

# COMMERCIAL WEST

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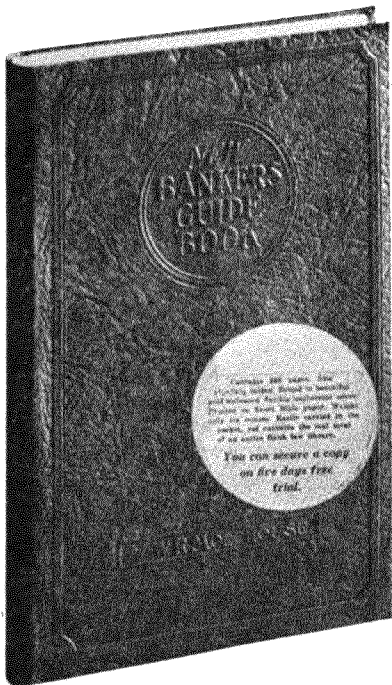
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# Western Municipal Bonds

## FUTURE BOND ELECTIONS

**February 15**—The Dalles, Oregon — \$17,000 auditorium bonds.

**February 15**—Georgetown, Idaho—\$5,000 street improvement bonds.

**February 15**—Pima County, Arizona, Tucson School District No. 1 (P. O. Tucson)—\$162,000 building and equipment bonds and \$48,000 site purchase and improvement bonds.

**February 19**—Colusa County, California, Pierce High School District (P. O. Colusa)—\$200,000 high school bonds.

**February 21**—Aurora, Iowa, Independent School District—\$30,000 construction bonds.

**February 21**—Boulder County, Colorado, School District No. 44 (P. O. Lyons)—\$15,500 bonds.

**February 25**—Anacortes, Washington—\$50,000 water filter plant bonds.

**February 26**—Glencoe, Illinois—\$75,000 real estate acquirement bonds; \$55,000 garbage incinerator bonds; \$19,000 water main construction bonds.

**March 8**—Seattle, Washington—\$900,000 auditorium bonds.

**March 8**—Idaho Falls, Idaho, School District—\$120,000 bonds.

**March 15**—Azusa, California—\$75,000 city hall bonds.

**April 5**—Platteville, Wisconsin—\$175,000 city hall bonds.

**April 5**—Freeport, Illinois—\$20,000 fire department bonds.

**April 5**—Clark County, Wisconsin (P. O. Neillville)—\$2,300,000 road bonds.

**April 5**—Milwaukee, Wisconsin—\$200,000 fire houses and police stations bonds.

## FUTURE BOND SALES

**February 15**—Cudahy, Wisconsin, School District No. 1—\$190,000 bonds; denomination \$1,000; 4½ per cent.; 1-15 years serial; certified check 2 per cent. John P. Schrank, clerk.

**February 17**—Cannon Falls, Minnesota—\$5,000 improvement bonds; certified check \$100. R. J. Goodwin, city clerk.

**February 26**—Yakima County, Washington, Consolidated School District No. 113 (P. O. Yakima)—\$20,000 bonds; denomination \$500; not exceeding 6 per cent.; 1-11 years average; certified check 5 per cent. S. White, county treasurer.

**March 5**—Merrill, Wisconsin—\$9,000 bonds; denomination \$1,000; 5 per cent. Ben Pope, town clerk.

**March 5**—Astoria, Oregon—\$96,000 refunding general improvement bonds; not exceeding 6 per cent.; 1-30 years serial; certified check 1 per cent. O. A. Kratz, city manager.

## BOND NOTES

Pasadena, California—An issue of \$90,000 street improvement bonds has been sold.

Somonauk, Illinois, School District—Bonds to the amount of \$35,000 have been disposed of.

Beaver City, Nebraska, School District—Bonds to the amount of \$65,000 have been approved.

Fort Dodge, Iowa—An issue of \$17,000 4½ per cent. improvement bonds has been disposed of.

Eugene, Oregon—The city council has authorized the sale of improvement bonds to the amount of \$179,000.

