production has been close to 357,000,000 ounces, or 79 per cent. of the total recorded production since 1858. Present production is at the rate of nearly 9,900,000 ounces per annum.

Silver production in Yukon and in British Columbia is obtained from lead-zinc ores. Following the discovery of silver-lead-zinc ores in the Kootenay district a maximum production (5,151,333 ounces) in British Columbia was attained in 1901. Between 1906 and 1915 there was a marked decline, but since the latter date there have been advances. The present rate of production is about 8,000,000 ounces per annum.

In recent years a number of silver-lead prospects were located in Yukon and rich ores are being mined in the Mayo district, where the present rate of production is about 1,000,000 ounces per annum.

CANADA'S EXPENDITURES ON PUBLIC EDUCATION

Ottawa—Canada spent \$121,494,736 on public education in 1923, according to a report compiled by the Dominion Department of Education.

"Individual provinces spent more for education during the year than for any other purpose," says the report. "Of the Dominion's total education bill, provincial and federal governments paid \$106,308,730 and taxpayers \$15,186,000.

"Cost of educating a child amounted to \$61.40 a year. Teachers in public schools numbered 60,908, of whom 11,080 were men and 49,826 women. Students enrolled in educa-

tional institutions in the Dominion numbered 2,172,200. This was 25 per cent. of Canada's population, based on the 1921 census.

"Total pupils enrolled in public schools was 1,927,807, the average daily attendance numbering 1,452,925. Students attending vocational and technical schools numbered 80,773. There were 17,648 students in private business colleges and 69,020 in other private schools. Students in universities and colleges throughout Canada numbered 32,183.

CANADA'S EXPORTS OF DAIRY PRODUCTS INCREASING

Ottawa—Exports of dairy products from Canada broke all records in 1924, amounting in value to \$41,551,730. This was a gain of \$3,000,000 over the 1923 total, according to a bulletin issued by the Dominion department of agriculture.

Butter exports, the bulletin shows, recorded the greatest increase, rising from 13,173,711 pounds in 1923 to 22,343,939 pounds last year. Exports of cheese totaled 121,465,000 pounds, compared with 116,201,900 pounds in 1923. Shipments of milk powder increased from 4,975,838 in 1923 to 7,264,947 in 1924. Exports of fresh cream totaled 3,288,822 gallons, compared with 2,668,747 gallons and shipments of casein were 57,059 pounds as against 8,910 pounds in 1923.

WHISKY EXPORTED TO UNITED STATES FROM CANADA

Ottawa—Exports of 462,632 gallons of whisky from Canada to the United States during the 12 months ending May are showing in official trade returns issued by the Dominion bureau of statistics. The whisky is valued at \$7,645,890. Ale and beer to the value of \$4,638,497 was exported to the United States during the same period. The value of ale and beer exported was practically the same in the year previous. Whisky exports to the United States were 268,628 gallons (\$4,162,803) in the year previous.

CANADA NOW BOASTS OVER 600,000 AUTOS

Ottawa—Automobiles in Canada have passed the 600,000 mark for the first time in history, the Dominion bureau of statistics announces.

Motor vehicles registered in Canada January 1 numbered 652,121, compared with 593,323 on January 1, 1924.

Ontario was the leading automobile owner among the provinces with 308,693 cars to its credit. The prairie provinces of Manitoba, Saskatchewan and Alberta combined accounted for 166,234 automobiles. More than 60 per cent. of the cars in that are owned in rural districts.

6,000 MILES OF IMPROVED ROADS IN QUEBEC

Quebec City—"The Province of Quebec now has 6,000 miles of modern improved roads, including a complete system of main trunk highways and county or market roads, and a large number of local roads," says the Quebec Official Bulletin of the Roads Department. "These 6,000 miles of roads represent thirteen years of strenuous and sustained work. They cost, in construction, repair and maintenance, over \$60,000,000."

AGRICULTURE IN SASKATCHEWAN

Regina—By far the largest industry in Saskatchewan, is agriculture. In 1924 the products of agriculture in Saskatchewan were valued at \$281,992,000.

The gross agricultural wealth of the province in 1924 was \$1,682,473,000, of which the principal items were land, \$877,042,000; buildings, \$216,398,000; implements, \$176,676,000; live stock, \$124,546,000.


E. W. BACKUS TO BUILD 250-TON PULP MILL IN CANADA

Winnipeg—E. W. Backus, Minneapolis lumberman and president of the Backus-Brooks Company, has announced that he will build a 250 ton pulp mill at Selkirk, Man., 23 miles north of Winnipeg, with construction to start in the near future.

The mill will be the second new mill started north of

Winnipeg, the Spanish River Pulp and Paper Company having begun building of a paper mill at Fort Alexander, 20 miles northeast of this city.

"We only ask for fair treatment in Canada in the matter of power and pulpwood," Mr. Backus said. "When we started our mills at Kenora, Man., 40 per cent. of the houses there were vacant. Now we employ 2,000 men on construction and operating work, and the town is flourishing. The same is true of Fort Francis and International Falls, where depression has not been known for the last 10 years."



Westminster Bank
Limited

AN ENGLISH BANK preserving an English tradition in over 900 branch offices, and represented in every banking town in the world. Vast resources combined with nearly a century's accumulated experience and conservative progress equip it for the characteristic service it places at its customers' disposal

New York Representative
C. M. Parker, 68 William Street
Head Office
41 LOTHBURY, LONDON, E.C.2

The Chase National Bank

OF THE CITY OF NEW YORK
57 Broadway

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

OFFICERS

ALBERT H. WIGGIN, President

Vice Presidents

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

Assistant Vice Presidents

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

Comptroller
Thomas Ritchie

Cashier
William P. Holly

DIRECTORS

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

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

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

Foreign Department

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 paragraphed, 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)

Incorporate. Avoid partnership liability and bankruptcy. Incorporating Bureau, Philip Lawrence, Huron, S. D.

MUNICIPAL BONDS

NOTICE SALE OF BONDS

Notice of sale of Tenth Highway reimbursement bonds of Dakota County, Minnesota, sale to be held on July 15th,



A DAY IF YOU LIKE—OR LONGER

The Oak Grove Hotel

AN IDEAL HOME
Convenient Refined Cheerful

230 OAK GROVE STREET
MINNEAPOLIS

Fireproof Construction
European Plan
Cafe in Connection

TELEPHONE 7600
KENWOOD

MUNICIPAL BONDS

1925, at 10 o'clock in the Court House at Hastings, Minn., amount of bonds to be sold: \$44,023.72, in denominations of \$1,000. Bonds are to be dated July 1st, 1925, interest not to exceed 5 per cent. Bonds mature as follows: \$4,000 July 1st, 1936, \$4,000 per year until all paid. Sale to be held under Chapter 411, 1925. Bidder must furnish certified check 5 per cent. All bids to be verbal.

R. W. DOWNS,
County Auditor.

Statistics:

Population, 1920	28,967
Total actual valuation, estimated	\$120,000,000.00

MUNICIPAL BONDS

Total assessed valuation, 1924	26,995,231.00
Total bond debt, including this issue, all state trunk highway bonds..	559,574.79
Outstanding warrants ...	138,625.03
Total debt	698,199.82
Additional bonds to be sold	NONE
To what extent will warrants be reduced in the near future	ONE-THIRD

R. W. DOWNS,
County Auditor.

AN ANALYSIS OF BANK OPERATING COST

(Continued from page 25)

a balance of only \$750, which is available for the bank to loan. Assuming that the reserve acquired, usually 12 per cent. for a state bank, is taken care of by this float, it will mean that the bank has available for loaning purposes \$750. Assuming that these finds are worth 6 per cent. to the bank, it will mean that the value of the account per month is \$3.75. Now if fifteen deposits are made during the month it will mean that the cost of the deposits to the bank will be \$2.32 and if an average of 30 checks are drawn against the account, the cost at 6.2 cents will be \$1.86, or a total cost to the bank of maintaining the account of \$4.18. This would mean that this particular account would result in a net loss to the bank of \$.43 per month. Many illustrations might be cited as to the results of individual account analysis and the way it has opened the eyes of many bankers in showing where the leaks are. An examination of one account in one of the large city banks, which account had an average balance of between two and three hundred thousand dollars, showed an actual loss to the bank in carrying the account of more than \$500 per month. This was because of the unusual activity of the account and because of the fact that most of the deposits to the account were on out of town banks requiring from one to three days for collection. Similarly an analysis of a country creamery account where the creamery maintained a balance of nearly \$3,000 showed a considerable loss to the bank because: First, the deposits to the account consisted of sight drafts with bill of lading on New York houses, and Second, because the creamery made a practice of paying for each individual delivery by check; it carried no accounts with farmers. Thus the average number of checks drawn upon the bank against this account averaged nearly 100 per day. Third, because the bank assumed all expenses even to the extent of furnishing the depositor with printed checks without charge. After an analysis of this account, it was estimated that the cost to the bank was over \$100 per month, while the value of the account to the bank was nothing, it resulting in a virtual overdraft.

