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The World Recognizes American Skill

All the peoples of the world show a close acquaintance with and an appreciation of the skill of the American workman, says the Trade Record of the National City Bank of New York. The work of his hands is demanded in all parts of the globe irrespective of the distance from the place of production. Chinese babies demanded American baby carriages in 1924 and got them, and so did the babies of India, which got \$4,000 worth, Argentina \$20,000 worth, Australia \$8,000, Mexico \$16,000, Philippines \$7,500, and as a consequence of this world-wide appreciation of an everyday requirement of mankind, 17,000 American baby carriages valued at \$179,000 were exported to no less than 55 countries in 1924.

American typewriters click in the most distant corners of the globe, motion picture films delight audiences in 75 countries including China, Japan, British India which took three million feet of them last year and Australia 17 million feet, Dutch East Indies, France, Indo-Chino, Palestine, Turkey in Asia, Morocco, Egypt and Portuguese East Africa.

People of the great silk producing countries of the world, China, Japan and Italy are wearing quantities of American "silk" stockings made in the United States from the new imitation of silk "rayon," for each of these countries took a part of the nearly four million dollars worth of rayon hosiery exported last year, and this class of manufactures went to no less than 82 countries many of them in the most distant corners of the world, including Iceland at the far North, Hejaz, Palestine, Kwangtung, Dutch Guiana, Yugo-Slavia, France, Germany and that greatest of European manufacturers, Great Britain.

American gasoline runs American automobiles in no less than 100 countries, colonies, protectorates and mandatories, citizens of 70 countries brave inclement weather in American rubber boots and shoes, our electric fans cool the heated brows of peoples in 60 countries, including the Azores and Maderia Islands, Malta and Cyprus, British Guiana, Armenia and Kurdistan, Java, Hejaz, Palestine, Siam, Egypt, and Spanish Africa. Citizens of 63 countries

console their weary hours with American "plug" tobacco, and American cigarettes went last year to 81 countries, 7½ billions of them to China and nearly a billion to the Straits Settlements which distributed them to its neighbors in Oceania and other nearby countries and Islands; children's shoes were supplied to the rising generations of over 40 countries, including Abyssinia, Egypt, Ceylon, Hongkong, Japan and China; and merchants of 81 countries kept their sales records by the use of the American adding machine.

American chewing gum solaced the citizens of 72 countries, the largest demand coming from England, to which over a million pounds valued at nearly half a million dollars was sent in 1924, also 189,000 pounds to Mexico, 106,000 to Japan, 56,000 to China and 79,000 to Australia. Confectionery from our producers went to 85 countries the world over including four million pounds to England, ¼ of a million to Canada and Cuba each and one-half a million to Scotland. Refined sugar, produced from the "raws" imported from Cuba went to 80 countries, nearly six million dollars worth to Great Britain, while 17 million pounds were sent in the refined state to Cuba, which supplied the raw sugar from which it is produced. The foreign appetite for "sweets" is also evidenced by the fact that five million pounds of honey valued at half a million dollars were exported in 1924 to 45 countries, notably Germany, England and the Netherlands.

Our official records of the fiscal year 1925 show exports of manufactures to all parts of the world amounting to nearly three billion dollars in value, or more than double the record of the year preceding the World war.

FRANCE'S EXPORTS EXCEED IMPORTS

New York—For the first ten months of 1925 exports exceeded imports by 2,631,037,000 francs, the figures being 36,591,699,000 francs and 33,960,662,000 francs respectively. France's favorable trade balance for 1925 thus shows an increase of 1,279,084,000 francs over that of 1924 for the same period.

Western Municipal Bonds

FUTURE BOND ELECTIONS

December 14—Ohiowa, Neb.—\$27,500 waterworks system bonds.

December 15—Eugene, Oregon—\$175,000 funding bonds.

December 15—Gering, Nebraska—\$28,000 electric lighting system construction bonds.

December 28—Muscatine, Iowa—\$100,000 additional power plant bonds.

FUTURE BOND SALES

December 12—Carbon County, Montana, School District No. 2 (P. O. Bridger)—\$22,240.30 bonds; not exceeding 6 per cent.; certified check \$1,162. W. C. Lawson, district clerk.

December 12—Banta-Carona Irrigation District, California (P. O. Tracy)—\$125,000 irrigation coupon bonds; denomination \$1,000; 6 per cent.; 31½ years; certified check 2 per cent. W. Schlossman, secretary board of directors.

December 15—Nampa and Meridian Irrigation District, Idaho, (P. O. Nampa)—\$53,600 bonds; 6 per cent. The Secretary board of directors.

December 15—Fremont County, Wyoming, School District No. 25 (P. O. Riverton)—\$18,000 bonds; 5¼ per cent.; certified check \$1,000. C. E. Deardorff, district clerk.

December 16—St. Paul, Minn., \$900,000 permanent improvement bonds; denomination \$1,000; not exceeding 4½ per cent.; 20-year, certified check 2 per cent. W. S. Scott, city comptroller.

December 22—Watsonville, California—\$186,000 improvement bonds; 5 per cent.; 1-31 years. City clerk.

January 2—Helena Mont. \$125,000 refunding, series L bonds; denomination \$500; 5 per cent. City clerk.

January 5—Minneapolis, Minnesota—\$1,283,746.33 street improvement bonds; denominations \$1,000, \$500, \$100 and \$50; not exceeding 5 per cent.; 1-20 years; certified check 2 per cent. Dan C. Brown, city comptroller.

January 5—Minneapolis, Minn.—\$1,444,000 waterworks bonds and \$256,000 permanent improvement bonds; denomination \$1,000; not exceeding 5 per cent.; 1-29 years; certified check 2 per cent. George M. Link, secretary of the board of estimate and taxation.

BOND NOTES

Lyons, Colorado—The State Land Board bought \$4,000 refunding bonds at par.

Hebron, Nebraska—The Hebron States Bank purchased \$34,000 intersection paving bonds.

Wasco, Oregon—An issue of \$18,000 refunding bonds was awarded to the Ralph Schneeloch Company of Portland.

Marshfield, Wisconsin, School District—A recent election authorized \$225,000 4¼ per cent. bonds by a vote of 269 to 226.

Allamakee County, Iowa (P. O. Waukon)—The Waukon State Bank purchased \$16,000 4¼ per cent. 18-19 year bonds at par.

Salem, Oregon—Ladd & Bush of Salem purchased \$31,308.57 6 per cent. 7½ year improvement bonds at 107.25, a basis of 4.83 per cent.

Promise City, Iowa—An issue of \$2,500 5 per cent. 6½ year electric light bonds was sold to the Iowa Southern Utilities Company of Ottumwa.

Lamar, Colorado—An issue of \$15,000 5 per cent. South Main improvement district bonds was sold to Gray, Emery & Vasconcells of Denver at 98.

Worth County, Iowa (P. O. Northwood)—An issue of \$10,000 4¼ per cent. 1-year road certificates was sold to the White-Phillips Company of Davenport.

Port of Kelso, Washington (P. O. Kelso)—Peirce, Fair & Co., and the Lumbermen's Trust Company, both of Portland, jointly bought \$180,000 bonds at 100.40.

Oroville-Wyandotte Irrigation District, California (P. O. Oroville)—An issue of \$50,000 6 per cent. 30-41 year bonds was awarded to J. R. Mason & Co. of San Francisco.

Gering, Nebraska—An issue of \$28,000 5 per cent. 5-20 year electric light plant bonds was awarded to the United States Bond Company of Denver prior to an election.

Pendleton, Oregon—The Ralph Schneeloch Company of Portland has been awarded 5,305.07 6 per cent. 1-10 year improvement bonds at 103.56, a basis of 5.53 per cent.

Alameda County, California (P. O. Oakland)—The Anglo London Paris Company of San Francisco purchased \$200,000 5 per cent. tube bonds at a premium of \$3,560-101.78.

Morrow County, Oregon (P. O. Heppner)—Peirce, Fair & Co., of Portland, bought \$100,000 5 per cent. 6-25 year road bonds at a premium of \$1,035-101.03, a basis of 4.90 per cent.

Clatsop County, Oregon, School District No. 41 (P. O. Nehalem)—The First National Bank of Wheeler purchased \$12,000 6 per cent. 3-year bonds at 101.50, a basis of 5.45 per cent.

San Gabriel, California—An issue of \$12,500 fire department and site purchase bonds was authorized by a vote of 209 to 95; and \$20,000 bridge bonds carried by a vote of 236 to 70.

Council Bluffs, Iowa—The \$158,000 4½ per cent. 11 1-6 year funding bonds awarded to the First National Bank of Council Bluffs as reported in our issue of November 14, were sold at par.

Grundy County, Iowa (P. O. Grundy Center)—George M. Bechtel & Co. of Davenport were the successful bidders for \$117,000 4½ per cent. refunding bonds at a premium of \$2,080-101.26.

Kenosha, Wisconsin—The First National Bank of Kenosha was the successful bidder for \$150,000 4½ per cent. 13¼ year high school, second series bonds at a premium of \$3,474-102.31, a basis of 4.27 per cent.

Bingham Lake, Minnesota—An issue of \$6,000 7 per cent. 20-year electric distribution bonds was purchased by the Peoples Light & Power Company of Minneapolis at a premium of \$100-101.66, a basis of 6.85 per cent.

Los Angeles, California—A syndicate headed by the First National Bank of New York, including the Anglo London Paris Company of San Francisco purchased \$14,825,000 4¾-4½ per cent. bonds at a premium of \$87,468-100.59.

Ventura County, California—Ventura Union High School District (P. O. Ventura)—An issue of \$100,000 5 per cent. 17¼ year bonds was awarded to the Bank of A. Levy, Inc. of Oxnard at a premium of \$4,328.20-104.32, a basis of 4.60 per cent.

Rising City, Nebraska—The Omaha Trust Company of Omaha was the successful bidder for \$8,160 5¼ per cent. 10-year paving district No. 1, property owners' share bonds and \$11,450 5¼ per cent. 10-year intersection, village's portion bonds.

Josephine County, Oregon, School District No. 32 (P. O. Grants Pass)—The \$5,000 5¼ per cent. 11-20 year bonds awarded to Ralph Schneeloch Company of Portland, as reported in our issue of November 28, were sold at 102, a basis of 4.97 per cent.

Denver, Colorado, School District No. 1 (City and County)—The First National Bank and Eldredge & Co., both of New York, the United States National Company of Denver and the Detroit Trust Company of Detroit, jointly, bought \$1,500,000 4½ per cent. 13½ year bonds at 102.197, a basis of 4.28 per cent. Boettcher & Co. of Denver bought \$400,000 4½ per cent. 1-4 year school furnishing bonds at 100.45, a basis of 4.30 per cent.

O. B. McCLINTOCK AT HEAD OF MANUFACTURERS ASSOCIATION OF MINNEAPOLIS

O. B. McClintock, president of the O. B. McClintock Company December 9 took up his duties as president of the Manufacturers Association of Minneapolis. Mr. McClintock, a former governor of the Ninth District Rotary Clubs, was elected president of the association to succeed George F. Dickson.

Other officers elected included H. S. Gregg, first vice president; George E. Buzzza, second vice president; John Burgess, treasurer and Alexis Caswell secretary and business manager.

MEXICO MAY ESTABLISH A FARM LOAN BANK

Mexico City—It is officially announced that a National Agricultural Loan Bank will be established in January with a capital of 50,000,000 pesos, of which amount 40,000,000 will be in lands and 10,000,000 in cash. The purpose of the bank will be to loan money to farmers for agricultural development.

COUNTY — CITY — SCHOOL BONDS

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UNITED STATES GOVERNMENT BONDS

Price range for week ending December 9, 1925, as reported by C. F. Childs & Co., 609 Second Ave. So., Minneapolis, Minnesota. Quotations on Liberties are in 32nds in accordance with the practice on the New York Stock Exchange. The Treasury Certificates, Treasury Notes, and Federal Land Bank Bonds, for convenience, are also quoted in fractions of 1/32.

Issue	High	Low	Close	Yld.
1st Liberty Loan 3 1/2s 1932/47	99-29	99-23	99-28	3.53
1st Liberty Loan 4 1/4s 1932/47	101-30	101-23	101-26	3.93
2nd Liberty Loan 4 1/4s 1927/42	100-26	100-19	100-23	3.84
3rd Liberty Loan 4 1/4s 1928	101-8	101-1	101-3	2.86
4th Liberty Loan 4 1/4s 1933/38	102-5	102	102-2	3.92
Treasury 4 1/4s 1947/52	106-20	106-19	106-14	3.82
Treasury 4s 1944/54	103-1	102-28	102-31	3.78

Treasury Certificates and Notes

Issued	Bid	Asked	Yld.
B-4 3/8s—Dec. 15, 1925	100	101-1	3.46
TD-3s—Dec. 15, 1925	99-30	100	3.00
A-4 3/8s—March 15, 1926	100-7	100-10	3.55
TJ-3s—June 15, 1926	99-21	99-24	3.48
TJ2-3 1/4s—June 15, 1926	99-24	99-27	2.57
B-4 1/4s—Sept. 15, 1926	100-10	100-13	3.69
B-4 3/8s—March 15, 1927	101-3	101-6	3.79
A-4 1/2s—Dec. 15, 1927	101-4	101-11	3.80

Federal Land Bank Bonds

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

FOREIGN GOVERNMENT BONDS

Reported December 9 by Salomon Bros. & Hutzler, Minneapolis.

	Bid	Offer	Yield
Argentine Nat., Govt. of, 4 3/4 J-D5, June 5, 1926	99.75	100.12	4.50
Argentine Nat., Govt. of, 7 F-A, Feb. 1, 1927	101.75	102.12	5.05
Argentine Nat., Govt. of, 6 M-S, Sept. 1, 1957	96	96.25	6.25
Austrian, Govt. of, 7 J-D, June 1, 1943	99.50	100.12	7.00
Belgium, Kingdom of, 8 F-A, Feb. 1, 1941	107.50	108	7.42
Belgium, Kingdom of, 7 1/2 J-D, June 1, 1945	109	109.50	6.63
Belgium, Kingdom of, 6 1/2 M-S, Sept. 1, 1949	93.25	93.75	7.03
Belgium, Kingdom of, 6 J-J, Jan. 1, 1955	86	86.25	7.13
Canada, Govt. of Dom., 4 A-O, Sept. 1, 1926	99.50	99.62	4.50
Canada, Govt. of Dom., 5 A-O, April 1, 1926	100	100.18	4.37
Canada, Govt. of Dom., 5 1/2 F-A, August 1, 1929	101.75	102.12	4.85
Canada, Govt. of Dom., 5 A-O, April 1, 1931	101.75	102.15	4.55
Canada, Govt. of Dom., 5 M-N, May 1, 1952	103.12	103.50	4.76
Dutch East Indies, 6 J-J, Jan. 1, 1947	103	103.50	5.70
Dutch East Indies, 5 1/2 M-S, March 1, 1953	101.75	102.25	5.29
Dutch East Indies, 5 1/2 M-S, Nov. 1, 1953	101.75	102.25	5.29
Dutch East Indies, 6 M-S, March 1, 1962	103	103.50	5.73
France, Republic of, 7 1/2 J-D, June 1, 1941	98.87	99.12	7.57
France, Republic of, 8 M-S15, Sept. 15, 1945	102.50	103	7.80
France, Republic of, 7 J-D, Dec. 1, 1949	90.62	90.87	7.70
French Cities (Bdx. Mss. Lyons) 6 M-N, 11-1-34	84.25	85	8.33
German, 7 A-O15, Oct. 15, 1949	100.50	100.75	6.90
Japanese Govt. Sterling, 6 1/2 F-A, Feb. 1, 1954	92.62	92.87	7.08
Japanese Govt. Sterling 2nd, 4 J-J, Jan. 1, 1931	83.50	84	7.25
Japan, Industrial Bank of, 6 F-A15, Aug. 15, 1927	90.75	100	7.00
Netherlands, Kingdom of, 6 A-O, April 1, 1943	103.87	104.25	5.68
Norway, Kingdom of, 6 F-A-15, Aug. 15, 1943	100.50	101	5.89
Norway, Kingdom of, 6 A-O15, Oct. 15, 1952	100.25	100.75	5.92
Norway, Kingdom of, 6 J-D15, June 15, 1939	100.50	101	5.92
Sweden, Govt. of, 6 J-D15, June 15, 1939	105.25	106	5.35
Sweden, Govt. of, 5 1/2 M-N, Nov. 1, 1954	101.50	102	5.30
Switzerland, Govt. of, 5 1/2 F-A, Aug. 1, 1929	101.75	102.12	4.85
Switzerland, Govt. of, 8 J-J, July 1, 1940	116.50	117	6.15
Switzerland, Govt. of, 5 1/2 A-O, April 1, 1946	103.25	103.75	5.03
Un. King. of Gt. Brit. & Ire., 5 1/2 F-A, Aug. 1, 1929	117.75	118.25	.....
Un. King. of Gt. Brit. & Ire., 5 1/2 F-A, Feb. 1, 1937	104.62	105	4.98

STANDARD OIL STOCKS

Quotations December 8.

	Bid	Asked
Anglo-American (non-voting)	18	18.50
Atlantic Refining, com.	108	110
Atlantic Refining, pfd.	114	116.50
Borne-Scrymser	223	228
Buckeye Pipe Line	54.50	55
Chesebrough Mfg., com.	68	68.62
Continental Oil	25.88	26
Cumberland Pipe	139	140
Crescent Pipe	15.50	16.50
Eureka Pipe	63.50	65.25
Galena Signal	36	36.50
Galena Pr., old	104	107
Galena Pr., new	99	100
Humble Oil	79.50	79.75
Illinois Pipe	133	134
Imperial Oil of Canada	36.75	36.88
Indiana Pipe	60.50	61
Inter Petroleum	34.75	35
Magnolia Petroleum	186	187
New York Transit	52	52.50
Northern Pipe	79	80
National Transit	17	17.25
Ohio Oil	64	66.50
Penn Mexican	23	24
Prairie Oil & Gas	56	56.50
Prairie Pipe Line	125	126.50
Solar Refining	215	220
Southern Pipe Line	66	67
South Penn Oil	169	171
Standard Oil of California, com.	56	56.25
Standard Oil of Indiana	66.37	66.50
Standard Oil of Kansas	33.75	34
Standard Oil of Kentucky, \$25 par	134	134.50
Standard Oil of Nebraska	240	244
Standard Oil of New Jersey, com.	43.88	44
Standard Oil of New Jersey, pfd.	117.75	118
Standard Oil of New York	46.50	46.62
Standard Oil of Ohio, com.	364	367
Standard Oil of Ohio, pfd.	119	121
Swan & Finch	19	20
Swan & Finch, pfd.	18	25
Union Tank	128	130
Union Tank, pfd.	114	115
Vacuum Oil	102	102.50

Season Iron Ore Shipments for Head of the Lakes

Duluth, Minn.—The season's shipments of ore from Duluth and Superior docks and the port of Ashland reached a total of 44,949,052 tons, it was reported December 1. Cargoes from these docks exceed by 2,334,386 tons the total shipments from Lake Superior ports, including Escanaba and Marquette, in 1924, when the season's total was 42,614,666 tons.

November's shipments fell below that reported in October, the latter being a full month of activity whereas during November shipping has gradually come to a standstill.

Shipping men predict that when reports of Marquette and Escanaba docks are totaled last year's shipments will be exceeded by 10,000,000 tons.

In commenting upon the large shipments from the Minnesota iron ranges, the Duluth Herald remarks:

"Most of this ore comes from Minnesota mines and most of the Minnesota ore comes from this imperial county. This is a large contribution to the national welfare. Lake Superior ore is a part of the solid and lasting foundation on which the national financial prosperity is based.

"While there will be a slackening of work for the coming few months, no one need think that there will be nothing doing at the docks and in the mines. Some of the mines will continue to take out ore and build stockpiles for the coming year, and all of them will be renovating and repairing, and planning and organizing for future campaigns.

"These vast shipments do not raise any fear that the great deposits will soon be exhausted. The fact is the store laid up by nature is so vast that the man is not yet born who will live to see the last boat load go out, or the final train hauled to Duluth smelters.

"The scooping of this ore from open pits or the digging of it from deep mines, the hauling of it to Duluth for smelting or to docks for shipping, the transportation of it by water far to the lower lakes, the moving of it to inland smelters, there as at Duluth to be transmuted into things of utility, call for the highest ability. That these things are done reflect credit on those who do them and rank them among the benefactors of mankind."

LAW RATES FOR NORTHWESTERN RETAILERS CONVENTION

For the annual convention of the Northwestern Retailers Association, which will be held in Minneapolis, Minn., January 13-15, 1926, the Northern Pacific will authorize a rate of fare and one-half on the certificate plan, from points in Minnesota, Montana, North Dakota and Wisconsin, subject to a minimum attendance of 250.

Announcement has been made by A. B. Smith, passenger traffic manager of the Northern Pacific that certificates showing tickets purchased on the going trip January 9-15, will be honored at one-half fare returning if presented not later than January 19.

MISSISSIPPI VALLEY TRUST OPENS TWO NEW OFFICES

St. Louis, Mo.—The bond department of the Mississippi Valley Trust Company, St. Louis, has announced the opening of offices in Kansas City and San Antonio. The Kansas City office is in charge of Heath Moore, and is located in the New York Life Building. Robert J. Harding is the company's representative in San Antonio, with his office in the City National Bank Building. The Mississippi Valley Trust Company is active in financing construction enterprises throughout the Southwest, and the volume of its business has necessitated the opening of the new offices.

NATIONAL TEA COMPANY NEW STOCK

Chicago—The National Tea Company announces that the date of issuance of new no-par value common stock to be delivered in exchange for the old no-par value common stock on the basis of three new shares for one old share has been postponed to on and after December 15, 1925. The postponement is occasioned by the fact that the company has made application to list the common stock on the New York Stock Exchange and the formalities have taken longer time than expected.

PERSONALS

Stanford T. Crapo of Detroit, class B director, and Charles H. McNider of Mason City, Iowa, class A, director of Federal Reserve Bank of Chicago, have been reelected for three years.

* * *

William H. Woodin, president of the American Car & Foundry Co., with which he has been identified since 1899, has been elected president of the American Locomotive Company succeeding his late friend of many years, Andrew Fletcher.

* * *

Fred L. Will, for a number of years identified with the credit department of the Northwestern National Bank of Minneapolis, has become associated with the Commercial Service Company, with offices in Minneapolis and St. Paul. Mr. Will is a former president of the Retail Credit Association of Minneapolis.

* * *

Sho Hoshino, the New York representative of the Bank of Japan, was tendered a farewell luncheon at the Bankers Club of New York, December 4 by leading American and Japanese bankers. Mr. Hoshino has been called home and it is reported he will be promoted to a director of the Central Bank of Japan, and take charge of the office in Osaka.

* * *

Jackson E. Reynolds, president First National Bank of New York, has been elected a Class A director of the New York Federal Reserve Bank. He represents Group 1 and succeeds Gates W. McGarragh, chairman of the Mechanics & Metals National Bank, whose term expires December 31. Owen D. Young, chairman of the General Electric Company, has been reelected a Class B director, representing Group 1. Each will serve for three years beginning January 1, 1926.

PIONEER MINNESOTA LUMBERMAN DIES IN CALIFORNIA

C. A. Smith, pioneer lumberman in Minneapolis, died December 9 at his home at Berkeley, Calif., following an illness of a year. He was 73 years old.

In 1884 Mr. Smith founded the C. A. Smith Lumber Company, and operated a large mill in Minneapolis for many years. The mill yards, covered 80 acres. The output was large, running as high as 115,000,000 feet a year. The sawdust from the mill for a number of years furnished fuel for the city pumping station at Camden place.

Mr. Smith, as his timber interests were cleaned up in Minnesota, bought heavily in Oregon, and went to that state about 15 years ago to engage in manufacture of lumber.

SURVEY OF THE GREAT LAKES-ST. LAWRENCE WATERWAY

Washington—The joint international board of engineers who have been making a survey of the Great Lakes-St. Lawrence waterway, will complete their field work about December 15 and will report to the United States and Canadian governments about April 1.

This work is progressing, despite a report from Montreal that a recent decision of the Canadian privy council established the claim of the province of Quebec that it controls the bed and the shores of the St. Lawrence river, which lie within that province. Quebec is regarded as hostile to the deep waterway improvement project.

The text of the Canadian decision has not yet been received at the state department from the United States consul general at Ottawa.

BANCITALY ACQUIRES MORE CALIFORNIA BANKS

San Francisco—Home Savings Bank, Eureka, was resources of \$3,500,000, and California Bank of San Mateo County, with \$300,000, have been acquired by Bancitaly Corporation and will be placed under control of Liberty Bank as branches.

Thus far about 30 banks have been consolidated with Liberty Bank. Practically all development this year in Giannini interest to expend branch banking, has been done through Liberty rather than Bank of Italy.

TRUST COMPANIES TO MERGE IN BUFFALO

Buffalo—The Marine Trust Company and the Buffalo Trust Company of Buffalo, New York, are to be merged, under name of the Marine Trust. E. C. McDougal, president of the Marine, will become chairman and George F. Rand, president of the Buffalo Trust, will be president of the merged banks. The combined resources of the two banks will be over 243 millions. This merger will form the largest bank in the country outside of New York and Chicago.

THE RIGHT TROUBLE

Doctor (after thorough examination): "I don't like your heart action, Mr. Jones. You're evidently having trouble with your angina pectoris."

Bill Jones: "Right you are, Doc—only that's not her name."—Exchange.

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Dated November 1, 1925. Due November 1, 1928. Notes in coupon form in denominations of \$1,000 and \$500. Registerable as to principal only. Callable as a whole or in part on 60 days' published notice at a premium of $\frac{1}{4}$ of 1% for each six months or fraction thereof to maturity. Interest payable semi-annually May 1 and November 1, at the office of The Minnesota Loan & Trust Company, Minneapolis, Trustee, without deduction for normal Federal Income Tax not in excess of 2%.

The following summarized information has been taken from a letter of Mr. Melvin W. Ellis, Vice-President and General Manager of the Hart-Parr Company:

Business and Properties: The Hart-Parr Company was founded at Charles City, Iowa, in 1901, with a capital of \$100,000, during which year there was built in its plant the first plowing engine propelled by gasoline. The Company has enjoyed a substantial growth, the plant at Charles City now covering approximately twenty-five acres with 350,760 square feet of floor space. The present capital and surplus of the Company exceeds \$2,000,000.

The Hart-Parr Company is primarily engaged in the manufacturing of high grade kerosene road and farm tractors and is the oldest and among the leading manufacturers of this product in the country. The Company also manufactures the "Hart-Parr" Feed Grinder, the "Buhl" Portable Air-Compressor, the "Hart-Parr" Vacuum Electric Washer, and The "Newport" Automatic Feed Boiler; all of which products are being successfully marketed throughout various parts of the United States.

Security: These notes will be secured by a pledge with the Trustee of \$750,000 first closed mortgage bonds which in the opinion of counsel will constitute a first lien on the company's plants and equipment at Charles City, Iowa, having an appraised sound value of \$1,747,333.73, or more than three times the maximum amount of notes, which will be outstanding.

The Company's balance sheet after giving effect to this financing shows net tangible assets amounting to \$2,176,650.01 and net current assets amounting to \$1,412,522.21, which is the equivalent of \$4,353.00 and \$2,825.00 respectively for each \$1,000 note. The Company covenants that it will maintain net current assets amounting to at least twice the amount of notes outstanding.

Earnings: Annual net earnings from operations of the Company as certified to by Messrs. Ernst & Ernst, Public Accountants, for the 6-year 10-month period from January 1, 1919, to October 31, 1925, after deducting Federal income taxes and all interest charges, but before depreciation and the elimination of certain items applicable to the period prior to January 1, 1919, but which were not charged off until subsequent years, have averaged \$132,349.52 or more than four and one-quarter times annual interest charges on this issue.

Such earnings for the twelve months ending October 31, 1925, have amounted to \$250,470.77, or more than eight times such interest charges.

Management: The management of the Company is in the hands of men of broad experience in the manufacture of the Company's products, all of whom have grown up with the business.

Legality approved by Messrs. Pickett, Swisher and Farwell, Waterloo, Iowa, and Ernest Hausberg, Esq., Charles City, Iowa, for the Company; and David R. West, Esq., Minneapolis, Minnesota, for the Trustee. Audits by Messrs. Ernst and Ernst. Appraisal by American Appraisal Company.

Price 99 $\frac{3}{4}$ and Accrued Interest

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These notes are offered for delivery when, as and if issued and accepted by us, subject to approval of counsel. All of the above statements are official or based on information we regard as reliable and while not guaranteed by us are the data upon which we have acted in the purchase of these securities.

1883

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SATURDAY, DECEMBER 12, 1925

President Jaffray Says Northwest Now on an Even Keel

In a recent public address given in Minneapolis, C. T. Jaffray, president of the Soo Line, stated that our general good crops of this year, and also of last year, which were almost equal in cash value, to three ordinary crops, have about restored the Northwest to an even keel. The situation is vastly different than it was when farm and business depression was general over the northwestern states.

Mr. Jaffray urged business men in every line to go ahead and make all the sales they can consistent with sound practice, but avoid speculative buying and keep a careful watch on credits. Farmers have had to pay up millions in back taxes, delayed interest and old store accounts and for this reason the general volume of new business cannot be expected to be as large as the excellent crop returns would promise under normal conditions.

All the Northwest railroads are showing much better earnings than a year or two years ago, including Mr. Jaffray's, the Soo Line. That system will show net earnings on the profit side this year instead of a deficit which was the record a year ago. President Jaffray urged his hearers to make an extra effort to advertise Minnesota and the Northwest as the best place in which to live and work. All interests should cooperate to build up the population of the Northwest and so increase the buying power and capacity for the consumption of our farm and factory products.

The business map for November, published by the Nation's Business, has the white era of the Northwest extending from northwestern Wisconsin, through most of Minnesota and the eastern half of the Dakotas. A year ago this was a small dot around the Twin Cities.

Vast Development Work in Florida

That there is something going on in Florida besides a temporary land boom, or wild speculation in building lots or city property in a few cities, is understood by all those who have visited that state during recent years. Such developments as are under way at Coral Gables, Hollywood, around St. Petersburg and Sarasota and throughout the well established citrus grove districts are no fly-by-night schemes. They are vast enterprises in which hundreds of millions of dollars are being invested.

J. W. Elwood writes to the California Tax Digest from Florida and his interesting article is reprinted in the Bond Buyer of November 14. In one paragraph, he says:

"The movement in Florida is far more than a real estate boom. The actual development is simply amazing. The stream of money that is pouring into that state from all parts of the country is unprecedented—almost unbelievable. And this money is coming largely from highly successful business men and corporations who do not often lose their heads. It is said that there is now under way in buildings, reclamation work and industrial development, projects that will require the expenditure of more than two billion dollars."

Mr. Elwood warns California to be up and doing if she expects to hold her grip on winter tourist travel, and not to let Florida get the lion's share of big investment funds going into winter resort states.

"Florida seems to be building for permanency," continues Mr. Elwood. "Old towns are hardly recognizable. New cities in great numbers are in the building—beautiful cities, laid out by the best city-planning engineers, with wide, finely lighted streets, civic centers, golf courses, splendid schools, colleges and churches, and dazzling hotels and casinos surpassing those of Deauville and the Riviera. Magnificent homes are springing up in countless numbers, and an unbelievable lot of them are being built for the millionaires and multi-millionaires of the country as their permanent legal residences."

Elsewhere in this issue will be found an article describing in detail the necessary steps to establish a legal residence in Florida. One New York tax expert states that he knows of 26 millionaires who have in recent years become legal residents of Florida. California has profited immensely for many years by drawing men of wealth into that state. It looks like keen competition from now on, between these two attractive winter resort states. Capital and capitalists both are inclined to go where they are invited, not where they are attacked, or where state laws are oppressive.

The marvelous growth in population of southern California during the past two decades is due to the greatest trek among the people of one country ever recorded in history. Los Angeles County had 170,000 people in 1900, 504,000 in 1910, 936,000 in 1920 and is credited with 1,746,000 in 1924. Los Angeles itself has reached the million mark, having trebled its population since 1910. The trek to Florida has just begun.

Increase in Bank Deposits During Past Seven Years

The total bank deposits of the United States have increased during the past seven years, or since the end of the World war, from 31 billions to 53 billions. Minnesota banks have made about the average increase, growing from deposits of 700 million to one billion dollars during that period. The banks of Michigan made a greater increase, moving from 700 million to one and a half billions. This gain was largely due to the big increase in Detroit, which was 300 million in 1918 and 800 million in 1925. Illinois banks did not quite equal that but gained from two billions to three and three-quarter billions.

Our two winter resort states, California and Florida, both made phenomenal growth in bank deposits during that period. California banks moved up from one and a half billions to three billions deposits and Florida from 147 million to 550 million. Florida shows the largest percentage of increase, being well over 250 per cent. for the seven-year period.

Big Business Welcomed in the Dakotas

Have the people of North and South Dakota finally turned away from Socialism and returned to sanity? Are they now ready to welcome big business and invite outside capital to help develop their vast natural resources? The answer to these questions is unmistakable when we learn that between 30 and 40 thousand people of the two Dakotas turned out recently to celebrate the opening of two meat packing plants by the Armour Company of Chicago. The Fargo plant had been idle for more than two years and had lost a million dollars for the farmers, who furnished the money to build it. The plant at Huron had never been operated but the machinery was on the ground.