Efingham, Illinois—Sewage disposal plant bonds to the amount of \$25,000 will be offered for sale soon.

Chinook, Montana—Issuance of water main bonds to the amount of \$7,500 will be voted upon at the Spring election.

Waterloo, Illinois—An election held in January resulted in the defeat of waterworks system bonds to the amount of \$81,000.

Pike County, Illinois (P. O. Pittsfield)—Road and bridge bonds to the amount of \$100,000 were defeated at a recent election.

Thebes, Illinois—Issuance of \$24,000 water mains bonds and \$65,000 water plant bonds was authorized at a recent election.

Chapman, Nebraska, School District—By a vote of 57 to 16, issuance of bonds to the amount of \$7,000 has been authorized.

Wheaton, Illinois—By a vote of 34 to 2, street sweeping machine and apparatus bonds to the amount of \$7,000 was authorized.

Gray Township, Illinois (P. O. Grayville)—By a vote of 138 to 18, road bonds to the amount of \$4,000 have been authorized.

Milliken, Colorado—Donald F. Brown & Co. of Denver have purchased an issue of \$12,000 4½ per cent. refunding water bonds.

Shelbyville, Illinois—The Shelby Loan & Trust Company of Shelbyville was awarded an issue of \$7,600 6 per cent. street paving bonds.

Grayville, Illinois, School District—A recent election resulted in favor of issuing 5½ per cent. building bonds to the amount of \$10,000.

Yakima County, Washington, Yakima School District (P. O. Yakima)—The State has purchased the \$250,000 4½ per cent. bonds at par.

Corona, California—Issuance of \$7,000 park improvement bonds, \$7,000 park purchase bonds and \$16,000 public library bonds has been defeated.

Des Plaines, Illinois—An election was held recently to vote the issuance of garbage and refuse incinerator bonds to the amount of \$28,000.

Maricopa County, Arizona, Phoenix School District No. 1 (P. O. Phoenix)—An election has been proposed to vote the issuance of \$200,000 bonds.

Dolton, Illinois—The \$45,000 5 per cent. waterworks systems were sold to T. A. Warley & Co. for a premium of \$75-100.16, a basis of 4.97 per cent.

Los Angeles County, California, Glendale School District (P. O. Los Angeles)—Issuance of high school bonds to the amount of \$800,000 has been proposed.

Williston, North Dakota—An election held in January resulted in favor of issuing \$30,000 paving bonds, \$50,000 sewer bonds and \$20,000 parks bonds.

West Weiser Lateral Irrigation District, Idaho (P. O. Weiser)—By a vote of 149 to 35 irrigation bonds to the amount of \$23,000 have been authorized.

Madison, Wisconsin—An ordinance is being prepared which provides for the issuance of waterworks improvement completion bonds to the amount of \$50,000.

Prowers County, Colorado, School District No. 8 (P. O. Granada)—An issue of \$17,500 refunding bonds has been sold to the International Trust Company of Denver.

Eugene, Oregon—Ferris & Hardgrove of Portland have purchased an issue of 5 per cent. 30 year sewer bonds to the amount of \$90,000 at 101, a basis of 4.94 per cent.

Gunnison County, Colorado, Crested Butte School District (P. O. Crested Butte)—High school building bonds to the amount of \$80,000 were approved at a recent election.

Washburn, Illinois—The Federal Securities Corporation of Chicago was the successful bidder for an issue of \$16,000 waterworks system bonds at a premium of \$565-103.53.

Robinson Township, Illinois (P. O. Robinson)—Petitions are in circulation providing for an issue of \$181,000 road bonds to be submitted to the voters at the Spring election.

Provo, Utah—The Central Trust Company and Palmer Bond & Mortgage Company, both of Salt Lake City, jointly, were the successful bidders for the \$225,000 tax anticipation bonds.