Importance of Knowing Costs

In conclusion, I want to plead with you bankers to continue with the study of cost analysis. You will find that you are giving away more free service than does almost any other business in existence. That this service is cost-

ing you more each year, and that this free service is affecting the very stability of your banks for the net interest earning is not sufficient to pay for this service, assume your losses, and pay a dividend to your stockholders. A condition in which so vital an enterprise as the banking business is not on a paying basis is not only a poor thing for banks themselves, but for their stockholders, and the public as well. When stockholders fail to receive a fair return for their investment, their confidence fails and this lack of faith extends to other depositors. The very stability of the banking business depends upon that public faith.

But what, you ask, are we going to do about it? We cannot drive away our depositors. The answer seems to be to place your service upon a paying basis. Thousands of banks in this country have adopted a system of service charges during the past year. The experience of those banks has been that a frank explanation of the situation does not lose a worth while customer. He will either submit cheerfully to a modest service charge or will consent to maintain an account balance sufficiently large to permit the bank to make an earning to offset the expense of handling. The average depositor is fair minded, the few who are not can well be spared. Bankers testify that the system has reduced overdrafts, reduced the number of checks returned marked "N. S. F.," has placed accounts on a profitable basis, and has increased revenue. Of course, this matter should be gone about intelligently.

By careful analysis of your business, by accumulating facts regarding costs, by checking leaks, by making moderate service charges, and, if possible, by reducing the number of small banks, you can help restore banking to the position of security and strength to which it belongs.

Our "good roads" advocates adopted for their slogan, "Keep Minnesota Out of the Mud." You could profitably adopt the slogan, "Let's Keep Minnesota Banks Out of the Red."

AVERAGE INTEREST RATES DURING JUNE

New York—John Moody in his review says: "Our June averages of interest rates were higher than those of the year previous; and this is the first time for many months that gains over the previous year have been shown. Also our call money average for June has risen to the level of the general average of all rates for the first time in a long while. Thus we are witnessing a healthy trend toward reemployment of idle funds."



There is money to be made in
Live Stock

We Specialize in

LIVE STOCK BANKING

STOCK YARDS NATIONAL BANK

South St. Paul, Minnesota

Review of the Live Stock Markets

By Minnesota Department of Agriculture. E. J. Lyon, Market Reporter

South St. Paul, Minn., July 7, 1925—There has not been much change in the cattle market here since the first of the week when cattle values suffered a weak to 25c lower market, but the general trade has been a slow, draggy affair with sellers resisting buyers' attempts to cheapen costs which has resulted in an all-day encounter. The percentage of dry fed material has been steadily decreasing until now the greater share of the run is composed of grassy offerings, values on these still being on an unsteady footing, sellers insisting on one price and buyers bearing down. Monday's large run here and at outside markets was a surprise to all interests and packers were not slow to take advantage of it and were out with the hammer but met with such concentrated resistance, they were forced to compromise on a steady market when a clearance was effected at a late hour. Today's trade was a continuation of Monday's with the exception of lighter receipts, but a larger proportion of grassy offerings.

Nothing comparable to the choice yearlings from the University Farm that sold a week ago at \$12.00 were represented on the market the past week, although some sales have been made at \$10.50 for well finished steers and yearlings. The outstanding sale this week was made up of 18 head of good grade steers averaging 1,070 pounds at \$10.25. Bulk of the fed offerings are selling at present from \$9.25 to \$10.00, short fed and warmed up offerings downward to around \$8.25. Grassy material, which is most prominent at present is selling from \$6.50 to \$8.00 for the most part, common low grade kinds going downward to \$6.00.

Fat she stock has realized about the same treatment as have the steers and yearlings reaching \$7.00 and \$8.00 with the bulk of the grassy kinds going mostly at \$4.00 to \$5.25, common kinds going downwards to \$3.00. Heifers are most popular from \$5.50 to \$7.00, the grassy end of these selling as low as \$4.00. Canners are bulking mostly at around \$2.75, a few old shelly kinds being noted at \$2.50, cutters have made a fairly good clearance around \$3.00 to \$3.25. Bologna bulls have strengthened somewhat and are now selling largely from \$4.25 to \$4.75 with heavies occasionally reaching \$5.00. Veal calves have reacted in line with bologna bulls and are strong to 25c higher than a week ago, bulk selling to packers today at \$9.50 to \$9.75, with outsiders handpicking a few selected calves at \$10.25 and better.

Curtailed receipts of hogs late last week coupled with a rising trend to the dressed pork trade resulted in prices on the live end advancing, virtually without interruption, until today. On Monday's session the top price rested at \$14.00, this being but a dime below the extreme top for the year established last March. The dressed end, in spite of advances, had not kept in line with the live hog prices and on Tuesday packers insisted on a 25 to 35c decline, average values today being around 60 to 75c above last Tuesday's prices. Bulk of the sorted butcher and bacon hogs aver-

aged 160 pounds and upward cashed to packers at \$13.65 with shippers taking a few loads of more closely sorted light and medium weights at the top price of \$13.75. Mixed hogs turned to all interests at \$12.00 to \$12.50, with packing sows, when sorted out, earning the \$11.50 to \$11.75 money. Pigs were scarce, odd lots of feeders scoring \$13.00 to \$13.25 or 50 to 75c higher than a week ago.

Better grades of fat native lambs encountered a \$1.00 downturn since last Tuesday following in line with a general reduction of prices at other points. Packers lately have insisted on a further discount of \$1.00 on untrimmed or "bucky" kinds. Bulk of the trimmed lambs cashed today at \$14.50 with the untrimmed sorts at \$13.50 and a few culls down to \$9.00. Odd lots of yearlings turned at \$11.50 to \$12.00. Sheep are about steady with a week ago, light and handyweight ewes going scaleward at \$6.50 to \$7.00, heavies down to \$3.50. Odd lots of breeding ewes earned the \$7.50 money.

CHICAGO

The advance tendered heavies last week seemed to have the effect that everyone had tops and wanted someone to have them but when the cattle had reached the yards they graded down in the common and medium kinds, buyers had their own way with these and forced prices down from 25c to 40c and more in spots. Choice kinds such as realized the \$13.75 money were scarcely represented and were discounted around 15c. Heavies lost their leadership in making tops and yearlings come back into the established order of things with sales reaching \$13.70. Material that was selling within the range of \$10.00 to \$12.00 last week was out of line and this week saw a readjustment of from 25 to 40c placing values on a more comparative basis. Early in the week 90 head of South Dakota Herefords that cost around \$7.25 last fall brought the day's top of \$13.75, with several loads of heavies falling into a spread of from \$13.35 to \$13.65. A spread of \$9.75 to \$12.50 took in most of the steer run. The fact that most of the steer run carried enough flesh for the packers was a contributing factor to the shortage of better grades of stockers and feeders these holding fully steady. Cow stuff which had been very light is again on an average as far as receipts are concerned, bulk selling from \$4.50 to \$6.50, heifers are selling mostly from \$6.75 to \$9.00. Canners and cutters sold from \$3.00 to \$5.00. Bologna bulls are cashing from \$4.50 to \$5.00. Veal calves are going to the scales at from \$9.00 to \$9.50 or around a dollar lower than last week. Better grades of stock cattle have been in rather light supplies owing to the packers taking most offerings showing any kill, lower grade offerings, however, have been moving out quite readily at around steady prices, bulk going from \$5.00 to \$7.00 mostly, cows bulking largely from \$3.25 to \$4.00 with heifers earning the \$4.50 to \$5.00 range as a rule.

Rather scanty receipts of hogs here and at other points proved a bullish influence and the rising trend to the market

(Continued on page 45)

Crop and Grain Marketing Conditions

Office of Commercial West, July 8—During the last two days rains running from light to heavy were reported generally throughout the Northwest. Heavy falls were reported from parts of North Dakota, South Dakota and throughout Minnesota. It has not been reported that damage resulted in some sections. In some few districts there were falls of hail in sufficient severity to damage the grain.