The opening of these two plants marked the return of outside capital to these states after several years of banishment because of the radicalism of the Townleyites. As one observer remarked, "this celebration was a proclamation to the world that the Dakotas are done with state socialism." Only five or six years ago Townley and his crew of radical spell-binders were sweeping through these states in their fleets of motor cars—bought with farmers' money—and telling these farmers that all big business, whether banking, grain, marketing, meat packing or railroading was in the hands of plunderers bent on robbing the farmers. The only way to escape from such crushing tyranny was to put Townley men in office and enact a lot of communistic legislation. That rash experiment was tried out and proved an utter failure, just as all unbiased students of economics predicted. Those destructionists made an awful tangle of state politics, loaded enormous burdens on the taxpayers and nearly ruined state credit, as far as outside capital was concerned. To clean up this mess, business men have been working overtime for the past two years trying to rescue the people from the mire of socialism. Now big business steps in and gives these two states a lift that will go a long way in restoring confidence and the good credit they formerly enjoyed.

History is ever repeating itself, yet mankind is slow to learn the lesson or to profit by experience. German Imperialism, when it was the greatest example of state socialism, wrecked the finances and commerce of Europe. It took men from big business, such as Owen D. Young, Henry M. Robinson and Charles G. Dawes to study out a plan whereby Europe could recover and work back to normal conditions of prosperity. Plundering communists in 1917 grabbed Russia by the throat and that prostrate country still awaits the arrival of big business men to free her from the oppression of tyrants.

In spite of the experience of the Dakotas during recent years there are organizations yet demanding that the Government take over the railroads, the telegraph and telephone lines, street railway systems and the coal mines. Not only that but some sober brows give such demands a hearing, in spite of all the failures that socialism has marked up against it.

Up to Washington Legislature to Protect Holders of Defaulted Bonds

The legislature of the state of Washington is in special session and Governor Hartley has outlined many important things to be considered, among them that of providing some relief for the bondholders of certain local improvement district bonds at various places in the state of Washington which are in default. The Governor refers to this matter as a "criminal manner in which local improvement bonds have been handled."

According to findings of the Municipal Bond Committee of the Investment Bankers Association, there are about a score of cities in the state of Washington where these sort of bonds have been issued, upon which payment stands in default. It seems this is due to old state laws, but since revised, which permitted these bonds to be issued under the form of special assessment against property, even if 90 per cent. or more of the owners of such property protested against such taxes. It appears that present laws permit such bond issues, only when the majority of the property owners favor it. Most of these instances are new subdivisions and many of these bonds were issued either during the war or prior to the war, to pay for improvements far ahead of the building up of such sections. Many property owners in such places got tired of paying the taxes and let the bonds go by default. The total amount in the state of Washington is said to be around a million and one-half dollars and a like amount which may be added by future defaulting, unless the legislature acts promptly to correct the situation.

The Governor's message to the Washington Legislature had a long list of more or less important matters which he considered entitled to legislative action. Whether the multitude of business will delay this matter of defaulted bonds remains to be seen. The state of Washington has already received plenty of adverse advertising reflecting on the credit of its municipalities and it is highly important that these bond holders be protected and provision made for paying these bonds eventually, if the credit of the state is to be maintained.

President Coolidge's Views on Help for Agriculture

In his message to Congress, President Coolidge made it plain that he is not in favor of the radical legislation proposed by numerous reformers who would make political capital out of the agricultural problems. Regarding the Government interference in prices and particularly the plan to launch the Government into an international marketing scheme, no recommendations were made, though an inference can be drawn that the President will not lend support to such measures as the McNary-Haugen Bill, or the two-hundred-million-dollar marketing plan. His message shows that he has given agricultural problems careful study. To quote from his message:

Agriculture is a very complex industry. It does not consist of one problem, but of several. They can not be solved at one stroke. They have to be met in different ways, and small gains are not to be dispised.

It has appeared from all the investigations that I have been able to make that the farmers as a whole are determined to maintain the independence of their business. They do not wish to have meddling on the part of the Government or to be placed under the inevitable restrictions involved in any system of direct or indirect price-fixing, which would result from permitting the Government to operate in the agricultural markets.

They are showing a very commendable skill in organizing themselves to transact their own business through cooperative marketing, which will this year turn over about \$2,500,000,000, or nearly one-fifth of the total agricultural business. In this they are receiving help from the Government.

The Department of Agriculture should be strengthened in this facility, in order to be able to respond when these

marketing associations want help. While it ought not to undertake undue regulation, it should be equipped to give prompt information on crop prospects, supply, demand, current receipts, imports, exports and prices.

In his address on Monday, December 6, before the members of the Farm Bureau Federation at Chicago, he made his position even more plain than in his message to Congress. Relative to schemes of reformers and of plans for price-fixing he said:

Various suggestions of artificial relief have been made. Production has been ample, but prices compared with the war era have been very much reduced, although they are now considerably improved. The proposals made have, therefore, had the purpose of increasing prices.

One of the methods by which this has been sought, though put forward chiefly as an emergency measure as I understand from its proponents, was to have corporations organized through which the Government would directly or indirectly fix prices or engage in buying and selling farm produce. This would be a dangerous undertaking, and, as the emergency is not so acute, it seems at present to have lost much of its support. No matter how it is disguised, the moment the Government engages in buying and selling, by that act it is fixing prices.

President Coolidge's opinions as expressed in his message and in his address delivered in Chicago are in accord with the views of Secretary of Agriculture Jardine. While there is promise that the usual number of "assistance-for-agriculture" bills will be presented, there seems little prospect for their passage this session of Congress. The position of the President is reassuring to farmers of the nation that they shall continue to have such governmental assistance as will bring the best and most lasting benefits, not alone to agriculture but to American industry in general.

THE BULL'S EYE BY THE SHARP-SHOOTER

It is comparatively easy to give full thanks in the immediate presence of a whole roast turkey trimmed with cranberry sauce and flanked with creamed potatoes, raised biscuits and a second helping of pumpkin pie. The only reason why it is hard for the rich to give thanks is that their mouth is too full to speak clearly. We are rich, so rich we often dread Thanksgiving day because of the stomach ache it brings. This is one of the burdens that go with great wealth.

I was reading recently the narrative of Jesus feeding the five thousand on five barley crackers and two small smoked herring. He gave thanks before He divided this lunch up among the crowd, and they all ate with a relish and great enthusiasm. Americans would think such a dry nibble as this hardly worth saying grace over. We are citizens of a country with a garbage pail that would feed some whole nations.

With only 5 per cent. of the world's area, and but 6 per cent. of its population, we hold one-half of the world's gold coin. We produce one-third of the world's steel, one-half its coal, 60 per cent. of its iron, copper, zinc and petroleum and 40 per cent. of its cereals. We have 35 per cent. of the world's railway mileage, 56 per cent. of its telephone and telegraph wires, 75 per cent. of its motor trucks and 84 per cent. of its pleasure automobiles. We spend a billion dollars a year on movies, and after enjoying ourselves to the limit last year we increased our wealth by about \$13,000,000,000.

Our national wealth is three times that of Great Britain,

five times that of France, nine times that of Germany, 12 times that of Italy. It exceeds the combined totals of that of Great Britain, France, Germany, Italy, Spain, Argentina, Brazil, China, India and Mexico.

I am taking these comparisons from a statement before me without trying to verify them; but what does that matter? We are so nearly chin deep in wealth that a few billion dollars one way or the other cuts no figure. We are near the saturation point in enjoyable property. With our 18,000,000 automobiles this whole nation could go riding all at one and the same time by putting about six people into one bus.

America is not the only nation in human history that became waddling rich. Old Nebachadnezzar after spending all the money he knew how to spend on splendid buildings and things, strutted up and down on his city wall and said to himself and to his Chamber of Commerce, "Behold this great Babylon which I have builded." He afterward went to the insane asylum and his city was so deep buried that for centuries none but wild goats and asses knew which part of the cow pasture it occupied.

We are rich and growing richer. We can hardly help growing richer now that we have the lead. It is the first million that comes hardest. The next hundred million comes by momentum. But with this growing wealth we are hearing on every side the cry that our young people are growing immoral, giddy and luxuriant. Why should they not do so? Was there ever a very rich nation that did not degenerate? Lazarus fed off the garbage can of Dives; but there came a time when Dives begged him for a drop of cool water and didn't get it—not that Lazarus had grown heartless but that Dives had put himself clear out of reach of help. America may yet go begging.

70 BUSHELS WHEAT TO ACRE IN ALBERTA

Lethbridge, Alberta—One of the best yields of wheat reported during the present season was threshed by Lyman Bullock, and yielded over 500 bushels from a field of

seven acres. This was pedigreed fall wheat, which will be kept specially for seed. It was grown on irrigated land. The heads were of great size and 80 kernels or more to the head were not uncommon.

Bandits Raid Banks Where Rangers Are Not Organized

Armed Gang Holds Up Anoka National Bank and Escape With \$15,000 Loot—Other Recent Bank Robberies in Minnesota

That there is need of more thorough organization of "county rangers" in the absence of an efficient state constabulary, is evidenced by the fact that since the middle of October four banks have been held up in daytime in Minnesota, and the bandits secured a total of \$33,800.

The latest attack was made on the Anoka National Bank of Anoka on the morning of December 8. Four unmasked bandits, working with clocklike precision, captured and held the bank for 10 minutes in broad daylight, raiding vaults and tills and escaping with \$15,000 in cash.

After threatening death and violence to any who resisted they completed their raid, walked out of the bank, climbed into an auto, waiting with engine running at the curb, and their chauffeur drove off, before a posse could get on their trail. Their methods convinced authorities that they are not amateurs and no doubt have been involved in other recent bank robberies in the Northwest.

Anoka County is one of the counties which has not yet formed a county ranger squad of civilians, to run down bank and highway robbers.

Cool and Deliberate Work

The four bandits walked into the bank at 10 a. m. One man went straight to the rear of the bank, covering three employes, with pistols. The other three aimed their guns at T. E. Coleman, assistant cashier, and Miss Cleo McLean and Mrs. K. W. Campbell, stenographers.

The man at the rear ordered Albin Lindman, teller; Alice Goodrich, stenographer, and Miss Lillian Johnson, bookkeeper, to lie on the floor "Any of you make a move, and I'll kill you," he said.

Meanwhile, two others of the gang ordered the three in the front to go to the rear and lie down, while the fourth man took his place at the front door.

One man walked into the two vaults, and finding no telephone in the rear vault, ordered all employes to go in.

While two of the bandits went through the front vault and tellers' cages, the man at the door served as doorman. For 10 minutes he welcomed customers into the bank, ordered them, with the aid of his gun, to walk to the rear of the building, where they were turned over, one at a time, to the "rear guard" and sent into the vault. There were seven customers in all.

Gather in the Currency

In the vault, currency and silver were found. From each tellers' drawer, all loose currency was removed and thrown into a sack. The bandits missed two bundles of currency and a considerable quantity of gold in the vault.

The job done, a parting command to be still was issued, and the four walked out, climbed into the car and sped away.

Employes of the bank described the men as "young, well dressed, and inclined to be nervous, though working smoothly." They looked, one man said, like a group who drove into town the day previous and looked at the bank, but moved off when they saw many customers in the place.

This robbery was the third within two months in the immediate vicinity of the Twin Cities. A similar raid resulted in a \$15,000 holdup at the Minnetonka State Bank of Excelsior, October 16. While police and deputies still were searching for the bandits, the First State Bank of New Brighton was raided, 24 hours later. The loss there was \$2,000. The First State Bank of Taopi was held up at 3:30 p. m. December 2, and \$1,800 taken.

In a warning sent out by C. D. Brown, manager of the protective department of the Minnesota Bankers Association, he informed members that indications were that holdup men have changed their plans, and told bankers that they might look for an epidemic of daylight raids in the small towns. Many counties have no organized rangers.

Taopi is in Mower County, which is in process of organization and the holdups there and at Anoka show the absolute necessity of giving a demonstration of speed in getting the rangers on a working basis. In these cases had

the rangers been ready to go, the bandits would never have succeeded in making their getaway.

Mr. Brown in a recent letter emphasizes caution in the use of gas bombs. In view of the fact that bandits are again at work it is urged that banks which are equipped with gas bombs remove them from the vault during the day. This will avoid any possibility of their breakage by the slamming of the door in the event of employes being locked in by bandits. While the use of gas has been recommended as added protection it is intended solely for night burglary purposes. Mr. Brown gives this advice:

"Throw your bolts every morning and lock them open. This may mean inconvenience when closing for the day, but it is worth it. Instruct all employes how to get out if locked in the vault. Have a screw driver, a candle and matches inside the vault. If you are locked in, remove the plate or break the glass over the lock. Lift up, and remove if necessary, the small dog which locks the bolts in position, then pry back the bolts with the screw driver. This is your get-away if you forget to lock your vault door open, but better still, don't forget it."

Check Workers Now Busy

The protective department of the Minnesota Bankers Association calls attention to the passing of dangerous checks on non-existing banks. Two of these checks have already been passed on merchants in the Twin Cities. They are good looking, printed on safety paper, and check writer used. One bears the name of the Hudson Bay Fur Company, signed "Geo. W. Wilson, president," and is drawn on the First National Bank, Milwaukee, Wisconsin. The other is in the form of a draft, purporting to have been issued by the Farmers and Merchants National Bank, Dodge City, Kansas, signed, "James E. Smith, cashier," and is drawn on the Liberty National Bank, New York. There are no such banks in Milwaukee and Dodge City. Two men apparently are working this game as the description is entirely different in the cases reported.

Wm. E. Scherer who was sentenced to five years in 1921 is now out and paving his way to receive another jolt. He poses as a life insurance agent, under various names, and when he receives a check in payment he makes a copy and cashes it at some store. Age about 50 years, height five feet seven or eight inches, weight 190 pounds, dark eyes and hair. Has a woman with him and is traveling in a red Maxwell touring car with an Illinois license.

J. H. Wilson, alias J. T. Wilson, alias Moore, alias Howard, alias Williams, referred to in a previous bulletin of the protective department, has evidently run out of checks on Kansas banks. He now uses counter checks from which he has cut off the name. He is about due to put over a few more, so bankers should notify customers to watch for him.

FOOTBALL PROFIT TO GO FOR UNIVERSITY BUILDINGS

President L. D. Coffman of the University of Minnesota has announced that football receipts over and above the cost of the general athletic and physical education program will be used to buy land adjacent to the campus and to help finance necessary buildings.

He pointed out that funds voted by the 1919 Legislature for a comprehensive building program are nearing exhaustion and that in future building programs demands on the state treasury can be reduced by what ever surplus earnings come from athletics. The fact that football has taken the public fancy to such an extent as to provide earnings of around \$200,000 a year is, he said, merely one of the unforeseen circumstances of the game's swift growth in public favor.

Money obtained from football games is handled just the way other University money is, he pointed out. Although it does not come from the legislature it is spent under a rigorous system of checks and safeguards, and all outlays are subject to the investigations of the state examiner.

Proposed Government Expenditures in the Northwest

Washington—Estimates for expenditure of several million dollars for Government activities in Minnesota and other states in the Northwest, in the fiscal year 1927 have been submitted to Congress by the director of the budget.

For continuation of the work of exterminating the barberry bush, the estimate is \$300,000, a reduction of \$75,000 from the appropriation for the current year.

An appropriation of \$313,280, is requested for eradication of white pine blister rust, much of which will be expended in the Northwest.

The estimate for the administration of the grain standards act is \$598,940, and for the grain futures act \$121,530, the latter an increase of \$10,000 over the amount provided for this year.

For maintenance and improvements at Battle Mountain sanatorium at Hot Springs, S. D., the estimate is \$305,500. For maintenance and improvements in Glacier National Park, Montana, the appropriation requested is \$167,745; for Yellowstone Park, \$398,000, and for Wind Cave Park, South Dakota, \$10,275. The estimate for maintenance of the Belle Fourche, South Dakota, irrigation project is \$65,000. For maintenance of national forests \$272,431 is asked in district No. 2 which includes Minnesota, Michigan, South Dakota, Colorado, Wyoming and Nebraska, and \$661,314 for district No. 1, embracing Montana, Idaho, South Dakota and Washington.

Estimates for the Indian service are:

Pipestone, Minn., school, \$68,750; support Chippewa of the Mississippi, \$4,500; expenses of Chippewa counsel, \$3,000; Red Lakes (from tribal funds), \$60,000; for hospital, Blackfeet, Mont., \$17,760; Fort Peck, Mont., \$15,000; Turtle Mountain, North Dakota, \$11,000; Crow Creek, South Dakota, \$9,000; Canton, South Dakota, insane asylum, \$90,000.

Appropriations asked for Indian administration are: In Montana, \$142,000; in North Dakota, \$33,000 and for Sioux of all tribes, \$375,000. For the Indian service, to be paid from tribal funds in South Dakota, \$105,500 is asked; in North Dakota \$66,500; in Montana, \$151,000. An appropriation of \$40,000 is asked for an addition to the Red Lake sawmill and \$185,000 for civilization of the Sioux.

Amounts estimated for maintenance and improvements at Indian schools are: Bismarck, N. D., \$35,750; Fort Totten, N. D., \$85,125; Wahpeton, N. D., \$58,200; Flandreau, S. D., \$109,375; Pierre, S. D., \$76,875; Rapid City, S. D., \$82,875. The amount requested for Indian irrigation projects is \$287,750.

OFFERING OF NEW TREASURY CERTIFICATES

Washington—The Treasury December 7 announced its December financing which takes the form of an offering of one year 3¾ per cent. Treasury certificates of indebtedness, dated and bearing interest from December 15, 1925, maturing December 15, 1926. The certificates are tax certificates and the amount of the offering is for \$450,000,000, or thereabouts. The Treasury will accept in payment for the new certificates Treasury certificates of indebtedness of Series TD-1925, maturing December 15, 1925, and 4¾ per cent. Treasury notes of Series B-1925, maturing December 15, 1925. Subscriptions for which payment is made in certificates and notes maturing December 15, 1925, will be given preferred allotment.

About \$480,000,000 of Treasury notes and Treasury certificates of indebtedness become payable on December 15, 1925.

The present offering is intended, with the balances already on hand and the December tax receipts, to cover the Treasury's further cash requirements until March when further financing will be necessary.

OFFERING OF NEW NORTHERN STATES POWER COMPANY BONDS

The Northern States Power Company has sold \$8,500,000 of First Lien and General Mortgage 5½ per cent. gold bonds to the Harris Trust & Savings Bank of Chicago, the Guaranty Company of New York and H. M. Bylesby & Co. The company operates electric light and power, gas,

steam heat or other utility properties serving 505 communities, in Minnesota, Wisconsin, Illinois, North Dakota, South Dakota and Iowa, having a total population estimated to exceed 1,390,000. Minneapolis and St. Paul are the principal communities served. Over 85 per cent. of gross earnings are derived from the sale of electricity.

In the opinion of counsel these bonds are secured by a general mortgage upon all of the physical property of the Northern States Power Company and also by pledge of stocks and bonds of controlled companies whose physical properties form the balance of the system.

As officially reported for the year ending October 31, 1925 gross earnings and other income of the Northern States Power Company system were \$21,338,958; net earnings were \$10,543,093, or more than 2.3 times the annual interest of the company's total bonded debt of \$80,542,600, including this issue, and the dividends on \$818,550 of divisional stocks (a total of \$4,484,361). Each year for the past ten years both gross and net earnings have shown increases over the preceding year. The present quotations on junior securities indicate a market equity of over \$93,000,000.

These bonds are due December 1, 1950 and are being offered at 100 and interest to yield 5½ per cent.

Stocks of Coal at Duluth and Superior

Duluth, Minn.—Hard coal supplies at Duluth will be practically cleaned up by early in February, in the opinion of dealers. Stocks are, however, holding out better than expected owing to a falling off in demand during November as a result of mild weather conditions.

So far dealers have not found it necessary to turn down any orders for hard coal, their policy being to take care of the needs of their customers as long as they are in position to do so. In strong contrast to conditions that prevailed during the miners strike of four years ago, it was reported by sales agents that consumers do not appear to be showing any anxiety over the prospective elimination of anthracite supplies on this market, the reason given being that stocks of Pocahontas and other smokeless coals substitutes are ample and are obtainable at much lower prices. Dealers claimed to have booked substantially heavier orders for those fuels so far this season, and that the demand for anthracite had been correspondingly reduced.

Movement of bituminous coal from Lake Erie ports to this market was maintained in good volume last month, receipts being reported by Major R. W. Crawford, United States district harbor engineer, at 976,978 tons. The only anthracite received consisted of a lot of 3,400 tons of screenings brought over from Fort William or use at a Superior briquetting plant. The movement of anthracite coal this way stopped in September after the miners' strike began. Receipts of anthracite for the season were reported at 790,248 tons, a falling off of 474,457 tons, as compared with last year. Bituminous receipts to December 1 were 8,665,616 tons, an increase of 1,214,163 tons, as compared with up to the same period last year.

Comparative receipts by months at Duluth and Superior docks during the season to December 1 were reported as follows:

	Hard	Soft	Total
April	171,372	550,014	721,386
May	214,006	1,026,333	1,240,339
June	151,939	1,295,190	1,447,129
July	139,292	1,362,574	1,501,866
August	51,636	1,243,053	1,294,689
September	58,603	968,658	1,027,261
October .....	.....	1,242,816	1,242,816
November	x3,400	976,978	980,378
Total to Nov. 30.....	790,248	8,665,616	9,455,864
xHard coal dust.			

WISCONSIN BANKERS TO MEET AT WAUSAU

Wausau, Wisconsin—Wausau has obtained the 1926 convention of the Wisconsin Bankers Association, having been selected by the executive council of the organization. The convention will take place June 7 to 9.

Heretofore conventions of the organization have been in Milwaukee. One of the reasons for the change next year is a belief that more bankers will attend an annual meeting held in a place more centrally located than Milwaukee.



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CENTRAL TRUST COMPANY OF ILLINOIS CHICAGO

Chicago Money Rates Tend Toward Ease

Chicago, December 8—Although calling of loans was heavy in New York, where the call loan rate at one time was $5\frac{1}{2}$ per cent., the surface of the Chicago money market was not rippled. Collateral loans were freely made at $4\frac{1}{2}$ per cent. and considerable money went out at $4\frac{1}{4}$ per cent. and the commercial rate over loop bank counters ranged from $4\frac{1}{2}$ to 5 per cent. There was a moderate supply of commercial paper available which moved freely although more bankers were offering $4\frac{1}{2}$ per cent. this week than last, but competition among outlying banks was keen and cream names sold readily at $4\frac{1}{4}$ per cent. and the signatures of well known corporations brought $4\frac{1}{2}$ per cent. At the present time banks have a great deal of money seeking investment, but they anticipate that year-end requirement will bring higher rates than those now current into view. Higher prices for wheat and coarse grains in the past week have accelerated the movement from first hands to primary markets and this has amplified the volume of Board of Trade loans materially. Meanwhile the requirements of industries and commercial corporations continued to slacken.

Reserves Show Recession

Competition with the call loan rate did not have the effect of causing any change in sentiment among the large bankers here although circulation was expanded by seasonal needs of merchants and there was an increase of \$9,000,000 in bills of member banks rediscounted. There was a decline of nearly 1 per cent. in the reserve position of the Chicago Federal Reserve Bank, earning assets gained \$4,200,000 and reserve money was \$2,900,000 more than a week ago. Deposits ran up \$6,200,000 and the situation bore the imprint of a sound condition. Compared with a week ago the week's bank clearings increased to a small extent, but were \$26,000,000 more than a year ago. The November total was \$360,000,000 under October, but was about \$200,000,000 larger than in the two preceding years and for 11 months showed an increase of nearly \$4,600,000,000 over a year ago and \$3,800,000,000 greater than two years ago.

Deans Explain Rate Rise

Explanatory of the rise in the British minimum discount H. G. P. Deans, vice president of the Illinois Merchants Trust Company, said:

"The recent advance from 4 per cent. to 5 per cent. in the Bank of England rate did not come as a surprise for it had been generally understood in London for some weeks that an advance would take place at this time and that it was most likely that the rate would be increased by 1 per cent. The reduction in August last from 5 per cent. to $4\frac{1}{2}$ per cent. was unexpected, as was the later reduction from $4\frac{1}{2}$ per cent. to 4 per cent. These declines, however, were known to be temporary, and were for the purpose of testing the strength of sterling, and at the same time of providing a favorable atmosphere for the Government's loan conversion operations. Recent gold exports from England have been heavy, amounting to some £20,000,000, and it had become apparent that sterling could not long be maintained on a lower interest basis than that prevailing in New York, particularly when in

addition to higher money in America it had to contend with the usual heavy autumn purchases abroad.

Change Came Naturally

"The recent decision of the government to terminate the embargo on foreign issues in London would soon of itself have brought about an advance in the Bank of England rate, for while in the interests of trade England may be opposed to high money, her bankers feel that a 5 per cent. bank rate would not penalize the foreign borrowers and would make a better market for the issues. During November our gold imports exceeded our gold exports by \$22,700,000. Practically all of the operations, import and export, were with Great Britain and Canada. From England we received during November \$42,000,000 out of total imports of \$50,000,000 and to Canada we exported \$22,500,000 out of a total export movement of \$28,000,000."

Chicago Backs Iowa Coin

Chicago bankers and business corporations will supply \$500,000 capital to finance the opening of the National Agricultural Credit Corporation at Fort Dodge and a bank bearing a similar title at Des Moines, both of which were granted charters with a capital of \$250,000 each by Comptroller of the Currency. J. W. McIntosh at a meeting of Coolidge administration officials, bankers and leaders in Chicago industry and business last week in the Chicago Federal Reserve Bank. The loaning power of the two corporations will be \$5,000,000 and their organization is for the purpose of carrying out the suggestions of President Coolidge and Secretary of Agriculture Jardine to aid Iowa farmers in holding their enormous corn crop for a better market and higher prices than are now available. John F. Hagey, vice president of the First National Bank, John R. Washburn, vice president of the Continental & Commercial National Bank, and Howard Sims, national bank examiner for this district, were appointed by Secretary Jardine to complete the organization of the credit agencies. The agencies will make loans direct to farmers at a loaning rate of $1\frac{1}{2}$ per cent. in excess of the 5 per cent. rediscount rate of the Intermediate Credit Bank of Omaha. The minimum period for which loans will run will be six months and maximum maturity will be three years, but the committee does not anticipate that loans will run longer than 12 months.

"Money Plentiful"—Reynolds

There is nothing in the money situation to cause uneasiness according to George M. Reynolds, chairman of the Continental & Commercial National Bank. He says there is plenty of business for everybody and plenty of money to do it with, and he views the agricultural situation with equanimity. "There is nothing the matter with banking conditions in Iowa or any western state that I know of," he added, "and as far as I can see there is nothing disturbing in the future outlook. The situation is a normal one and, as I have remarked before, the banks in Iowa that are in trouble did not get into that fix recently, but their distress is due to indulgence in land and other speculation unwarranted in banking happening long ago. For some years they have been working on a thin edge and now some of the others fear they will be drawn into the whirlpool. Money is available at low rates and it

is in plentiful supply. With open market transactions of the reserve banks working slightly in the direction of easier money and the gold movement out of the picture the only influence that can make for higher rates is an increased commercial demand. Government securities held by the reserve banks have displayed no distinct trend recently and unless they depart from their present open market policy, purchases of Government bonds will not make for a decided change in rates of discount."

Reserve Panic Preventive

Although some security values appear high to David R. Forgan, vice chairman of the National Bank of the Republic, he is not anticipating a severe setback in the stock market such as has been experienced in previous years. In the event of a reaction in the market he believes the recession will be an orderly one because of recourse to the Federal Reserve system. "When the expected break in stock market quotations will come is something that cannot be accurately forecasted," he said, "but I do not believe the old-time severe setback of past years will be repeated. In these days there is no calling of loans repeated from day to day for an indefinite period as in times past. Then the demands for liquidation expanded more and more as bankers became alarmed and demanded increased collateral security or their money, making a situation increasingly bad. Now the Federal Reserve system is available for rediscounting paper, and the knowledge that this bulwark of safety is back of the country will always prevent future stock market panics."

Insull Buys Elgin Line

Entry of Samuel Insull into the affairs of the Chicago, Aurora & Elgin Railroad Company, which will be merged with the Chicago, Westchester & Western road, will bring about a revolution in interurban service and place it eventually on a parity with the North Shore Line, which has given rapid transit between Chicago and Milwaukee to the entire satisfaction of the traveling public. This consolidation of two lines will also result in the extension of elevated service to Bellwood, which is about three and one-half miles west of the present terminus of the Garfield park line at Forest Park and southwardly from Bellwood to the new village of Westchester. This extension of elevated service will provide the Chicago Rapid Transit Company with ample yard facilities at Bellwood, and thereby warrant the promise of best service over the new extension. The elevated road will handle all of the local service between Forest Park and Bellwood and the Aurora-Elgin trains will only stop to pick up passengers either east or westbounds. Endorsement of the consolidation by the Illinois Commerce Commission will be followed by the organization of a new company under the title of the Chicago, Aurora & Elgin Railroad Company, which will be capitalized for \$19,500,000, of which \$10,000,000 will be represented by preferred and \$9,500,000 common stock.

Bank Stocks Stronger

Chicago bank stocks continued to move upward again this week under the leadership of First National and Illinois Merchants Trust, the former advancing 6 points more to 59 1/2 and the latter 4 to 49 3/4, both highest quotations in history. Rumors have been current that the Illinois Merchants Trust will increase its capitalization, and in La Salle Street it is reported that State Bank of Chicago directorate will submit a plan to stockholders favoring an increase in capital. As a result there was a further rise of 5 points to 60 1/2 for State Bank of Chicago shares. Union Trust registered a new high level of 380, Central Trust advanced to 272, Northern Trust to 460, National Bank of the Republic to 228 and Foreman National to 415 bid. Continental & Commercial was 401 bid and Union Bank was held at 250 against bids of 240.

Stockmen's Trust & Savings Bank has transferred \$50,000 from undivided profits to surplus, which is now \$150,000.

Legge Home From Europe

Alexander Legge, president of the International Harvester Company, has returned from Europe. He said agricultural conditions have improved on the continent and the company's business had derived benefit to the extent that it now has 60 per cent. of pre-war business from

(Continued on page 48)

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Dated Nov. 1, 1925. Due Nov. 1, 1928.

Price 99 3/4 to yield 6.10%

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Established 1878

Ground Floor McKnight Building
MINNEAPOLIS

Chicago's Stocks Rise to Year's High

Chicago, December 8—Chicago stocks in some instances rose to the highest levels of the year during the week, Gossard, Hurley, Illinois Brick and Stewart-Warner leading the way upward under strong support from some big pools. There was also a more generous volume of business, supplying an indication that the public is still inclined to trade on a rising market in spite of the fact that current levels are the top of 1925 and consequently believed to approach thin ice by more conservative operators. Enlarged earnings carried Gossard up 6 points to 44½, Illinois Brick 1½ to a new high of 37½ and Stewart-Warner 12 points to 84½. Armour class B common, Auburn, Consumers, Real Silk Hosiery and Montgomery Ward common, which had been rather sluggish the preceding week, became firm and displayed substantial gains for the period, while Great Lakes Dredge, in expectation of greater competition, fell 10 points to a level 46 points below the top of the year and United States Gypsum sold down 12 points, a sale at 152¾ ex-dividend on Friday comparing with a recent high of 209.

Chicago Bankers in Florida

Chicago is well represented at the annual convention of the Investment Bankers Association of America which is being held at St. Petersburg, Florida, this week. A tremendous delegation left on the Illinois Central last Friday afternoon for the South, content with the assignment of officers for the coming year. Ray Morris of Brown Brothers of New York has been elected president, Arthur H. Gilbert of Spencer, Trask & Co., of Chicago vice president; Frederick R. Fenton of Chicago, secretary, and Frank M. Gordon, of the First Trust & Savings Bank of Chicago treasurer. It was an impressive gathering of banking house heads who went aboard of the special train here and the program outlines some distinctive business would be done before the session comes to an end.

Directors of the Hurley Machine Company have recommended to stockholders the advisability of changing the name of the corporation to the Electric Household Utilities Corporation and an increase in capitalization from 300,000 shares of no par value to 600,000 shares of \$10 par value. On December 28 the stockholders will vote on these questions.

Libby Dividend Paid

Libby, McNeil & Libby has entered the ranks of dividend payers by ordering the payment of a semi annual dividend of \$3.50 a share on the cumulative preferred stock issued early in 1922. This payment to shareholders, the first since the dividend on common stock was passed in 1921, is due to amplified earning this year according to President E. G. McDougall, who says the company is now in a position where the directorate can vision a clear stretch of prosperity ahead. In common with other Chicago packing corporations the company has in the past two years enjoyed an enlarged demand for its products at a level of prices which supplied increased profits, but President McDougall does not hold out encouragement to holders of the junior issue of an early resumption of dividends because of the accrual of \$22.50 due to preferred stockholders.

Mail Orders Increase

Chicago mail order houses continued during November to smash sales records, Sears, Roebuck & Co. showing an increase in its business of 14.8 per cent. over the corresponding period last month and Montgomery, Ward & Co. sales exceeding those of a year ago by 10.21 per cent. Compared with October, however, Sears, Roebuck & Co. sales were \$4,850,000 smaller in November and Ward & Co., displayed a loss of \$3,170,000. For 11 months to November 30 Sears-Roebuck gained 16.2 per cent. over 1924 and Ward improved 13.14 per cent. and for the forty-sixth consecutive month had a gain in sales over a year ago.