Ramsey County, Minnesota (P. O. St. Paul)—A bill has been introduced into the Minnesota House to float a \$225,000 bond issue for improvements at Ancker Hospital and the County Poor Farm.

Palo Verde Irrigation District, California (P. O. Blythe)—Another block of the irrigation bonds to the amount of \$3,500,000 of which \$1,863,000 has been sold, may be offered for sale in the Fall.

Gila County, Arizona (P. O. Globe)—The Grand Camp of Woodmen of the World has purchased an issue of road and bridge bonds to the amount of \$62,000 and school bonds to the amount of \$265,000.

Douglas County, South Dakota (P. O. Armour)—The White-Phillips Company of Davenport was awarded an issue of \$50,000 4½ per cent. 12½-20 years optional-average court-house and jail bonds for a premium of \$610-101.22, a basis of 4.62 per cent.

### COUNTY — CITY — SCHOOL BONDS

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Port of Bellingham, Washington (P. O. Bellingham)—A syndicate composed of William P. Harper & Son, Peirce, Fair & Co. and Ballargeon, Winslow & Co., all of Seattle has purchased an issue of \$250,000 4 1/2 per cent. port bonds for a premium of \$275-100.11.

McKenzie County, North Dakota (P. O. Schafer)—Brewer, Brown & Co. and Paine, Webber & Co., both of Minneapolis, jointly, were the successful bidders for an issue of \$80,000 5 1/2 per cent. 12 year average bridge bonds for a premium of \$1,900-102.37, a basis of 4.98 per cent.

Astoria, Oregon—W. H. Silverman & Co. of Cincinnati and the Ralph A. Blanchard Company of Portland, jointly, were the successful bidders for an issue of \$105,000 refunding general improvement bonds and \$21,000 refunding general improvement bonds at 101.31, a basis of 5.35 per cent.

Seattle, Washington—A syndicate composed of C. W. McNear & Co., R. W. Pressprich & Co. and Kountze Bros., all of New York City, was the successful bidder for the \$1,000,000 4 1/2 per cent. 11 year average sewer refunding bonds at a premium of 102.13, a basis of 4.25 per cent.

UNITED STATES GOVERNMENT SECURITIES

Price range for week ending February 9, 1927, as reported by C. F. Childs and Company, 609 Second Avenue South, Minneapolis. 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 1/32nd.

Table with columns: Issue, High, Low, Close, Yld. Includes Liberty Loan 3 1/2s, 1932/47 and Treasury 4 1/2s, 1947/52.

Treasury Certificates and Notes

Table with columns: Issue, Bid, Asked, Yld. Includes B-4 1/2s—March 15, 1927 and T-3 1/2s—June 15, 1927.

Federal Land Bank Bonds

Table with columns: Rates, Maturity, Bid, Asked. Includes 4 1/2s January 1, 1936/56 and 4 1/2s January 1, 1937/57.

FOREIGN GOVERNMENT BONDS

Table with columns: Reported February 9, by Salomon Bros. & Hutzler, Minneapolis; Security, Bid, Order, Yld. Includes Argentine Nation, Govt. of, 6, Sept. 1, 1957 and German Government, 7, Oct. 15, 1949.

Canadian Securities

Table with columns: Province of Alberta, 5 1/2, July 1, 1927 and Province of Alberta, 6, June 1, 1928.

Table with columns: Province of Ontario, 3 1/2, April 22, 1927 and Province of Ontario, 4, May 26, 1927.

STANDARD OIL STOCKS

Quotations February 9:

Table with columns: Bid, Asked. Includes Anglo-Amer., Borne-Scrymser n, Buckeye Pipe, Chesebrough, Continental, Crescent P L, Cumberland P L, Eureka P L, Galena Signal, Galena Pr new, Galena Pr old, Humble Oil, Illinois P L, Indiana P L, Imp Oil of Can., Inter Pete, Natl Tea, N Y Transit, Northern P L, Ohio Oil, Penn Mex Fuel, Prairie O & G, Prairie P L, Solar Refining, South Penn new, Southern P L, South W P P L, S O of Indiana, S O of Kansas, S O of K \$25 par, S O of Nebraska, S O of N Y, S O of Ohio, S O of Ohio pf, Swan-Finch, Swan-Finch pf, Vacuum Oil.