Reports of Rust Exaggerated

Reports of rust are coming in from widely scattered sections. Yet, no great damage is reported so far, though it is the opinion of experts that the weather this week is most favorable for the spread of rust. Following reports were received in Minneapolis today as to the rust and general crop situation:

T. W. Lewis of Chas. E. Lewis & Co. says: There are numerous reports of black rust here today from the southern part of South Dakota and some from southern Minnesota. We have a sample in the office showing the infection to be well advanced and distinctly apparent on the head stems. The wheat, however, is in the dough and even with rust will make something, without rust it will make a good crop. On the floor rust reports are rather numerous, but the effect was nullified by LeCount's report from Aberdeen stating that lots of wheat would be safe within a week. Corn reports are excellent; particularly is this true of Iowa where for the most part the crop is nearly 100 per cent. perfect. Our reports indicate oats have made a great improvement with the heavy rains and the yield in this section will be materially better than anticipated.

Chicago to Charles E. Lewis & Co.: LeCount wires Stein Alstrin from Aberdeen, S. D.: Wheat made good progress during past ten days. Early Marquis wheat in dough. Nearly all other varieties in milk stage. General condition very satisfactory. Rust in all fields but has made little progress since I was last here, but serious damage could result if weather turns sultry. One week more of favorable weather will put a lot of this territory out of danger. Clear, cool and breezy. Corn is splendid.

Cromwell wires Lamson from Cooperstown, N. D.: Small grains Hillsboro to Grand Forks fair to good; late wheat heading. Some scald damage from excess moisture. Rust in traces on straw and head in earliest fields but no damage yet. Grand Forks to Lakota, prospects very good with earliest nearly heading. Trace of rust on leaf sheath. Outcome too far distant to forecast and rust entirely problematical at so early a stage of plant.

Jackson Bros. & Co. to Charles E. Lewis & Co.: Bryant wires from Brookings, S. D.: From train observation winter wheat in southern Minnesota looks considerably below average. It is beginning to ripen and will be ready for harvest in about ten days. Oats all headed out on short straw with small heads. Will have to use mowing machine to harvest many fields. Corn is quite ragged and most of it 10 days to 2 weeks later than normal.

Estimates of the Experts

The correspondent of the Commercial West in Chicago writes that crop prospects, according to Chicago statisticians and crop experts who have been covering surplus states during the last two weeks, suggest a bumper yield of corn, which is variously estimated at 3,180,000,000 bushels to 3,236,000,000 bushels. This compares with a harvest of 2,437,000,000 bushels last year and, if conditions remain favorable, a new high record may be established. On the other hand, there has been a further shrinkage in winter wheat, which will yield from 393,000,000 bushels to 401,000,000 bushels against the June estimate of 407,000,000 bushels and yield last year of 583,000,000 bushels. Meanwhile spring wheat has improved from 254,000,000 bushels in June to an outside estimate of 276,000,000 bushels on July 1, making a total wheat crop of 667,000,000 bushels compared with an estimate of 66,000,000 bushels a month ago. Estimates on oats range from 1,203,000,000 bushels to 1,260,000,000 bushels based on condition July 1, comparing with the June estimate of 1,295,000,000 bushels and a harvest of 1,542,000,000 bushels in 1924. The rye crop is estimated at 49,000,000 to 54,000,000 bushels, comparing

with the June estimate of 54,000,000 bushels and a harvest of 63,000,000 bushels in 1924.

Prices on Year's Low

These prospects of a great crop of corn and spring wheat dampened bullish ardor, and while wheat is now selling 28c over the price current a year ago, corn is approximating a new low for the crop year and is only 2½c over last year's figure at this time, oats sold 7c under July of last year and rye fell 11c below the 1924 quotation of a year ago, with the December at a new crop level. Apparently, in the view of La Salle Street, wheat and corn are selling relatively above their real market values.

Old Wheat on Farms

Murray of Clement, Curtis & Co. estimates stocks of old wheat on farms at 2.6 per cent. of the crop to a total of 22,978,000 bushels and stocks in country mills and elevators at 2.3 per cent. of the crop to a total of 25,000,000 bushels. This compares with 31,000,000 bushels on farms and 25,000,000 held in country mills and elevators. He estimates the corn crop at 3,236,000,000 bushels; oats at 1,542,000,000 bushels and rye at 49,128,000 bushels, the last named comparing with 63,446,000 bushels harvested last year. According to Murray's figures North Dakota will raise more than 103,000,000 bushels spring wheat.

The range of the four winter wheat reports issued by private statisticians is 393,000,000 to 401,000,000 bushels, with an average of 397,000,000 bushels. Spring ranges from 257,000,000 to 276,000,000 bushels, with an average of 270,000,000, against an estimate of 254,000,000 in June, and the total wheat crop average of 667,000,000, against 661,000,000 by the Government last month and 873,000,000 last year.

Winter wheat is more than 75 per cent. harvested and threshing yields are irregular, with marketing expected to increase from now on, more than 500 cars being expected at Southwestern markets on Monday.

Corn acreage is the largest in years with an average of more than 109,000,000 acres, an increase of about 5½ per cent., suggesting an average yield of 3,211,000,000 bushels, against 2,437,000,000 last year.

Oats promise better than a month ago due to rains, with an average of 1,230,000,000 bushels against 1,542,000,000 last year, and rye is estimated at 49,000,000 bushels, the smallest in recent years and will compare with 63,000,000 last year.

R. O. Cromwell's July Crop Report

Winter wheat production, indicated in part from threshing returns and in part from reporters estimates in bushels per acre, is 401,000,000 bushels compared to 590,000,000 last year.

Spring wheat conditions is 88.2 per cent. of normal and forecasts a crop of 271,117,000 bushels. In this estimate no consideration of rust is taken. Should present conditions maintain to the finish, increased pars would raise the figures from 271,117,000 to around 340,000,000 bushels. In our opinion rust will cause a minimum damage sufficient to keep the estimates from exceeding the 271,000,000. How much less than that figure cannot be estimated. The layman will probably be unable to determine approximate damage before the twentieth of July in central North Dakota. The 1924 crop was 283,000,000.

Old wheat carried over on farms is estimated at 23,313,000 bushels. The amount in mills and elevators is roughly estimated at 5,000,000 less than that on farms. A visible of 29,000,000 makes total carry over 70,000,000. The 1924 supply in these positions was 100,000,000.

Rye prospects indicate favorable filling in the northern belt but stand is thin and heads short. Considerable damage was done in Michigan, Northern Indiana and Ohio from drouth and freeze, especially in the former. The promise is for 54,000,000 bushels or 9,800,000 less than obtained in 1924.

The condition of oats is better than expected at 71 per cent. This indicates a crop of 1,223,000,000 bushels. The upper Mississippi Valley region improved strongly during June. Late oats were helped in the central belt. Develop-

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

ments in Northern States will determine the final outcome. Last year's production was 1,542,000,000.

Barley condition is 81.9 per cent. This indicates 206,528,000 bushels or practically no change from last month's forecast. If realized at harvest there will be 25,000,000 more than from the 1924 crop.

Corn acreage increase is estimated at 4.1 per cent. compared to last year, or 109,317,000 acres. If last year's figures are revised, a corresponding revision should be made in the estimate for 1925. The condition is 88.2 and the crop 3,215,000,000 bushels. Last year's production was 2,437,000,000. The largest crop ever produced was 3,209,000,000 in 1920.

In Canada

July 4 the Manitoba Free Press printed its third general crop report for this year. In part it says:

"The Free Press presents its third general crop report for 1925. Twenty-one days of widely varying weather conditions have intervened since the last report and it is therefore very gratifying to state that the crop of the three Prairie Provinces has to a great extent held the high condition that prevailed on June 13 and has made on the whole, very satisfactory progress.

"The great surprise of the report is to find that there are very large sections in Alberta and quite a few in Saskatchewan that would like more rains and a few that really need rain very badly if the high standard of the crop is to be maintained. Even Manitoba has one or two points that would like "a little more."

"As there had been one or two scares of black stem rust during the 21 days, correspondents were asked particularly as to the existence of any rust on the stems of the wheat. It will be noted that only six points admit any rust present on stems. This is encouraging but must not be taken as meaning that there will be no rust. It is unusual for rust to develop at such an early stage of the wheat, and the weather of the past week in Manitoba has been such as to cause apprehension as to rust development, but it is evident that so far in the crop's history no serious development has taken place.