Consumers Earns Profit

In the ten months ended October 31 the Consumers Company earned double preferred dividend requirements for the entire year, net income after deductions for interest, depletion and depreciation being \$700,854, equal to \$15.57 a share on the senior issue. October sales totaled \$2,299,204 and for ten months were \$16,161,811. For the quarterly

period ended October 31 earnings before administration and general expenses, interest and depletion were \$320,683. These charges totaled \$87,749, interest was \$46,605 and depreciation and deletion charges were \$46,089, leaving a net of \$140,239. For 10 months gross earnings were \$2,591,890, administration and general expenses \$978,306, interest \$460,228 and depreciation and depletion charges \$452,500, leaving a net income of \$700,854.

Truck Income Small

Operating profits of Yellow Truck & Coach Manufacturing for nine months to September 30 disclosed a shrinkage compared with a year ago following a recession in income for the third quarter of the year below the second quarter's income and with the view to correcting this condition President Hertz announces that the yearly shutdown for taking inventory will be omitted. Net profits from January 1 to October 1 were \$1,592,173 after depreciation and Federal taxes, the equivalent of \$2.60 a share on class B shares after deduction of class A 7 per cent. dividends. This compares with a net income of \$2,341,121 last year, when \$3.84 a share was earned on the class B shares. Consolidated balance sheet as of September 30 shows assets of \$37,738,781 which includes investments of \$3,559,305 in Yellow Manufacturing Acceptance Corporation and \$400,806 in foreign subsidiaries, \$1,610,207 development, sundry assets of \$263,658, deferred assets of \$2,590,986, sight drafts of \$20,097, accounts receivable of \$3,181,968, notes receivable of \$958,920, inventories of \$12,546,202 and prepaid expenses of \$235,101. Liabilities include accounts payable of \$1,374,027, due General Motors \$1,134,744, reserve for depreciation \$3,379,063 and profit and loss surplus of \$1,673,220.

Choice Bonds Scarce

Although new records for financing have been broken for 11 months this year, new capital of \$4,500,000,000 raised to the end of November comparing with \$4,100,000,000 last year, Chicago banking houses are complaining of a lack of business as well as difficulty in obtaining the highest grade of offerings. Including refunding operations the total of financing approximated \$5,500,000 from January 1 to November 30, or about \$600,000,000 in excess of the 1924 amount, corporate issues totaling about \$3,000,000,000 and foreign government financing \$440,835,000. No difficulty has been experienced in disposing of the fresh offerings chiefly because of the high rate of return obtained, but in the most recent period the stock market and now the gyrations in wheat have apparently lured large investors from the bond market in spite of the opportunities provided by current rates of interest and plentiful supply of money.

An official of one of the largest Chicago banks remarked that ever since the stock market began its big swing upward with transactions ranging from 2,000,000 to more than 3,000,000 shares daily attention of some of the largest clients' banking houses have been backing away from investments because of their preference for larger profits in a broad stock market. This had deprived the bond market of an outlet of major importance and compelled salesmen to exert themselves to the utmost in order to keep shelves. "Then to," he added, "there has been a real scarcity of gift-edged bonds, and if a bank wished to do the usual volume of business it would have to revert to second and third class issues and this the larger institutions will not do."

Curb Market Firm

Considerable interest was displayed in local curb issues during the past week and price movements generally indicated a firm undertone, according to Rogers & Tracy. A good investment demand was evident for Elgin National Watch which advanced approximately 10 points to sales at 90. At the close it was quoted 88 bid, 91 asked. Creamery Package common continued strong with a scarcity of offerings. Sales in full voting common ranged between 35 and 35½ and the non-voting common sold between 34¼ and 34¾. Federal Electric common was a feature of strength and advanced about 2 points to sales at 12. It closed in demand at 11 with no offerings to be had. The

preferred was also stronger, selling at 36, an advance of 2 points from the last previous transactions. At the close it was wanted at 35 with no offerings below 38 in the market. Beatrice Creamery common was in demand at 69 with sellers at 70. The bid price for Dolese & Shepard improved over 5 points to 62 without attracting any sellers. Offerings of By-Products Coke common met with a good demand and transactions were reported between 77 and 79. After a period of inactivity, sales took place in First State Pawnners between 120 and 120½, an improvement of about 2 points from the last transaction. Interstate Iron & Steel Preferred was freely wanted at 103 and higher with practically no offerings coming into the market. There was a further improvement in Wahl preferred, which was wanted at 51 with no stock for sale. Butler Brothers was fractionally higher at 34¾ bid, 34½ asked. McCord Manufacturing common was reactionary declining to offerings at 13¾ with the best bids at 13¼. The preferred displayed a stronger tendency. After early sales at 90 it advanced to transactions later at 93¼, closing in demand at 92½ with the cheapest offerings at 94½. W. F. Hall Printing common continued neglected and declined to offerings at 28 with no bids in the market. Western Grocer common continued its recent easier tendency, declining to sales between 71 and 72.

RAILROADS USING MOTOR TRUCKS AND BUSES

Chicago—Fifty-one railroads in the United States and Canada are now using motor trucks to supplement their shipping service according to the Trade and Transportation Bulletin of LaSalle Extension University.

“While the 43 of these confine their use to terminal movement, eight are using them to replace local freight trains,” the bulletin states. “Ten roads are employing them to effect store-door delivery.

“Twenty steam railroads, or their subsidiaries, own over 219 motor busses. Most of these have begun to carry passengers on the highways within the last year.

“Ten of these railroads have established bus routes parallel to some of their rail lines, five have substituted bus for rail service on branch lines, and two are using busses as feeders through territory not previously served by rails.

“Most of this use of busses by steam railroads has developed within the past 12 months.”

1¼ BILLION DOLLARS IN NEW ENTERPRISES IN NOVEMBER

New York—Complete returns now available indicate that 681 new enterprises with an authorized capital stock of \$100,000 or over were incorporated under the laws of the different states in November, representing a grand total of \$1,241,593,990. In the corresponding period a year ago 496 companies were incorporated with an aggregate authorized capital of \$574,096,000. In October this year 774 companies took out charters with a combined capital of \$585,422,120.

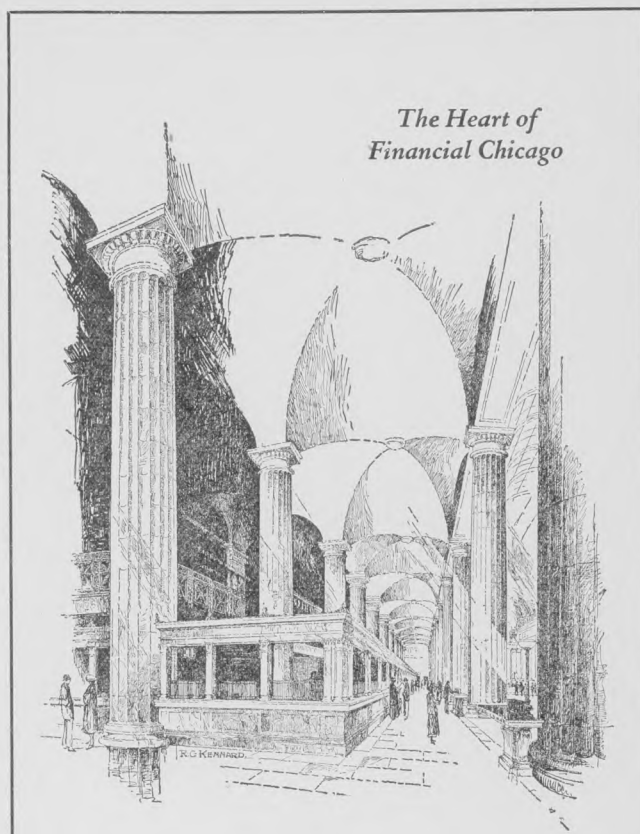
Since January 1, 8,033 new enterprises were chartered with an authorized capital of \$8,859,745,321, according to compilations made by The Journal of Commerce. During the corresponding period a year ago 6,832 companies were incorporated with a combined authorized capital of \$6,800,431,750.

WORLD PRODUCTION OF PETROLEUM

The world production of petroleum since 1857 is estimated at over 12 billion barrels. During the past two years the annual production has been around one billion barrels. Last year the United States output was 707 million barrels and in 1923 it was 732 million barrels.

The largest producer of crude oil outside of this country is Mexico, which produced 139 million barrels last year and 182 million barrels in 1922.

California still leads the states in oil production, turning out 230 million barrels last year, and 262 million barrels in 1923. Oklahoma is second with 170 million barrels last year, Texas third with 132 million, Arkansas fourth with 44 million and Wyoming fifth with 39 million barrels. Kansas and Louisiana both produced over 20 million barrels last year.



The Heart of Financial Chicago

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BOND DEPARTMENT
The CONTINENTAL and COMMERCIAL BANKS
 CHICAGO

Invested Capital
 Over \$60,000,000

Total Resources
 Over \$550,000,000

New Brooms Sweep Clean

A Story in Which Truth Is Disguised as Fiction to Show That New Business Sometimes Comes From the Most Unexpected Sources

"It seemed like a bright idea when I first thought of it," explained the assistant cashier, apologetically.

"Well, there's nothing new under the sun, and that goes for bank advertising as well as everything else," declared the vice president, a complacent middle-aged man whose visions of making his bank the "biggest and best" in the community no longer kept him awake nights.

The assistant cashier had three distinguishing characteristics; he was new at the job, he read success magazines and he was "visionary." That is, he failed to understand why the officials of the small-town bank with which he had cast his lot were so willing to let the business of getting new accounts run along like a placid stream. He wanted a stir-up in the advertising program—if it could be called a program. On this occasion he had propounded his bright idea after a sleepless night in which he had visualized a snappy publicity campaign with long lines of customers treading on one another's toes to make deposits. But his suggestion had fallen upon stony ground. According to the vice president the scheme had been tried before—no one seemed to remember just when—and it had failed. As for the cashier, he had very little to say. The line of argument was so familiar to him that it had ceased to interest him.

"Aren't there some prospects in town who have never done business with any bank, and who have money to invest?" argued the assistant cashier.

"Suppose there are," admitted the vice president, "their accounts probably wouldn't be worth anything. Such people are usually floaters. I tell you, Charlie, when you've been at this business 10 or 20 years you'll take it a lot easier. You won't worry if the bank across the street does get a little business, or if the town tramp has a couple of five-dollar bills sewed into his clothes. We can't get it all and when it comes to advertising, service is the best advertisement. It costs nothing and it keeps them coming."

"Granted," said the assistant cashier, "but it don't go out and bring them in. A campaign of good circular letters, a snappy newspaper ad and a window display ought to get new customers for any bank, and it isn't going to lose the old ones."

"Well, we send out circular letters every once in a while and we've run an ad in the paper for years. As for window displays; nobody would look at them. People don't expect to see displays in a bank window," argued the vice president, warming up to his subject.

"That's just why they would look at them," insisted the younger man, "and after a while they'd get so used to looking that it would be a habit. When they thought of a bank they'd think of ours. It wouldn't be hard then to get their business."

"Well, experience is the best teacher," sighed the vice president. "Make up your plan and we'll get the directors to look it over. And, by the way, why don't you start on the safety deposit boxes, about half of ours aren't rented? That gives you a good field to experiment with."

A Queer Customer

The directors looked the assistant cashier's plan over gingerly. They were skeptical, but business had not been so good lately and they were willing to try anything once, if it did not cost too much.

On the day that the drive to rent safety deposit boxes opened a little old woman came in with a check for \$45. She wanted it cashed and asked for the money in gold. The assistant cashier, who was waiting on her, noticed that she was a farm woman, apparently of the none-too-successful class. She was tanned to a russet brown, her hands were work-worn and her bent figure was clad in nondescript garments. "You have an account here?" he asked her with the old-fashioned courtesy he would have shown his mother.

"No, but Mr. Brown, he always cash my checks," she answered.

"I see," said the assistant cashier and took the check back to the vice president.

"All right," said the older man, "that's Ma Strovoski. She's sold another hog."

As the assistant cashier handed four tens and a five in gold to the faded little woman he asked her, very earnestly. "Mrs. Strovoski, wouldn't you like to open an account with our bank? I see you are a business woman and we'd like to help you in any way we can."

She looked up a little surprised, then shook her head. "No, no, I keep my money," she murmured and hurried away like a scared rabbit.

"There goes one of your prospects, Charlie," said the vice president. "Ma Strovoski has been banking here for the last 15 years and has never deposited a cent. It's the same with all the banks in town. They cash her checks but they don't get her money. She ought to have a snug little pile by this time, her land is fairly good. She farms it in the old-fashioned way, man power, instead of machinery, but she and her big half-wit son do all the work, so there's no overhead to speak of. Well, whatever she does with her money the banks don't get it, that's sure."

Thus was the subject of the bank's queerest customer dismissed. However, the assistant cashier did add her name to his list of prospects, just because he was thorough in his methods, if a trifle visionary.

Driving the Idea Home

He went at the advertising campaign on the principal that everybody, no matter what his station in life, owns some prized valuables which he would safeguard if he realized that it could be done at little inconvenience and expense. From a clipping bureau he obtained a number of news items that had to do with the loss of valuables by fire and theft. These he used for the basis of his campaign. An account of a fire in which a farm house had burned to the ground destroying several hundred dollars in currency that was hidden in a mattress, he had reprinted as a newspaper ad, with the suggestive head, "How Do You Safeguard Your Valuables?" and at the bottom of the ad an invitation to call at the First State Bank and hear of a better plan for their safekeeping.

To each of his several hundred prospects he mailed a brief circular letter reminding them in a chatty sort of way that highly prized possessions should be safeguarded. A clipping of the newspaper ad was enclosed. That same week the bank used a window display featuring the dozens of clippings which recounted the loss of valuables by fire and theft, some partially burned legal documents, and a group of safety deposit boxes containing valuables. In the bank lobby was an exhibit of the boxes in various sizes. The townspeople could scarcely be unaware that this bank had safety deposit boxes for rent. The next step was to educate them to make use of these facilities.

The following week the value of safeguarding important papers was stressed in a like manner, and the third week the preservation of valuable old jewelry, coins and heirlooms was the subject of the newspaper ad, circular letters and window displays.

The Campaign Bears Fruit

On the last day of the drive the bank received another call from Ma Strovoski. With her was her big half-wit son and he carried an odd looking package wrapped in a gunny sack and tied with twine. As he placed it on the counter he heaved a sigh of obvious relief. "Ma says—" he began, but the little old woman stepped briskly to the window.

"I rent a safe box—like you say here," she said and laid before the assistant cashier three carefully folded and very dirty circular letters.

He opened the gunny sack with difficulty. It had been tied with great care. As the last bit of twine was removed a flood of gold poured over the counter and onto the floor. The amazing spectacle drew both the cashier and vice president to the window. Ma Strovoski pointed to the as-

sistant cashier. "He know what I want," she said. "He ask me about my money. He say he help me. Now I get a safe box and leave my money here."

The group looked a little dismayed. "Wouldn't you like to deposit it so that it would earn more money for you?" asked the vice president and got out a pass book, explaining in his most patient manner the workings of a savings account. Ma listened without change of countenance. She was adamant. "I want a safe box for my gold," she reiterated and made an awkward gesture toward the display window, "same as that."

The assistant cashier, like most visionary people, had a rare understanding of human nature. Instinctively he realized what it meant to the woman who had hoarded this gold for 15 years to have it where she could see it; and, if she wished, touch the precious coins that represented so much toil and self-denial. He also realized that her education in modern methods of finance had just begun, that it would take time to train her groping mind to the significance of compound interest.

He agreed with her, volubly, that the safety deposit box was just the place for her fortune, at least for the present.

And so, during the next hour Ma Strovoski had the joy of seeing her beloved hoard counted, coin by coin, and locked safely away in the long shining box. She went away with a precious key clutched in her work-worn hands.

A few days later the vice president of the First State Bank met one of the directors on the street. In the course of conversation the assistant cashier's name was mentioned. "Charlie did pretty well with his safety deposit box advertising, didn't he?" asked the director.

"Yes, it went over better than I expected," agreed the vice president. "We rented a lot of boxes to depositors and got two or three pretty good accounts."

"Funny about getting Ma Strovoski to put her money in the bank," remarked the director, apparently much amused.

"She didn't open an account," explained the vice president, "she put her money in a safety deposit box, but it won't be long before we'll talk her into depositing it. She has a lot of confidence in Charlie. You know he has a pleasant way with customers."

"We'll have to hand it to him for winning over Ma Strovoski. How much did she have?" asked the director.

"Thirty-eight hundred dollars, in ten dollar gold pieces."

"Well, I'll be —," was the astonished comment. Then, meditatively, "new brooms sweep clean, don't they?"—L. R. Hoppin.

MINNESOTA'S TRUST FUNDS TOTAL \$47,444,779

St. Paul—Minnesota's trust funds, which are the largest of any state in the Union, total \$47,444,779, or an increase of approximately \$4,000,000 more than a year ago, it was disclosed by tabulations completed December 1 in the office of E. Stark, state treasurer.

The funds are made up as follows: Internal improvement plan fund \$214,000; permanent school fund \$36,490,302; permanent university fund \$2,646,943 and swamp land fund \$6,425,495.

The state is now in possession of \$10,022,000 in United States Liberty bonds and also holds Minnesota municipal bonds totaling \$30,411,240.

MISSOURI-KANSAS FARM COMPANY ORGANIZED

Chicago—The Missouri-Kansas Farms Company has been formed by interests closely identified with the Kansas City Joint Stock Land Bank and other well known farm credit organizations of the Middle West. A block of the farms company capital stock shortly will be offered publicly by a group of bankers headed by Guy Huston & Co., Inc. This will constitute the first public offering on record of securities of this type of company, although five other such companies previously were financed privately and have been operating during the past five years.

As stated by the bankers, the Missouri-Kansas Farms Company will supplement the efforts of country bankers and certain joint stock land banks in the secondary financing of farmers. It will operate particularly in the territory served by the Kansas City Joint Stock Land Bank,

which now has outstanding farm loans amounting to approximately \$47,000,000. Principal operations of the company consist of the making of short-term loans to farmers for carrying crops and live stock to maturity, the purchase of mortgages with joint stock land banks and the purchase of equities in farms on which land banks have loans.

In the organization of the Missouri-Kansas Farms Company is included the sales organizations and the farms departments of the Cravens Mortgage Company of Salina, Kansas, and the Kansas City Finance Company of Kansas City, Mo. They bring to the new company 1,200 correspondent banks and real estate operators in Kansas and Missouri.

Directors of the Missouri-Kansas Farm Company include Walter Cravens, R. P. Cravens, R. W. Sweet and C. F. Maxwell, president, vice president and loan supervisor, respectively, of the Kansas Joint Stock Land Bank.



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Bankers Getting the Best of the Crime Wave

Protective Work of the American Bankers Association Reduces Losses to Member Banks

St. Louis, Mo.—In contrast to reports indicating an increasing volume of crime against business in general, a distinct reduction in attacks against members of the American Bankers Association has taken place, it is disclosed in a report of the organization's protective department made to the administrative committee of the association at its annual winter meeting here.

The report, which was prepared by James E. Baum, deputy manager in charge of the association's protective activities, pointed out that, while in certain places and sections conditions fully warranted the use of drastic vigilante methods to combat crimes of violence against banks, these conditions were limited in extent. Taking the country as a whole, he said, marked betterment is to be noted among the banks who are members of the Association, of which there are about 22,000 out of the 29,000 banks in the country. Non-member banks, on the other hand, he declared, have suffered during the past year more than any time since 1923.

Banker's Drive Against Crime

As indicating the extra pressure which the nationally organized banking forces are putting on their drive against crime, he stated that, whereas last year the protective department brought about 312 arrests of which 186 resulted in conviction and imprisonment, this year it had caused 504 arrests with 308 convictions and imprisonment to date. Also in the year ended August 31, 1925, there were 981 crimes of all classes against member banks reported to the Association and investigated by its agents. Investigations of 540 of these cases, or 56 per cent., were successfully closed, in the great majority of cases, through arrest or location of the criminals by the association's agents. In the corresponding period of the year before, 1522 cases were reported, of which 760, or 50 per cent. were closed. Mr. Baum's report said:

"These figures show both that fewer cases were reported this year and that a higher percentage of them were successfully investigated by our agents and closed. This is a distinct advance in our work.

"With the exception of the year 1923, the past year shows the lowest number of crimes of violence against members of the American Bankers Association since the current wave of crime began in 1920, and shows a distinct improvement over 1921, the peak year of bank robbery. This is in favorable contrast with the situation of non-members of the association, which experienced the greatest number of burglaries and holdup robberies in any year but one, that is 1923, during the same period.

"In comparison with the increased number of crimes reported as experienced in other lines of business, the association's records clearly reflect a distinct trend toward improvement in the situation insofar as its member banks are concerned. Through its protective department, the association investigates crimes perpetrated against member banks under regulations which aim at the prevention of crime, as contrasted with the slower, costlier and more doubtful results of detection. This service, which has been open to all members for more than 25 years, resulted this year in the arrest of 504 criminals, 308 of whom have already been convicted and imprisoned, as against 312 arrests and 186 imprisonments last year.

"The losses suffered by member banks through forgery and other paper operations have also been materially reduced until they are now less than one-half the number and amount of losses reported two years ago."

As showing the difference in the number of attacks on member and non-member banks, Mr. Baum cited the following comparisons in respect to crimes of violence, including burglaries and holdups, and the reported losses resulting.

Year	Members (complete)		Non-Members (incomplete)	
	Crimes	Losses	Crimes	Losses
1921	263	\$895,377	93	\$229,120
1922	234	531,338	172	629,632
1923	181	444,385	98	191,948
1924	225	960,332	115	378,652
1925	201	1,005,707	122	915,463
Totals	1,104	\$3,837,139	600	\$2,438,815

"The significance of these figures," he said, "is that whereas there are three times as many member as non-member banks, the number of attacks on the members was less than twice those of non-members, considering the totals for the five year period. Also while non-member banks are about 32 per cent. of member banks their total losses are over 63 per cent. of those suffered by member banks. Over the five year period the general trend in the number of attacks on members has been downward, while for non-members the trend has been upward.

"Even more marked is the result of the comparison for 1925. In this year the member banks suffered losses of \$1,005,707, but the non-member banks, which number only one-third the members, suffered losses of \$915,463. This is only \$90,244 less than the losses of members, or about 9 per cent. Also in this year it is to be noted that, while attacks on members dropped to 201 as compared with 225 in 1924, reported attacks on non-members increased, there being 115 in 1924 and 122 in 1925. It should be added that fairly complete reports of attacks and losses for members are obtained, but the figures are very incomplete for non-members."

A Test of Thrift

It is frequently observed by bankers who come into contact with estate matters that it is much more difficult to take care of money than it is to acquire it. One of the most interesting sidelights on the value of company stock subscription plans will be the use which employes of the Standard Oil Company (New Jersey) make of their shares that come into their hands early next year. Quite aside from any question of loyalty to the company or a desire to have a small partnership interest in the oil business, there is the best of reasons for retaining such a good investment.

All of the participants in the plan have exercised thrift in a greater or less degree to pay for their stock, but after the first commitment this saving has not been voluntary on their part. It has been accepted as a fixed charge and the family budget revised on the new basis. So while the subscribers have been conscious of saving a part of their earnings week in and week out, they have not necessarily learned the meaning of thrift by this one experience. In a sense they were only agreeing to forego part of their wages until the end of 1925 in order to get a very handsome reward for the sacrifice.

The real test of thrift will come when the shares purchased by the joint contribution of the employes and the company are delivered to the owners. What will the employes do with them? Will they convert stocks into cash at the earliest opportunity, and if so, what will they do with the proceeds? Will they buy radio outfits, automobiles, pianos, travel, building lots, theater tickets, bungalows, diamonds, Florida real estate, bonds or stocks. And if so, what will be the return from these dollars opening so many different doors? And what will the sellers have to show to their associates who keep their stock, say, five years later?

It would make a great contribution to the economic knowledge of the world if a complete record could be obtained of the experiences of 16,000 people who have been dropping money into a patent bank for many months when the final coin releases the lock and springs open the door. Then will come the real test of thrift. Have they been saving for a competence, or merely to accumulate some spending money on easy terms?—The Lamp, published by The Standard Oil Company of New Jersey.

SALE OF JOINT STOCK LAND BANK BONDS

Chicago—The Greensboro Joint Stock Land Bank, Greensboro, North Carolina, has sold \$600,000 of 5 per cent. bonds to the Harris Trust and Savings Bank, Halsey, Stuart & Co., and William R. Compton Company. These bonds are due December 1, 1955, optional 1935 and are being offered at 103¼ and interest to yield about 4.60 per cent. to the optional date and 5 per cent. thereafter.

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Forty Millions in Standard Oil Stocks for Employees

With the termination of the first employe stock ownership plan of the Standard Oil Company of New Jersey, on December 31, next, title to close to \$40,000,000 worth of the common stock, based on present market, will pass to the hands of 16,000 subscribing employes.

In all, there will be approximately 900,000 shares of the company's common stock distributed to employes who have been buying it with the company's assistance for the last five years. This represents close to 5 per cent. of the total issued common shares, and, as a group, the employes will rank second only to John D. Rockefeller, Jr., as the largest shareholder.

The importance of this event has been marked by a letter to employes by President Walter C. Teagle, presented in the company's magazine, *The Lamp*, in which he points out that the object sought in the stock acquisition plan was to create a widespread partnership in the business, "in order that there should be no division of interest as between those who contributed to the development of the company by investment of their capital and those who contributed to its development by the investment of their labor."

Under the stock acquisition plan, the company put in 50 cents for each dollar subscribed by an employe, so in reality the latter has paid less than two-thirds the cost of the stock, as there have been other accruals to the plan by reason of withdrawals, interest, etc.

Pointing out that employes are free agents with their stock, Mr. Teagle says that if the great bulk of employe stock is retained as a permanent investment it will demonstrate the success of the plan. "The inclination will be

to view the dividend return on the stock as small in comparison with its market value and with that of many other forms of investment."

CANADA'S INLAND FISHERIES

Winnipeg—Increases in the value of the product of the commercial fisheries of two out of three Prairie Provinces of Canada were recorded in 1924, according to the Dominion Bureau of Statistics, the grand total reaching \$2,054,162. Manitoba accounted for \$1,232,563, Saskatchewan \$482,492 and Alberta \$339,107. Alberta showed a decrease of \$99,630. Whitefish accounted for 42 per cent. of the total value and pickerel for 28 per cent.

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Policies in Financing Automobile Sales

Viewpoints of the Manufacturer and the Financing Agency Succinctly Outlined at a Conference in Chicago

At the second annual Automotive Financing Conference of the National Association of Finance Companies recently in Chicago A. R. Erskine, president of the Studebaker Corporation, discussed "Passenger Car Financing from the Standpoint of the Manufacturer." He said in part:

"The passenger automobile industry is ending a most prosperous year which promises a retail sales total of \$3,000,000,000. About 75 per cent. or \$2,250,000,000 of this volume, will be sold on credit and financed by automobile dealers, finance companies, banks, and trust companies. The major part of this paper will have an average maturity of six months, and a small part will average nine months or more. About 75 per cent. of 16,000,000 passenger cars operating in the United States today were originally sold on the time payment plan and 25 per cent. for cash, and it is estimated that at least 80 per cent. of all cars now in service have been fully paid for. This estimate is made merely to emphasize the fact that automobile paper pays out well.

There are certain principles and obligations which should control automobile sales financing, which are as follows:

Must Be Fair to Consumer

1. First and foremost, financing and insurance charge must be fair to the consumer. That is to say, rates should be only high enough to assure the finance companies a reasonable return on their investment. Finance charges which are fair to both the consumer and the company automatically guarantee the character of the paper. Exorbitant charges created to cover bad risks and repossession in excess of 3 per cent. on new car contracts and 4 per cent. of used car contracts are grossly unfair to good risks who pay out their contracts.

2. Credit should be granted only to persons of good character with assured income or sufficient assets to complete their contracts under reasonable conditions. Thorough credit investigation should be made in all cases of doubt.

3. The intrinsic value of the automobile must be sound and the amount of the down payment should be substantial, as recommended at last year's convention of the association. If the price of an automobile, either new or used, does not represent sound value, even a 50 per cent. down payment will not give protection. Over-pricing of cars or trade allowances may jeopardize a contract, regardless of its conformance to standard credit terms.

4. The number of monthly payments should be influenced by the down payment and the character and standing of the car. Monthly payments on a standard car may be safely extended farther than they could be on a lesser known car. Default resulting from excessive monthly payments may be avoided by smaller ones within the income of the customer. Twelve equal monthly payments should be sufficient credit extension, but if a longer term is ever justified it should be applied only to contracts which carry a rate not exceeding 8.5 per cent. discount per annum including insurance.

Finance Company Views

"Speaking from the "Standpoint of the Finance Company," Henry Ittleson, president of the Commercial Investment Trust of New York, said in part:

"Credit buying of a motor car related to the individual income presents a serious economic problem. Most de-

sirable, of course, is the purchase of a motor car out of previously acquired capital, but reasonable outlay from current income is equally justifiable. What is the limit? Among many yardsticks, it has been suggested the limit may be expressed by the following formula:

A—A purchaser should not acquire a motor car if the depreciation during the first 12 months exceeds 15 per cent. of his annual income. Excess depreciation, plus his cost of maintenance, necessary insurance and repairs, creates too heavy an income burden for the individual.

B—Accepting the above yardstick, for the moment, then no purchaser should be induced to acquire too costly a motor car by the deluding invitation of small monthly payments, extended over many extra months. His depreciation loss would be too excessive. Without endorsing these or any other formulas, it seems to me that we can all agree that:

C—No motor car should be entrusted to an individual unless his initial investment is sufficiently large to make him feel that he owns the automobile, that he should have some pride in his ownership, and that he can afford to take care of it, and spend sufficient money for its proper care and maintenance. Insufficient down payment, on the other hand, makes the purchaser feel that he is renting the car.

The motor car manufacturer must consider the results of very small down payments and or too long terms on his permanent, future business. First of all, while the dealer may benefit at the moment by increased sale of new cars, he is merely postponing his troubles. A great many purchasers buy a new car every year. This will not be true of purchasers who have obligated themselves to keep paying for the original car for 18 months and more.

The dealer is deprived of his normal used car market, for who will buy a used car when a new car is available for the same easy monthly payment?

The Conclusions

The conclusions which could be drawn are: 1. That the leading manufacturers and the leading finance companies must well consider the attitude of bankers and the public towards the tendencies of their installment sales. 2. The manufacturers, with their affiliated finance companies, must also consider the economic conditions, and give due regard to them. 3. If all parties interested in the future of the automobile industry can place a voluntary check on those practices which are generally agreed upon as being unsound, then and only then can we continue to expect the full cooperation of banks, and the safe, steady growth of motor car business.

While it is difficult to lay down a precise general formula as to what length of credit is beyond the margin of safety, in any one individual case, it seems to me quite sound and logical to define certain tendencies as apt to lead to unsound credits and it is to that end that the finance companies, bankers and manufacturers should address themselves.

"CONSCIENCE \$10 A CRACK"

Letter from bandit to former victim:

"Three years ago I robbed you of \$500. My conscience hurts me and I am enclosing \$10. When it hurts again I will send you another ten."—Exchange.

Procedure in the Changing of Rediscount Rate by the Federal Reserve Banks

Philadelphia—George W. Norris, governor of the Federal Reserve Bank of Philadelphia, in recently addressing the Bond Club of Philadelphia on the subject of Federal Reserve Bonds and the discount rate, said:

"It is not one of the functions of the Federal Reserve Bank to determine whether prices of either stocks or commodities are too high or too low, or to make any effort to raise or lower such prices. It was never the intention of Congress to give any such power to the system. It would be a very dangerous power to put in the hands of any man or group of men, no matter how wise or altruistic they might be. It is a power which the American people would never be willing to entrust to any board or commission, and it is safe to say that it is a power which the Federal Reserve banks will never attempt to exercise.

"Neither are the operations of the stock market the concern of the Federal Reserve System, except when the stock market is absorbing credit needed in general business, as was the case in the fall of 1919, or when the activity of the market and the rapid advances of many stocks threaten to breed a speculative fever which is liable to spread to commodities.

"In such cases it seems to be the duty of those charged with the responsibility of administering the system to see to it that the price of Federal Reserve credit is not so low as to encourage that tendency."

Discussing changes in the bank's position since the 3½ per cent. rate was established June 18, 1924, he pointed out the reserve ratio had been reduced from 85.10 to 75.68. These changes, he stated, might be said to justify an increase in the discount rate but could hardly be regarded as requiring such an increase.

He pointed out the 3½ per cent. discount rate was 1 per cent. below rate on commercial paper and about on a par with the rate on acceptances.

Governor Norris referring to advance in rediscount rate stated there had been no reason for mystery, as was suggested in some quarters before the change was announced. A resolution calling for an increase in rate to 4 per cent. from 3½ per cent. was passed by the directors of the Philadelphia Reserve Bank at its regular meeting. This action was approved by the Federal Reserve Board in Washington.

This procedure, Governor Norris stated, was necessary under Reserve Board regulations. No change in rate is effective unless and until it has been approved by the Federal Reserve Board.

In order to avoid any disturbing consequences which might follow announcement by a reserve bank of a rate change and subsequent failure of the Reserve Board to sanction such changes, the regulations prescribe that no announcement be made until after approval has been given by the Federal Reserve Board.

PROPOSED EXTENSION OF LAND BANK SERVICE

Spokane, Washington—Extension of service as fully as is possible with conservation banking in all the good territory of the district will be the policy of the Federal Land Bank of Spokane, George C. Jewett, president of the Land Bank and the Intermediate Credit Bank, said on his return from Washington, D. C., recently.