BIG BOND ISSUE OF THE CHICAGO & NORTH-WESTERN RAILWAY

Kuhn, Loeb & Co. announced another large railway of fering February 10, subject to the approval of the Interstate Commerce Commission, an issue of \$20,572,000 of first and refunding mortgage 4 1/2 per cent gold bonds, due May 1, 2037, of the Chicago & Northwestern Railway. The issue was over subscribed. The National City Company co-operated with Kuhn, Loeb & Co. in the offering, which was made subject to allotment, at 95 and accrued interest to yield about 4.74 per cent. Proceeds from the sale of the bonds will be used to reimburse the company in expenditures for additions and improvements to property, subject to a lien of the mortgage, for payment of \$6,545,000 principal amount of matured lien bonds and for other corporate purposes.

MUNICIPAL FINANCING IN JANUARY

Taking advantage of the most favorable investment market for many months, 333 states and municipalities disposed of bond issues aggregating \$163,711,693 in January. This is the largest monthly total recorded since December, 1925, according to The Daily Bond Buyer of New York.

During the opening week of the new year New York City sold a \$60,000,000 loan at a surprisingly high price and numerous other important offerings which followed found the market in a most receptive mood. Detroit came into the market with a \$14,305,000 loan and issues of \$5,000,000 or more were sold by Buffalo, Chicago and Rochester.

MINOT GAS COMPANY STOCK

Drake-Jones Company of Minneapolis on February 8 offered \$100,000 in Minot Gas Company 7 per cent. cumulative preferred stock par value \$100 per share. The Minot Gas Company, incorporated under the laws of the state of North Dakota, will operate a modern gas plant and distribution system to serve, without competition, the City of Minot, North Dakota, with a population of approximately 13,000.

The company has a favorable 20-year franchise with the City of Minot. Conduct of the business of the company is subject to supervision by the board of railroad commissioners of the state of North Dakota.

# \$20,572,000

## Chicago and North Western Railway Company

### First and Refunding Mortgage 4½% Gold Bonds

Due May 1, 2037.

**NOT SUBJECT TO REDEMPTION BEFORE MATURITY**

Coupon bonds in denomination of \$1,000 registerable as to principal and exchangeable for fully registered bonds. Registered and coupon bonds interchangeable upon conditions as stated in the indenture. Interest payable June 1 and December 1.

The issuance and sale of these Bonds are subject to the approval of the Interstate Commerce Commission.

***We are advised that these Bonds are a legal investment for Savings Banks under the laws of New York, Massachusetts, New Jersey, Connecticut, California, Minnesota, Wisconsin and other States.***

*For further information regarding the Company and this issue of Bonds, reference is made to a letter dated February 9, 1927, from S. A. Lynde, Vice President of the Chicago and North Western Railway Company, copies of which may be obtained from the undersigned, and from which the following is quoted:*

"The purpose of the sale of these Bonds is to reimburse the treasury of the company for expenditures heretofore made for additions, betterments and improvements to the Company's property subject to the lien of the First and Refunding Mortgage and for the payment of \$6,545,000 principal amount of matured prior lien bonds and for other corporate purposes.