"It is now pretty safe to assume that it will be no larger than 1924, but when the last column of the report is carefully studied it will be seen that given reasonably favorable weather conditions from now until harvest the West has the prospect of an excellent crop. Out of 320 points heard from 270 declare conditions 'generally good, or excellent.'

"About 75 per cent. of the wheat is in the shot blade and from 10 to 15 per cent. in head, and many points state that wheat will be fully headed by July 12."

A wheat yield of 350,000,000 bushels for Canada this year is estimated by the Dominion Bureau of Statistics in a crop report issued July 3.

The acreage this year is approximately the same as last, the report shows. A yield of 350,000,000 bushels would be 10,000,000 above the average of the past five years.

"The practical elimination of the United States as an exporting country next year," states the report, "points to a likelihood of the maintenance of good prices, from which Canada should benefit to the extent of her exportable surplus."

The Canadian exportable surplus is, roughly, the amount by which her home requirements of 100,000,000 bushels may be exceeded.

Pacific Northwest

Directors of the Washington Wheat Growers Association at a meeting in Spokane, June 27, reported that prospects for \$2 wheat are brighter than the outlook was for \$1.25 wheat a year ago.

While the crop in the Pacific Northwest has been damaged, it is expected that the yield will be larger than in 1924.

REVIEW OF THE LIVE STOCK MARKETS

(Continued from page 43)

continued until on Monday of this week, the highest point since last March was reached by better grades of lights and butchers, top on choice lights making \$14.75 on that session. Tuesday saw the trend changed and quite a sharp reaction was noted from the rather top heavy levels reached the preceding session. Desirable grades dropped off 25 to 40c though these are still 50 to 65c higher than last Tuesday. Bulk of the desirable 140 to 175 pound averages cashed today at \$13.90 to \$14.20 with sorted 180 to 210 pound kinds going to the scales at \$14.20 to \$14.40, top resting at \$14.50. Bulk of the general run of 220 to 325 pound butchers turned to packers at \$13.90 to \$14.15, or 20 to 35c higher than last Tuesday. A spread of \$12.00 to \$12.50 took most of the packing sows while strong weight slaughter pigs realized \$13.00 to \$13.50 mostly.

Quite decided increases to the supplies of sheep on Monday resulted in packers bearing down to the extent of around 75c on fat lambs, these showing a net loss of \$1.00 compared with a week ago. Bulk of the fat natives cashed today at \$14.75 to \$15.00, sorting moderate, with culls down to \$10.50. No westerns had been sold at a late hour, better grades being held around \$15.50. One deck of choice feeding lambs were weighed at \$14.00. Sheep were scarce and remained unchanged for the period, odd lots of natives selling at \$6.00 to \$7.50.

SIOUX CITY

Increased supplies of grassy cattle have resulted in in-between grades of steers and fat she stock suffering losses of 50c or more during the past week, while corn feds have

(Continued on page 47)

Ship Your Grain

to

CARGILL COMMISSION CO.

Minneapolis

Duluth

The Peavey Company

Handlers of Grain

Minneapolis

BANKERS

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

Chicago Grain Futures in Decline

Chicago, July 7—Good crop prospects for all grains with the exception of oats had a weakening influence on grain futures traded in on the Board of Trade during the past week. The frequency of showers and cooler periods which followed hot weather provided favorable conditions for the growing grain, and the improvement in spring wheat in the United States and Canada and rapid development of corn created a condition which resulted in the free liquidation of large holdings of July wheat and corn. It is generally conceded by the crop experts employed by Chicago houses that weather conditions in the next ten days will either confirm expectations of a bumper yield of grain or else result in a lowering of yields and condition, but all advices contain the suggestion that the returns to farmers will be liberal this year, and traders who a month or six weeks ago were heralding their predictions of \$2 wheat in July have been lightening their loads at the expense of the bank accounts.

Expect Bearish Report

Belief is general that the Government report which will be made public on Thursday of this week will be a bearish document exercised a bearish influence. Of particular importance is the announcement that Canada expects a bumper yield of wheat this year. Some Canadian statisticians have been predicting a crop of nearly 500,000,000 bushels, exceeding the return of more than 475,000,000 bushels in 1923, and this propaganda has been effective in diminishing the demand from European buyers in the last two weeks. Reviews of crop conditions in the corn belt west of the Missouri River established a declining market for futures here although there has been an active demand for spot and prices have declined to the lowest levels of the year. There has been no diminution in the pressure on the market and there is apparently a large short account out. Cash interests took about 2,000,000 bushels oats delivered on July contracts since last Friday and there has been a satisfactory shipping and industrial demand for reduced supplies. It is a generally accepted fact in the trade that the crop will be a smaller total and the quality less desirable than a year ago. Under excellent crop prospects rye futures have fallen to the lowest prices of the year, but this has not improved the export trade.

Bullish Theory Exploded

Wheat has been suffering from favorable crop prospects in the Northwest and indications that the total yield of winter will range between 655,000,000 and 670,000,000 bushels. The foreign outlook is also much more promising than at this time last year and the theories offered by American statisticians a few months ago that wheat would be priceless on July owing to a small carryover have been exploded as it is now conservatively estimated that the carryover will approximate 75,000,000 bushels. This situation is exciting the risibilities of Broomhall and other British statisticians who were the butt of pointed remarks by leaders in the American grain trade when they insisted that United States estimates of the 1924 crop were 180,000,000 bushels too low. It has come to pass that Broomhall was right in his deductions and in the meantime wheat futures are selling about 60c lower than they did six months ago.

Wheat Marketed Freely

During the past week there has been another recession of 10@12c in wheat futures under the arrival of new winter

wheat which graded from No. 1 to No. 2 hard and evidences of free marketing at winter wheat primaries. Receipts at primary markets for the period under review exceeded those of the preceding week by 778,000 bushels and were 1,393,000 bushels larger than in the corresponding week last year. Liquidation has been enhanced by the fine weather for the growing crops in spring wheat territory and favorable conditions for harvesting and threshing in winter wheat sections. Italy reports a prospective yield of 224,000,000 bushels compared with 116,000,000 bushels last year and 164,000,000 bushels in 1923, and the French crop is estimated at 312,000,000 against 282,000,000 bushels in 1924. Liverpool has been weak and exporters expressed indifference but at the lower levels 2,000,000 bushels has been taken by Europe. World's shipments fell off 835,000 bushels and were 6,500,000 bushels smaller than a year ago, the amount afloat for Europe decreases 3,064,000 bushels to a total 11,625,000 bushels smaller than a year ago and American stocks have been further reduced 11,067,000 bushels to a total of 124,990,000 bushels compared with 150,429,000 bushels at this time in 1924. During the crop year just closed primary markets received 515,536,000 bushels compared with 350,000,000 bushels in the same time last year.

Corn Under Pressure

Corn futures declined 3½@7c under free liquidation of July, which was hastened by the extremely favorable character of the weather for the growing crop. Present prospects indicate a yield of between 3,100,000,000 and 3,400,000,000 bushels which compares with the record crop of 3,208,584,000 bushels in 1920 and supplies in sight are the largest in 27 years with the exception of 1921 and 1922. Although American stocks were reduced 3,061,000 last week, they are still about 7,000,000 bushels larger than a year ago, and Chicago stocks of 7,554,000 bushels compare with 2,900,000 bushels at this time last year. World's shipments were 1,245,000 bushels smaller and 540,000 bushels less than last year, but there have been some evidences of export interest. The week's movement toward primaries was 752,000 bushels smaller and 560,000 bushels under a year ago, but the crop movement so far is 24,600,000 bushels greater than in the corresponding period last year.

Oats fell back 3@4c more to a level approximating last year's prices. Some export buying, about 1,000,000 bushels, was reported at the lower level, but liquidation of stop loss orders failed to elicit support and improvement of crop prospects since rains relieved drought created an easier feeling. World's shipments were 500,000 bushels smaller, but 750,000 bushels more than last year, and the amount on passage to Europe decreased 2,950,000 bushels and 270,000 bushels less than a year ago. The American visible diminished 1,870,000 bushels, but is still 28,600,000 bushels in excess of a year ago.

Rye Trading Light

Rye receded 11@12c in the absence of speculative support as foreign buying did not exceed 1,600,000 bushels during the week and suggestions of a larger yield resulted in free liquidation. Trading in futures was negligible and spot moved slowly although visible stocks decreased 1,195,000 bushels and are now 8,500,000 bushels smaller than a year ago, while Atlantic port exports exceeded those of a year ago by 210,000 bushels.