One decision of the quarterly meeting of the land bank presidents in Washington, which Mr. Jewett attended, was to render further service to live stock raisers, cooperative marketing associations and dairying associations when they come in on a proper banking basis.

"Cooperative marketing is slow in progressing," said Mr. Jewett, "and a strong sentiment prevails that Congress should pass a law to assist cooperative marketing and aid in the disposal of surplus farm products by export."

Speaking of the farm loan bond market, Mr. Jewett said: "These bonds are sold readily and this means that the land banks have ample funds to take care of any proper loans. The debenture market is good and the farm loan board is desirous of seeing the credit banks extend their services."

A Good Time to Buy Foreign Bonds

The action of the recent Locarno Conference in signing the Security Pact opened a new era in European business affairs. Economists predict that business will be on a much firmer foundation and that the international credit standing of all European nations will be upon a much higher basis than formerly.

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Official Figures Relative to Income Tax Payments

Fewer Big Incomes Reported and Only Seventy-Four Persons with Annual Incomes in Excess of a Million Dollars

Washington—Seventy-four persons paid the United States Government taxes on net incomes of \$1,000,000 and more derived during the calendar year 1924, according to figures published by the Internal Revenue Bureau. This is the same number as in the previous year.

The increase in the number of persons paying taxes on incomes of \$50,000 and less than \$1,000,000 was 4,620, as compared with 1923 and supplied outstanding evidence of the great growth of the country in prosperity. In this class the number of incomes from \$50,000 to \$100,000 increased by 3,182 in 1924; those from \$100,000 to \$300,000 by 1,281, and those from \$300,000 to \$1,000,000 by 157.

That the taxpayers with smaller incomes shared in the nation's prosperity also is demonstrated by the report, which shows that incomes from \$5,000 to \$50,000 increased by 59,811 in 1924.

The number of personal income tax returns of all classes filed up to September 30, 1925, was 7,298,481. The aggregate net income was \$25,023,210,893, and the tax \$689,134,185. Compared with the previous year, the figures show a decrease of 399,840, or 5.48 per cent., in the number of returns, but an increase of \$183,073,529, or 0.73 per cent., in total net income, and an increase of \$25,482,680, or 3.70 per cent., in the total tax. The average net income was \$3,428.55, the average amount of tax \$94.42, and the average tax rate 2.75 per cent.

Shifts in Big Incomes

The manner in which the classes of incomes of those reporting \$1,000,000 or more shifted in 1924, as compared with 1923, is shown as follows:

Income Classes	Taxpayers 1923	Taxpayers 1924
\$1,000,000-\$1,500,000	39	36
\$1,500,000-\$2,000,000	12	13
\$2,000,000-\$3,000,000	12	15
\$3,000,000-\$4,000,000	6	4
\$4,000,000-\$5,000,000	1	3
Over \$5,000,000	4	3

Persons paying taxes on incomes of \$1,000,000 and more have decreased sharply since 1916 when the peak number was 206. That was before the heavy war taxes became effective. The number dropped to 21 in 1921, at the time of the great business depression. By years the "millionaire" taxpayers were: 1916, 206; 1917, 141; 1918, 67; 1919, 65; 1920, 33; 1921, 21; 1922, 67; 1923, 74; 1924, 74.

A list of the number of incomes by classes from \$5,000 up, which were derived in 1924 and paid in 1925, was given in the Internal Revenue Bureau's analysis.

Incomes by Classes

The figures are as follows:

Incomes	Number
\$5,000,000 and over	3
4,000,000 to \$5,000,000	3
3,000,000 to 4,000,000	4
2,000,000 to 3,000,000	15
1,500,000 to 2,000,000	13
1,000,000 to 1,500,000	36
750,000 to 1,000,000	50
500,000 to 750,000	190
400,000 to 500,000	137
300,000 to 400,000	322
250,000 to 300,000	249
200,000 to 250,000	540
150,000 to 200,000	1,078
100,000 to 150,000	3,054
90,000 to 100,000	1,314
80,000 to 90,000	1,893
70,000 to 80,000	2,551
60,000 to 70,000	3,930
50,000 to 60,000	5,946
40,000 to 50,000	10,042

30,000 to 40,000	19,261
25,000 to 30,000	17,220
20,000 to 25,000	27,445
15,000 to 20,000	49,145
14,000 to 15,000	14,808
13,000 to 14,000	17,718
12,000 to 13,000	21,214
11,000 to 12,000	26,237
10,000 to 11,000	32,081
9,000 to 10,000	43,005
8,000 to 9,000	53,839
7,000 to 8,000	74,955
6,000 to 7,000	107,380
5,000 to 6,000	154,903
4,000 to 5,000	553,096
3,000 to 4,000	1,051,346
2,000 to 3,000	2,308,862
1,000 to 2,000	2,350,494

The taxes paid by the seventy-four who reported incomes of \$1,000,000 and over are shown in this table:

Incomes	Taxpayers	Comb. Tax
\$1,000,000-\$1,500,000	26	\$12,888,785
1,500,000- 2,000,000	13	5,261,011
2,000,000- 3,000,000	15	10,265,143
3,000,000- 4,000,000	4	3,607,687
4,000,000- 5,000,000	3	4,274,317
Over 5,000,000	3	11,060,205
Total	74	\$46,657,148

This tax was paid on a combined total net income of \$154,827,709, as follows:

Income	Combined Net Income
\$1,000,000-\$1,500,000	\$43,044,964
1,500,000- 2,000,000	22,219,149
2,000,000- 3,000,000	34,873,488
3,000,000- 4,000,000	13,449,732
4,000,000- 5,000,000	13,310,057
Over 5,000,000	27,955,319
Total	\$154,827,709

The net incomes of this group of millionaires had placed upon them combined normal taxes of \$1,004,003 and surtaxes of \$39,597,231, in addition to \$6,263,804 for capital net gains, but the total tax of \$46,865,038 was reduced to the net tax of \$46,657,148 when the 25 per cent. credit of \$2,008 and the capital net loss deduction of \$205,882 was subtracted.

That surtaxes fell heavily on the very wealthy was shown by the fact that the three unnamed persons with incomes above \$5,000,000 paid a combined levy of \$11,045,668 on their aggregate net income of \$27,955,319.

Distribution of personal income by sources is shown under the heading "Personal Industry" and "Property," as follows:

Personal Industry

Salaries, wages, commissions, bonuses, directors' fees, etc.	\$12,766,136,563
Business, trade, commerce, partnership, farming and profits from incidental sale of real estate, stocks, bonds and other property	7,974,366,592
Total	\$21,740,503,155

Property

Rents and royalties	\$1,804,658,881
Interest on bonds, notes, etc., including fiduciary income	2,462,420,321
Dividends	3,207,181,311
Total	\$7,474,260,513

The total income reported from these sources was \$29,214,763,668; the general deductions amounted to \$3,663,111,077, and the contributions, charitable etc., to \$528,441,698, a total deduction of \$4,191,552,775 leaving a net income of \$25,023,210,893.

The number of taxable personal returns filed up to September 30, 1925, reporting income for 1924, was 4,090,034, compared with 4,270,121 taxable returns filed for the calendar year 1923. The number of non-taxable returns re-

porting income for 1924 and filed up to September 30, 1925 was 3,208,447, compared with 3,428,200 for the calendar year 1923.

The report contains a table showing the aggregate amounts of wholly and partially tax-exempt securities owned, and interest received therefrom by nature of obligations, reported by persons having a net income of \$5,000 or over. The grand total is \$5,218,559,394, and the interest received \$232,977,600.

An interesting comparison is shown in the number of returns filed showing net income of \$5,000 to \$50,000. The number of returns filed up to September 30, 1925, showing net income for 1924 of from \$5,000 to \$50,000 was 669,074, compared with 609,263 for the calendar year 1923, an increase of 59,811. Similar comparisons show that the number of returns of net income of \$50,000 to \$100,000 for the 1924 period was 15,634, compared with 12,452 for 1923, an increase of 3,182; from \$100,000 to \$300,000, 4,921, compared with 3,640, an increase of 1,281; \$300,000 and over, 773, compared with 542, an increase of 231.

Holdings of Tax-Exempt Securities

In connection with the figures dealing with the holdings of tax-exempt securities, it was explained by the Treasury that actual holdings were in excess of twice the amount reported. The details were filed with the Government in regard to these securities by only a part of the taxpayers, as the income of wholly exempt securities does not come within the category of taxable income which must be reported.

The comparative tables covering the increase in the classes of net incomes show in a striking manner the great increase in virtually all classes of income. Those under \$5,000 increased from 3,040,228 in 1917 to 7,072,424 in 1923 and fell off to 6,608,079 in 1924, due to the fact that larger exemptions in 1924 made it unnecessary for a great number in this class to report their incomes.

The tables show, however, that there has been a fairly steady increase in those reporting net incomes from \$5,000 to \$50,000 since 1916, when 255,167 reported. The number jumped to 413,559 in 1917, the year the United States entered the World war, and reached 665,820 in 1920. They dropped by 151,283, to a total of 514,537 in 1921, the year of the great business depression, but mounted again to 578,180 the following year and to 609,263 in 1923. A new peak for this class of incomes was established in 1924 with a total of 669,074.


The heaviest holdings of tax exempt securities issued by states are shown in the income classes from \$30,000 to \$750,000, supplying further evidence, in the opinion of Treasury experts, that great numbers of persons with incomes of these classes took a considerable part of their money out of productive industry when the heavy surtax rates were in force.

The following table shows the amount of taxes paid and the percentage of the whole tax burden borne by each class of taxpayers in 1925 on incomes derived in 1924:

Incomes	Amount in Each Class	Per Cent of Total
Under \$1,000	\$143,033	.02
\$1,000 to \$2,000	8,890,693	1.28
\$2,000 to \$3,000	7,688,983	1.12
\$3,000 to \$5,000	21,362,205	3.10
\$5,000 to \$10,000	29,050,326	4.22
\$10,000 to \$25,000	77,033,803	11.18
\$25,000 to \$50,000	108,901,651	15.00
\$50,000 to \$100,000	135,866,979	19.72
\$100,000 to \$150,000	73,515,435	10.67
\$150,000 to \$300,000	91,836,793	13.33
\$300,000 to \$500,000	45,689,311	6.63
\$500,000 to \$1,000,000	42,497,825	6.17
\$1,000,000 and over	46,657,148	6.76
Total	\$689,134,185	100.00

STATE AND MUNICIPAL FINANCING

New York—State and municipal borrowing fell off sharply in November, the total par value of new loans being only \$65,115,336 as compared with \$86,124,107 in October and \$121,457,505 in September. For the 11 months of the current year, says The Daily Bond Buyer of New York, new financing of this character is almost \$100,000,000 short of the total for the corresponding figure for 1924. The total for the month just closed is the smallest since September, 1923, when loans of states and cities aggregated only \$57,657,497.

1853

1925

M

ANY of our customers have used our service---and have found it satisfactory---during their entire business career---some for more than half a century.

You will find the *First* a satisfactory Saint Paul correspondent bank.

The
FIRST NATIONAL BANK
of St. Paul.

The Chase National Bank

of the City of New York
57 BROADWAY

Capital	\$ 20,000,000.00
Surplus and Profits	26,895,767.73
Deposits (Sept. 28, 1925)	478,031,888.57

ALBERT H. WIGGIN
Chairman of the Board and President

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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.

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of DULUTH

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

OLDEST BANK AT THE HEAD OF THE LAKES

Observations on Investment Securities

A Close-up View of Some Stocks and Bonds

Consolidated Gas

The stock holders of Consolidated Gas have reason to be greatly encouraged by a decision recently handed down by three district court judges in the case of the New York and Richmond Gas Company whereby the \$1.00 gas rate was declared unconstitutional, while in addition and perhaps quite as important, it was declared that the special master who had heard the evidence had no right to reduce arbitrarily uncontested cost items presented by the company. The state of mind and method of procedure of the special master seem to have been somewhat as follows:

"I can't prove that the figures are wrong; in fact, no one contests them, but still there must be a nigger in the fence somewhere, so I'll just chop off a chunk here and there and may possibly get the nigger's toe or ear. In any case the company won't put anything over me." This procedure was not supported by the courts. The legitimacy of an 8 per cent. return was reaffirmed. While the Consolidated Gas Case has still to be decided there seems to be every indication that the company will win on all essential points and that the stock holders may look for better things during the coming year.

Chinese Government Bonds

Of late there has been considerable speculative buying of the Hu-Kuang Ry. 5s 1951. These are not selling at around \$45 for a 20 pound sterling piece, giving a yield of over 11 per cent. The yield is attractive and the bonds have been recommended as a buy by some writers on the following grounds. (1) They are a first charge on provincial revenues; (2) They are secured by certain railway revenues; (3) Should the provincial officials fail to meet the interest payments the bonds are transferable to the Maritime Customs Administration which is in the hands of foreign powers interested. And lastly that the vexatious Li-kin, or provincial taxes will probably be abolished soon. All this seems to create a presumption in favor of the bonds, but fails to take account of the very important fact that the international conference in Peking has recognized unconditionally the principle of tariff autonomy for the Chinese and on November 19 adopted an article which would bind foreign powers to remove tariff restrictions contained in treaties between themselves and China, and this without binding China to abolish the Li-kin.

Now it is quite possible that when left free to make its own tariff laws China may meet her foreign obligations honorably and promptly, but before plunging on Chinese bonds it would be well to watch developments for a time.

Willys-Overland Preferred

At last the uncertainty in regard to the accumulated dividends on the Willys-Overland preferred stock has been dispelled. These dividends amounting to \$2,975 a share have been declared payable in common stock at \$25 per share on January 2 to stock of record December 20. According to this each owner of a share of preferred stock is entitled to 1.19 shares of common which at the present market price would be worth about \$31. As there are now 220,495 shares of preferred stock, it will be necessary to issue about 262,389 shares of common to provide for the total accumulated dividends. This will mean an increase of the common stock capitalization by about 12 per cent. When consummated what effect this will have on the market price of the common stock remains to be seen. The preferred stock would seem to be well worth the present market price.

Chandler Motors

For more than a year certain financial agencies have been advising their clients to sell Chandler Motors short

on the theory that earnings did not justify the dividends paid. They may or may not have been right in that contention but it is evident that Chandler is not yet out of the race. According to Dow, Jones & Co. a plan for a merger of the Chandler Motor Car Company and the Cleveland Automobile Company is well advanced. A new holding company is expected to take over all the stock of the two old companies in exchange for its own, giving new convertible preference stock carrying \$4 dividends for old Chandler stock and for the Cleveland 8 per cent. preferred. It is expected that in the case of the Chandler stock the exchange will be made share for share. Just what arrangement will be made for the Cleveland preferred is not yet clear. The new common stock will probably be given share for share for the Cleveland common.

Studebaker

When Hudson, General Motors, Mack Trucks and in fact all good motor stocks were booming, Studebaker, reporting good earnings and selling on a 9 per cent. basis did practically nothing. It was commonly called a "mystery" stock and the mystery was explained by stating that a large block of stock overhung the market. Presumably that is not now the case and yet Studebaker seems to be as much of a mystery as ever. Here is a company with something like \$19,000,000 cash, earnings estimated at about \$9 per share for the current year, with a preferred stock considered a sound investment, selling about on a par with United States Steel preferred. The common stock at 57 on an 8.50 per cent. basis, dividends increased from \$4 to \$5 and a special on top of that, a conservative management that is not likely to increase dividends, unless they feel confident that earnings will warrant a continuance of the increase, and still people are not falling over themselves to buy it. Certainly a mystery!

Continental Can

The prosperity of the can companies is based on the increasing world population and the rapid changes in living conditions of all civilized peoples demanding a more varied diet, than was possible for any but the wealthy in the past. Instead of being counted as luxuries, fruits and vegetables are staple necessities throughout the year. Practically every article of food is now preserved in cans or in glass, and the end is not in sight. The limit of the prosperity of the can companies is limited only by the growth and prosperity of the whole world. The production of food containers has become a fundamental industry. The stocks of sound companies bought at the right time are good investments and good investments usually prove to be the best speculations.

Continental's capitalization of 476,552 no par shares and \$5,654,000, 7 per cent. preferred stock looks small in comparison with the giant American Can with a total capitalization of \$82,466,660, but in proportion to its size, Continental is holding its own. It is now estimated that net earnings for common after depreciation, taxes and preferred dividends, will amount to over \$11 a share for the current year.

Dividends have been \$4 cash and 5 per cent. stock annually, but it is understood that the stock dividend will be discontinued while the cash dividend will be increased. A \$6 or even \$7 rate would be quite in order. In any case considering the future prospects of the company, the stock at 85 seems cheap.

Marland Oil

With the retiring of the \$20,000,000 2-year 5 per cent. notes of the Marland Oil Company and earnings for the year running close to \$10 per share, an increase in the present dividend rate of \$3.00 seems a reasonable expect-

The old and the New Year

To our many friends and patrons we extend the season's greetings, and the hope that 1926 may prove a more prosperous year than the one now coming to a close. Incidentally we will esteem it a pleasure to serve as your banker during 1926 and succeeding years.

THE FIRST NATIONAL BANK

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

Capital \$2,000,000.00

tation. The president of the company is quoted as saying there will be 17 million available for dividends this year. The daily average output of oil is reported as double that of 1924 and new wells being brought in down in the Mexican field. The price of the stock has responded moderately to the favorable reports and recently touched 60. The company is capitalized at 26 million and has outstanding 1,888,393 shares of stock.

Allis-Chalmers Common

Earnings on Allis-Chalmers common promise to reach \$10 per share for the current year, compared with \$8.00 in 1924. This will be nearly back to war-time earnings, in 1917-18 when \$11 was earned on the common stock. The \$4.00 dividend rate might safely be increased to be more in line with the market price above \$90.

Standard Oil of Indiana

This year promises to be a banner one for Standard Oil of Indiana and it is predicted that its net earnings will exceed that of 1922, which were over 49 millions. Profits in 1924 were 40 million, equal to \$4.55 per share on the 8,950,000 shares outstanding. Many are wondering if another stock dividend is contemplated, such as was paid in 1922.

Current Important Offerings

A syndicate headed by A. B. Leach & Co., Inc., and participated in by H. M. Byllesby & Co., Federal Securities Company and Pearsons-Taft Co., is offering \$10,000,000 7 per cent. preferred stock in the Cities Service Power and Light Company of Delaware. This company is the holding company of the Ohio Public Service, Toledo Traction Light and Power, Public Service Company of Colorado, Kansas City (Mo.) Gas Company, Wyandotte County Gas, Empire District Electric and St. Joseph Railway, Light, Heat and Power Company. This group of public utilities serve a population of 2,800,000 in 350 communities. Their aggregate gross earnings are reported at over \$47,000,000, with a net income of \$18,600,000.

An issue of \$500,000 6 per cent. three year gold notes of the Hart-Parr Company of Charles City, Iowa, is being offered by the Minnesota Loan and Trust Company and Wells-Dickey Company of Minneapolis and the Northwestern Trust Company of St. Paul. These notes are secured by a first mortgage bond and are offered slightly under par and are callable on 60 day notice at a small premium.

A syndicate composed of the First National Bank of New York, Bank of Montreal, Brown Bros. & Co., Bankers Trust Company, Lee, Higginson & Co., Kissel, Kinnicut & Co., and Redmond & Co., offered \$21,000,000 Province of Ontario 4½ per cent. bonds due serially from 1926 to 1955, priced to yield from 4.60 to 4.90 per cent. according to maturity.

An offering of \$14,000,000 city of Los Angeles 4½ per cent. and 4¾ per cent. bonds, due serially from 1926 to 1965, and priced to yield from 4.10 to 4.65 per cent., by a syndicate headed by the First National Bank of New York and including Halsey, Stuart & Co., Blair & Co., Stevenson, Perry, Stacy & Co., and the Chicago Trust Company, touched a popular chord. Proceeds will be used for the construction of water works, electric plant and street construction.

The Cities Service Power & Light Co., organized in November to segregate public utility properties of the Cities Service Company, sold an issue of \$10,000,000 7 per cent. preferred stock of \$100 par value to a banking group headed by A. B. Leach & Co., Federal Securities Company, H. M. Byllesby & Co., and the Pearson-Taft Company.

An issue of \$4,000,000 7½ per cent. closed first mortgage thirty-year sinking fund bonds of the Brunner Turbine &

Equipment Co., of Czecho-Slovakia was offered by F. J. Lisman & Co., at 95¼, to yield about 7.90 per cent. Real properties and other assets valued at \$29,739,370 are equal to more than seven times the present issue of bonds.

C. F. Childs & Co. offered \$1,000,000 5 per cent. farm loan bonds of the Atlanta Joint Stock Land Bank. The bank operates in the states of Georgia and Alabama, which rank high in the list of industrial and agricultural states. These bonds are dated November 1, 1925, and are due November 1, 1955, with an optional date November 1, 1935. The offering price is 103½, to yield 4.56 per cent. to optional date and 5 per cent. thereafter.

School improvements in Portland, Ore., are being financed with the proceeds of an issue of \$1,000,000 Multnomah county school district No. 1 4½ per cent. school bonds, offered by Halsey, Stuart & Co., A. G. Becker & Co. and A. B. Leach & Co. The bonds, which mature serially from December 15, 1928, to December 15, 1945, are priced to yield from 4.20 per cent. to 4.35 per cent., according to maturity.

(Continued on page 42)

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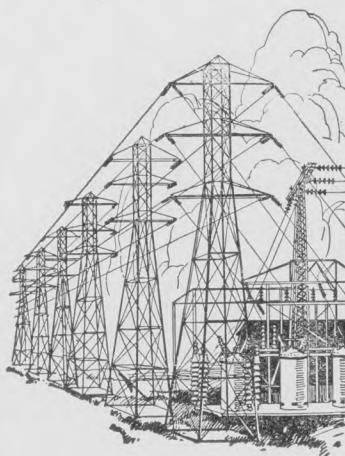
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Stock and Bond Quotations

MINNEAPOLIS BANK STOCKS

	Div. Rate	Bid	Asked
	Pct.		
Camden Park State.....	10	209	130
Central State.....	10	175	200
East Hennepin State Bank.....	12*	275	...
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	180
Midland National Bank & Tr. Co.....	6	170	240
Millers & Traders State.....	12	220	240
Northwestern National.....	10	170	...
Union State.....	10	250	...

*3 per cent extra dividend.

ST. PAUL BANK STOCKS

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

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	95	...
Munsingwear Corp., pfd.....	7	100	101
Northern States Power, pfd.....	7	100 1/2	102 1/2
Northwestern Fire & Marine, com..	10	170	...
Pillsbury Flour Mills, com.....	10	30	35
Russell Miller Milling, com.....	10	165	...
Russell Miller Milling, pfd.....	6 1/2	100	...
Washburn Crosby Co., pfd.....	7	110	112

ST. PAUL CORPORATIONS

	Div. Rate	Bid	Asked
	Pct.		
Foote, Schultz & Co., pfd.....	7	85	95
St. Paul Fire & Mar. Ins. (par \$25)	14	75	...
St. Paul Union Stockyards.....	8	100	105
Tri State Tel. & Tel., pfd.....	6	8 5/8	9
West Publishing, com.....	10	400	...
West Publishing, pfd.....	6	100	110

LOCAL BONDS

Quotations by The Minnesota Loan & Trust Co., Minneapolis			
	Rate	Bid	Asked
Clarkson Coal & Dock 1926/30....	6	99 1/2	...
Clarkson Coal & Dock 1931/9....	6	99	...
Dakota Central Telephone.....	6	104	105 3/4
Donaldson Realty Co. 1st 1926-28..	6	101	...
Duluth Street Ry., 1st 1930.....	5	96 1/2	98
Duluth Street Ry., Gen. 1930.....	5	91	...
First Nat. Soo Line Bldg, 1st 1930/5	5	98	100
Geo. A. Hormel & Co., 1st 1920/34..	6 1/2	102	103 1/2
Island Warehouse Co., 1st 1943....	6	101 1/2	102 1/2
Marshall-Wells Bldg. Corp. 1930/7..	6 1/2	101	104
Minneapolis Gen. Elec., 1st 1934....	5	100 1/2	102 1/4
Minneapolis Gas Light, 1st 1930....	5	98 1/2	99 1/2
Mpls. Gas Light Sec. Notes 1930....	6	101 1/2	102 1/2
Mpls. Str. & St. P. City Joint 1928..	5	97 1/2	98 1/2
Mpls. St. Ry. Secured Notes.....	5 1/2	100 1/2	101 1/4
Minn. Pr. & Lt. Co., 1950.....	6	103 3/4	105
Minn. Tribune Co., 1st 1942.....	6 1/2	104	105
Northern States Pr., 1948.....	6	102 3/4	104
Northern States Pr., 1941.....	5	96	97
Northwestern Elev. Co., Ltd. 1930/2	6 1/2	100	6.00 B
Northwestern Terminal Co. 1930/5	6	98	100
Ottertail Pr. Co. 1st 1933.....	6	102	103
Ottertail Pr. 1939.....	6 1/2	103	105
Pillsbury Flour Mills 1933.....	7	102 1/2	...
Pillsbury Flour Mills 1943.....	6	101	102 1/2
Powell River Co., Ltd. 1926/9.....	6	100 1/2	102
Red River Lumber Co. 1st 1928.....	5	99	...
Red River Lumber Co. Notes 1926/7	6	100 1/2	...
Red River Valley Pr. 1944.....	6 1/2	101 1/2	103 1/2
St. Croix Power Co., 1929.....	5	99 1/4	100 1/4
St. Paul City Ry. Cable Cons. 1937..	5	95 3/4	97
St. Paul Gas Light 1st 1944.....	5	100 1/4	101 1/4
St. Paul Gas Light, Gen. 1952.....	6	103	105
St. Paul Gas Light, Gen. 1954.....	5 1/2	101	102
St. Paul Union Stockyards 1946....	5	98	100
Tri-State Tel. & Tel. 1942.....	5 1/2	104	105
Twin City Telephone Co., 1st 1926..	5	99 3/4	100 1/2
Union Public Service, 1st 1936.....	6	98	100
Watab Paper Co., 1st 1942.....	6 1/2	101 1/4	103

CHICAGO BANK STOCKS

Quotations December 8 by Babcock, Rushton & Co., 137 So. La Salle Street, Chicago, Ill.

	Bid	Asked	Book Value
Calumet National Bank.....	275	...	169
City National Bank of Evanston.....	305	...	296
Continental & Commercial Nat. Bank...	404	407	266
Drovers National Bank.....	202	210	150
First National Bank of Chicago.....	587	592	385
First National Bank of Englewood.....	425	...	422
Foreman National Bank.....	412	...	261
Int. National Bank of Hegewisch.....	275	...	404
Irving Park National Bank.....	260	...	184
Austin State Bank.....	230	...	185
Central Mfg. Dist. Bank.....	400	410	248
Central Trust Co.....	271	276	170
Chicago City Bank & Trust Co.....	270	275	338
Chicago Trust Co.....	215	220	174
Citizens State Bank.....	310	...	173
Drovers Trust & Savings Bank.....	400	...	294
Franklin Trust & Savings Bank.....	240	...	279
Greenebaum Sons Bk. & Trust Co.....	425	435	300
Guarantee Trust & Savings Bank.....	265	275	200
Halsted Street State Bank.....	235	...	202
Harris Trust & Savings Bank.....	400	...	262
Home Bank & Trust Co.....	275	282	198
Humboldt State Bank.....	200	...	135
Hyde Park State Bank.....	225	...	210
Illinois Merchants Trust Co.....	488	492	335
Independence State Bank.....	200	210	127
Kasper-American State Bank.....	200	205	132
Lake Shore Trust & Savings Bank.....	222	...	147
Lake View State Bank.....	200	...	166
Lake View Trust & Savings Bank.....	325	...	251
Lawndale State Bank.....	375	...	220
Liberty Trust & Savings Bank.....	200	210	141
Jefferson Park National Bank.....	200	...	153
Kenwood National Bank.....	260	270	215
Mutual National Bank.....	290	300	230
National Bank of the Republic.....	225	229	165
Rogers Park National Bank.....	225	...	280
Stock Yards National Bank.....	280	285	190
Washington Park National Bank.....	257	...	141
Lincoln Trust & Savings Bank.....	200	210	182
Marquette Park State Bank.....	205	...	163
Mercantile Trust & Savings Bank.....	210	...	159
Mid-City Trust & Savings Bank.....	235	...	142
Noel State Bank.....	220	...	130
Northern Trust Company.....	457	462	367
North-Western Trust & Sav. Bank.....	330	...	183
Oak Park Trust & Savings Bank.....	250	...	174
Peoples Stock Yards State Bank.....	260	270	146
Peoples Trust & Savings Bank.....	255	265	168
Pullman Trust & Savings Bank.....	250	...	186
Reliance State Bank.....	200	...	150
Roseland State Bank.....	270	...	188
Schiff Trust & Savings Bank.....	275	300	131
Security State Bank.....	345	350	257
Sheridan Trust & Savings Bank.....	245	250	164
South Chicago Savings Bank.....	290	...	184
South Side Trust & Savings Bank.....	220	225	142
South-West Trust & Savings Bank.....	210	...	202
State Bank of Chicago.....	600	...	363
State Bank & Trust Co. of Evanston...	310	335	285
Stony Island State Bank.....	205	215	160
Suburban Trust & Savings Bank.....	215	225	163
Union Bank of Chicago.....	240	...	186
Union Trust Company.....	370	...	228

United State Bank.....	210	...	186
West Englewood Trust & Savings Bank.	295	300	160
West Side Trust & Savings Bank.....	250	255	136
West Town State Bank.....	250	...	157
Wiersema State Bank.....	225	...	226
Woodlawn Trust & Savings Bank.....	255	265	164

CHICAGO INDUSTRIAL STOCKS

Quotation December 8 by Babcock, Rushton & Co., 137 So. La Salle Street, Chicago, Ill.

	Bid	Asked
American Stove Co.....	132	136
Beatrice Creamery, com.....	69	71
Beatrice Creamery, pfd.....	106	108
Benjamin Electric, pfd., 1st.....	97	100
Borden Co., com.....	92	95
Brennan Packing, class A.....	53	...
Brunswick-Balke-Collender Co., pfd.....	98	100
Butler Brothers, \$20 par.....	34	35
By-Products Coke Corp.....	76	78
Buevry Co., com.....	188	195
Buevry Co., pfd.....	104	106
Creamery Package, \$25 par.....	34	35
Creamery Package, pfd.....	100	103
Elgin National Watch, \$25 par.....	88	92
Federal Electric, com.....	10	12
Federal Electric, pfd.....	35	37
Firestone Tire & Rubber, com., \$10 par.....	122	125
Firestone Tire & Rubber, pfd., 7%.....	98	100
Goodman Manufacturing Co., \$50 par.....	47	50
Great Lakes Transit, pfd.....	77	80
Great Lakes Transit, com.....	17	19
Godschaux Sugar, pfd.....	39	40
Holland-St. Louis Sugar, com., \$10 par.....	32	42
Keystone Steel & Wire, pfd.....	110	...
Keystone Steel & Wire, com.....	50	52
Liquid Carbonic, pfd.....	98	101
Michigan Sugar Co., com., \$10 par.....	4	5
Michigan Sugar Co., pfd., \$10 par.....	8	8
National Grocer, new com.....	5	6
National Grocer, pfd.....	83	86
Orpheum Circuit, pfd., 8%.....	104	...
Palmolive Co., com.....	102	106
Palmolive Co., pfd.....	105	107
Parke-Davis & Co., \$25 par.....	112	114
Albert Pick & Co., pfd.....	99	101
Proctor & Gamble, com., \$25 par.....	128	129
Proctor & Gamble, pfd., 6%.....	108	110
Sullivan Machinery, no par.....	49	51
Utah-Idaho Sugar Co., \$10 par.....	2	3
Wahl Co., pfd.....	48	52

BANK TRANSACTIONS

Washington—Debits to individual accounts, as reported to the Federal Reserve Board for banks in leading cities for the week ending December 2, 1925, aggregated \$11,687,000,000 or 4.6 per cent. below the total of \$12,256,000,000 reported for the preceding week. New York City reported a reduction of \$571,000,000, Detroit \$50,000,000, Chicago \$45,000,000 and Boston \$28,000,000. The largest increases reported were as follows: St. Louis \$59,000,000,

Cleveland \$28,000,000, New Orleans \$26,000,000 and Pittsburgh \$24,000,000. As compared with the week ending December 3, 1924, debits for the week under review are larger by \$818,000,000 or 7.5 per cent. Substantial increases were reported by most of the more important centers, the principal increases being as follows: New York City, \$317,000,000; Boston, \$64,000,000; Pittsburgh, \$58,000,000; St. Louis, \$56,000,000; Detroit \$43,000,000; Cleveland, \$33,000,000 and San Francisco \$22,000,000. The largest decline, \$22,000,000, was reported by Duluth. Aggregate debits for 141 centers for which figures have been published weekly since January, 1919, amounted to \$10,978,995,000, as compared with \$11,557,605,000 for the preceding week and \$10,226,617,000 for the week ending December 3, 1924. Debits to individual accounts were reported to the Federal Reserve Board for banks in 256 centers, of which 255 are included in the summary by Federal Reserve districts.