The First and Refunding Mortgage Bonds are secured by a lien on all the Company's lines of railway owned at the date of the mortgage and their equipment and appurtenances, including the very extensive and valuable terminals of the Company in the cities of Chicago and Milwaukee and in other cities which it serves, together with all other property thereafter acquired by the use of bonds secured by the First and Refunding Mortgage. The Company's lines of railroad aggregate 8,333 miles first main track on 1,221.09 miles of which the First and Refunding Mortgage is a first lien, while on the remaining mileage, said equipment, etc., it is or will be subject, in so far as such bonds have liens on the several parts thereof, to \$216,923,000 Prior Bonds (including \$4,355,000 General Mortgage Bonds which may still be issued for other than refunding purposes), for the refunding of which a like face amount of First and Refunding Mortgage Bonds is reserved. The Company covenants not to renew or extend any of the Prior Bonds. The Prior Bonds for which General Mortgage Bonds are reserved may be refunded by the use of either General Mortgage Bonds or First and Refunding Mortgage Bonds. The Company's \$7,371,000 5% Debentures of 1933, included in the above mentioned Prior Bonds, are entitled to share, to the extent required by their terms, in the security of the General Mortgage and the First and Refunding Mortgage. The entire funded debt, other than Equipment Trust Certificates, of the Company outstanding in the hands of the public after the issuance of these \$20,572,000 First and Refunding Mortgage Bonds will amount to \$251,255,200, equal to only \$29.973 per mile of first main track.

The Chicago and North Western Railway Company serves the important territory between the Great Lakes and the Missouri River Valley, and to the west thereof its lines extend into the states of South Dakota, Nebraska and Wyoming. The lines of the Company connect such important centers as Chicago, Illinois, Milwaukee and Madison, Wisconsin, Des Moines, Sioux City and Council Bluffs, Iowa, Omaha and Lincoln, Nebraska, and Pierre, South Dakota. At Council Bluffs, the Company's lines connect with those of the Union Pacific System, thus forming an important link in a through passenger route to the Pacific Coast.

For the year ending December 31, 1926, the gross income of the Company applicable to the payment of rentals and interest on funded debt amounted to \$25,000,542.08, while the rental payments, interest on funded debt and other deductions for that year (other than Federal income taxes) amounted to \$12,580,700.75.

The First and Refunding Mortgage 4½% Gold Bonds are secured by a mortgage dated May 1, 1920. The total amount of bonds which may at any one time be outstanding under this mortgage is limited to an amount which, together with all outstanding prior debt of the Railway Company, as defined in the said mortgage, after deducting therefrom the amount of all bonds reserved to refund prior debt at or before maturity, shall never exceed three times the par value of the then outstanding capital stock of the Railway Company.

In addition to the \$20,572,000 bonds which you have agreed to purchase, \$15,000,000 of 6% Bonds secured by this mortgage have been issued and pledged as part security for the Company's \$15,000,000 Ten Year 7% Secured Gold Bonds maturing June 1, 1930, and \$15,250,000 of 5% Bonds are issued and outstanding in the hands of the public.

Application will be made in due course to list these bonds on the New York Stock Exchange."

**THE UNDERSIGNED WILL RECEIVE SUBSCRIPTIONS FOR THE ABOVE BONDS, SUBJECT TO ALLOTMENT, AT 95% AND ACCRUED INTEREST TO DATE OF DELIVERY, TO YIELD ABOUT 4.74% TO MATURITY.**

The undersigned reserve the right to close the subscription at any time without notice, to reject any application, to allot a smaller amount than applied for and to make allotments in their uncontrolled discretion.

The above bonds are offered if, when and as issued and received by the undersigned and subject to the approval by any public authorities that may be necessary of the issuance and sale of the bonds and to the approval by their counsel of all legal proceedings in connection therewith. Permanent bonds will be delivered against payment in New York funds for bonds allotted.

**Kuhn, Loeb & Co. The National City Company**

New York, February 10, 1927.

Subscriptions for the above Bonds having been received in excess of the amount offered, the subscription list has been closed and this advertisement appears as a matter of record only.