Cash Houses Take Deliveries

A decline of 30c in wheat from its May high level apparently has not stimulated the purchase of any lines of consequence and the shipping and export business has also been disappointing to the trade here. Cash houses took care of oats delivered on July contracts and sold the December, and shippers took care of nearly all of the wheat and corn passed along.

Bert Schwarz, who is in Europe and has been touring through Germany and France, says the crops of wheat and rye in both countries look promising.

Cotton prices were extremely irregular, but reached a higher level although crop prospects were further improved. On the other hand there were indications of betterment

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 LaSalle 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

CHICAGO

NEW YORK
FT. WORTH

KANSAS CITY
BUFFALO

ST. LOUIS
MILWAUKEE

GALVESTON
NORFOLK

TOLEDO

We Solicit Shipments of Grain to

Specialists in Milling Wheats

Manufacturers of the HIGHEST QUALITY of

POULTRY - DAIRY - HORSE - HOG FEEDS

Members of Leading Exchanges

in textile operations. Liverpool and Russia were fairly active buyers and reports of the need of rain in Texas was one of the bullish factors. Private estimates made the area 45,592,000 acres, a gain of 6.9 per cent. over last year, suggesting a crop of 13,261,000 bales, according to Murray.

Van Dusen-Harrington Northwestern Crop Report

Minneapolis, July 8—With normal summer weather during the past week the grain crops of Minnesota, North Dakota, South Dakota and Montana are showing a favorable growth.

As we have now arrived at a critical period, there is great interest in the black rust situation. There were one or two sultry days recently, and black rust progressed slightly in a few places. This is most apparent in the territory from Huron to Aberdeen in South Dakota where there is now a slight infection on the upper stems. As the wheat is well advanced, this may not cause much damage. In other parts of South Dakota it is of little consequence. In North Dakota there is but little rust, except in the Red River Valley and a few spots in the south central part of the state. In Montana and the northern districts of North Dakota, the wheat shows practically no rust up to this time. Except in the Red River Valley districts in Minnesota, this state shows only slight traces. Its development is entirely a question of weather. From our observations we find that there is not a general infection of black rust throughout the Northwest, but it seems to be confined to local districts.

At present the prospects for wheat in Montana and North Dakota are extremely good. Minnesota's conditions are not quite as high as those two states, while South Dakota is spotted, with some very good fields, while others are thin and short. There are one or two districts in the west central part of North Dakota, where the soil is sandy, and rain would undoubtedly improve the crop.

The harvesting of rye in South Dakota and Minnesota will probably start within a few days, as some fields are now ripe. The crop generally is thin and light yields are anticipated.

We have received more favorable reports this week on barley and oats. The fine rains in Minnesota and South Dakota, together with good weather, have apparently been of considerable benefit. Fields that were considered poor two weeks ago, now show a very fair condition. Some early oats will be cut within the next week, and early barley within ten days.

Corn has done extremely well during the past week, and is fully up to the average for this season of the year, in Minnesota and South Dakota. It has also improved in North Dakota and it is possible with favorable weather, that a considerable portion will mature.

Our reports on flax are quite varied. We judge from the information sent by our correspondents that the crop is extremely spotted. Some of it was seeded very early and

did not germinate because of the dry weather. Other was seeded later, after the rains. It is now in all stages of development, some fields being four inches high, while others are in bloom and some are even in the boll. North Dakota has the greatest flax acreage and the conditions there are the best of the four states. In Minnesota and South Dakota a considerable amount of flax was sown on old ground, and most of this is so weedy that the yield will be greatly reduced.

Unless some unusual conditions arise, we believe the present prospects for the Northwest grain crops are very promising.

REVIEW OF THE LIVE STOCK MARKETS

(Continued from page 45)

been offered in smaller numbers and prices are about the same. Tuesday's trade found the bulk of corn fed steers and yearlings finding their way to the scales at \$8.00 to \$13.00 with fed heifers at \$7.00 to \$11.50 and fed cows at \$6.50 to \$8.75. Grass fed cows and heifers turned to packers at \$4.00 to \$7.25 with canners and cutters going scaleward at \$2.50 to \$4.00. Veal calves are practically unchanged for the week, better lights going to all interests at \$9.00 to \$9.50 with seconds down to \$5.00. Feeders found a fairly active outlet at \$6.00 to \$8.00, stockers and yearlings cashing at \$5.00 to \$7.65. Feeding cows and heifers realized \$3.25 to \$5.50.

In spite of quite sharp declines suffered by hog trade during the last two days, prices are still 30 to 40c above the quotations of a week ago. Today's trade ruled 25 to 50c lower bulk of all hogs cashing at \$11.50 to \$13.65 within an extreme range of \$11.25 to \$13.75. Fat lambs dropped off around \$1.50 during the last week, sheep being practically unchanged. Bulk of fat native lambs turned today at \$14.50 with handyweight ewes at \$7.00.

Since 1885

Bankers have recommended

McCARTHY BROS. CO.

MINNEAPOLIS

DULUTH

May we serve you and your customers?

Write for sample sacks.

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.

Work of the Department of Agriculture in the Northwest

Secretary of Agriculture William M. Jardine, while in the Twin Cities July 6th, had luncheon with 100 employes of the department who are stationed in Minneapolis, St. Paul and South St. Paul.

The average person probably knows that the Department of Agriculture gives valuable service to farmers and has helped to improve both the quantity and quality of agricultural production, but few realize the extent and value of the service rendered to the general public, the business man and city worker.

Eight of the 16 bureaus or separate offices of the Department were represented at the luncheon. Not one of the 14 local offices is entirely or directly engaged with the growing of farm products and probably not more than a score of the 172 employes in the three cities have immediate contact with farmers.

The farmers need the city markets and the city dweller needs the products of the farm. The Department of Agriculture helps to bring them together but so unobtrusively that few city dwellers know of the many services of the department or realize their extent and value.

Everyone feels directly or indirectly the influences of the department. There are many activities of the department not represented here but those presented are in continual contact with business in the Northwest.

Whether you take an automobile trip may depend on the probable weather as forecast by the Weather Bureau's meteorological observations. These forecasts have commercial uses. The icing or heating of refrigerator cars for fruit and vegetable shipments is influenced and the shipment may be planned according to favorable or unfavorable weather prospects. Building construction also is guided by weather forecasts.

Work in Road Building

The automobiles, both passenger and commercial, are traveling more economically and more comfortably over new and improved roads to which the United States Department of Agriculture contributed. The Bureau of Public Roads started in 1893 to investigate and test road building material and methods. The passage of the Federal Road Aid Act in 1916 found that Bureau prepared to lead in the development of a system of highways that shall serve each state and the country as a whole including Alaska and Hawaii.

The office of the Federal Road District No. 4 comprising the states of Minnesota, North Dakota, South Dakota and Wisconsin was opened at St. Paul in December, 1916. Since that time seventy-seven and three-quarters millions of dollars have been expended in the construction of Federal Aid roads of which \$32,850,000 have been Federal funds. This includes all bridges and other structures and about 8,000 miles of road. The road construction plans of each state are carefully coordinated with those of adjacent states so we have a national system of highways with some which are transcontinental in character designated as United States highways.

This district, No. 4, leads all the 12 Federal districts in the total miles of Federal Aid projects, and during the present year work will be accomplished on about 2,500 miles. The plans and estimates of State Highway Departments are reviewed by the Federal engineers and new work is inspected during the construction and for two years after completion.

The Bureau of Public Roads has other projects of agricultural engineering studies and for the last four years has maintained a drainage and tile laboratory in cooperation with the University of Minnesota Department of Agriculture. Where land drainage is contemplated, soil waters are examined so that the proper materials are specified in making tile used in both public and private ditches. This work is going ahead with the Agricultural Department of the State and there are now in Minnesota 7,000 miles of tile which cost \$10,000,000.

In Touch with General Public

The extent of the Department of Agriculture coming in touch with the general public is illustrated on your dinner table. The meat you eat today was probably passed on by

the Bureau of Animal Industry Meat and Livestock Inspection, which for over 30 years has watched the South St. Paul packing house production of meat to insure the people of the United States a good food supply.