City	Week Ending		
	Dec. 2, 1925	Nov. 25, 1925	Dec. 3, 1924
New York	\$5,902,889,000	\$6,473,855,000	\$5,585,404,000
Chicago	728,037,000	772,913,000	721,722,000
Boston	445,092,000	472,704,000	381,214,000
Philadelphia	409,795,000	399,739,000	396,085,000
Pittsburgh	254,226,000	229,869,000	196,489,000
San Francisco	217,379,000	229,530,000	195,305,000
St. Louis	213,600,000	154,300,000	158,000,000
Detroit	189,246,000	239,543,000	146,119,000
Los Angeles	179,631,000	191,928,000	192,427,000
Cleveland	174,428,000	146,367,000	141,903,000
Twin Cities	143,825,000	144,651,000	146,196,000
Baltimore	108,889,000	107,379,000	101,000,000
Minneapolis	104,081,000	104,171,000	105,524,000
New Orleans	100,421,000	74,465,000	88,360,000
Kansas City	80,932,000	92,142,000	86,986,000
Milwaukee	58,418,000	63,096,000	58,766,000
Dallas	53,583,000	57,823,000	49,200,000
Washington	52,925,000	56,098,000	46,324,000
Seattle	45,323,000	52,457,000	38,962,000
Omaha	41,952,000	46,570,000	40,842,000
Denver	40,900,000	41,799,000	38,971,000
St. Paul	39,744,000	40,480,000	40,672,000
Portland	37,141,000	41,410,000	33,174,000
Duluth	29,222,000	32,625,000	50,787,000
Sioux City	19,772,000	16,105,000	15,576,000
Des Moines	16,223,000	20,386,000	15,835,000
Spokane	12,622,000	10,303,000	11,213,000
So. St. Paul	8,890,000	11,269,000	7,150,000
Fargo	4,147,000	2,950,000	3,281,000
Sioux Falls	4,112,000	4,040,000	3,058,000
Helena	2,478,000	2,046,000	2,492,000
Grand Forks	2,337,000	2,779,000	2,360,000
La Crosse	2,332,000	2,318,000	2,199,000
Billings	2,192,000	1,894,000	2,324,000
Aberdeen	1,902,000	1,527,000	1,888,000
Minot	1,900,000	1,450,000	1,544,000
Superior	1,684,000	1,958,000	1,686,000
Winona	1,352,000	1,786,000	3,670,000
Red Wing	646,000	617,000	669,000
Dickinson	625,000	571,000	597,000
Jamestown	574,000	674,000	548,000

Total (255 cities) \$11,687,482,000 \$12,256,826,000 \$10,869,754,000

Federal Land Banks Show Growth and Strength

One of the most noteworthy developments of the last decade has been the rise of the Federal Land banks to a position of power, influence and service to agriculture. Their statement of September 30 reveals the great strength attained.

According to this statement, the net mortgage loans totaled \$989,960,218.89, while the total assets reached the impressive sum of \$1,059,486,378.11. The capital, which is steadily growing, stood at \$52,783,832.50; the surplus and reserves were \$7,650,526.23. Undivided profits amounted to \$5,262,239.00. While the monthly net earnings of the banks are substantially in excess of \$700,000.00.

This showing has been made during about eight years of actual operation after paying \$13,209,071.10 to stockholders in dividends, carrying \$1,323,953.38 to Suspense Account, and charging off \$5,037,769.23 for real estate acquired on foreclosures.

Impressive as the above figures may seem, they are based upon the most conservative accounting practice. Every piece of land acquired through foreclosure is charged off in toto although the history of the Federal Land Bank system shows that on the average the lands acquired may be disposed of for enough to protect against any ultimate losses from this source.

In the same conservative spirit, every instalment payment over 90 days past due is charged off until collected. In the meantime, such items do not appear as admitted assets.

The operating income from the banks is derived chiefly from the "spread" between the rate paid on the Federal Land Bank bonds and the rate charged upon the first

mortgage loans. The law permits a spread of 1 per cent., and in practice this has been found ample to pay all operating expenses, write off any losses, build up strong reserves and pay satisfactory dividends to the stockholders.

Although the Federal Land banks have grown to such size and strength that they must be taken account of in any survey of our banking system, they do not compete to any appreciable extent with the old established banks. Their loans are made for very long periods, ranging from 20 to 35 years. Such loans are peculiarly adapted to the requirements of farmers because the semi-annual payments of interest and principal can be met from current farm earnings.

Neither commercial nor savings banks are in a position to make loans of this character. On the other hand, commercial banks carrying short-time agricultural paper find the Federal Land Bank system a great stabilizer. Farmers who have placed their major financing upon a sound basis are much better risks for short time loans.

LIFE INSURANCE-TRUST COMPANY MEETING

New York—A joint meeting between life insurance and trust company men will be held in Cincinnati, Monday, December 14, under the auspices of the Cincinnati Association of Life Underwriters. A. C. Robinson, president Peoples Savings and Trust Company of Pittsburgh, and Leslie G. McDouall, assistant trust officer Fidelity Union Trust Company, Newark, N. J., members of the committee on insurance trusts of the Trust Company Division, American Bankers Association, will speak on different phases of "Coordinating Life Insurance and Trust Service." Leroy A. Mershon, secretary of the Trust Company Division of the Association, will talk upon "Pre-Mortem Versus Post-Mortem Service."

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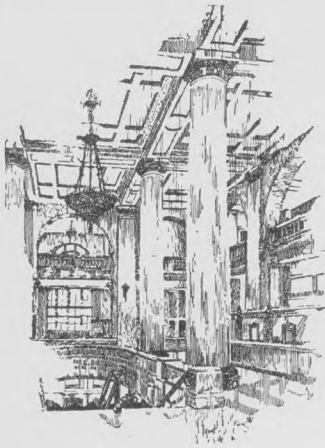
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New Banks and Changes

MINNESOTA

Bank at Delano Closed

Delano—The First National Bank was closed December 7. It was capitalized at \$25,000 with deposits of approximately \$275,000.

P. D. Beaulieu Leaves Austin for Mankato

Mankato—P. D. Beaulieu resigned as vice president of the Austin National Bank to become cashier of the National Citizens Bank.

Charles B. Mills Made President at Osseo

Osseo—Charles B. Mills has been elected president of the Citizens State Bank. S. J. Mealey was made vice president. H. B. Spence is cashier. Mr. Mills is also president of the Midland National Bank & Trust Company of Minneapolis.

NORTH DAKOTA

A. H. Helgeson Elected Assistant Cashier

Michigan—A. H. Helgeson has been elected assistant cashier of the Michigan City Bank.

SOUTH DAKOTA

Lily Bank Closed

Lily—The Bank of Lily has been closed. It was capitalized at \$10,000.

Bank at Carter Closes

Carter—The Carter State Bank has closed. It was capitalized at \$10,000 with deposits of about \$87,000.

Ward Bank Closes

Ward—The First State Bank, capitalized at \$5,000, has closed. It had deposits of approximately \$98,000.

Nunda Bank Reorganized

Nunda—The Nunda State Bank has been reorganized. M. O. Dahl was elected president and John S. Bortnem and Mr. Dahl were made directors to fill vacancies until the annual meeting.

WISCONSIN

Altoona Bank Closed

Altoona—The Altoona State Bank has been closed. It was capitalized at \$10,000 with deposits of approximately \$98,000.

Changes in Eau Claire Bank

Eau Claire—C. H. Charlson has been promoted from cashier to vice president of the Eau Claire Savings Bank and K. R. Knehl, assistant cashier, was made cashier. A. C. Koneazny was made first assistant cashier.

Edward Riggert Becomes Assistant Cashier

Lake Geneva—Edward Riggert, formerly with the Guardian National Bank of Chicago, has been made assistant cashier of the Farmers National Bank succeeding Hiram C. Smith who resigned to enter the insurance business.

Promotions in Milwaukee Bank

Milwaukee—Grant Fitch was advanced from vice president to president of the National Exchange Bank to succeed the late J. W. P. Lombard. G. W. Augustyn, formerly cashier was made vice president, and E. F. Fitch was advanced from assistant cashier to cashier and was added to the directorate.

IOWA

Alton Bank Is Closed

Alton—The Bank of Northwestern Iowa has been closed.

Bank at Ireton Closed

Ireton—The Northwestern Bank has been reported closed.

O. J. Frey Made Vice President

Sheldon—O. J. Frey, formerly cashier of the Ocheyedan Savings Bank is now vice president of the First National Bank.

Waukon Bank Has Closed

Waukon—The First National Bank with a capital of \$100,000 has been closed. It had deposits of approximately \$986,000.

L. D. Beckett Resigns Assistant Cashiership

Northwood—L. D. Beckett has resigned as assistant cashier of the Worth County State Bank to accept a position with the banking department at Des Moines.

Changes at Carroll Bank

Carroll—F. C. Beverly of Stuart has been elected cashier of the Commercial Savings Bank succeeding J. S. Light, who resigned to enter other business, effective January 1. F. H. Culbertson was made assistant cashier.

MONTANA

Hardin Bank Closes

Hardin—The First National Bank, capitalized at \$65,000 has closed. Deposits were approximately \$463,000.

C. E. Cunningham Elected Cashier

Hamilton—C. E. Cunningham, formerly assistant cashier of the Traders State Bank of Poplar, has been elected cashier of the First National Bank.

NEBRASKA

Peru Banks Consolidated

Peru—The Citizens State Bank and the Peru State Bank have consolidated and will continue as the former. Ellis E. Good is president and O. M. Good, cashier.

J. L. Winter Resigns as President

Ashland—J. L. Winter sold his interest in the Ashland State Bank to C. N. Walton, the cashier, and resigned as president. Jeff Smith, vice president, will act as president until the time of the annual meeting.

Conversion of Wausa Bank

Wausa—The Commercial National Bank has been converted into the Commercial State Bank. A. H. Banks is president; Leonard Johnson and G. E. Swanson, vice presidents; R. E. Cook, cashier and G. A. Renard, assistant cashier.

T. W. Norbury Promoted to Cashier

Callaway—T. W. Norbury has been promoted from assistant cashier to cashier of the Seven Valleys State Bank, the vacancy caused by the resignation of F. M. McGrew who sold his interest in the bank to Mrs. Agnes L. Norbury.

BANKING NOTES

Bank Building Remodeled

Bismarck, N. D.—The remodeling of the Bank of North Dakota building is nearing completion.

New Building for St. Paul Bank

St. Paul, Minn.—The Security State Bank contemplates the erection of a new building to cost approximately \$40,000. Tom J. McGrath is president.

National Bank Bill May Receive an Early Vote

Washington—The McFadden National Bank bill, known in the last Congress as H. R. 8887, will be among the first bills to be reintroduced in the Sixty-ninth Congress this month. It will probably be known as R. H. 2, and Representative McFadden states he has the promise of the House leaders that they will aid in every way possible to speed its consideration.

Few, if any, changes will be made in the draft of the bill as it passed the House last session, Mr. McFadden stated, and any changes that are made will be of a minor character. He believes that much of the opposition that was apparent in the Senate was due to a misunderstanding of some of the provisions and that now that the matters have been debated to a considerable extent the way to its final passage this session will be made easier.

It is not indicated, even now, that all of the opposition to Sec. 9, which deals with the question of branch banking, has been eliminated.

"The practical effect of this section would be to confine branch banking by state member banks to cities having a population in excess of 100,000 when such cities are located in states in which branch banking is permitted at the time the bill is enacted into law," said Mr. McFadden, explaining Sec. 9. "Section 8 puts similar restrictions upon the national banks and the combined effect of these two sections would be to prevent any form of branch banking within the Federal Reserve system by either class of banks in states where branch banking is forbidden by law, even though subsequent legislation might permit state banks to engage in branch banking.

"The big feature of Section 9 is the clause which prohibits a state member bank from establishing or acquiring any more branches outside the city in which it may be located, and the clause which precludes non-member state banks from entering the reserve system unless relinquishing all branches beyond the home city."

High Court Sustains Par Check Collection

Washington—The regulations issued by the Federal Reserve board prohibiting National banks and non-member clearing banks from charging exchange on checks drawn on them and forwarded through Federal Reserve banks for collection, and the law under which the action was taken, were in effect sustained by the Supreme Court in a decision handed down November 25.

The par clearance controversy came before the court in an appeal by the Pascagoula National Bank of Moss Point and Pascagoula, Miss., which was refused an injunction by the United States court for Northern Georgia, where it first challenged the constitutionality of the law and the regulations under which the Federal Reserve Bank of Atlanta required it to remit in full on checks drawn on it.

Argument Held Unnecessary

Counsel for the Pascagoula Bank was frequently interrupted from the bench as he presented his oral argument, the members of the court plainly showing their inability to support his contentions that the law and regulations took property from his client without compensation. When he had completed his argument, Chief Justice Taft, after a hasty conference with his associates, announced that it would not be necessary for the Atlanta bank to present any argument in defense of the statute or the regulations.

The effect of this announcement, under the practice of the court will be to bring a dismissal of the appeal, thus giving full effect to the decision of the Georgia court.

Attempts by the Pascagoula bank's attorney to discuss the operation of the Federal Reserve system, particularly the relations which he thought should be maintained between it and National banks, were cut short, members of the court bringing the argument back each time to Constitutional grounds with their questions.

National banks, under the Federal Reserve system, he insisted, had not surrendered all their inherent rights, but retained a Constitutional power to require compensation for services rendered and could not be compelled to bear all the expense of forwarding remittances to pay checks drawn on them.

The principal purpose of the contested provision of law and the regulations was to enable the Federal Reserve banks to build up reserves, he asserted, estimating that National banks throughout the country were deprived of about \$125,000,000 a year which they would otherwise collect as exchange charges.

TRUST COMPANIES OF THE UNITED STATES TO MEET IN NEW YORK

New York—Francis H. Sisson, president of the Trust Company Division, American Bankers Association, and chairman of the committee on arrangements for the annual banquet of the trust companies of the United States, has announced that the next banquet, which will be the 15th, will be held at the Waldorf Astoria Hotel, New York, February 18, 1926. The banquet will come at the close of a two-day session of the seventh-mid-winter conference of the corporate fiduciaries of the country to be held under the auspices of the Trust Company Division, American Bankers Association.

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White Collar Workers Falling Into Evil Ways

"Keeping Up With the Joneses" and Foolish Speculation Leads to Embezzlement and Pilfering

"Dishonesty among 'white collar' workers is increasing by leaps and bounds," said Robert S. Hart, vice president and secretary of the Fidelity & Deposit Company at the recent meeting of casualty insurance officials at Baltimore.

"While it is true that savings banks all over the country are reporting increased deposits, the spending habit seems to be growing even more rapidly. 'Keeping up with the Joneses' seems to have become a national pastime, with the result that increasing numbers of employes are spending their salaries in ways not entirely suited to their incomes.

"Drop into any dance club or restaurant where they have dancing at night and you'll find them full. Bootleggers are doing a thriving business. The movies are more popular than ever and growing in number. Automobile manufacturers are reporting tremendous increases in sales and working overtime to keep up with the demand.

"Probably in no other country has the installment purchase plan reached such a stage of development as in the United States. This method of buying has its merits, of course, but it also has its drawbacks, and one of these is that it lures thousands into buying commodities which they don't need and often can't really afford.

"Everybody seems bent on traveling at 'the pace that thrills.' We know of many instances where homes have been mortgaged in order to buy automobiles. But worst of all is the gambling fever which seems to have swept over the country this year.

Florida Speculation

"Apparently inspired by the widely circulated accounts of the fabulous profits made in Florida real estate and in the stock market, thousands of heretofore sensible citizens dipped into their savings and indulged in an orgy of speculation which, in most cases, left them wiser but poorer.

"Included among those who thought that they, too, could make a 'killing' were a lot of bookkeepers, cashiers and other clerical folk who, not having any surplus cash of their own, 'borrowed' from their employers in the belief that they could make a quick profit and pay back the money before their shortages were discovered.

Will Mean Increase in Rates

"The results have been that this year we have been called upon to pay an unprecedented number of dishonesty losses. In one week, recently, the home office paid claims amounting to more than \$100,000. And many of the losses that we have paid this year were caused by old and 'trusted' employes, whose previous records were spotless.

"One certain result of a continued increase in dishonesty will be an increase in the rates for fidelity bonds.

"It is in the homes and in the schools that the seeds of honesty must be sown and cultivated."

MUCH LIFE INSURANCE WRITTEN THIS YEAR

New York—Americans are buying as much life insurance in seven weeks as they bought in a year a quarter century ago, Chairman William A. Law of Philadelphia declared in opening the annual convention of the Association of Life Insurance presidents here.

As an index to the condition of the country, he called attention to \$15,400,000,000 of new insurance paid for this year—a record. This represents a gain of \$2,200,000,000 over the previous high mark of 1924.

"American business expansion of the past quarter century is amazing, and becomes more so as we project the picture backward to the beginning of this as yet comparatively young nation," he said. "With our modern financial, commercial and manufacturing machinery, dare we use definite figures in attempting predictions for the next quarter century?

"The vast growth of our urban population accompanying our commercial expansion, the organization of business on a large scale, the urgent demand for higher living standards, and the rapidity of communication all tend to emphasize the interdependence of our population, the extent of

our future problems and the need of broad-minded co-operation in their solution."

Robert W. Huntington of Hartford, Conn., told the members that life insurance companies this year are making a further loan of \$1,000,000,000 to American people.

"This additional loan has been used to finance homes and farms, industry, transportation and commerce and makes an investment record for life insurance companies" he said. "Never before has the net increase in life insurance investments in a single year reached \$1,000,000,000. The total invested assets of the United States life insurance companies will amount to \$11,500,000,000 by the end of the current year."

Advises Avoiding Health Fads

New York—"Treat yourself as you would your bank account," do not follow new fads and take plenty of exercise in the open air, are some of the ways to lessen the twentieth century strain upon the middle-aged, Dr. Edwin W. Dwight of Boston told the Association of Life Insurance Presidents at the convention recently held.

Fifty per cent. of the declinations of almost any life insurance company are due to circulatory diseases, the physician said, pointing out that at the age of 30, just when a man is becoming of real value to his family, community and nation, these diseases begin to appear.

After a long survey, Dr. Dwight concluded that the incidence of circulatory disease is in inverse relation to the amount of physical exercise which is taken in open air, and, other things being equal, it is in direct relation to the amounts of nervous and mental strain.

His rules of health follow:

"Do not follow ideas because they are new. Consider the 'Laws of Moses,' which have stood the test of more than 30 centuries.

"Do not follow fads, or become extremists in your habit of life. If the Lord had intended you to be herbivorous, he would not have given you teeth in the upper jaw. If carnivorous, you would have had canine teeth and claws with which to tear your meat. You were created to be omnivorous—therefore, eat plainly of a mixed diet. Fuel is necessary for the creation of energy, and oxygen for the combustion of fuel. As much energy is needed for mental effort as for physical. The working horse needs more grain than the one which stands in the stall.

"Treat yourself as you would your bank account. Make more deposits than you draw checks and you will create a reserve which will be available in those physical and mental emergencies which come to us all. Many of the symptoms which we have and the conditions which are demonstrated on examination are simply notices from the bank that our account is overdrawn.

"Circulatory disease is largely a personal affair, and its prevalence is in inverse relation to the amount of physical work done in the fresh air. The more confining your occupation, the more important it is for you to keep this in mind."

\$30,000,000 SPENT ON PENSIONS IN YEAR

New York—More than \$30,000,000 was spent for employes pensions during the past year by American industry including railroad and public utility companies, according to the National Industrial Conference Board.

A study was made of 248 formal pension plans conducted by 245 companies and embracing 2,815,512 employes and comparisons were made with 148 informal plans operated on an individual merit basis. Of the 245 companies operating formal plans, 164 reported having 35,953 pensioners on their rolls as of December, 1924, to whom was paid a total of \$18,192,250, or an average of about \$506, during the year. The proportion of male to female employes was about three to one.

As a result of its exhaustive research, the Conference Board concluded that pension plans to a large extent are "still in the experimental stage," and that "the cumulative character and rapidly mounting costs of pensions too often

are not properly appraised, and the necessity of funding any pension plan on a scientific basis if future embarrassment is to be avoided is stressed with recurrent emphasis."

According to the report, the task of correctly estimating and properly funding the cost of a pension plan is, however, by no means beyond the ability or resources of individual management. The Conference Board said it encountered considerable objection to making the functioning of a pension plan an automatic procedure by turning over the entire administration of such a plan to an outside agency.

Federal Reserve and the Stock Market Discussed by George E. Roberts

New York—When the Federal Reserve System was organized it was common expectation that it would reduce the amount of banking funds employed in stock market operations, but there has been no lack of funds for stock trading since the system got into action, says George E. Roberts, vice president of the National City Bank, New York, in the American Bankers Association Journal. He declares total loans reported by member banks of the system show that "as nearly as can be calculated the increased demand for credit in the past year, as between bond and stock operations and commercial uses, has been in the ratio of \$9 for the former to \$2 for the latter," although commerce still is the chief factor in the money market. He says, "the back door of reserve credit is open to speculative activities and without doubt advantage has been taken of the opportunity during the past year." Mr. Roberts says in part:

"The manner in which money or credit rushes to the stock market when an upward movement attracts general attention is no different from the manner in which it rushes to the grain market, farm lands, Palm Beach lots or to a new oil field. Speculation is legitimate, but may be overdone and when this occurs the inevitable reaction will have ill effects outside the immediate interests concerned. For this reason Federal Reserve credit, which constitutes a reservoir especially intended to safeguard the general business situation, should not be drawn upon to support a speculative boom.

Can Speculation Be Suppressed?

"How to prevent it, however, is a problem. Credit cannot be kept in water-tight compartments. A member bank may not pass up to its reserve bank any loans secured by stocks and bonds, but it can pass up eligible paper and lend the proceeds in the stock market. Although the reserve bank is not a party to the transaction it is evident that its resources are indirectly drawn upon for the speculative field. There has been no expansion of credit in the commercial field in the past year which would call for an advance of the discount rate, but there has been a great expansion in the speculative field, and the demand for money there has not only raised interest rates on collateral loans but pulled up the rates on commercial paper.

"With the member banks able to rediscount eligible paper at 3½ per cent. and lend the proceeds on collateral security at 4½ or 5 per cent., the back door to reserve credit is open to speculative activities, and without doubt advantage has been taken of the opportunity during the past year. In the post-war boom the reserve banks were drawn into the inflation so far that when the chief need for their services arose they had little power of expansion remaining. That never should happen again. In normal times the resources of the reserve banks should be kept mainly in reserve for use when an emergency arises. Reserve resources should not be allowed to contribute to speculative excesses."

The Low Discount Rate in New York

Mr. Roberts points out that the expansion of bank credit since the first of the year has been outside the New York Federal Reserve District, that credit obtained from the New York banks has not been an important factor in the stock market activity and therefore the New York reserve bank had good reasons for not advancing its rediscount rate even though ten other reserve banks had. Also

a rise in the New York rate would attract gold from abroad making England's gold resumption problem more difficult and promoting speculation in this country. In regard to the suggestion that the reserve banks should refuse to rediscount eligible paper for member banks who are extending credit for speculative uses, he says:

"This is an exercise of authority which would have to be used with restrained discretion, but the general proposition that a way must be found to prevent the reserve system from contributing to inflation is incontrovertible. It is not clear that a rising discount rate of itself can be relief upon to give the desired degree of control. The discount rate, however, has a psychological effect which is of great influence. This has been demonstrated in recent weeks by the results of the moderate action of the reserve banks. The disturbance was out of all proportion to any real change in available credit, but the higher rate was accepted as notice that the supply was running low and the long period of expansion on easy terms approaching the end."

R. M. BISSELL, President	WILLIAM WALSH Secretary
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Annual Statement

Federal Insurance Company

Jersey City, New Jersey

January 1st, 1924

Assets	\$8,201,600.05
Liabilities	2,269,499.96
Cash Capital	1,000,000.00
Reinsurance Reserve	2,616,833.57
Surplus to Policyholders.....	3,315,266.52

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To Establish Legal Residence in Florida

Pointers for Those Who Would Seek a Permanent Home in the Wonder State of the South

A New York tax expert tells us that 26 millionaires from other states have established their legal residence in Florida since the tax laws of that state were revised so as to invite such action. The following summary of the tax laws and provisions for becoming a resident of Florida, were recently published by the Daily News of New Smyrna.

Florida has the most generous tax laws of any state in the Union. No penalty is placed on success. To acquire a competency in most states is to share it with the Government. The people of Florida adopted by a large majority the following amendment to the Constitution:

Section 11. "No tax upon inheritances or upon the income of residents or citizens of this State shall be levied by the State of Florida, or under its authority, and there shall be exempt from taxation to the head of a family residing in this State, household and personal effects to the value of Five Hundred Dollars."

Forty-six states levy estate or inheritance taxes, and 11 states levy income taxes. Florida prohibits both. Accordingly, the people of Florida enjoy freedom from filing income and estate taxes, with possibility of litigation in settling estates being largely reduced. Besides, important documents, bonds, mortgages, notes, letters, etc., in a safety deposit box in a Florida institution cannot be scrutinized by Florida state officials.

How to Become a Legal Resident

To enjoy these many advantages, a person must be a resident of the state.

To constitute a new residence, two things are indispensable; residence in the new locality and intention to remain there. This necessarily presupposes a definite abandonment of the former residence in another state. The circumstances usually relied upon to establish such new residences are:

1. Establishing and maintaining a home in Florida in which the resident and his family live, and where they expect to stay at least a considerable portion of the year.
2. Declarations of residence, such as letterheads, signatures on hotel registers, change of church and lodge memberships, recitals in wills, deeds, etc.
3. Having a place of business in Florida.
4. Paying poll taxes and personal taxes if any to Florida officials.
5. Registration for and voting in primaries and elections in Florida.
6. Reporting and paying Federal income taxes through the proper office in Florida.

Features of Corporation Laws

These facts are outlined by the Florida Development Board, as also the salient features of the Florida Corporation law, as follows:

1. Florida prohibits levy of a state income tax.
2. Florida prohibits levy of a state inheritance tax.
3. There is no state stamp tax on stock issues or transfers.
4. Incorporation may be completed quickly.
5. No resident director is required, but there must be a resident agent.
6. It is not necessary that directors be stockholders.
7. A Florida corporation may issue shares of stock, both preferred and common, without nominal or par value, fully paid and non-assessable, for consideration or at a price fixed by the directors.
8. A Florida corporation can begin business with capital as low as \$500.00.
9. Any meeting of stockholders or directors may be held either within or without this state.
10. Fully paid stock may be issued for property, services or cash. The judgment of the directors respecting the value of the consideration is conclusive of the absence of fraud.
11. Florida corporations may hold stocks, bonds, or securities of other corporations, real and personal property, within or without the state, without limitation as to amount.

12. They may purchase shares of their own capital stock and hold and re-issue or cancel them.

13. Different classes of stock, with such preferences and voting powers or without voting power, may be issued as may be desired, and without limitation as to rate of dividends or relative amounts issued.

14. Florida corporations protect the private property of stockholders from liability for corporate debts.

15. Give their directors power to make and alter by-laws.

16. Provide for cumulative voting, if desired.

17. Amend their charters from time to time.

18. Merge or consolidate with other corporations.

19. Florida does not assess a yearly privilege or franchise tax on capital stock of corporations.

20. Florida corporations may issue bonds, debentures or other obligations without limit as to amount, and give bondholders power to vote, if desired.

21. May have perpetual existence.

22. May declare and pay stock dividends.

23. Provide for capitalization to any desired amount.

24. Fix the par value of their stock at any desired figure.

25. Keep all their books and records outside of Florida, except an original or duplicate stock ledger.

26. Withhold, restrict, or enlarge the voting power, of any class of stock, as desired.

27. Voting trusts may be created, conceded by attorneys everywhere to be the best ever devised.

Cost of Government in Middle Western States

Chicago—The increased cost of state government is graphically shown in comparative tables from middle western states. In many cases state expenditures have doubled since 1918.

In Illinois the general revenue fund for this year was \$27,942,426, while in 1918 it was only \$15,667,209. The total state expenses, including soldiers' compensation, the university, state schools, etc., for 1925, was \$98,308,422, whereas in 1918 it was \$23,454,467.

The total disbursements in Wisconsin this year were approximately \$37,000,000 as compared with \$18,000,000 in 1918. Much of the funds, however, are returned to the local governments, so that the expenditures for the state university, normal schools, elementary institutions, courts and all of the state departments will be approximately \$16,000,000 this year. In 1918 they were about \$9,500,000.

State expenses in Iowa have continued to increase until this year when \$15,776,000 was collected from its citizens, of \$7.68 per capita. In 1918, Iowa spent \$10,854,666, which averaged down to \$4.59 per capita. Through economies and reduced costs, however, F. L. Hogue, director of the budget expects the 1926 figures to be trimmed to \$14,189,961.

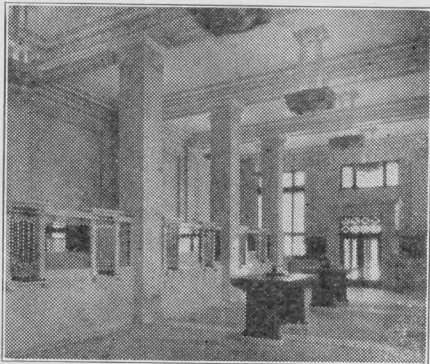
Nebraska's total expenditures for this year were \$11,282,902.39. Expenditures for 1918 are not available as previous to 1920 Nebraska did not have a budget system. The per capita tax rate, however, has increased from \$3.60 in 1918 to \$4.33 in 1925.

Kansas this year spent \$14,151,651.82, while in 1918 the sunflower state's expenditures totaled only \$7,125,856.79. The per capita levy this year was \$3.22 compared with \$2.30 seven years ago.

North Dakota's figures are smaller but the increase is equally large. That state spent \$11,127,766.17 while in the closing year of the war the total bill was \$4,958,976.20. The per capita cost has jumped from \$6.27.5 in 1918 to \$17.35.7 this year.

Oklahoma's appropriations this year were \$14,030,932.37, while in 1918 they were \$6,427,893.07. In 1925, however, Oklahoma spent \$1,500,000 in supplying free textbooks in all the public schools.

State expenditures for Indiana this year were \$35,751,064.59, while in 1918 the Hoosier state's cost of government was \$16,112,971.63. The tax rate for the state, however, shows a 7 cents reduction from the war time peak of 35 cents in 1918 to 28 cents this year.



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DEPARTMENT OF BANK EQUIPMENT

Bankers Plan to Help Stock Growers

Kansas City, Mo.—Loans of from \$3,000,000 up to several times that much are available in Kansas City for Iowa or other corn belt cattlemen of good repute, according to George S. Hovey, president of the Inter-State National Bank and the Inter-State Cattle Loan Company and the leading live stock loan financier of the Southwest.

“We have always considered the feed margin a good one,” President Hovey said. “Where a farmer is of good repute and has some collateral in the way of tangible wealth or capital and has plenty of corn or other rough feed, we have for several years stood ready to make a loan on his purchase of cattle at the Kansas City stockyards. We view the feed margin as 40 bushels of corn for full feeding a good steer.

“Where a man is of good repute and has as much as 45 to 50 bushels of corn per steer which is clear of any obligations or liabilities we will loan up to 100 per cent. of the value of his purchase of cattle on the Kansas City market. Where the purchaser has less than the 40 bushels of corn to full feed a steer we will make a loan up to 80 per cent. of the full cost of that steer on the Kansas City market.

“Our present estimates are that a good 1,000 pound steer will cost 7½c per pound on the Kansas City market. If corn is worth, say 50c a bushel, and the purchaser has from 45 to 50 bushels of corn per steer clear, we take the basis of 40 bushels of that corn, under normal conditions, to fit that steer for market, making his feeding and purchase costs total \$95, and we feel that when finished on full feed that the steer will be well worth that much money at market.

“So that as a loaning proposition we are in the clear and the farmer has marketed his corn and kept fertility on his land. And we believe that steers at 7½c a pound, which we feel is the average of prices at this market, at this time, will if fed on 40 bushels of 50c corn bring considerably more than \$95 per head when finished, thus leaving the farmer not only the fertility that is returned to his soil by feeding cattle, but the added benefit of having marketed his corn through cattle. Of course, this basis does not contemplate the hogs which follow cattle and pick up the corn which is wasted at the feed trough by the steer and which hogs salvage and turn into one of the handsomest profits of cattle feeding and corn feeding in the corn belt.

“We do not put an arbitrary price of 7½c per pound on the purchase price of steers on the Kansas City market. We do want to know that the man is of good repute, solvent and has his corn, so many bushels per steer, clear. Where a farmer in Iowa or any corn belt state wants to buy cattle to rough through the winter on straw, corn fodder or the other rough feeds of the farm and can make a good showing as to having these rough feed supplies available, we will loan up to 80 per cent. of the purchase price of the steers.”

TWO ST. LOUIS MEN INDICTED IN HUGE FRAUD

St. Louis—Three indictments each against Murray Carleton and Forrest Ferguson, charging them with felonious

making of false statements to obtain \$3,300,000 bank credit for the Ferguson-McKinney Manufacturing Company, now in receivership, have been returned by a circuit court grand jury.

Carleton, 75 years old, is critically ill. He is president of Carleton Dry Goods Company, now in liquidation, treasurer of Ferguson-McKinney and president of Carleton-Ferguson Company, controlling both. Ferguson is president of Ferguson-McKinney.

The alleged misrepresentations were made to the First National Bank of St. Louis, to which the firm owed \$200,000; and the brokerage firm of McCluney & Co., St. Louis, through which \$906,000 of Ferguson-McKinney commercial paper had been marketed.

Total losses to stockholders and creditors of the Carleton-Ferguson concerns were estimated at more than \$7,000,000.