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# COMMERCIAL WEST

Established in 1901

## A WEEKLY JOURNAL

DEVOTED TO

BANKING, INVESTMENTS, INSURANCE, GRAIN

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SATURDAY, FEBRUARY 12, 1927

## Guaranty of Bank Deposits Schemes

More than a quarter of a century of experience with bank deposit laws has proved their impotency as a protection of bank deposits and as a preventive of loose banking. No legislation yet devised carries with it a panacea for lack of common sense or good judgment. The Commercial West has repeatedly reiterated the facts relative to the failure of bank guaranty laws, and has pointed out their economic weaknesses. Were these ideas advanced merely the opinion of the writer, or the writers of these statements, they would not be worth the consideration of any banker or lawmaker. But they were merely reflections of the experiences and the conclusions of the banking commissioners of Oklahoma, Kansas, Nebraska and other states where the bank guaranty laws have been tried out and found lacking.

At the present time there are among the banking bills before the Minnesota legislature three or four providing for guaranty of bank deposits. These measures are now before the joint committee of the Senate and the House, appointed to investigate banking conditions in the state and to recommend means of making banking more safe for the banker as well as for the people who deposit money in banks. Within the past week a number of meetings of the committee have been held, and some of the ablest bankers of the state have appeared before the body to express their views. If the committee members are guided in their conclusions by the presentations made by these bankers and by State Bank Commissioner A. J. Veigel the likelihood is that there will be no bank deposit guaranty bill passed by the present Minnesota legislature. Commissioner Veigel in a statement to the committee, made the following pertinent remarks:

In our opinion, it makes little difference whether a bank has a national or state charter. Its safety will depend entirely on the men conducting the same, and good men will have good banks and vice versa. We have about three times as many state banks in Minnesota as there are national banks, and in proportion to the number, both kinds of banks have had about a like amount of trouble.

Others appearing before the committee were Arthur G. Wedge of Minneapolis, the president of the First National Bank of Park Rapids, and J. K. Martin, cashier of the First National Bank of Little Falls. The banks represented by these two officials have had an existence of nearly 40 years each, have large surpluses and undivided profits. Mr. Wedge told the committee that he was opposed to any form of bank deposit guaranty law, and that "we have too many banks and too few bankers." Mr. Wedge, as is shown by the standing of his bank, is in favor of sound banking and sane banking laws. He does not believe, he told the committee, that deposit guaranty measures make allowance for good and bad bankers, and that it is impossible to legislate common-sense into bankers.

Mr. Martin, while opposed to bank guaranty measures, suggested that banking conditions and safety could be had by making legal the establishment of a stockholders' surplus fund to be created from the earnings of bank stock after a normal surplus had been built up, this surplus to be set aside to meet stock assessments if they ever should be necessary. He does not favor the requiring of surety bonds for stockholders, as proposed in one of the bills, because the expense of such bonds would make bank stocks undesirable as an investment.

Senator James A. Carley, supplied statistics showing that from 1921 to 1926 the record of banks closed in Minnesota shows that the amount of capital of each bank was: 68 with \$10,000 capital; four with \$12,000; 38 with \$15,000; 19 with \$20,000, and 58 with \$25,000 capital. He favors the measure providing for greater capital stock requirements for banks to be hereafter chartered. This is in accordance with the recommendation of A. J. Veigel, Commissioner of Banks.

Mr. Veigel in explaining why he advocated increased capital for new banks said: "The mere size of a bank—if the deposits are large enough to pay expenses, etc—has nothing to do with its condition. Its condition, of course, depends on the directors and officers, and most of the smaller banks, as well as the larger ones, are now being conducted in a safe and conservative manner and are in good condition."

One bill introduced in the Minnesota legislature this week, and considered a farm-labor measure, is a modification of the Nebraska Bank Guaranty law. It provides for the building up of an insurance fund by retaining a percentage of the interest paid on deposits. This plan or any other plan is a subsidy inviting loose banking and unethical practices. It is only by amending faulty banking laws, and by strict enforcement of the laws by the state that the evils of banking can be corrected.

It is most likely that out of the dozen or more banking bills now before the legislature the special joint committee and the banking committees of the two houses will select those which give promise of

passage and which will safeguard depositors without the adoption of a deposit guaranty measure, a means which brought disaster to bankers and depositors in a half dozen states.