Last year, over 5,500,000 head of live stock were inspected, 50,746 cattle tested for tuberculosis, 117,794 swine immunized against cholera, and 49,000 sheep dipped. Over 3,000,000 swine and nearly 1,500,000 cattle, calves, and sheep were inspected when slaughtered at South St. Paul. More swine were slaughtered and inspected at South St. Paul than at any other point in the United States excepting Chicago. The Bureau of Animal Industry, however, does not wait until the time of slaughtering the cattle as the Tuberculosis Eradication Division would have sound animals on the farm, and since July, 1917, in cooperation with the State Live Stock Sanitary Board have inspected the cattle on farms in the state. During the past year there were inspected over one-half million cattle in 19 counties of Minnesota. Farms are visited without direct expense to the owners and Minnesota farmers are saved approximately a million dollars, and the general public benefits from reducing the source of tuberculosis infection to the human family.

The Market News Service on live stock, wheat and wool has been established at South St. Paul since November 1, 1917. The United States Department of Agriculture cooperates with the Minnesota Department of Agriculture and serves the territory, Minnesota, North Dakota, Montana and parts of South Dakota and Wisconsin. Information pertaining to the movements, prices and general crop or live stocks is mailed to individual farmers, producers, and others and supplied to newspapers and other agencies. Reports are received from time to time during the day showing the trend of prices at other markets which are distributed from St. Paul. There is less mystery to supply and demand figures and both consumer's and grower's prices are better understood.

During the first six months of 1925, 56,526 cars of live stock were received at South St. Paul, and farmers of Minnesota and the Northwest received \$69,000,000. Congress on August 15, 1921, passed the Packers and Stockyards Act and since November 1, 1921, there has been an office of the Department of Agriculture at South St. Paul supervising interstate commerce in live stock passing through the St. Paul stockyards. There is supervision of the rates and charges, and business conduct of stockyards companies, live stock commission men, dealers, meat packers and market agencies, and an investigation of the economical aspects of the live stock and meat packing business.

Inspection of Foods

Your foods and your medicines are watched over by the Department of Agriculture. It is estimated that there are 1,500 different foods and 15,000 different drugs and a large part of this number passed through the Twin City market and Northwest states. The Bureau of Chemistry Food and Drug Laboratory which was established in 1907 at Minneapolis investigates all types of food and drugs shipped in interstate commerce into the states of Minnesota, North Dakota, South Dakota, northern Wisconsin and northern Michigan or offered for entry into the United States.

A recent estimate shows food products in allied industries produced in Minneapolis to the value of \$240,000,000. Other foods entering the territory and produced in other sections of the territory will easily make the total value of the food and drugs production vised by the station \$5,000,000, which is practically one-half of the billion dollar market so often mentioned as the value for this Northwest territory.

No matter what your business you are interested in the volume of crops and live stock production of the Northwest. If making flour or any other food product your interest is greater, but you know the business turn-over in the Northwest will be measured very largely by the farmers' production.

There is a Department of Agriculture crop statistician in every state of the union who works to present an accurate

unbiased picture of crop condition, yield and production from month to month. In Minnesota, the United States Statistician at St. Paul cooperates with the Minnesota State Department. There is a list of voluntary crop reporters totalling about 2,500 composed of farmers, managers of mills and elevators, bankers, and implement dealers. Valuable information is received from railroads, extension workers, and cooperative organizations. Individual familiar with crop and live stock conditions in their locality send reports from their county in the state which are the basis of the reports issued from the Minnesota office as well as from Washington.

There are other reports issued by the Department with more immediate influence on the daily life of all citizens. There are a few communities but receive fruits and vegetables grown in some distant part of the United States. The Market News Service of the Department has an office at Minneapolis which issues daily bulletins on prices and supplies of fruits and vegetables, poultry and dairy products. This office was opened in 1917, and bulletins being issued at present cover approximately 27 various commodities. With 16 permanent Market News offices throughout the United States, reports are received here every day showing the number of carloads of each commodity that is shipped from every state during the previous 24 hours, prices being paid at the principal shipping points, and market supplies and conditions in the larger markets. This service reaches the public through the daily papers and other news agencies and approximately 1,500 daily bulletins are issued. This service is a big factor in securing proper disposition of perishable food products and enabling the shipments to reach all markets in an orderly manner without gluts or shortages. Your own grocer serves you better because of the Department's help. The Department further recognizes the importance of Minneapolis as a great market center by establishing a Market News Agency through which statistics on prices of mill feeds, grain, hay and seed are gathered and telegraphed to Washington daily. This office supplies radio and news agencies with daily reports on feed and cooperates with state agricultural departments in reports showing delivered prices of feed in Minnesota, Wisconsin and Iowa. Reports from this office are incorporated in the Weekly Market Letter made up at Washington and given wide distribution from Minneapolis.

Work of Standardization

Much of the work of the United States Department of Agriculture has been standardization of agricultural products, not that farmers can always produce standardized uniform products but when marketed as grown they are classified by uniform standards and in all parts of the United States, a difference between a No. 1 grade and No. 2 grade is understood. The producer and consumer using the same uniform standards of grading have a common understanding and trading is facilitated. The Department has worked out grading for hay, wool, potatoes, and many fruits which are in general use by popular consent.

The inspection and grading of fruits and vegetables according to Federal standards is not required by law but approximately 700 carloads are inspected each year by the Minneapolis office. Such inspections are strictly commercial and in arbitration with the object of helping shippers and receivers to settle differences of opinion.

The grading of wheat, corn, oats and rye is by Act of Congress at all grain markets when moving in interstate commerce, according to established Federal standards. An office of Federal Grain Supervision has been located in Minneapolis since December, 1916. Grain moving in and out of Minneapolis is originally inspected by the State of Minnesota inspectors who are licensed by the Secretary of Agriculture. The Department of Agriculture helps these inspectors to grade uniformly with inspection in other markets, and when a buyer or seller is not satisfied with the inspector's grade, the Department of Agriculture secures a sample of the carload, determines the final grade and issues an appeal certificate which supercedes previous grades. During the past year the Minneapolis office has entertained approximately 5,400 appeals and obtained samples from ap-

proximately 10 per cent. of the cars graded both on arrival and shipment from Minneapolis. The Department of Agriculture's influence on all grain moving in and out of Minneapolis is towards uniformity of classification from day to day and for uniformity between all markets.

Grading the grain arriving at Minneapolis has shown mixtures of valueless weed seeds in some cars as much as 20 per cent. The Minneapolis office of grain investigation is working on this problem and encouraging the use of grain cleaning machinery. We all eat wheat bread because the impurities have been removed from the wheat by cleaning machinery.

Grain exchanges where there is trading in contracts for future delivery of grain came under the supervision of the Department of Agriculture on April 6, 1923 after Congress passed the Grain Futures Act. The Minneapolis office of the Department in order to carry out the purpose of the Act to prevent dissemination of misleading reports concerning crops or market information and to prevent the misuse of the facilities of the Grain Exchanges receives daily reports of the future contract transactions of members of the Minneapolis Chamber of Commerce and Duluth Board of Trade.

Conserving Timber in the Northwest

The people of Minnesota appreciate the opportunities for recreation in the northern woods but few know that the United States Department of Agriculture is studying methods essential to maintain the timber lands and timber production of the region. The work is in cooperation with agricultural colleges, state forest service, and others interested in the reforestation of cutover land in the states Minnesota, Wisconsin and Michigan.

THE FEDERAL RESERVE SYSTEM AND AMERICAN FINANCE

(Continued from page 21)

will not only be well represented but will be one of the media through which the recommendations of the conference will be circulated and transmitted to the public.

Opportunity and Responsibility

In the last quarter century our country has assumed its place as a great commercial world power. That position has brought with it both opportunity and responsibility. To realize that opportunity and to discharge that responsibility the United States now has and must continue to have financial machinery adequate for its needs.

In the Federal reserve system we already possess the best and most scientific method of regulating our finances, which has ever been developed, and which is destined to be of continuing and increasing importance as the business of the nation expands.

No one who is conversant with the financial history of our country and who remembers how the injection of politics destroyed the First and Second Banks of the United States, no one who has in mind the suffering and distress which followed the panics of 1873, 1893 and 1907 can fail to recognize the supreme importance of the Reserve Bank System, which stands today as the bulwark of American business. That is a task to which we can all set our hands with the knowledge that we are working for a continuance of America's financial stability for the best interests of every section of our own country and for the betterment of the commerce of all the world.

A GOOD FIRM TO SHIP TO
They can handle your Wheat, Oats, Rye,
Corn, Barley and Flax.