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Recent Legal Decisions and Question Box

Conducted by ALLEN & FLETCHER, Attorneys, Minneapolis

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

Bank May Stop Payment on its Own Cashier's Check

A issued a check on a Minneapolis bank in favor of B. B cashed it at a Wisconsin bank. The check was protested for insufficient funds. B issued a check for a like amount in favor of A, after A's check had been refused, and A used it at the Minneapolis bank to take up A's protested check. The Minneapolis bank remitted to the Wisconsin bank by issuing its cashier's check. Next day or so they learned that B's check was being protested and they, the Minneapolis bank, stopped payment on and protested their own cashier's check.

Was the Minneapolis bank within the rights of the law to protest their own cashier's check under these circumstances?

First National Bank, ———, Wisconsin.

ANSWER

The cashier's check has been defined by courts and text writers as follows: "It is a bill of exchange drawn by the bank upon itself and is accepted by the act of issuance; and, of course, the right to countermand as applied to ordinary checks does not exist as to it. The bank, in such a case is the debtor and its obligation to pay the cashier's check is like that of a maker of any other negotiable instrument, payable on demand."

As applied to the case under consideration the rights and obligations of the Minneapolis bank and Wisconsin bank were that of a maker and holder of a negotiable promissory note payable on demand. If the Wisconsin bank is a holder in due course of this negotiable instrument, we are of the opinion that payment can be enforced as against the Minneapolis bank.

The negotiable instruments law states specifically what constitutes a holder in due course as follows:

"A holder in due course is a holder who has taken the instrument under the following conditions:

- "1. That it is complete and regular upon its face.
- "2. That he became the holder of it before it was overdue, and without notice that it had been previously dishonored, if such was the fact.
- "3. That he took it in good faith and for value.
- "4. That at the time it was negotiated to him he had no notice of any infirmity in the instrument or defect in the title of the person negotiating it."

In the case presented the facts do not show what was done with A's check cashed by the Wisconsin Bank. If this check was given to A at the time of the second payment by B to the Minneapolis bank we are of the opinion that the Wisconsin bank occupies, as far as the cashier's check is concerned, the position of a holder for value. The check on which their rights against B, for the money paid to him, has been returned to A and B's endorsement upon which the Wisconsin bank relied has passed out of their custody and control. In such a case the giving up of this right under the endorsement would be enough to constitute the Wisconsin bank a holder for value and we believe that the Minneapolis bank is liable on its cashier's check.

On the other hand, if the Wisconsin bank retained A's protested check awaiting payment from B and still had it in their possession and control at the time that the cashier's check was protested we do not see what value has passed from the Wisconsin bank to the Minneapolis bank so as to constitute the Wisconsin bank a holder in due course of this check. The Wisconsin bank is in no worse position than it was before the cashier's check was issued. They still have their rights against B on his endorsement. It was on this endorsement that they originally paid the money to B.

If the facts are as just stated, we are of the opinion that as between the two banks the Minneapolis bank could set up failure of consideration as a defense to a suit brought on the cashier's check.

Periodical accounting of a bank with a customer in absence of protest within a reasonable time is equivalent to a settlement.

This was an action brought by the plaintiff, State Bank of Prairie City against one Cooper, defendant, upon certain promissory notes and an overdraft account. This action was begun in March, 1923.

For ten years prior to such time the defendant had been a regular customer of the bank. He was engaged in farming. As a part of his farming operations, he engaged in the business of stock feeding on a large scale. He bought and sold annually large numbers of cattle. He was at all times a heavy borrower at the plaintiff bank, and at all times maintained an account there. Very many notes were executed by him, either for borrowed money or for renewals of notes falling due. His checks were myriad in number. Checks were drawn on his account by himself, by his wife, by his son, and by his manager, Reed. He had a passbook, which was balanced periodically by the bank and returned to him, together with his canceled checks and an itemized adding machine list showing the amount of each check and the sum total of all. The notes and the overdraft sued on by the plaintiff represent the tail end of the business transacted between the parties. In January, 1923, the defendant refused to pay or to renew his notes then falling due, being the notes in suit. He declared his conviction at that time that he had been robbed by the plaintiff bank, and he demanded an audit of the plaintiff's books.

The audit was made but all of the data was not available and it was evident that it was inaccurate. Defendant's defense was set up by reason of certain items in this audit which the bank was not able to disprove by reason of the fact that the records had been destroyed. The defendant's contention was that he made a prima facie case which entitled him to an allowance on these items which the bank could not disprove. The lower court found in favor of the plaintiff, State Bank of Prairie City and defendant Cooper appeals. The supreme court of Iowa sustained the lower court. They said:

"Appellant (Cooper) has tried his case both below and here on the apparent theory that by his specification of items claimed he has thereby cast upon the plaintiff the burden of accounting and disproof. This is an erroneous view, and upon this record is of itself quite fatal to the appellant. For ten years the plaintiff has been rendering an accounting to the defendant periodically, and at the times when the transactions involved were recent and fresh in the recollection of the parties. When the bank balanced the defendant's passbook and returned it to him with his canceled checks, that was an accounting of the most satisfactory kind. It was the duty as well as the self-interest of the defendant to examine such account and to protest it with reasonable promptness if erroneous. In the absence of protest within a reasonable time, the accounting became a settlement.

"When a bank has once rendered to its customer a full accounting, which has been acquiesced in without protest, it is under no burden of accounting again. This is the situation here. The time to protest the accounting of 1918 was then, and not five years thereafter.

"Granting therefore that the previous accounting by the bank is still open to attack on the ground that fraud has been concealed therein, yet the burden of such attack rests upon the defendant. It is incumbent upon him to point out the items, and to prove the fraud or wrongful conduct involved."

Judgment affirmed. See State Bank of Prairie City vs. Cooper. 205 Northwestern Reporter. Page 333.

Deposit of a check to credit of another bank passes title to check and proceeds to bank in which deposit was made.

The Sisseton Live Stock Shipping Association sent live stock to South St. Paul which was sold by the Central Co-operative Commission Association for \$2,033.59. The latter concern then drew its check, payable to the Drovers State Bank, and deposited it in that bank, with directions that the amount of the check be placed to the credit "of shipper's bank," the Guaranty State Bank of Sisseton. This was done, the check having been paid by the drawee on January 14, 1924. The deposit was made on January 12, and on that day the Drovers' Bank had honored a draft on it by the Sisseton bank. On January 12 the Sisseton bank closed its doors.

The shipper then sued the Drovers Bank and from a judgment for the bank appealed.

The Minnesota supreme court in affirming this decision, said:

"In this situation, the proceeds of the check having been placed to the credit and gone to the use of the Guaranty State Bank, and plaintiff never having had the benefit thereof, it is claimed that the deposit with defendant by its South St. Paul agent on January 12, 1924, was for collection only and did not pass title to the check or its proceeds to defendant. We must hold otherwise. There was nothing about the deposit indicating that it was for collection only. Although defendant may properly be held to have had knowledge, that the check was the property of plaintiff, there was nothing to qualify the authorized direction by plaintiff's agent to place the deposit immediately and unconditionally to the credit of the Sisseton Bank. That was done, and the operation amounted to an absolute assignment of the title of the check and the proceeds to defendant. It is the law that "the title of the money, drafts, or other paper" so deposited "immediately becomes the property of the bank, which becomes debtor to the depositor for the amount, unless a different understanding affirmatively appears." In this case there is no evidence of any different understanding, except that the Sisseton Bank and not plaintiff was to have the credit, which was to be immediate and unconditional.

"This disposes of the case, and we find it unnecessary to consider the decision of the trial court in so far as it is based upon the finding that plaintiff was doing business in this state without having been admitted for that purpose under our statutes as a foreign corporation.

"Order affirmed."

Sisseton Live Stock Shipping Association vs. Drovers State Bank. 205 Northwestern Reporter. 447.

CANADIAN NEWSPRINT PRODUCTION

Montreal—Newsprint production in Canada was greater in October than in any month in the history of the industry, with an output of 137,506 tons or nearly 13,000 tons over September production. For the second month in succession Canadian production was ahead of the United States, which has never happened before, making altogether five months in the present year when Canadian figures have been in the lead. Total Canadian newsprint production for the first 10 months of 1925 amounted to 1,250,974 tons, as compared with 1,128,949 tons for the corresponding period of 1924. It would seem probable now that from this time on Canadian mills would show higher production than United States mills.

NEW NORTHWESTERN PATENTS

The following patents were issued December 1, 1925, to Minnesota and Dakota inventors, as reported by Williamson, Reif & Williamson, patent attorneys, 925-935 Metropolitan Life Building, Minneapolis, Minn.:

C. and O. A. Flagstad, Minneapolis, Minn., collapsible carrier; H. W. Gossell, Verndale, Minn.; timer; M. G. Grodnick, Minneapolis, Minn., collapsible receptacle; A. A. Grossmann, St. Paul, Minn., telescopic hand level; P. Held, St. Cloud, Minn., water coaster or toboggan; C. Kuzaroff, St. Paul, Minn., smoker's tray (two patents); E. Pearson, Dalbo, Minn., weighing stand; M. J. Peppard, Minneapolis,

Minn., trunk; A. Rasmussen, St. Paul, Minn., wringer; M. M. Robb, Duluth, Minn., elevator safety device; R. H. Shadrick, Minneapolis, Minn., heater control; T. B. Stover, Winona, Minn., duo-cord tire construction; C. A. P. Turner, Minneapolis, Minn., re-enforced concrete foundation and pier and sinking the same; R. W. Young, Elmore, Minn., protective device for fences; R. C. Frederickson, Kensal, N. D., condensation preventing device; O. G. Johnson, Irene, S. D., mail box; E. E. May, Parker, S. D., animal trap; F. J. Scherer, Gregory, S. D., adjustable knock-down bookstand and shelving.—(Advertisement)

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 Charles C. Reif, 12 years Examiner U. S. Patent Office.
 Geo. F. Williamson, formerly Assistant to J. F. Williamson.

LEGAL DECISIONS
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Bankers Would Safeguard Deposits of North Dakota

Fargo, N. D.—Bankers of North Dakota, working with the industrial commission to develop a plan whereby the Bank of North Dakota may deposit surplus funds with state and national banks of the state, are concerned particularly in safeguarding the funds of the Bank of North Dakota so that they may be promptly available to meet seasonal requirements of the state and its municipalities.

That was the report of E. J. Weiser and A. G. Divet, Fargo members of the special committee which was appointed by the president of the North Dakota Bankers Association to consider the propriety and feasibility of making the banks of the state depositories for the funds of the Bank of North Dakota.

Because it now has \$16,500,000 invested in giltedged securities, bearing a low rate of interest, the Bank of North Dakota will reduce interest rate paid on deposits as follows, it was announced by C. R. Green, manager: Deposits for three months, 3 per cent.; deposits for 6 months, 2¾ per cent.; subject to check, 1¾ per cent., no interest on balances in individual open accounts.

The former rate on long time deposits was 4 per cent.

At the conference the committee of the North Dakota Bankers Association submitted the following definite suggestions for the industrial commission to consider before adopting a definite plan for using state and national banks in North Dakota as depositories for the funds of the Bank of North Dakota, as suggested by Governor Sorlie:

First—The most important considerations involved are those of ultimate safety of the funds and their prompt availability to meet the well known requirements of the state and its municipalities at certain seasons of the year when their funds, which largely make up the funds of the Bank of North Dakota, must be available to meet public expenditures.

Second—It is consistent with such safety and availability to deposit a reasonable portion of the funds of the Bank of North Dakota in banks within the state, but what constitutes a reasonable proportion of such funds for such deposit will vary and must be determined from time to time as conditions change.

Third—Before any bank is recognized as a depository of such funds it should be required to submit to the industrial commission a financial statement that will satisfy the commission and the manager of the Bank of North Dakota that it is a sound and going institution. In no event should the deposit in any bank exceed the amount of its capital.

Fourth—No deposit should be made in any such bank

without security of the following character being furnished therefor.

(a)—A pledge of Liberty bond, bonds of the state of North Dakota, or other recognized or listed bonds having a current market value of at least 10 per cent. in excess of the amount of the deposit secured.

(b)—A surety bond by some surety company authorized to do business in this state and approved in advance by the industrial commission.

Each of these points was discussed at the conference but particularly as to whether the banks could deposit with the Bank of North Dakota Federal and state bonds, as collateral for deposits they received. Mr. Divet pointed out that the question as to the legality of such a transaction is now pending in a case before the supreme court.

NORTH DAKOTA FARMERS FIND TURKEYS PROFITABLE

Bismarck, N. D.—“North Dakota in recent years has become one of the great turkey producing states in the United States.”

This is the declaration of O. A. Barton, poultry specialist of the North Dakota Agricultural College.

“It is unfortunate,” said Mr. Barton, “that there are no figures available as to the actual number of turkeys on North Dakota farms. Turkey production is fast becoming an important North Dakota farm industry but because we have no census figures it is impossible to tell exactly how great the business of turkey raising has become.

“In my opinion, however, North Dakota has produced this year at least 1,500,000 turkeys, worth at a conservative estimate, \$5,250,000 on the farm.

“That estimate is based on the assumption that 30,000 of the 75,000 farmers in North Dakota produce an average of 50 turkeys each—and it strikes me that this is a very conservative estimate.

“Farmers in many sections of North Dakota have found turkeys to be an exceedingly profitable side line business, a branch of farming that fits into a diversified farming program especially well in North Dakota, where we have great open fields over which the turkeys may range.”

NORTH DAKOTA SECURITIES BODY RELIEVED OF FINANCIAL STRAIN

Bismarck, N. D.—The recent opinion of Attorney General Shafer that the state securities commission can legally use the fees paid it by companies which it licenses to sell stock in the state in order to pay the expense of the commission has relieved a severe financial strain on that department of the state government, E. O. Bailey, secretary of the commission, says.

The fact that the appropriation for the department was rather small and that the work has increased in volume due to the desire of investment companies to do business in North Dakota, made the decision particularly valuable, Bailey said.

COST OF NORTH DAKOTA GOVERNMENT INCREASING

Chicago—The increased cost of state government is graphically shown in the comparative tables from middle western states. In many cases state expenditures have doubled since 1918.

North Dakota's figures are smaller than many other states, but the increase is equally large. That state spent \$11,127,766.17, while in the closing year of the war the total bill was \$4,958,976.20. The per capita cost has jumped from \$6.275 in 1918 to \$17.357 this year.

NORTH DAKOTA PLACES MANY ROAD SIGNS

Bismarck, N. D.—A total of 12,914 signs of nine different types have been erected on the highways of North Dakota at a cost of \$11,440,20, figures contained in the November issue of the North Dakota highway bulletin show.

Houston Electric Company

AMOUNT OF ISSUE	\$5,000,000
RATE OF INTEREST	6%
DATED	JUNE 1, 1925
MATURITY OF BONDS	TEN YEARS
SECURITY	FIRST MORTGAGE
VALUE OF PROPERTY	OVER \$10,000,000
TERRITORY SERVED	HOUSTON, TEXAS
POPULATION	ABOUT 190,000
JITNEYS AND BUSES	OWNED BY COMPANY
PRICE	96 AND INTEREST
BANKER'S CONCESSION	¼ of 1%
YIELD	6.60%

BALLARD AND COMPANY

First National-Soo Line Building
MINNEAPOLIS
Main 5590

South Dakota's Cigaret Tax Brings Goodly Sum

Pierre, S. D.—The building fund for state educational institutions, being provided by cigaret smokers of South Dakota, totalled \$170,014.84 on December 1, according to figures in the state treasurer's office. Monthly totals have varied from \$36,028.01 for July, the first month the present tax was effective to \$24,604.75, for November just closed. How much the drop from the first to the last month may have been effected by bootlegging cigarets from outside the state, and how much by the reformation of smokers or the season of the year, cannot be told finally until a full year is complete and comparisons, month by month, are possible.

The law has been effective five months and a fifth of the total on hand makes a monthly average of \$34,002.96.

A \$200,000 library building at the College of Agriculture is the first to be constructed out of the new fund, according to announcement already made. A \$200,000 class room and gymnasium building at Northern Normal at Aberdeen, a \$100,000 gymnasium and auditorium at the school of mines at Rapid City and a \$250,000 armory and gymnasium at the University of Vermilion, are the other three buildings so far designated in the order planned for their construction.

The cigaret tax is collected through stamps in denominations from ½c to 3 3-5c graduated on the basis of Federal internal revenue grades. These grades are based on the quality and price of the cigarets and the number in a package. Popular brands take a 3 cent tax, with 1 cent stamps next in demand. In these two denominations come 90 per cent. of the stamps sold, according to A. A. Moodie, who has charge of the fund in the treasurer's office.

The regents hope to solve the building problem at state schools, through the cigaret tax, Mr. Wagonner says.

BELIEVES SOUTH DAKOTA'S RECLAIMED REGION SHOULD HAVE UNITED STATES AID

Washington, D. C.—Entrance of the Government into a constructive program of agricultural development and settlement to save the Federal investment in the Belle Fourche reclamation and irrigation project in South Dakota was recommended in the annual report of Dr. Elwood Mead, commissioner of reclamation, made public recently.

Two courses were open to the Government, he said, but he preferred the one for development rather than outright disposal, as had been done at Williston, for the following reasons:

"Such important economic factors as ample water supply at low cost, good soil, and favorable climate should make it a successful project. What is required is more good resident owners who will till their own farms, keep live stock, and grow sugar beets and other crops of high acreage value. This can be accomplished by the Government instituting suits to collect arrears, and buying the land if owners do not pay; then disposing of the farms to actual cultivators under terms and conditions that settlers can meet."

As to financial, engineering, economic and agricultural conditions on the project, the report said:

"Engineering—The project needs drainage. To provide this will cost not less than \$1,000,000. The expenditure should await measures for agricultural development and settlement.

"Agriculture—The soil of the project is very productive of temperate zone crops and it has an ample water supply; the construction and operation charges are low.

"Financial and Economic—From its inception to the present, Belle Fourche project has been operated largely at public expense. The total expenditures for operation, and maintenance have been \$1,109,625, and the total repayment \$492,719. In the 17 years of operation the project has cost the Government \$616,906. The construction costs amount to \$3,547,570, of which but \$472,025 has been returned.

"Only 31 per cent. of this project is farmed by resident owners; the remaining lands are either farmed by tenants or abandoned. Adjacent to the towns of Newell, S. D., there are now 76 abandoned arms. There are 10 more occu-

ried by tenants. The indebtedness of 39 of these farms was analyzed. Not only are the Government water charges delinquent but the state and county taxes are unpaid. The tax indebtedness will soon be more than the land is worth.

"The maximum tax delinquency amounts to \$26 per irrigable acre, and the average is \$15.47 an acre. Tax certificates have been offered by the county with no buyers. There is nothing in this situation that justifies spending \$1,000,000 for drainage. Unless more and better farmers can be secured, the operation of this project in the future will be as unprofitable as in the past."

BANK OFFICERS IN TWO DEFUNCT SOUTH DAKOTA BANKS MUST PAY

Parker, S. D.—The banking department has secured a judgment of \$15,348 against the officers and directors of the Citizens Bank of Parker, and judgment of sum of \$14,317 against the officers and directors of the Farmers State Bank of Parker. These judgments were entered by Judge L. L. Fleeger.

The actions were predicated upon a statutory liability growing out of excess loans made by the officers and directors of the banks prior to the time they became insolvent. The case against the officers and directors of the Farmers State Bank was before the Supreme Court on a demurrer, which had been sustained by the trial court on the ground that there was no liability under statute for excessive loans.

The Supreme Court held that there was a liability on the part of officers and directors for excess loans made by the bank while it was a going concern.

OLD SOUTH DAKOTA MINE WILL REOPEN

Custer, S. D.—It was announced by F. A. Gira, general manager of the Spokane Silver and Lead Company, which owns a considerable acreage of mineral lands about 12 miles east of Custer, that the company soon will commence production on an extensive scale.

The Spokane mine is one of the early mining projects of the southern Black Hills, and always has been considered valuable property. It was worked with varying success until about 1917, when it was closed.

The ore in the Spokane mine is of high grade and the quantity is believed by mining men to be almost unlimited. The company also owns the Cayaboga mine property.

SOUTH DAKOTA SPUDS EXCELL

Brookings, S. D.—South Dakota certified cobbler excelled in yield seed potatoes from six other states in a demonstration test at Topeka, Kansas, this year, according to word received by G. L. Valentine, assistant agronomy specialist at South Dakota State College.

The South Dakota seed yielded 281 bushels of potatoes compared with 276 bushels for treated Montana cobbler which were next. Hollandale, Minnesota, cobbler were next with a yield of 275 bushels and Wisconsin cobbler in fourth place, yielded 253 bushels to the acre.

BIG SAWMILL OPENED IN BLACK HILLS

Deadwood, S. D.—The lumber industry of the Black Hills will enjoy a substantial growth as the result of the starting of lumbering activities by the Cindel Lumber Company, whose plant is at Novak, near Deadwood.

Mr. Cindel reported that he has a good market for all the finished product that the sawmill can turn out and will have some of the best timber in the West from which to obtain raw material.

SOUTH DAKOTA FORBIDDEN BY SUPREME COURT TO SELL GAS

Pierre, S. D.—President Judge Polley of the South Dakota supreme court has signed a motion permanently prohibiting the state of South Dakota from further engaging in the retail gasoline business.

A temporary injunction was granted October 28, and the state, failing to give proper reply, the court made the injunction permanent.

Metal Mines Pay Montana \$400,000 Tax

Helena, Montana—Nearly \$400,000, the results of the first year of operation of the gross production tax upon metal mines, was paid into the state treasury recently. The bulk of this money came from the Anaconda Copper Mining Company and other mining companies operating in Butte, the payments by the larger companies was made under protest, each payment being made under technical protests that the tax is unlawful.

Three hundred eighty one thousand three hundred seventy five dollars and sixty nine cents, and do not include an item of \$5,066.96 reported by the Jib Consolidated Mining Company, for the payment of which additional time was allowed by the board of equalization.

The taxes thus reported are imposed under initiative measure No. 48 voted by the people of Montana at the election in November, 1924, and is imposed upon the gross production of the mines for the calendar year of 1924.

The tax is imposed upon a sliding scale of one-fourth of 1 per cent. of which the value of the production exceeded \$100,000 and up to \$250,000; one-half of 1 per cent. of the value over \$250,000 and under \$400,000; three-fourths of 1 per cent. of the value over \$400,000 and under \$500,000 and 1 per cent. of the value of all production in excess of \$500,000.

When paid into the state treasurer it is to be distributed, according to the provisions of the law, 50 per cent. to the state general fund, and 50 per cent. to the common school income and interest fund. The portion which goes into the common school fund is later to be distributed along with other moneys in that fund to the various counties of the state for public school purposes upon the basis of the school census.

However, the money paid into the treasurer under protest at this time cannot be distributed, but must be held in the protested taxes fund for a period of 60 days, within which time the protesting tax payer may institute court action for its recovery. In the event no action is instituted within the 60 days the money can be disposed of as provided by the law.

As the distribution of the common school fund is made in February for the preceding calendar year, it will not be possible for these protested tax payments to be divided, among the counties in the distribution to be made next February for the present calendar year, and it cannot then be distributed until by the latter part of February, 1927.

Last February the distribution amounted to approximately \$900,000 and without this gross production tax the distribution of the coming February will be about the same figure. But, in the event the courts do not interfere with the imposition of this tax, the distribution of school funds in February, 1927, should include about \$200,000 now being held up and the results of the metals tax due next November, thereby releasing an exceptionally large amount for common school purposes.

AUTO LICENSES ADD \$915,253 TO MONTANA'S REVENUE

Helena, Mont.—Total sales of automobile licenses for 1925 on passenger cars are 12,301 greater than they were during the year 1924, according to figures compiled by Jay C. Larson, state examiner, and A. E. Williamson, assistant examiner, in checking the books of automobile registration in the office of the secretary of state.

The average price of a license for a passenger automobile is only \$1.77 less than the average paid for a truck license.

The passenger car average for 1925 is \$9.05 and the truck average per car is \$10.82. In other states it is understood the trucks are required to pay a higher license fee because of the continuous use of the streets and highways by the vehicles.

The figures indicate that the increase in number of purchases of cars in 1925 was largely in the cheaper priced car. This is shown by the fact that the average per passenger car in 1924 was \$9.14 as against \$9.05 this year.

The total amount of revenue derived from the sale of all automobile licenses, chauffeur licenses, transfers and

miscellaneous in the automobile registration department for this year (ending December 1) was \$915,253.25. The total revenue for 1924 was \$776,748.00. Transfers of licenses for 1925 far exceeded those of 1924. The transfers for 1925 were 1,689 and those of 1924 were 1,180.

The dealers in accessories dropped from 316 in 1924 to 179 in 1925 and the number of motor cycles registered in 1925 are 41 less than in 1924.

MONTANA OIL MEN OUTLINE STATE'S VAST RESOURCES

Helena, Montana—The largest gathering of oil men ever held in Montana met recently when the first annual convention of the Montana chapter of the Rocky Mountain Oil and Gas Association convened for a two-day session. It is also being attended by association members from other states.

The aggregated discourses of the speakers presented a panorama of optimism concerning the petroleum industry in the Treasure State, especially of the northern Montana field. The substantial basis on which the industry is being placed here was indicated by A. E. Wiggin, president of the Great Falls Commercial Club, who congratulated these men in that the speculative element had been lessened and that conservative business methods were becoming the rule.

The discourse of the president, A. Judson Findley, dealt with the statistics of the oil industry. He pointed to possibilities to be anticipated and concluded by making an appeal to the members for unity in purpose. As a sign of a favorable trend Mr. Findley pointed out that hostilities among oil men are vanishing to the extent where the exchange of information and experiences are doing much for the common good.

The people of today in this state need vision to inspire them to proceed with the development of the resources here found, Governor J. E. Erickson, one of the speakers, suggested. He referred to the vision of the late James J. Hill, who half a century ago in St. Paul foresaw the future of the great region from the Mississippi river west, and who realized his dream.

"And so in this day and in this time," the Governor commented, "we want men and women with vision, compelling vision, to look into the future and estimate what the future is going to be."

MONTANA'S FIELD RUN OF OIL 3,500,000 BARRELS FOR YEAR

Helena, Mont.—During the fiscal year ended October 31, 1925, approximately three and a half million barrels of crude oil produced from wells in the three Montana fields were transported through the common carrier pipe lines of the state, according to a tabulation prepared by the Montana railroad commission which has jurisdiction over the common carrier lines.

The greater share of this was produced in the Kevin-Sunburst field, which at the beginning of the twelfth month period was producing less than the Cat Creek field, but which by the close of the period was more than trebling that of the older field.

The compilation shows that whereas the production in the Kevin-Sunburst field showed a constant increase, that of the Cat Creek field showed a decrease, which was more marked after the first six months of the period.

The Lake Basin field, the latest to be brought into production in Montana, showed a very light production, its total for the last four months of the fiscal year, its first run being in July, 1925, being only 23,892 barrels.

The statement of transportation of petroleum from each of the three fields during each of the 12 months of the year, is figured in barrels of 42 gallons each.

DEPOSITORS IN DEFUNCT MILES CITY, MONTANA, BANK GET DIVIDEND

Miles City, Montana—A second dividend of 10 per cent. amounting to about \$149,000 will be distributed to the creditors of the defunct Commercial National Bank of this

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city, which closed its doors in February, 1924, according to the announcement made by W. M. Turner, receiver, for payment upon the presentation of certificates that were issued at the time the claims were approved. In excess of \$100,000 were distributed as the first 10 per cent. dividend last May, since which time additional claims have been proved to raise the present 10 per cent. total to the amount stated.

MONTANA WHEAT PRIZE WINNER AT CHICAGO

Great Falls, Mont.—L. P. Yates of Fishtail, Mont., won the title of "Wheat King of America," when his exhibit of hard red spring wheat of the Marquis variety won the highest award at the 26th annual international live stock exposition. He dethroned Seager S. Wheeler, the Canadian, who had taken the honor five consecutive times.

OVER \$2,000,000 FARM LAND RECENTLY SOLD IN MINOT, NORTH DAKOTA, REGION

Minot, N. D.—More than \$2,000,000 in farm land in northwest North Dakota has been sold this Fall to local buyers, either farm owners or renters, a survey completed here by the Northwest North Dakota Development Association, an organization of business men and bankers of the area, shows.

All banks and land offices, in response to inquiry, reported the greatest volume of sales this fall in several years, and one of the greatest in history in point of view of sales to local buyers.

"Faith in the land values and future of the area is demonstrated," according to the survey report, "by the large amount of buying by the people who live here. In fact, few sales in comparison have been made this fall to outsiders.

"Improved farms for rent are almost impossible to get. All banks reporting said that they have had a keen demand for farms for rent. Where a few years ago the farm owner had to seek the renter, this year the renter sought him. This is a healthy situation. It has enabled the land owner to choose his renter and to accept only the good one.

"The purchasing by the renters is a fine demonstration of the profitableness of our land. Where older farming areas find the renter in the same position year after year—always having to rent and not wanting to buy—northwest North Dakota has had a great number of renters become farm owners this year."

Every bank seems to have sold a few quarter sections. One reported selling 15. The quarters run in price from \$3,000 to \$5,500.

Of course, not \$2,000,000 changed hands. Some of these quarter sections were sold on a crop payment plan wholly.

NORTH DAKOTA TO SPEND \$58,000 ON ROAD MAINTENANCE

Bismarck, N. D.—A total of \$58,000 will be spent in maintenance work on North Dakota highways next year, according to T. G. Plomasen, engineer in charge.

He estimates that 2,700 miles of road is to be kept in good condition and estimates the cost of the work at \$169.63 a mile. The mileage which the state will maintain in 1926 is estimated, Mr. Plomasen said, but the cost per mile is based on actual figures compiled during the last season.

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Importance of Canada's Petroleum Industry

The chief area of production of petroleum in Canada has for many years been the Province of Ontario, where fields have been in operation for over 60 years. In 1924 the quantity obtained from that source was 154,368 barrels of a total production of 160,773 barrels for the Dominion, the balance coming from New Brunswick and Alberta. In 1918, 288,692 barrels were obtained from the Ontario fields but since that time there has been a gradual decline in the production of that province.

In view of the steady decrease in production in Ontario, the measure of success which has attended the development of the Alberta fields is gratifying. It is reported that at no time previously have the prospects for the development of a large production of oil in Alberta appeared more promising than now. Drilling is being continued at a number of points but production has been made from only two fields, Turner Valley and Wainwright. The encouraging development in the Wainwright field is the striking of oil this year at a lower geological horizon than that in which oil was struck in 1923 and 1924. The new well has a pumping capacity of 50 to 75 barrels a day, and the oil is superior in quality to that struck in 1923 and 1924.

The heavy flow of wet gas struck in the Royalite Company's No. 4 well in Turner Valley in 1924 continues and, during the first six months of the current year 423 barrels of gasoline were extracted daily by the use of two separators erected on the pipe line. A result of this strike has been greatly increased activity in this field. The Royalite Company is boring two wells and the depths reached according to latest available information are 2,152 feet and 1,466 feet. Good progress is being made by several other companies by whom wells have been started.

Importations of petroleum and its products into Canada during 1924 were valued at \$37,498,000, an increase of \$5,000,000 over the recorded total for the previous year. Gasoline imports increased from 49 million imperial gallons in 1923 to 74 million gallons in 1924.—The Canadian Bank of Commerce.

CANADA'S RAIL DEBT IS NOW \$2,056,181,518

Ottawa—Canadian national railway debt stands at \$2,056,181,518, according to a statement issued by the Bureau of Statistics. The figure comprises \$1,142,268,435 due to Dominion government, with accrued interest, and \$913,913,083 due to public. In 1924 the debt due to the Dominion government increased \$28,085,159; due to the public, \$90,814,027. Comparative figures show that during the last six years the debt due to the Dominion government has increased \$534,026,156 and that to the public, \$140,949,117.

Commenting on the figures, the bureau's statement says: "The unpaid interest on government advances has been added each year to the principal, but no interest on the unpaid interest has been included. These advances include appropriations for the Canadian government railways for construction, addition and betterments, purchase of lines, etc., and for operating deficits for 1921 and subsequent years. Prior to 1921, operating deficits were provided out of consolidated revenues of the federal government. Construction expenditures include the cost of the Quebec bridge, but exclude the cost of the Port Nelson terminals."

CANADA'S PRODUCTION OF NEWSPRINT

Montreal—Canada passed the United States in the production of newsprint in the first nine months of 1925 with a total output of 1,110,781 tons compared with the republic's production of 1,109,921 tons, according to a report issued by the Canadian Pulp and Paper Association. The combined newsprint production of the two countries for the period was greater than in any nine months in history.

Exports of pulp and paper from Canada for the first nine months of the year, most of which went to the United States, were valued at \$111,519,865, an increase of more than \$8,000,000. Of the total export, newsprint shipments amounted to 1,017,500 tons worth \$71,713,472, compared with 906,747 tons valued at \$88,003,040 in 1924. Pulpwood

exports amounted to 1,185,495 cords valued at \$11,775,969 compared with 1,090,425 cords worth \$11,140,838 in 1924.

Pulp and paper has become Canada's leading industrial activity with a capital investment of \$417,611,678. It stands second to grain as the largest item in Dominion export trade. Moreover, it is expanding continually to meet increased consumption in the United States and growing demand from European countries.

CANADA'S PROGRESS IN BEET SUGAR MANUFACTURING

Raymond, Alta.—More than 90,000 tons of sugar beets will be used in the operation of southern Alberta's new \$1,000,000 sugar beet factory opened here recently by American interests, according to an announcement.

Output of sugar from the plant will be 12,000,000 pounds in the next six months. About 600 tons of beets are being sliced daily. The sugar is being marketed by wholesalers in the Prairie Provinces.