ATWOOD-LARSON CO., Inc.
1005 Chamber of Commerce 519 Board of Trade
MINNEAPOLIS DULUTH

Woodward-Newhouse Co.
GRAIN COMMISSION
MINNEAPOLIS - DULUTH

O. T. NEWHOUSE, Pres. CHAS. E. KLINE, Secy.
C. L. NEWHOUSE, Vice Pres. W. L. WALTER, Treas.

STOCKS OF GRAIN AT MINNEAPOLIS

	July 4, 1925	June 27	Year ago
No. 1 hard spring	949,433	1,128,892	.....
No. 1 dark northern	1,690,135	1,994,825	2,256,692
No. 1 northern	1,013,253	950,150	898,034
No. 2 northern	151,782	167,080	750,047
No. 2 dark northern	332,658	359,361	1,290,885
No. 3 dark northern	41,969	70,303	786,986
No. 3 northern	2,080	6,318	35,382
Winter	22,886	22,886	6,815
Durum	4,700	8,723	120,783
Transfer	.....	.....	3,353
Other grades	495,632	595,181	1,327,832
Public houses	4,706,361	5,314,552	7,476,719
Private houses	295,098	306,161	384,498
Totals	5,001,459	5,620,713	7,861,217
Decrease	619,254	315,223	.....
Corn	278,030	343,006	357,722
Oats	12,702,322	13,661,116	354,260
Barley	112,190	228,539	93,112
Rye	494,672	480,755	5,586,048
Flax	243,485	248,977	12,137

GRAIN STOCKS AT DULUTH

Grain stocks in Duluth and Superior elevators as on July 3, showing changes in the week—Wheat, Nos. 1 and 2 dark northern and Nos. 1 and 2 northern, 2,001,648 bushels; No. 3 dark northern and No. 3 northern, 40,776 bushels; other spring, 2,369,520 bushels; Nos. 1 and 2 amber durum and Nos. 1 and 2 durum, 153,468 bushels; No. 3 amber durum and No. 3 durum, 21,895 bushels; other durum, 1,374,528 bushels; Nos. 1 and 2 dark hard winter and Nos. 1 and 2 winter, 6,882 bushels; other winter, 1,824 bushels; bonded, 116,523 bushels; total wheat, 6,087,064 bushels; decrease, 1,243,148 bushels.

Coarse grains—Corn, 23,536 bushels, increase, 10,253 bushels; oats, 4,487,073 bushels, decrease, 508,412 bushels; barley, 429,399 bushels, increase, 8,874 bushels; rye, 1,411,160 bushels, decrease, 1,156,680 bushels; flaxseed, 279,370 bushels, increase, 11,078 bushels.

MINNEAPOLIS-DULUTH-SUPERIOR WHEAT RECEIPTS

Receipts of wheat in Minneapolis and Duluth from September 1, 1924, to July 4, 1925, compared with the corresponding period of previous years, in bushels (000's omitted):

	1924-25	1923-24	1922-23	1921-22
Minneapolis	92,704	91,468	118,252	91,060
Duluth	104,654	32,467	59,506	45,461
Totals	197,358	123,935	177,758	136,521

GRAIN STOCKS AT CHICAGO

	This week	Last week	Last year
Wheat	2,658,000	3,002,000	9,713,000
Corn	7,039,000	7,554,000	2,437,000
Oats	7,680,000	8,257,000	736,000
Barley	150,000	140,000	67,000
Rye	4,006,000	4,030,000	2,043,000

UNITED STATES VISIBLE GRAIN SUPPLY

	This week	Last week	Last year
Wheat	26,670,000	29,146,000	34,519,000
Corn	13,094,000	15,021,000	7,142,000
Oats	33,265,000	35,268,000	4,741,000
Rye	7,160,000	8,706,000	17,399,000
Barley	1,382,000	1,646,000	392,000

EXPORTS OF GRAIN FROM ATLANTIC PORTS

	This week	Last week	Last year
Flour, barrels	237,000	331,000	206,000
Wheat, bushels	2,857,000	4,156,000	3,733,000
Corn, bushels	30,000	378,000	101,000
Oats, bushels	1,427,000	1,735,000	583,000
Rye, bushels	1,608,000	853,000	241,000
Barley, bushels	448,000	370,000	203,000

THE WEEK'S FLOUR OUTPUT

(From The Northwestern Miller)

The following table shows the flour output at milling centers for the past two weeks, with comparisons, in barrels:

	July 4	June 27	July 5	June 7
Minneapolis	233,309	252,845	157,165	199,965
St. Paul	6,998	8,719	4,870	7,365
Duluth-Superior	16,860	16,255	17,015	8,265
Milwaukee	6,000	6,400	1,350	4,200
Totals	263,167	284,219	180,400	219,895
Outside mills*	131,390	214,718	178,904	143,738
Aggregate spring	394,557	498,937	359,304	363,633
St. Louis	16,500	16,500	19,500	30,300
St. Louis†	23,200	33,400	20,400	21,200
Buffalo	180,399	187,653	103,896	109,045
Chicago	34,000	36,000	27,000	15,000
Kansas City	100,113	114,200	93,759	101,380
Kansas City‡	312,644	307,271	273,797	213,560
Omaha	22,995	22,178	18,133	17,775
St. Joseph	44,089	42,492	40,009	17,545
Salina	24,384	27,149	20,465	11,545
Wichita	29,659	23,756	28,484	29,615
Toledo	25,100	26,900	36,000	9,900
Toledo¶	64,590	71,384	80,495	34,585
Indianapolis	.....	.....	.....	4,545
Nashville**	.....	81,264	99,676	.....
Portland, Oreg.	9,256	11,028	19,780	28,770
Seattle	21,278	23,310	19,455	19,580
Tacoma	19,483	23,879	19,277	8,480

*Minnesota, Dakota and Iowa mills, outside of Minneapolis and Duluth.

†Flour made by mills outside of St. Louis, but controlled in that city.

‡Flour made by group of southwestern mills outside of Kansas City, but inclusive of mills at Wichita, Salina, Omaha and St. Joseph.

¶Flour made by central states mills, including those of Toledo.

**Flour made by southeastern mills, including Nashville.

FLAXSEED RECEIPTS AND SHIPMENTS

Receipts and shipments of flaxseed at Minneapolis and Duluth, September 1, 1924, to July 4, 1925, compared with the corresponding period of the previous year, in bushels (000's omitted):

	—Receipts—		—Shipments—	
	1924-25	1923-24	1924-25	1923-24
Minneapolis	13,856	8,279	3,510	1,834
Duluth	16,245	6,787	14,878	5,958
Totals	30,101	15,066	18,388	7,792

MINNEAPOLIS GRAIN FUTURES

	July 2	July 3	July 6	July 7	July 8
Wheat—					
July	1.44	1.44	1.44	1.48	1.50
September	1.39	1.37	1.39	1.43	1.44
December	1.40	1.39	1.40	1.44	1.45
	July				
	July 2	July 2	July 6	July 7	July 8
Rye	.89	.88	.87	.92	.94
Oats	.40	.41	.41	.42	.43
Flax	2.38	2.38	2.37	2.33	2.40
Barley	.78	.78	.80	.80	.81
	September				
	July 2	July 2	July 6	July 7	July 8
Rye	.91	.90	.90	.94	.96
Oats	.40	.41	.41	.42	.43
Flax	2.34	2.22	2.31	2.32	2.39
Barley	.71	.71	.71	.72	.73
	December				
	July 2	July 3	July 6	July 7	July 8
Rye	.....	.....	.....	.....	.....
Oats	.40	.42	.....	.44	.44
Flax	.....	.....	.....	.....	.....
Barley	.....	.....	.....	.....	.....

DULUTH GRAIN FUTURES

	July 2	July 2	July 6	July 7	July 8
Durum	1.35	1.36	1.39	1.43	.....
Flax	2.38	2.37	2.36	2.38	.....
	September				
	July 2	July 2	July 6	July 7	July 8
Durum	1.29	1.28	1.29	1.34	.....
Flax	2.36	2.35	2.35	2.36	.....

CHICAGO GRAIN FUTURES

	July 2	July 2	July 6	July 7	July 8
Corn	.98	.97	.96	.99	1.02
Oats	.43	.43	.44	.46	.46
Rye	.93	.93	.93	.98	.98
	September				
	July 2	July 2	July 6	July 7	July 8
Corn	1.02	1.01	1.01	1.04	1.06
Oats	.45	.44	.45	.46	.47
Rye	.95	.95	.97	1.00	1.00
	December				
	July 2	July 2	July 6	July 7	July 8
Corn	.88	.87	.87	.87	.87
Oats	.47	.47	.48	.49	.49
Rye	.98	.98	.99	1.02	1.02

WINNIPEG GRAIN FUTURES

	July 2	July 2	July 6	July 7	July 8
Wheat	1.56	1.54	1.54	1.58	1.59
Flax	2.13	2.12	2.12	2.19	.....
	October				
	July 2	July 2	July 6	July 7	July 8
Wheat	1.30	1.30	1.21	1.34	1.34
Flax	2.13	2.14	2.13	2.18	.....
	December				
	July 2	July 2	July 6	July 7	July 8
Wheat	1.27	1.27	1.28	1.31	1.31

WHEAT RECEIPTS—CARS

	Minneapolis		Duluth		Chicago		Winnipeg	
	Year	Year	Year	Year	Year	Year	Year	
	1925 ago	1925 ago	1925 ago	1925 ago	1925 ago	1925 ago	1925 ago	
July 2	48	213	57	60	26	20	140	1341
July 3	293	.....	48	.....	10	.....	525	.....
July 6	403	617	127	133	13	41	476	393
July 7	104	199	65	154	43	77	574	1040
July 8	133	154	26	11	16	12	324	463

MINNEAPOLIS RECEIPTS—COARSE GRAINS

	Corn	Oats	Rye	Barley	Flax
July 2	16	44	4	19	16
July 3	25	25	5	22	20
July 6	30	58	14	46	41
July 7	11	8	.....	.....	8
July 8	15	22	2	18	10

Favor Additional Powers for National Banks

Washington—The Chamber of Commerce of the United States, through a referendum of its membership, has gone on record in favor of four proposals looking toward additional powers for national banks. The proposals endorsed and the vote on each as announced today by the Chamber are as follows:

1. That a national bank should be permitted, under regulation of the Comptroller of the Currency, to have branches within its own city if a state bank in the same city is permitted to have branches. For, 2,160; against, 105.

2. That national banks should be given indeterminate charters, subject to forfeiture for cause and termination at will of Congress. For, 2,139; against, 124.

3. That national banks should be authorized to deal in investment securities on a basis not inconsistent with the generally recognized principles of sound banking practice. For, 1,937½; against, 298½.

4. That national banks should be authorized to make mortgage loans on city real estate for periods not in excess of five years. For, 1,808; against, 425.

The referendum was based upon a report prepared by the Advisory Committee of the Finance Department of the National Chamber, the members of which are: Fred I. Kent, vice president of the Bankers Trust Company, New York, chairman; Arthur Andersen, of Arthur Andersen and Company, Chicago; E. L. Carpenter, president, Shevlin, Carpenter & Clarke Company, Minneapolis; Fred R. Fairchild, professor of economics, Yale University; W. F. Gephart, vice president, First National Bank of St. Louis; Walter W. Head, president of the Omaha National Bank, Omaha, Neb.; Charles A. Hinsch, president, Fifth-Third National Bank of Cincinnati; Felix M. McWhirter, president, Peoples State Bank of Indianapolis; Roy C. Osgood, vice president, First Trust & Savings Bank of Chicago; Lewis E. Pierson, chairman of the board, Irving Bank-Columbia Trust Company, New York; John J. Raskob, vice president, E. I. Dupont de Nemours Company, Wilmington, Del.; and Owen D. Young, chairman of the board, General Electric Company, New York.

It was pointed out in the report of the committee that "the national banking associations of the country in an increasing number are being attracted to organization and operation under state charters because of the relative liberality in a number of important particulars of the national banking laws. This defection from the national banking system as well as its decreased attractiveness to new banks, is resulting in a lowering of its prestige, a retardation of its growth, and, by comparison with state banks as a whole, a relative decrease in its strength. At the same time it is working an appreciable change in the structure of the Federal reserve system."

Figures are cited by the committees showing the growth of state banking institutions and the steady decrease in the number of national banks. "Whereas 40 years ago," the committee says, "state banks controlled only 25 per cent. of the total banking resources of the country, and 20 years ago about 40 per cent., they now control more than half. In the past year the resources of state banks and trust companies increased two billion dollars, while those of national banks during the same period increased only \$787,000,000. Whereas 40 years ago state banks in number were 38 per cent. of all banks, and 20 years ago 64 per cent., they are now 73 per cent. In the past ten years the net increase in the number of national banks has been less than 500, or six per cent. In each of the past two years there has been an actual decrease in the number of national banks."

"In the past seven years nearly 200 large national banks, with resources in excess of two billion dollars, or about one-tenth of the present total resources of all national banks, have converted into state institutions. This represents average resources per bank of \$10,000,000; obviously not the smallest banks."

The proposal of the committee that a national bank should be permitted to have branches within its own city if a state bank in the same city is permitted to have branches received the greatest number of affirmative votes. In connection with this proposal the report of the committee ex-

plained that in 20 states branches may be operated by state banks. In some of them branches are permitted not only within the city where the parent bank is located, but throughout the county or state itself. In these states particularly, it was stated, national banks feel the competition which results from this difference, and there has been a marked tendency away from the national system in those states.

BARLEY IN SOUTH DAKOTA

Sioux Falls, S. D.—O. L. Dawson, agricultural statistician at State college, says that the total production of barley last year was 22,428,000 bushels grown on 801,000 acres and bringing in a return of \$14,354,000. This was the highest since the record year of 1919, when barley was scarce and the return was \$19,506,000.

The following figures show the production, acreage and money value of barley for the last year, 1921, and for the pre-war year of 1913:

	(000 omitted.)		
	1924	1921	1913
Production	22,428	19,040	16,765
Acreage	801	1,019	771
Money value	14,354	5,024	7,712

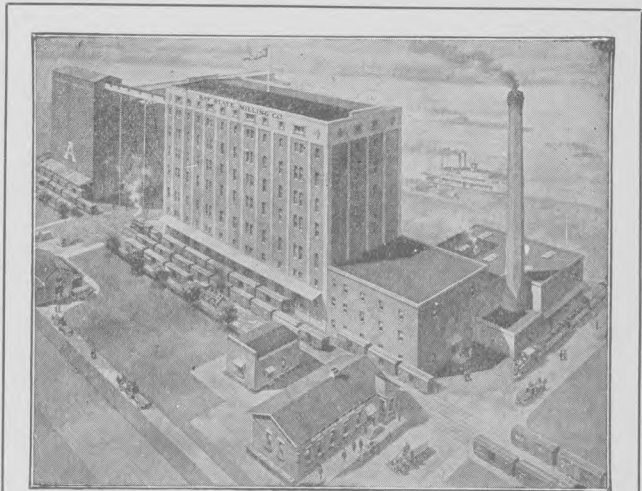
The heaviest barley producing county last year was Clark, 1,728,000 bushels. Other counties to raise more than a million bushels were Brown, Day, Edmunds, and Kingsbury. The best barley section has been the east central section, where Kingsbury, Lake, and Minnehaha counties each had yields of 34 bushels to the acre.



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 Barnett & Record Co.

MINNEAPOLIS, MINNESOTA
 DULUTH, MINNESOTA
 FORT WILLIAM, ONTARIO

That is our specialty

Write us for designs and estimates

FIRST NATIONAL BANK

MINNEAPOLIS, MINN.

Statement of Condition at the close of business
Tuesday, June 30, 1925

RESOURCES

Loans and Discounts	\$51,928,061.50
Overdrafts	23,423.77
U. S. Government Securities	15,797,024.06
Other Bonds and Securities	6,248,293.48
Bank Buildings and Other Real Estate	1,232,790.02
Customers' Liability Accounts	
Letters of Credit and Acceptances	900,499.30
Bankers Acceptances Purchased	464,790.48
Interest Earned but Not Collected	314,002.25
Cash on hand and due from Banks	26,198,562.25
	<hr/>
	\$103,107,447.11

LIABILITIES

Capital Stock	\$5,500,000.00
Surplus	5,000,000.00
Undivided Profits	378,216.48
Dividend Payable July 1st, 1925	165,000.00
Reserved for Interest, Expenses and Taxes	315,088.19
Interest Collected but Not Earned	234,852.71
Circulation	1,670,900.00
Letters of Credit and Acceptances	789,363.30
Deposits	89,054,026.43
	<hr/>
	\$103,107,447.11

Combined Deposits of First National Bank, Minneapolis Trust
Company and Hennepin County Savings Bank, \$114,465,749.70