Yield of sugar beets in the Raymond district are running from 15 to 20 tons per acre. The growers are guaranteed a minimum of \$6 a ton on delivery of the beets and a share in the profits on the sale of the sugar. Farmers will probably average \$7 a ton on their beets after the output has been sold.

Movement for the establishment of the first sugar beet factory in western Canada came with the decision of farmers in the irrigation district of Alberta to find a cash crop with which to supplement their wheat. Beet raising was advocated but there was no immediate market for the product. The farmers opened up negotiations with the Utah-Idaho Sugar Company which operates 27 factories in the United States. Test plots were planted to beets in 1923 and 1924. These proved so successful that the company decided to build a sugar factory at Raymond and pledged the farmers to plant 6,000 acres to beets this year.

Beet pulp and molasses from the factory will be sold to local stockmen for feed. With this new source of winter stock feed at hand, an extensive cattle and sheep breeding industry, it is believed, will spring up in the district.

THE MINTING OF CANADIAN GOLD

Toronto—Alteration in the exchange situation between Canada and the United States will result in a drastic change in the disposition of gold from Canadian mines. Hereafter the product will be minted at the Ottawa branch of the royal mint in exchange for gold coins instead of being exported to the United States.

The new system will have an important bearing on the Dominion's financial situation. It will place a larger amount of gold in the hands of Canadian banks which they may use for exchange operations or for increasing the amount of credit available.

Canada, it is pointed out, now ranks third among the nations of the world in gold production. While the gold output of most countries is on the decline, the volume of production in Canada is showing a steady increase. Production in the first six months of 1925 was 824,043 ounces with a value of \$17,034,480, compared with 700,264 ounces worth \$14,475,741 in the first half of 1924. Ontario's output was equal to 90 per cent. of the entire Dominion's production.

THE POULTRY INDUSTRY IN CANADA

Ottawa—People in Canada ate 312 eggs apiece last year or about half a dozen a week, according to a compilation made by the Dominion Department of Agriculture. This was about a dozen eggs more per capita than they consumed the year before.

Egg production of the Dominion last year was 237,623,251 dozen. This was an increase of 10,000,000 eggs over the previous year's output. Imports of eggs into Canada from Great Britain and the United States amounted to 2,695,192 dozen worth \$945,391 in the 12 months ending September 1, 1925. This was a decrease of about 4,000,000 dozen compared with the previous year. Exports of eggs

totalled 2,612,733 dozen valued at \$977,049, a slight decrease compared with 1924.

Hens on Canadian farms numbered 42,884,636 last year, the figures show. This was a gain of about 1,500,000 birds over the previous year. That greater attention is being paid to the poultry industry is shown by the increasing population in every province. Alberta, which a few years ago had to import eggs for home consumption, now carries on an extensive export trade and stands second among the provinces in poultry per farm with an average of 80 head. One method of encouraging poultry raising has been the establishment of a government-owned hatchery in the province which ships out thousands of baby chicks annually to farmers of the province.

INCREASED NET PROFIT OF CANADIAN PACIFIC

Montreal—Figures issued at the head offices of the Canadian Pacific railroad show gross earnings of the company for October at \$19,569,188.43 as compared with \$19,352,340.50 for the corresponding period of 1924, an increase of \$216,847.93. Operating expenses were decreased by \$205,001.92 from \$12,330,163.27 in October, 1924, to \$12,125,161.35 for that month in 1925. Net profits were \$7,444,027.08, an increase of \$421,849.85 over the sum of \$7,022,177.23 for October, 1924.

Gross earnings for the ten months ended October 31 were \$144,243,276.48, as compared to \$148,711,039.38 for the same period of 1924, representing a decrease of \$4,467,762.90. Working expenses were \$115,163,327.47 as against \$121,242,979.89, or a decrease of \$6,079,652.42, leaving net profits for the ten months at \$29,079,949.01, an increase of \$1,611,889.52 over the sum of \$27,468,059.49 for the corresponding ten months of 1924.

CANADA'S TRADE INCREASES

Ottawa—Substantial increases in the export trade of Canada with Great Britain and with the United States during the past 12 months are shown in trade summaries issued by the Dominion Bureau of Statistics. Canadian produce valued at \$458,000,000 has gone to Great Britain in the 12 months ended October, while in the 12 months ended October, 1924, the value of Canadian exports to Great Britain was \$393,000,000.

Imports from Great Britain also increased in valuation from \$149,000,000 in the year ended October 1924, to \$159,000,000 in the year ended last October. The export trade improved in all the general classifications but notably in agricultural and animal products.

Cheese exports rose from 50,000 pounds to over 8,000,000 pounds.

ALBERTA WILL PRODUCE 25,000,000 POUNDS OF BUTTER THIS YEAR

Calgary—Last year Alberta exported to Britain and other countries over 4,000,000 pounds of butter, which was a little less than one-fifth of the total production of creamery butter. During the present season it is anticipated that the surplus for export will increase to 7,000,000 pounds, which would be seven times what the exportable surplus was four years ago. This is some indication of the manner in which the dairy industry has grown in this province. The increase in exportable surplus is in a great degree due to the improvement in quality, under the official cream grading system inaugurated by the Provincial Government. The anticipation is that the total production of creamery butter will this year reach 25,000,000 pounds.


SURVEY OF ALBERTA'S PETROLEUM LANDS

Edmonton, Alberta—Dr. John Allan, Professor of Geology in the University of Alberta, in a comprehensive survey of the petroleum situation in Alberta, at the annual meeting of the Canadian Institute of Mining and Metallurgy, gave the following summary: In the Alberta area, 235,000 square miles, of which approximately 80,000 square miles has petroleum possibilities, wells drilled to 1925 were about 96, wells completed about 15, and wells being drilled, August, 1925, 15. Oil production from Alberta 1915 to 1924, was 60,000 barrels. Present production from Royalite No. 4, Turner Valley, is about 500 barrels per day, very high gravity gasoline, 75 degrees Beaume. Pos-

sible production from British Petroleum Well No. 53b Wainwright, is about 100 barrels per day.

ONTARIO'S AGRICULTURAL PRODUCTION

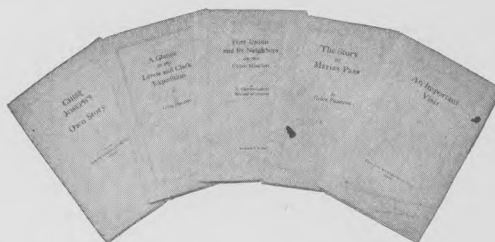
Toronto—Honorable John S. Martin, Minister of Agriculture in the Ontario Government, places the agricultural products of the farmers of Ontario for the year 1925 at \$400,000,000. Increased value of farm production is not only bringing prosperity to farmers, but provides the foundation for a solid and profitable increase in all lines of trade.



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Interesting Booklets

In connection with the Upper Missouri Historical Expedition in July, 1925, the Great Northern published a series of booklets dealing with the various historic spots visited by this expedition. The titles are: Fort Union and Its Neighbors on the Upper Missouri, Chief Joseph's Own Story, A Glance at the Lewis and Clark Expedition, The Discovery of Marias Pass, and a smaller booklet describing the finding of the Verendrye Tablet at Fort Pierre. There are a number of these booklets left, and they will be distributed free to those who desire them.

The New Oriental Limited

Finest Train to the Pacific Northwest—No Extra Fare

carries you safely and swiftly through the same country that these men traveled so many years ago, and from the car windows you can see the monuments that the Upper Missouri Historical Expedition dedicated in honor of some of the early explorers.

Should you desire some of these booklets or information about the Great Northern's passenger service write

A. J. Dickinson,
Passenger Traffic Manager,
St. Paul, Minn.

Great Northern Ry.

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.

SITUATION WANTED

WANTED—ASSISTANT CASHIER-SHIP in North Dakota or Minnesota bank by single man, 25 years old, with seven years' experience in all phases of bank work; now employed; available immediately; college education; speak and write Scandinavian and American. A-1 references. Address "E29" Commercial West. (89-24)

SITUATION WANTED

Wanted position as cashier of Minnesota bank by banker with twenty years' experience. Clean record; references; have funds for investment. Address "A25" Commercial West. (89-23)

WANTED—POSITION AS ASSISTANT Cashier in a good country bank; five years' bank experience; married; 25 years of age; could make a \$3,000 investment after a year's time. Address "C27" Commercial West. (89-22)

OBSERVATIONS ON INVESTMENT SECURITIES

(Continued from page 25)

The Chicago Sanitary District sold \$5,000,000 of 4 per cent. bonds to the Harris Trust and Savings Bank, Illinois Merchants Trust Company, Continental and Commercial Trust and Savings Bank and First Trust and Savings Bank of Chicago. The district includes the entire city of Chicago and much adjacent territory, including Evanston, Wilmette, Winnetka and other suburbs. These bonds are due December 1, 1926 to 1945, and offered at prices to yield from 4.10 to 4.20 per cent.

A syndicate headed by Guy Huston & Co., offered 9,000 shares of Missouri-Kansas Farms Company class A common stock of no par value at \$100 a share. The stock is entitled to cumulative dividends at the rate of \$6 a share annually, and after the \$6 rate has been paid on class B stock the class A is entitled to two-thirds of all dividends further disbursed.

Bonbright & Co., Eastman, Dillon & Co., and Harper & Turner offered \$6,000,000 of Penn-Ohio Edison Company 6 per cent. debentures, series A, due November 1, 1950, at 96½ and interest, to yield 6.25 per cent. These debentures will be accompanied by option warrants in the ratio of twenty warrants to each \$1,000 debenture.

A. C. Allyn & Co., and Paul H. Davis & Co., offered 75,000 shares of Pennsylvania Gas & Electric Corporation class A participating stock at \$22.50 a share. For twelve months to August 31 last the corporation and its subsidiaries, including those about to be acquired, showed a net return of more than \$5.25 a share on the class A stock to be presently outstanding.

Merrill, Lynch & Co., brought out 50,000 shares of participating preference stock with common stock purchase warrants of the Western Auto Supply Company of Kansas city, which operates a chain of retail and mail order stores throughout the southwest, south and middle west, at \$27 a share, to yield about 7.40 a share. The company was established in 1909 and net sales for the year approximated \$9,000,000.

Blair & Co., Halsey, Stuart & Co., the Equitable Trust Company and Graham, Parsons & Co., offered \$10,500,000 Savoy-Plaza Corporation of New York City first mortgage fee and leasehold 6 per cent. bonds at par and interest. The issue matures in 1945.

Redmond & Co., Blair & Co., Pearsons-Taft Company and Brokaw & Co., brought out \$6,500,000 No. 11 West Forty-second Street, Inc., New York City, first mortgage leasehold 6½ per cent. bonds, due in 1945, at 100 and interest.

The Congress Hotel Company of Chicago will retire on January 1 next \$400,000 5 per cent. bonds. This will leave \$434,000 of the issue outstanding.

RAPID TELEPHONE EXPANSION IN FLORIDA

Miami, Florida—Southern Bell Telephone Company, subsidiary of American Bell Telephone Company, will expend within the next 12 months in the Miami district \$2,500,000 in its building and equipment program to keep pace with the growth of this section. At present, according to Vernon Baird, manager of this district, more than 100,000 local calls are completed every 24 hours through the Miami exchange. Last year there were slightly over 60,000 per day.

In October, 1924, the company had 28 operators in Miami. It now has 125. They are quartered in an apartment hotel until the company can finish its dormitory under construc-

tion at a cost of \$175,000. A large force of Automatic Electric Company and Western Electric Company, men are installing equipment in the central offices. The Miami telephone building, under construction 24 hours a day, will involve expenditure of \$1,500,000.

Ninety miles of new pole lines, 110,740 duct feet of underground conduits, 1,200 miles of wire, and 34,000 miles of singlewire are among the items of the program in process. New exchange buildings scheduled for next year are Hialeah, Miami Shores, Arch Creek, Coconut Grove and Ft. Lauderdale.

That the company has faith in the permanency of Miami's development is shown by the forecast in the telephone department. There are now 16,660 phones in the Miami district, and the estimate for 1926 is 25,813; for 1927, 38,961; for 1928, 47,188; for 1929, 54,223; for 1930, 60,763; for 1931, 67,221; for 1940, 111,837.

Underground conduits and underground cables, as well as aerial cables being installed, are provided to meet the next five years' demand for telephone service.

UPWARD TREND OF TAXES IN CALIFORNIA

California presents a typical example of the tendency toward evermounting taxes. First of all, Uncle Sam nicks us for some 129 million dollars in the shape of taxes on incomes, inheritances, theater tickets, club dues, automobiles, etc. Then the state takes about 73 millions, which the corporations ostensibly pay, but of which they are merely the collecting agents. The counties, cities, irrigation districts and other municipal taxing agencies gather in upwards of 400 millions more. Thus, according to figures compiled and published by Mr. M. L. Requa, the people of California each year pay approximately 600 million dollars to get themselves governed—a sum greater than the combined value of all the agricultural products of the state. While assessed values have increased less than two and a half times in the past 14 years, taxes have multiplied five times.—The American Bank, San Francisco.

HELP THE FARMER, SAYS OTTO H. KAHN

Chicago—Except for the condition of the farmer, the country today faces a period of six months of prosperity, Otto H. Kahn, New York banker, told the Chicago Bond Club recently.

"Were it not for the condition of the farmer, one can see nothing but the most flattering prospect for the country, commercially and financially considered, for at least another six months.

"The farmers, it is to be regretted, do not share in the general prosperity. And as business men we ought to co-operate to make them as contented and prosperous as the other callings.

"True, the farmer's distress is not so acute now as of late, but he is not getting his fair share of what is going around, and we should do all we can to bring about a more equitable adjustment."

CRIME BILL \$1,250,000,000 IN THE UNITED STATES

Our crime bill at the present time is \$1,250,000,000 per year. Seventy-five per cent. of the incarcerated criminals are under 25. Youth goes wrong as a rule in quest of adventure, companionship and by misdirected leisure.



The new home of "The Stock Yards Banks"

RESOURCES--\$30,000,000.00

CO-OPERATION

Accepting accounts from bankers is an easy and delightful piece of business. Paying for these accounts in service rendered is an entirely different business. The Stock Yards National Bank desires accounts from bankers and has developed ways and means of serving these bankers in exceptional ways which make them permanent customers.

THE STOCK YARDS NATIONAL BANK
AND
THE STOCK YARDS TRUST & SAVINGS BANK
of CHICAGO

Review of the Live Stock Markets

C. A. Marzolf, Market Reporter, Minnesota Department of Agriculture

South St. Paul, Minnesota, December 8, 1925—Attracted by the uneven advances which developed on all killing cattle late last week, opening day receipts this week were considerably larger than anticipated by the trade and proved in excess of immediate trade requirements. Downturns resulted on steers and yearlings, these ruling show and weak to 25c lower, she stock while showing but few price changes ruling slow in sympathy with steers.

The steer crop ran liberally to shortfeds and warmed up material and with the broad feeder demand of last week for such kinds lacking, suffered the maximum downturn. Best car lot, comprised a load of short fed medium weights which scored \$9.50, heavy bullocks in the form of 1,364 pound western rangers earning \$9.25. Less desirable shortfeds of all descriptions were numerous in the \$8.00 to \$9.00 range, while bulk of the steer run, made up of common and medium grades sold at \$6.50 to \$8.00.

The broad demand from all sources for butcher stock so evident last week continues a feature of this week's trade. Most fat cows at present are selling within the \$4.25 to \$5.50 range with heifers largely at \$5.00 to \$7.00, fed material realizing upwards to \$7.75 for heifers and \$6.65 for cows in load lots. Canner and cutter release has been on a \$3.25 to \$3.75 basis for the most part with sausage bulls largely at \$4.50 to \$4.75.

Veal calves are 25 to 50c higher for the period under review, good lights selling largely at \$9.75 and \$10.00.

Stocker and feeder values have eased off slightly this week, values averaging weak to 25c lower since the peak last Friday. Much of the current run of stockers and feeders is being absorbed in the \$5.75 to \$7.25 levels with meaty feeders eligible upwards to \$8.25 or more.

Hog prices have fluctuated slightly during the week under review but in the main are closing today around steady to 10c lower than last Tuesday. Butcher and bacon hogs sold today within a range of \$10.75 to \$10.90 while a few closely sorted 130 to 160 pound averages sold to shipping interests at \$11.20, bulk of the desirable 160 to 180 pound weights selling to all interests at \$11.00. Packing sows are in the same position as a week ago, closing largely at \$9.75 today. The continued broad demand for feeder pigs has advanced prices on these another 15c since last week, placing bulk of the desirable lightweights at \$12.00. With the corn crop abundant as well as relatively cheap in comparison to the corn and hog ration, there is a decided tendency evident on the part of feeders to hold hogs as long as possible and thereby convert relatively cheap corn into high priced hogs. Seven principal markets thus far this week have received around 207,800 hogs as compared with 291,687 last week and 311,918 corresponding week a year ago. Local supply figures have shown a slight increase over those of a week ago amounting to 53,500 against 50,859 last week and 62,937 a year ago.

The fat lamb market has shown fresh advances during the week under review, bulk of the desirable fat lambs selling Monday at \$16.50, with one double of 84 pounds averages to a shipper at \$16.75 or a new high mark for the season. On today's market the fat natives here which failed to measure up to the quality of Monday's receipts sold at \$16.25, heavy lambs around \$13.50, culls down to

\$10.00. Fat ewes are from \$1.00 to \$1.50 higher than a week ago, selling today mostly at \$8.00 to \$9.25. Range feeding lambs made a new high mark for the season this week at \$15.75.

CHICAGO

Chicago, Ill., December 8, 1925—The appearance of a liberal cattle run Monday at this market the bulk of which proved to be steers, found these classes under pressure from the start, downturns by the close averaging from 25 to 50c, the more desirable grades of medium and heavy weights showing the full decline. Conditions were no better on Tuesday, in fact heavy weights were again penalized another 25c with trade very dull at the close. Cheaper grades of steers on the other hand met with fairly broad call at unchanged prices, as did most classes of fat she stock, the latter still retaining all of the previous week's uneven 25 to 50c or more rise.

Specialties in the fed steer line going for the Christmas trade reached \$13.50, this price being paid for a load of 1,013 pound prime yearlings, while choice yearlings stopped at \$11.75. The extreme top on heavy steers was \$12.75, few selling above \$11.75, while bulk of all fed offerings sold within a range of \$8.75 to \$10.50. The bulge in fat she stock placed most fat cows on a \$4.75 to \$7.00 basis with weighty koshers eligible upwards to \$9.00. Few fat heifers went to killers under \$6.25, bulk selling from this price upwards to \$7.75 while canners and cutters ranged from \$3.60 to \$4.50. Sausage bulls were maintained in the \$5.00 to \$5.40 levels for the most part. Vealers are from 50 to 75c higher for the period with \$11.00 to \$11.50 taking bulk of the good lights on packer account.

Not much change has developed in the stocker and feeder market, country demand being fairly stable at current prices, a range of \$6.75 to \$8.00 taking the bulk of offerings on country account.

Some strength was noted in the hog market last week and at this week's opening but on Tuesday declines of 15 to 25c were enforced, placing current values on butchers around 15 to 20c lower than a week ago while light weights have held fully steady to strong. The trade in packing sows is dull and such kinds have declined from 25 to 75c during the past week. On the Tuesday market 210 to 300 pound butchers cleared at \$11.00 to \$11.15, 160 to 190 pound weights \$11.25 to \$11.50, 140 to 150 pound selections \$11.60 to \$11.85, with packing sows selling mostly at \$9.25 to \$9.60. Killing pigs of desirable quality sold largely at \$11.75 to \$12.00.

The boom in the fat lamb market continues and fresh advances at this week's opening place desirable fat lambs on a \$17.00 to \$17.45 level. Fat sheep have also increased in value, desirable fat ewes selling from \$9.25 to \$10.00. Feeding lambs are keeping up with the trade in fat stock,

(Continued on page 48)

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Wheat Price Reaches Top Mark for the Year

A Thirty-Cents Advance in Two Weeks And Prices Still in the Ascendency

Office of Commercial West, Minneapolis, December 9, With a rise of more than 30 cents a bushel in wheat prices in American markets since November 20, world prices continue to advance. The Government report on the world wheat situation, and adverse reports from Argentina and Australia, together with the domestic conditions, account for the sudden upward fluctuations.

Although wheat production in the northern hemisphere is estimated at about 8 per cent. larger than last year, importers were relying upon good crops in the southern hemisphere to meet consumers' requirements at prices prevailing earlier in the season. With the Australian crop, according to trade report now estimated at around 125,000,000 bushels against 164,000,000 bushels last year and recent damage to the Argentine wheat crop the prospective surplus has been much reduced, while some authorities believe that more wheat will be required by European countries than was expected some time ago.

The Northwestern Miller, issued today, in commenting upon the sky-rocket course of wheat prices, says:

"Outside interest in the grain markets has been active, and the recent change in the world's wheat situation has materially affected the speculative mind. Liverpool was the strongest market last week, with excited purchasing in evidence. The more or less unanimous bullish sentiment continued to be based upon the situation in Argentina, where heavy rains were reported to be delaying harvest, and rust damage cutting prospects in central and southern provinces. It was significant that December wheat was at a premium in all markets, whereas a year ago the speculative futures were leading the advance that was then getting under way. The present acute shortage in foreign supplies of wheat contrasts sharply with fair supplies and large forward purchases at this time last year.

"Milling demand is confined largely to heavy protein wheat. Light test wheat is hard to move, except at a stiff discount. Terminal elevator companies are picking this up for mixing. Offerings have been fairly free of late, though advices from the country might indicate a dropping off in arrivals.

"The trading basis has been switched from the December to the May option; premiums show a decline for the week. Ordinary No. 1 northern is quoted at 3@4c over May, 11½ per cent. protein wheat 4@5c over, 12 per cent. 8@10c over, 12½ per cent. 11@13c over, 13 per cent. 15@17c over, 14 per cent. 17@20c over, and 15 per cent. 20@23c over."

\$2.00 Cash Wheat in Minneapolis

Montana wheat smashed the season's record for price recently when \$2.04 and \$2.05 a bushel was paid for two cars at the Minneapolis Chamber of Commerce. This was the highest price recorded in a cash transaction in Minneapolis for nearly a year. The wheat was fancy Montana, and graded No. 1 dark northern and was above 17 per cent. in gluten content and running more than 62 pounds to the bushel.

Winter Wheat Acreage Increased

The 1926 acreage in the 11 wheat states traversed by the Santa Fe Railway is estimated nearly 1,500,000 larger than last year by J. F. Jarrell, agricultural commissioner of the railroad, with headquarters at Topeka, Kansas.

The largest increase in the new crop is in Kansas, which has 11,000,000 acres sown this fall, compared with 10,500,000 a year ago. Oklahoma this year has 4,000,000 acres, compared with 3,659,000 last year; Nebraska has 3,500,000, compared with 3,353,000; Texas 2,000,000, compared with 1,822,000, and Colorado 1,500,000 compared with 1,395,000. In soft wheat states, Missouri shows an increase of 153,000 acres and Illinois 22,000 acres.

"The average condition of growing wheat in most of the territory described is normal," the report said, "except in Texas and Oklahoma, where it is above normal, and in a few Kansas counties, where it is below normal."

The Winnipeg Market

Prices in the Winnipeg pit reached new high levels for the season. Export business continues on a large scale,

and speculative trade has broadened materially. As a result prices reached the highest December 4 when the December touched \$1.65¼, but the market weakened badly and today closed at \$1.60¾. The low point for the season was \$1.17½. A year ago December wheat was \$1.65½.

In Canada the movement of the crop continues on a big scale, with both receipts and shipments heavy. The present wheat situation in Canada is as follows: Deliveries by farmers at country elevators from August 1 to December 3, 269,844,716 bushels. The loadings out of country elevators during the same period is 220,275,900; total inspections, 205,302,740, and the shipments from Fort William and Port Arthur, 153,215,708 bushels.

The wheat situation at Vancouver for the same period is as follows: Receipts, 19,356,400 bushels; shipments, 13,543,095; stocks on hand, 5,017,372.

The Corn Market

The corn market was influenced by wheat but market receipts were not burdensome and the quality showed some improvement. The department of Agriculture reports that husking is well along in most parts of the corn belt and is nearing completion in other sections. Complaints of corn spoiling in the crib continue to be received from Iowa and Ohio points. The high moisture content of the corn has hindered the movement to market and even with the larger crop this year the receipts at primary markets for November were only 2,000,000 bushels larger than from last year's short crop.

Demand for Barley

Barley demand improved at Minneapolis with prices about 3c higher. Maltsters were slightly more active buyers at Chicago. The market was slow at Portland with no export business and the export demand was inactive at San Francisco with choice barley selling at \$1.85 per 100 pounds and feed barley slow at \$1.55. European demand continued good for choice barley but feeding barley in European markets was dull on account of the large offerings of cheap Russian barley. Spot California barley sold at London at \$2.03@2.71 for samples with superior California selling at \$2.00@2.03 for spot supplies.

Rye

Rye was higher with the strength in wheat. Cash offerings were readily absorbed by millers and industries. Due to the big increase in the European rye crops the export demand for rye has been very light and exports since July 1 are less than one-fourth as large as a year ago.

Increased World Flaxseed Production

Crops and Markets says:

"The 1925-26 flaxseed crop in 11 countries, including Argentina, the United States, and Canada, amounts to 113,650,000 bushels compared with 91,086,000 bushels for the same countries last year according to preliminary estimates and forecasts. Russia, the only important producer not reported for this year, is expected to have a crop equal to or larger than 1924.

"As now estimated, this year's Argentine crop will be the largest in at least the last 13 years, although the indicated yield per acre, 12.5 bushels on the basis of the present estimate, is lower than the 12.6 bushels realized in 1916 and 1920. Harvesting, however, will not be general in Argentina for more than a month yet, and there is a chance for improvement or deterioration before the outturn is definitely determined. The weather through November 17 was favorable to flax production.

"The November flaxseed production estimates for the United States and Canada indicate slightly smaller crops than were expected in October. The November estimate for the United States is 22,332,000 bushels compared with the October estimate of 23,223,000 and a 1924 production of 30,173,000 bushels. The latest report from Canada forecasts a yield of 9,354,000 bushels compared with the earlier estimate of 9,453,000 and a 1924 production of 9,695,000 weather at the end of September which hindered harvesting."

Barnes-Ames Company

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DULUTH and NEW YORK

FINANCING THE TALL CORN

Two corporations with a combined capital of \$500,000 and a lending power of \$5,000,000 are to be organized for the assistance of Iowa farmers in the marketing of their corn crop. The decision to form the credit companies was reached at a conference in Chicago at which Secretary of Agriculture Jardine presided. Mr. Jardine said Iowa farmers had produced 177,000,000 bushels of corn this year and were receiving 55 cents a bushel for it. The price is too low, he maintained, and it will be higher before the corn reaches its final purchasers.

He wants the farmers to get the benefit of any future increase in the price.

Secretary Jardine wants the farmers' borrowing power increased so that they can either hold their corn for the rise or buy live stock to which the corn can be fed.

The evidence is conflicting regarding the amount of credit available for lending in Iowa. We have heard on the one hand that there is a financial stringency in the corn belt and on the other that the bankers in the state have plenty of funds. Secretary Jardine's proposal is aimed to remedy the situation if the first of these conditions exists.

We do not doubt that Chicago bankers will provide capital for the new credit corporations. Chicago is the financial capital of the corn belt. The prosperity of the city's industries depends upon the prosperity of the farmers. If the farmers need credit our banks are in a position to extend it to them and it is their duty to do so.—Chicago Tribune.

CORN BILLED FOR SECURITY

Des Moines, Iowa—John Hogan, president of the Des Moines National Bank states that corn cribbed under the Iowa Farm Warehousing law, and sealed under supervision of the state department of agriculture, will comprise most if not all of the security on which loans will be made by the two newly organized national agricultural credit corporations.

Hogan, who is chairman of the organization committee of the two credit corporations, one to be situated here and the other at Fort Dodge, said that both agencies will soon be ready to make loans totaling up to \$2,500,000 each.

"The corporations were organized," he said, "primarily to assist the farmer to hold his corn for higher prices. For this reason the loans will be made mainly on corn cribbed and sealed under the warehousing act, and it is contemplated that both agencies will go out of existence nine months from today when all of the present bumper crop has been marketed."

Both agencies will indorse farmers' notes to the Federal Intermediate Credit Bank at Omaha. The agency here will be known as the National Agricultural Credit Corporation. That at Fort Dodge will have a similar name.

ONE MILLION ACRES INCREASE IN CANADIAN FIELD CROPS

Ottawa—Area sown to field crops in Canada registered an increase of 1,000,000 acres in 1925, according to a report issued by the Dominion bureau of statistics. A total of 56,724,854 acres were under crop in the Dominion this year, the figures show, compared with 55,821,643 acres in 1924.

Wheat occupied 40 per cent. of the Canadian acreage, the report sets forth, with a total of 21,957,530 acres, a slight decrease compared with the 1924 total. Of the area planted to wheat, 20,895,088 acres or 95 per cent. was in the Prairie Provinces of Manitoba, Saskatchewan, and Alberta.

Farmers sowed 14,672,320 acres of their land to oats this

year, compared with 14,491,289 acres in 1924. Area sown to other crops with the 1924 figures in brackets was: Barley, 4,075,995 acres (3,407,441); rye, 852,357 acres (890,814); flaxseed, 1,128,100 (1,276,667); potatoes, 545,891 (561,628); corn, 238,767 (295,015); mixed grains, 888,962 (848,078); hay and clover 10,097,042 (9,874,907).

Increase in the acreage under cultivation, it is pointed out, has been due to the influx of farm settlers into the Prairie Provinces of Manitoba, Saskatchewan, and Alberta. While land is being taken up rapidly, experts estimate that there are 300,000,000 acres of arable land ready for the plow.

There are 9,307,298 cattle on farms in Canada, the report shows, including 3,830,175 milk cows and 5,477,123 beef cattle. Horses number 3,554,041, sheep 2,755,556, and swine 4,426,148.

NATIONAL GEOGRAPHIC ISSUES INTERESTING CATTLE NUMBER

The December number of the National Geographic Magazine will be of special interest to cattle men, live stock dealers, packing house interests, most farmers and all lovers of farm life. The title of the article that occupies the entire magazine is "The Taurine World," and the author is Alvin H. Sanders, editor of the Breeders' Gazette, the leading authority on the live stock business and author of many articles on this subject.

The scope of this Geographic story embraces all the countries of the world and every phase of the live stock industry, both past and present. It is a pictorial review of this great business, extending as far back as some of the carvings on the ruined temples of Egypt and brought down to date with the latest methods of caring for live stock. Montana and the other western states will find many interesting pictures of the cattle ranges.

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Duluth

Chicago Grain Futures at Year's Top

Chicago, December 8—Wheat futures advanced to the year's top level this week, ending near the highest prices under the leadership of the December delivery for gains of 7@17c, while corn rose 5@7c, oats 2@4c, and rye 13@15c but provisions were lower and heavy at substantial declines. There was a sufficiency of realizing on Friday to cut quotations 6@11c from the best figures reached on the advance which has continued almost unremittingly over a period of two months, but Saturday's reinstatement of long lines by prominent speculative interests sent the bears to cover again at a moment when they were profuse in promises that the crest of the advance had been overstayed and grains were headed for a decline of major importance.

1924 Winners Lose

The belief is rife that Cutten will not be called upon by the Government to pay the highest Federal tax in Cook County next year as he did last spring because of the heavy losses he is reported to have suffered in the recent advance of about 50 cents a bushel in December wheat. Associated with him were some of the Patten followers, who were badly whipsawed by the decline in October and then by the subsequent recovery which apparently culminated last Friday. At a time that Cutten was openly bearish in September and in October Patten's house came out with a bullish market letter. At the bottom of the recession the Pattens were bearish, sustaining a sudden revulsion of heart, and then quite recently they espoused the long side of market at about the penultimate hour. It is related that a member of a milling firm was also hit very hard by the whipsawing operations of the wheat markets as he was heavily long in September, unloaded his holdings near the bottom and there went short, only to find himself again on the wrong side of the market and facing a loss of about a quarter of a million dollars he has so far been unable to take care of. This year it has been the professional talent that has been nipped on the wrong side of the grain market so that it has told a story of the "gentlemen winning and the gamblers losing."

East Whipsaws West

In the current week wheat has staged one of the most sensational comebacks with a rise of 36 to 51c from the October 3 low level, witnessed in the history of the Chicago Board of Trade, and in La Salle Street it is said that the Howell-Livermore New York pool, which has been consistently long in the market for more than two months, "put the skids" under the bear party, of which Arthur Cutten is said to have been the dominating leader. Chicago millers and other winter and spring wheat millers have also been adding to their holdings in recent months and the forecast made in September by B. A. Eckhart that wheat would eventually sell higher than it did a year ago appears now to be in the making. Leading shorts have been covering on their December and May contracts in the last ten days, and the congestion apparent in the December delivery is reflected in its premium of 6c over the May.

Recovery Is Brisk

From the lowest prices of the crop year established on October 3 there has been a recovery of 51c in the December and 44c in the May, while the July rose 31½c. During September there was a recession of more than 20 cents in the December delivery because of short selling based upon reports from Russia that the Soviet had large crops of grain available for export; that Canada had a record

breaking surplus and that in the Argentine one of the largest areas in the history of that country had been seeded to wheat and continental Europe had raised enough for home consumption. Failure of Russia to export the quantity anticipated and the damage Argentina's crop has sustained through the medium of frost and rust weakened the position of the bear party, and when British statisticians began to revise foreign import requirements upward there was a sharp revulsion of sentiment in Liverpool and continental markets, and purchases in American and Canadian markets supplies the basis for an upturn which Livermore and his associates were quick to grasp.

Millers Largest Holders

Congestion in this month's delivery is not attributed to a cornering process through professional manipulation but to enormous holdings of grain by millers who long ago had faith in their position to buy sound milling grades when they were available and storing their accumulations against a contingency such as is now being faced because of deficiencies in Southern Hemisphere crops. A premium for December over the May delivery is most unusual because a carrying charge imposed by warehouses usually keeps the later months at a level higher than premium over the nearby delivery but in this case the short sellers are to blame for the existing situation.

A late rise of 6@14c in futures under the leadership of December was predicated upon the acceptance of 1,500,000 bushels by continental Europe and estimates of an Argentina export surplus ranging from 100,000,000 to 129,000,000 bushels. There was a small loss in world's shipments, while the amount afloat for Europe increased 4,736,000 bushels, but higher prices in domestic markets brought grain from farms to primaries in increased volume, the total for the week showing a gain of 3,008,000 bushels over the week before, while it was 4,390,000 bushels less than a year ago. In this market cash premiums were maintained at 8@13c for No. 2 red over December, millers buying with undiminished freedom, and few deliveries were made on December contracts.

Corn Support Improves

Corn indicated better support with Government aid to farmers suggesting a falling off in the movement and prices rose 5@7c to crop high levels owing to covering by large short interests. Receipts at leading markets were 4,549,000 bushels larger than the week before for the largest total at this season of the year, and 2,267,000 bushels in excess of a year ago as prices rose to the highest level of the crop year. Cheaper offerings of Danubian at Liverpool cut into the demand for American, and Buenos Aires was weak owing to expansion in the acreage planted. World's shipments decreased 1,500,000 bushels but the American visible gained 835,000 bushels.

Oats sold up 3@4c to new high prices for July. Some export business was reported for the first time in weeks and this checked liquidation. With the marked upturn in wheat and corn the market became firmer and more active and spot premiums were firmly sustained. Primary receipts increased 889,000 bushels for the week, but were 288,000 bushels smaller than last year.

Rye displayed a buoyant undertone advancing 12@16c, and July rose to its highest level for the year. Some buying by the East forecasted a revival of export business, the movement from the seaboard toward Europe gained moderately and the latest estimate of the Canadian crop showed a decrease of 566,000 bushels.

Provisions were sluggish and lower, lard declining 15@50c, ribs 15@30c, and bellies 45@1.00, the outside for November. Warehousemen sold, the domestic and foreign demand slackened and a decline in hogs disturbed longs to the extent that liquidation increased.

Cotton Has Setback

Cotton prices on the Chicago Board of Trade languished all week on the expectation that the Government figures will tell of a larger yield than a month ago. Private estimates ranged from 14,900,000 to 15,651,000 bales, the outside being the highest forecast of the season, and ginnings were estimated at 13,421,600 bales, and liquidation

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ran its course under stress of pending sales for southern account. Liverpool was weak at a lower level in spite of a better textile outlook and larger exports. Texas advices indicated that 85 per cent. of the crop has been picked and 80 per cent. ginned. Since the Chicago cotton market was established a year ago there has been a marked recession in quotations, a high of 26.65 for July and low of 18.00 for December displaying the trend of the market. but there has been a fair volume of business and trade attracted to Chicago through this medium has been entirely satisfactory to Board of Trade officials.

Business Committee Acts

Trend of wheat prices on Friday indicated the congested condition of the Chicago December, which was 10c over Thursday's low and 17c above the final quotation of the preceding week. All wheat futures, December and May corn and July rye reached the highest altitudes of the crop year under the influence of buying orders of tremendous size, but after gains of 8c for December wheat, 2½c for corn, 1c for oats, and 3½c for rye, profit taking sales caused a rapid recession to near the bottom of the session. The market was in a highly nervous state and the aid of the business conduct committee of the exchange was invoked as the grain futures administration of the Government ordered all members of the clearing house to report individual trades in December wheat where the accounts exceeded 100,000 bushels at the close of the market. Meanwhile provisions tended lower and fell to the bottom levels of the week.

Trading Volume Increases

A reason for the sharp rise in wheat and coarse grains last week is depicted in the statement of transactions compiled by the grain futures administration showing a total of business of 731,073,000 bushels compared with 408,202,000 bushels in the week preceding and 451,753,000 bushels in the corresponding week last year. Trading in wheat showed a gain for the week of 214,000,000 bushels corn, 61,000,000 bushels oats, 39,400,000 bushels and rye 8,400,000 bushels.

Big professionals have been playing the market more strongly since the Government showed its hand last week and arranged for two emergency loan banks to care for Iowa corn. Preparations to loan \$5,000,000 to farmers in Iowa to enable them to store their corn instead of marketing it at present prices is suggestive of a slowing down in the movement from first hands. Last week arrivals at primary markets were the largest over a period of five years. Now it is expected that deliveries from farms will be more orderly and as it is the province of the two banks to loan money for the purchase of hogs and cattle to which corn will be fed instead of marketed the trade is inclined to believe that daily hedging sales will not be too troublesome to take care of.

Insurance on grain cargoes advanced to 1¼ per cent. on Saturday and tomorrow will be raised to 1¾ per cent. Next Saturday navigation on the lakes will officially come to an end.

Livermore Takes Profits

La Salle Street heard this week that Livermore and Howell had taken their profits on a tremendous line of long wheat. Theirs has been the main support of the wheat market during a period when other professionals were selling hand over fist.

Chicago Board of Trade memberships have been very strong recently and the rising prices of grain were followed by an upward movement in membership quotations to \$8,500 this week, a betterment of \$600 over a week ago.

Some of the sage members of the Board of Trade who are high in politics turned from the short to the long side two weeks ago and this change of heart was entirely ascribed to information from Washington that the administration will not interfere with operations on the constructive side of the market.

While the experts have been watching the Argentine wheat crop the American winter wheat plant has gone unnoticed. On the whole the fields have gone into the winter season in a healthy condition and in Nebraska, Oklahoma, and Kansas, the plant is very healthy and the area planted exceeded that of a year ago. In some of the central western states, however, the unsettled weather pre-

vented the seeding of an acreage in excess of last year, as farmers had intended.

Some of the private wire houses were informed by Liverpool correspondents that the Australian crop would approximate 124,000,000 bushels, or about 40,000,000 bushels less than last year, but the latest forecast exceeds that of its predecessor by about 25,000,000 bushels.

Pit sharpshooters believe that nearly 500,000 bushels winter wheat will be delivered on December contracts this month and that 200,000 bushels spring bought from the head of the lakes, will go to holders of the future.

An Argentina correspondent of a Chicago paper reports the presence of red rust in wheat fields, but no black rust as some of the Chicago experts have been telling us. He figures that the wheat crop will be 30,000,000 bushels more than last year and says there is 22,000,000 bushels being carried over from the old crop.

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CHICAGO MONEY RATES TEND TOWARD EASE

(Continued from page 13)

Germany and on an average of 65 per cent. of pre-war from Europe.

James Simpson, president of Marshall Field & Co., returning from Europe, believes there will be a settlement of the French war debt of the United States within 60 days and said the business of Marshall Field & Co. this year is breaking all records and forecasted a further increase in 1926.

The Industrial Securities Company has been organized with a capital of \$1,000 by Stuyvesant Peabody, president of the Consumers and Peabody Coal companies. Anita H. Peabody and James A. Robinson, to handle the securities of corporations the Peabody estate is interested in.

Alfred S. Wilberger is now associated with Stewart & Co., members of the New York Stock Exchange, with offices at 208 South La Salle Street.

Banking News Notes

John S. Broeksmit, vice president of the Harris Trust & Savings Bank, is a member of the Savings committee of the American Bankers Association; C. B. Hazlewood, vice president of the Union Trust Company, of the State Legislative committee; Lucius Teter, president of the Chicago Trust Company, executive committee of the trust company division; John C. Mechem, vice president of the First Trust & Savings Bank, committee on legislation; W. F. Hopkins, vice president of the Chicago Trust Company, committee on protective laws; F. Dwight Cannon, Illinois Merchants Trust; Guy W. Cooke, First National Bank, committee on publicity; Frank F. Taylor, secretary Illinois Merchants Trust Company, committee on standardization of charges; M. H. MacLean, vice president Harris Trust & Savings Bank, committee on community trusts; L. A. Bowman, vice president American Trust & Safe Deposit Co., committee on staff relations; C. B. Holden, vice president Union Trust Company, committee on insurance rights; Roy C. Osgood, vice president of First Trust & Savings Bank, special committee on taxation; F. A. Crandall, vice president National Bank of the Republic, executive committee of clearing house section; Charles H. Meyer, examiner Chicago Clearing House Association, clearing house examinations; R. H. Brunkhorst, auditor Harris Trust & Savings Bank, bank auditor's conferences; H. G. P. Deans, vice president Illinois Merchants Trust Company, committee on acceptances.

Frank O. Wetmore, chairman of the First National Bank has returned from a visit to Washington and New York. He attended the quarterly meeting of the Federal Advisory Council in Washington.

Evanston banks distributed \$337,000 in Christmas savings, the Evanston Trust & Savings reporting \$80,000 for 1,000 accounts, State Bank & Trust \$125,000 for 1,700 accounts Central State Bank \$25,000 for 450 accounts, City National \$92,000 for 1,600 accounts and Commercial Trust & Savings \$15,000 for 300 accounts.

S. T. Crapo of Detroit has been elected a class B director representing Group 1 banks and Charles H. McNider of Mason City, Iowa, was reelected a class A director of Group 2 of the Chicago Federal Reserve district at the election which closed on December 3.

Directors of the Peoples Trust & Savings Bank ordered an extra dividend of 2 per cent. in addition to the regular quarterly dividend of 3 per cent.

Drexel State Bank declared an extra dividend of 4 per cent. in addition to the usual quarterly disbursement of 2 per cent.

Edgar A. Potter, for many years directing head of public utility companies in Illinois, Iowa and Nebraska, died last Tuesday. Interment was at Rosehill.

Chicago Stock Exchange memberships have advanced from \$4,500 to \$5,900 and are now held at \$7,000. T. R. Benson, A. B. Cross, B. E. Sincere and M. W. Newton have been elected to membership.

Force that is behind the Illinois Central Railroad can be approximated in a letter President C. H. Markham sent to a friend who had asked him if it would be possible to get freight to Florida in embargoed localities. "When

you called, "Mr. Markham wrote, "I was not so optimistic about being of any help in the matter of facilitating the shipment, but it is just another proof that nobody knows what he can do until he tries, and I am pleased that a way was found to be helpful. "Explanatorily it can be said that the shipment went to another station within trucking distance of the embargoed city."

Edmund Stinnes, Berlin industrialist and oldest son of the late Hugo Stinnes, Germany's wealthiest citizen before his death, visited Chicago banks and industries early this week. "You do not realize how rich you are in your own market in this country," he remarked.

Members of the Continental & Commercial Bank Club entertained at a dinner and athletic show in the bank gymnasium last Wednesday evening.

Henry Lewis Kent, an employe of the First National Bank for 37 years until his retirement in 1915, died last Tuesday at the age of 78. His son, Fred I. Kent, is vice president of the Bankers Trust Company of New York.

Thompson Ross & Co. have established an office in San Francisco under the management of W. S. Rutledge.

A. N. Cordell, assistant vice president of the First National Bank, has returned from a visit to New York.

Captain John B. Hennings of Carpenter & Hennings, of Miami Beach, Florida, was in Chicago for a few days before going to New York.

Edward J. Fucik, vice president of the Great Lakes Dredge & Dock Co., has resigned to become vice president of the Fitzsimmons and O'Connell.

Robert D. McKeon has been appointed general agent and superintendent of the Chicago terminal division of the Pennsylvania Railroad to succeed the late W. B. Scriven.

George T. Leach of A. B. Leach & Co. was host to a representative group of bankers at his annual duck dinner at the Racquet Club Friday evening.

THE ARGENTINE FLAX SITUATION

In its market letter sent out under date of December 5, the Archer-Daniels-Midland Company, says:

"It is very difficult to get reliable information as to cause of the damage reported to crops in the Argentine. Among the causes mentioned are insects, rust, lack of sub-soil moisture, too much rain, frosts, etc. Rust and insects would hardly injure Linseed, nor would too much rain, unless the water stood on the fields or washed away the plants. Too much rain during and after the Linseed harvest might be serious. Lack of sub-soil moisture would be as bad for Linseed as for other grains.

"No doubt over the large Linseed territory in Argentine some flax plants have been in bloom at all times during the past six to eight weeks, and at this stage could be injured by frost. Our reliable correspondent cables November 28th:

"As far as can be ascertained for the present damage restricted to northern districts Province Baires southern districts Province Entre Rios damage between 15 per cent. and 25 per cent. More reliable reports can be given after first threshing reports from districts to hand. Threshing reports coming now from north of Santa Fe very favorable average per acre. Our estimation probable export surplus at present between 64,000,000 and 68,000,000 bushels."

REVIEW OF THE LIVE STOCK MARKETS

(Continued from page 43)

sales of desirable feeders being made around \$16.25 to \$16.50, with one short deck today at \$16.90.

SIoux CITY

Sioux City, Iowa, December 8, 1925—Declines of mostly 15 to 25c in the hog market today resulted in a range of \$9.50 to \$11.00 with the bulk at \$10.50 to \$10.80. The trend in cattle was also downward, the market being unevenly steady to 25c lower, shortfed steers and yearlings quotable from \$7.00 to \$11.50, fed cows and heifers \$5.50 to \$10.00, others \$4.00 to \$5.50, canners and cutters \$2.75 to \$4.00, vealers \$5.00 to \$10.00, stocker and feeder steers from \$3.75 to \$8.50. Best fat lambs topped on Monday at \$16.50 with desirable fat ewes up to \$9.00.

The Nation's Building Record for 1925

Chicago—A building record of six and a half billion dollars will have been chalked up when the chimes of the new year are sounded.

This total for the nation, with the last 30 days of the year estimated, has been announced by the Indiana Limestone Quarrymen's association. It was based on aggregate figures from several hundred cities and towns.

"It is a remarkable total," says Thomas J. Vernia, president of the association. "It tops the record of the previous year by a billion and a half. It accounts in large measure for the general prosperity that now exists. Idleness in the laboring classes has become almost a negligible factor. Building has seen to that.

"Will the swift pace be continued during the new year? That is perhaps the most important question before American business men today. It is realized that building is the balance wheel of industry and that continued activity means continued prosperity.

"The answer is obvious if one is to read the indisputable signs. Building will continue on a broad scale. It may not go on shattering all records. But the coming year will show an enormous total, spread judiciously across the seasons. Only a general business collapse, of which there is not the vaguest sign, will halt this forward swing which, after all, is but a part of our national development.

"America has grown to the point where four billion dollars in building is needed each year to keep pace with normal requirements. The post-war housing shortage and other pressing factors have swelled this total. There still remains a building shortage, of which the serious public buildings situation is an example. This shortage must be cleared up before we return to normal. And by that time the normal needs of the nation will undoubtedly have grown far beyond the present four billion dollar mark."

Types of construction will vary somewhat during the coming year, President Vernia added. Residential building which accounts for more than one-half of this year's total, probably will drop to 45 per cent. of the aggregate, while public utility building should materially exceed its present 15 per cent. of the total.

"The immediate outlook is excellent," Mr. Vernia continued. "Reports for November show an increase over the same month last year for all sections with the possible exception of Texas. Florida's cities are not the only ones in the South showing spectacular gains. New Orleans, Louisville, Birmingham and Houston are among those with big construction programs.

"New York still lights the way among cities with \$800,000,000 for 11 months, while Chicago's fast stride of over a million dollars worth of building a day points to a total of \$375,000,000 for that city this year.

"A side-light on national prosperity is mirrored in the construction of amusement houses. A quarter billion dollars has been spent this year on new structures for amusement and recreation. It is almost double last year's amusement program. Curiously too, the new places of amusement, like the old ones, are quickly filled.

"We are in an era of national growth that may continue several years. Taking a broad view of fundamental factors, who can say that building construction during 1926 will not equal or even surpass the unprecedented total which has been attained this year?"

NEW HARDY RUST-RESISTING WHEAT

Winnipeg—Samuel Larcombe, agronomist of Birtle, Man., has evolved a new variety of wheat which he says will resist black stem rust. The new grain which is the result of seven years of experimentation is called Axminster and is said to yield 30 per cent. more to the acre than Marquis.

Under tests on Mr. Larcombe's farm this summer the wheat showed almost perfect resistance to rust. It showed less than 5 per cent. of rust infection while Marquis and other varieties grown within five feet of it were infected 100 per cent. by the blight. Axminster, Mr. Larcombe claims, is equal in milling qualities to Red Fife wheat.

If Mr. Larcombe's discovery lives up to expectations, it will save farmers of Canada and the United States millions of dollars annually. Rust is the principal menace to wheat crops in the northwestern states and certain areas in the Prairie Provinces. It has been prevalent in the Dakotas and Montana.

Important contributions to the improvement of grains, it is pointed out, have been made by Canadian agronomists. The quality of standard varieties has been raised, new types of wheat have been evolved and weaknesses of individual species of grain have been overcome. Seager Wheeler, "wheat wizard" of Rosthern, Sask., originator of Red Bobs, Kitchener, and other varieties has probably done more than any other man in North America to improve wheat. Marquis wheat, the kind raised almost universally by farmers in the United States and Canada, was discovered by a Canadian, Dr. Charles Saunders, while he was Dominion cerealist at the experimental farm at Ottawa, Ontario.

CANADIAN WHEAT AND FLOUR IN DEMAND

Ottawa—A report of the department of trade and commerce draws attention to the rapidly increasing consumption of Canadian wheat and flour which has been a feature of the trade with China during recent months. By the end of September it was reported that over 150,000 tons of Canadian wheat had been booked to arrive in that country before the end of the year while Canadian flour transactions are said to total over 3,000,000 sacks.

Last year Canadian wheat flour to the value of \$6,226,006 was supplied to the British West India Islands.

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STOCKS OF GRAIN AT MINNEAPOLIS

Wheat in Minneapolis public elevators as reported by the Chamber of Commerce on December 5, with comparisons, in bushels (000's omitted):

	1925	1924	1923	1922
No. 1 dark	2,234	3,264	4,293	1,020
No. 1 northern	451	2,929	1,393	284
No. 2 northern	147	937	1,615	224
Others	4,195	5,345	9,554	2,797
Totals	7,027	12,475	16,855	4,335

Stocks of coarse grain in public elevators in Minneapolis, in bushels (000's omitted):

	Dec. 5	Nov. 28	Dec. 6	Dec. 8	Dec. 9
Corn	47	28	296	80	57
Oats	21,970	22,230	22,392	4,797	13,224
Barley	3,464	3,248	1,928	824	588
Rye	2,777	2,704	1,223	7,269	1,555
Flaxseed	1,078	1,055	426	831	36

GRAIN STOCKS AT DULUTH AND SUPERIOR

Grain stocks in Duluth and Superior elevators as on December 5, 1925, showing changes in the week: Wheat—Nos. 1 and 2 dark northern and Nos. 1 and 2 northern, 1,010,843 bu.; No. 3 dark northern and No. 3 northern, 123,211 bu.; other spring, 1,051,256 bu.; Nos. 1 and 2 amber durum and Nos. 1 and 2 durum, 1,031,331 bu.; No. 3 amber durum and No. 3 durum, 169,923 bu.; other durum, 3,189,149 bu.; Nos. 1 and 2 dark hard winter and Nos. 1 and 2 hard winter, 13,310 bu.; other winter, 2,566 bu.; bonded 328,062 bu.; total wheat, 6,919,651 bu., decrease, 3,251,099 bu.

Coarse grains—Corn, 213 bu., decrease, 22,820 bu.; oats, 7,047,013 bu., decrease, 346,919 bu.; rye, 3,991,060 bu., increase, 185,429 bu.; barley, 596,695 bu., decrease, 299,425 bu.; flax, 1,101,086 bu., decrease, 332,187 bu.

MINNEAPOLIS-DULUTH WHEAT RECEIPTS

Receipts of wheat in Minneapolis and Duluth from September 1 to December 5, 1925, compared with the corresponding period of previous years, in bushels (000's omitted):

	1925	1924	1923	1922
Minneapolis	47,362	52,796	47,824	55,757
Duluth	47,679	82,530	20,974	36,957
Totals	95,041	135,326	68,798	92,714

STOCKS OF GRAIN AT CHICAGO

	Public	Private	Total	Last year
Wheat	1,032	2,644	3,676,000	12,347,000
Corn	392	2,696	3,088,000	4,104,000
Oats	4,428	5,713	10,141,000	18,421,000
Rye	2,734	580	3,214,000	6,508,000
Barley	.....	753	753,000	168,000

UNITED STATES VISIBLE GRAIN SUPPLY

	This week	Last week	Last year
Wheat	46,752,000	44,780,000	99,461,000
Corn	5,647,000	2,461,000	9,065,000
Oats	62,200,000	64,251,000	67,250,000
Rye	11,566,000	11,214,000	20,871,000
Barley	6,763,000	6,673,000	5,276,000

CANADIAN VISIBLE GRAIN SUPPLY

	This week	Last week	Last year
Wheat	37,191,000	43,035,000	30,593,000
Oats	6,265,000	5,694,000	16,097,000
Rye	1,426,000	1,389,000	1,836,000
Barley	6,675,000	7,350,000	6,799,000

WORLD GRAIN SHIPMENTS

	Past week	Prev. week	Last year
Wheat	12,750,000	15,084,000	11,023,000
Corn	4,388,000	4,599,000	2,474,000
Oats	1,483,000	1,470,000	627,000

THE WEEK'S FLOUR OUTPUT

The following table shows the flour output at principal milling centers, together with figures covering a group of representative interior mills in each district, in barrels, for weeks ending on the indicated dates, as reported to The Northwestern Miller:

	Dec. 5	Nov. 28	Dec. 6	Dec. 8
Northwest—				
Minneapolis	252,360	227,271	215,325	229,970
St. Paul	8,650	12,922	10,477	12,170
Duluth-Superior	30,620	14,440	35,320	28,875
Outside mills*	228,493	267,821	232,000	237,999
Totals	520,123	522,464	493,122	509,014
Southwest—				
Kansas City	116,803	93,502	120,747	105,271
Wichita	28,517	24,124	39,659	35,529
Salina	18,351	24,741	28,790	20,650
St. Joseph	45,012	39,319	42,895	20,821
Omaha	20,975	20,459	24,954	23,431
Outside mills†	179,614	180,890	242,525	207,747
Totals	409,272	383,035	500,570	413,179
Central and Southern—				
St. Louis	26,200	28,000	27,600	39,600
Outside‡	42,700	44,100	44,400	44,400
Toledo	31,500	35,200	34,200	33,700
Outside§	33,487	35,289	50,928	44,765
Indianapolis	.....	.....	12,475	10,740
Southeast	89,940	102,021	94,751	91,030
Totals	223,827	244,710	264,354	264,235
Pacific Coast—				
Portland	28,262	29,430	38,560	60,173
Seattle	28,811	26,635	24,034	33,248
Tacoma	41,522	32,263	23,125	52,971
Totals	98,595	89,328	85,719	146,392
Buffalo	207,975	173,118	177,740	119,863
Chicago	26,000	32,000	37,000	27,000
Milwaukee	9,200	7,500	6,000	3,000

*Minnesota, Dakota, Iowa and Montana mills outside of Minneapolis, St. Paul and Duluth-Superior.

†Southwestern mills outside of centers named.
‡Mills outside of St. Louis, but controlled in that city.
§Central states mills outside of Toledo.

FLAXSEED RECEIPTS AND SHIPMENTS

Receipts and shipments of flaxseed at Minneapolis and Duluth, September 1 to December 5, 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	7,213	8,935	1,804	2,711
Duluth	7,791	14,454	6,647	13,299
Totals	15,004	23,289	8,451	16,010

MINNEAPOLIS GRAIN FUTURES

	December					
	Dec. 3	Dec. 4	Dec. 5	Dec. 7	Dec. 8	Dec. 9
Wheat	1.70	1.67	1.70	1.71	1.68	1.68
Rye	.95	.94	.99	1.04	1.04	.....
Oats	.37	.37	.38	.38	.38	.39
Barley	.65	.65	.65	.65	.65	.64

	May, old					
	Dec. 3	Dec. 4	Dec. 5	Dec. 7	Dec. 8	Dec. 9
Wheat	1.67	1.63	1.66	1.69	1.66	1.65
Rye	1.01	.98	1.03	1.08	1.08	1.08
Oats	.41	.40	.41	.41	.41	.42
Barley	.69	.69	.70	.69	.69	.69

	May New					
	Dec. 3	Dec. 4	Dec. 5	Dec. 7	Dec. 8	Dec. 9
Wheat	1.67	1.64	1.66	1.69	1.66	1.65
Rye	1.01	.99	1.04	1.09	1.09	1.09
Oats	.41	.40	.41	.41	.41	.42
Barley	.70	.69	.70	.69	.69	.69

	December					
	Dec. 3	Dec. 4	Dec. 5	Dec. 7	Dec. 8	Dec. 9
Flax	2.59	2.62	2.64	2.66	2.63	2.60

	May					
	Dec. 3	Dec. 4	Dec. 5	Dec. 7	Dec. 8	Dec. 9
Flax	2.66	2.69	2.71	2.75	2.72	2.70

DULUTH GRAIN FUTURES

	December					
	Dec. 3	Dec. 4	Dec. 5	Dec. 7	Dec. 8	Dec. 9
Durum	1.49	1.47	1.49	1.52	1.48	.....
Flax	2.58	2.61	2.65	2.68	2.66	.....

	May					
	Dec. 3	Dec. 4	Dec. 5	Dec. 7	Dec. 8	Dec. 9
Durum	1.53	1.50	1.52	1.56	1.52	.....
Flax	2.64	2.67	2.69	2.73	2.71	.....

CHICAGO GRAIN FUTURES

	December					
	Dec. 3	Dec. 4	Dec. 5	Dec. 7	Dec. 8	Dec. 9
Corn	.78	.77	.77	.77	.78	.80
Oats	.41	.40	.41	.41	.41	.42
Rye	.98	.96	1.02	1.06	1.05	1.05

	May					
	Dec. 3	Dec. 4	Dec. 5	Dec. 7	Dec. 8	Dec. 9
Corn	.84	.83	.84	.83	.83	.86
Oats	.45	.44	.45	.45	.45	.46
Rye	1.06	1.04	1.09	1.14	1.13	1.13

	July					
	Dec. 3	Dec. 4	Dec. 5	Dec. 7	Dec. 8	Dec. 9
Corn	.86	.85	.86	.86	.85	.88
Oats	.46	.45	.45	.46	.45	.46
Rye	1.05	1.02	1.09	1.13	1.11	1.12

WINNIPEG GRAIN FUTURES

	December					
	Dec. 3	Dec. 4	Dec. 5	Dec. 7	Dec. 8	Dec. 9
Wheat	1.60	1.59	1.62	1.64	1.58	.....
Flax	2.27	2.30	2.34	2.38	2.35	.....

	May					
	Dec. 3	Dec. 4	Dec. 5	Dec. 7	Dec. 8	Dec. 9
Wheat	1.61	1.58	1.62	1.66	1.61	.....
Flax	2.35	2.39	2.44	2.47	2.44	.....

	July					
	Dec. 3	Dec. 4	Dec. 5	Dec. 7	Dec. 8	Dec. 9
Wheat	1.59	1.56	1.59	1.62	1.58	.....

WHEAT RECEIPTS—CARS

	Minneapolis		Duluth		Chicago		Winnipeg	
	1925	Year ago	1925	Year ago	1925	Year ago	1925	Year ago
Dec. 2	360	300	155	234	10	38	2,245	815
Dec. 4	225	244	170	125	20	19	1,609	823
Dec. 5	291	291	162	175	28	30	1,742	1,236
Dec. 7	721	516	336	244	27	..	3,404	1,676
Dec. 8	268	196	149	301	50	102	1,696	1,227
Dec. 9	499	285	171	503	38	91	1,935	503

MINNEAPOLIS RECEIPTS—COARSE GRAINS

	Corn	Oats	Rye	Barley	Flax
Dec. 3	15	39	17	52	18
Dec. 4	19	49	14	35	16
Dec. 5	13	49	10	34	16
Dec. 7	28	..	37	109	44
Dec. 8	1	19	16	34	15
Dec. 9	7	49	21	64	28

Secretary of Labor Sees Over-production in Industry

Washington—While improvement of relations between employers and workers, with an absence of unemployment and a diminution in strikes, were noted in the annual report of Secretary of Labor Davis, just made public, Mr. Davis sketched a possible line of future attack on the problem of overproduction in industry, which he held responsible for much part-time and seasonal employment of workers.

"One of the great elements of the problem of unemployment is the present overdeveloped state of some of our larger industries," he said. "Our productive machinery and equipment in many of these industries cannot run 300 days per year without producing a stock that cannot be sold in this or any other country. As an illustration, the census lists 1,570 boot and shoe factories. Of these 227 or 14½ per cent. employing 60.04 per cent. of the workers, could, with steady work for 300 days a year, produce all the boots and shoes we need.

The Flour Industry

"The flour mill industry shows the worst situation of all; 2.8 per cent. of the plants, employing 42 per cent. of the whole number of workers, engaged in the industry, produce 62 per cent. of the output, while 85 per cent. of the establishments produce but 12 per cent.

"Take that of bituminous coal. There are 338 shipping mines in the state of Illinois. These operated an average of 139 days in a year. Had 84 of these 338 mines operated 300 days, they could have produced 5,000,000 tons more in one year than all of them produced in 1924. Go down the line and in nearly every industry you will find the same appalling state of affairs.

"I do not advocate a movement toward monopoly or trusts such as were conceived a few years ago; not a single control or factory in each industry, but a cutting down of the number to the point where each establishment upon a competitive basis could operate at least approximately 50 weeks in each year.

Keep Labor Where Needed

"What is needed in some system that will keep going only the coal mines and the manufacturing plants necessary to produce what we need and can sell and to keep an adequate number of workers employed for 300 days in the year. We need some system for scattering workers where they are really needed.

The secretary repeated his recommendations for legislation to permit examination abroad of all immigrants; the establishment of quotas affecting immigrants from countries on the American continents and for enrollment in the United States of aliens.

For the immigration service, Commissioner General Hull gave the total of aliens admitted to the United States for the year as 458,435; immigrants admitted numbered 294,314, and 25,390 persons were rejected as inadmissible.

Bankers in State of Washington Indorse New Banking Bill

Spokane, Wash.—The Whitman County Bankers Association recently held its annual midwinter banquet at Colfax, Washington. M. D. McPherson, Security State Bank of Palouse, president, was toastmaster. Several Spokane bankers were present. Fred F. Liew, Old National Bank, outlined the workings of the American Institute of Banking, stating that "the three phases of work, institute of banking, public education and the new educational foundation, were attracting wide attention and that a \$500,000 endowment fund had been created for 100 scholarships. He said more than 50,000 bank clerks were studying the course in banking.

Other speakers from Spokane were Rex Reymond, Spokane and Eastern Trust Company, and Evan Berg, Federal Reserve Bank. Mr. Berg said: "There are more warehouse receipts held by the Federal Reserve Bank in proportion to the loans than in any previous time—a splendid indication of the prosperity of the country. In this respect, Whitman County has more wheat receipts than any other country."

Harry Johnson, supervisor of banking for the state of Washington, said that previously in banking this state should be regarded as going through the surgical stage but now it is out of that and passing through the convalescent period.

The meeting was thrown open for discussion of problems, such as chattels, rentals and wheat prices. In some sections of the country 75 per cent. of the wheat was being held by farmers. Whether to sell or to hold was a matter that bankers were unable to agree on, but the majority of them expressed the idea that a good price was something "not to be sneezed at."

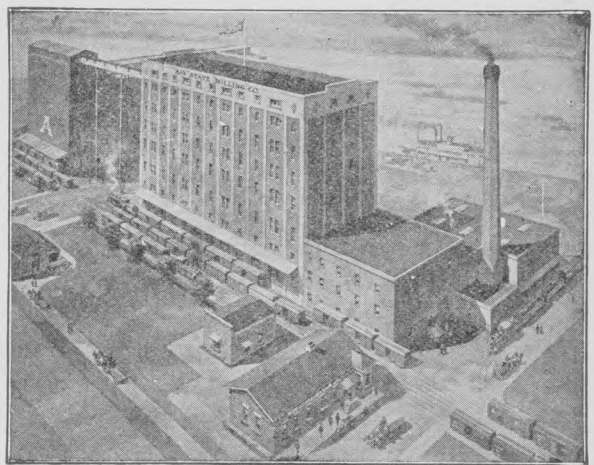
The resolution committee suggested indorsement of the proposed banking bill, centralizing all banking supervision in the state supervisor of banking, and the bill which permits the state and county treasurer to accept Liberty bonds as security for public funds at face value rather than 75 per cent. of face value, as at present, and legalizing the use of trust receipts from approved depositors in lieu of the actual bonds. It also opposed the so-called departmental banking bill now before the legislature.

DEATHS CAUSED BY EXHAUST GAS POISONING

In the past six years, according to Dr. Herman H. Bundesen, Chicago commissioner of health, 1,426 people have died from accidental exhaust gas poisoning. Usually the victim has been found seated behind the wheel of his car with garage doors and windows closed. Other unfortunates have been discovered lying under the car, presumably smothered while working on motor or brakes while the engine was running. Even the short "warming up" of a car in a closed garage invites sudden death.



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