### Safety in Mortgage Banking

Failure the past year of one of the large realty mortgage companies whose bonds and securities were widely circulated, has tended to make bankers more careful in selecting mortgage securities. While many large realty financing concerns have built up a reputation because of their discretion in making loans, there are numerous operators who are either careless or actually "crooked" in their deals.

To correct some of the evils in real estate transactions the National Association of Real Estate Boards has been doing some commendable work. During the past month there was a mid-winter convention of the finance division of the association held at Miami, Florida. At this meeting Louis K. Boysen, vice president of the First Trust and Savings Bank of Chicago, made a most interesting address on "Safe Mortgage Banking." It has been issued in pamphlet form by the First Trust and Savings Bank and it is a valuable addition to financial and banking literature, because of its thoroughness and pointedness.

After a comprehensive review of the mortgage field, showing that about 99 per cent. of all real estate loans in this country are made by individuals and carry a safe margin of security, he follows up with comment upon trust fund mortgages, real estate bonds and speculative real estate loans. His reference to the importance of appraisals and how to avoid investing in paper that is the result of excessive loans, suggests to any interested person the importance of investigating the firm that makes the appraisal. He cites numerous examples of deals where appraisals were made and excessive loans negotiated because of the appraisers' reports. In a summary he outlines a simple code of ethics and practices for the real estate mortgage business. He takes into consideration that safety lies in not going beyond 75 per cent. of a balanced valuation on a conservative appraisal of both rental and physical value of a property in making a loan. In concluding he says:

"The longer the overfinancing of real estate is permitted, the more serious the break when it comes. Real estate has always been considered the best security. We must preserve its integrity. The Real Estate Boards of this country can control the situation to a large extent by establishing rules governing the financing of real estate and by publicly exposing any infraction thereof."

Mr. Boysen has made a worthy effort to shed light on a subject which at the present time is of deep interest to every banker and each investor.

### Alfalfa, a Money-Making Crop

From one-crop farmers to growers of many varieties of products, dairying and other lines, agriculturists of the Northwest have entered on a new era. One of the things which has encouraged dairying and has brought fresh hopes to many one-time dis-

couraged farmers is alfalfa. It has proved its merits beyond all doubt and holds out promise of success where failure loomed to discourage the landholder.

During the past few weeks farmers in different counties in Minnesota have learned much about the value of alfalfa, and the slogan "An acre of alfalfa for every cow," is being heard over a great part of the state.

Some time ago there was a meeting of the agricultural committee of the American Bankers Association. Among the many good addresses made was one by Burton M. Smith, president of the Bank of North Lake, Wisconsin, chairman of the agricultural commission of the association. It is worth while to reprint his reference to the value of alfalfa. He said:

In those states bordering on and east of the Mississippi River is located 76 per cent. of our dairy cattle and 56 per cent. of all cattle including dairy and beef animals. Here is where 95 per cent. of all the poorest feeding hay in America is grown. This is the great timothy region and timothy is one of the poorest producing and feeding hays for dairy and general live stock purposes. We find only 14 per cent. of the acreage of the richest and highest yielding hay known in all the world, alfalfa. This great dairy land is growing 28,000,000 acres practically all timothy. Of the kind of hays that put milk in the pail and dollars in the bank, that build up the land instead of wearing it down, that are most needed for a profitable live stock agriculture, this great dairy land grows but 3,000,000 acres of good clover and a million and a half acres of alfalfa. We can not have a situation like this without paying the penalty and the penalty is the enormous feed bill that confronts our dairymen. New York state, second greatest dairy state, has a feed bill of \$83,000,000 annually; Pennsylvania, the sixth dairy state, \$52,000,000; the New England states, \$35,000,000; Wisconsin \$28,000,000. This is the price we pay for not growing the protein needs of our live stock on the farm. By alfalfa the cost of this valuable element in the nation can be reduced from one-half to one-third the amount now paid for it in the form of purchased feeds. The time has come to eliminate the heavy drain of the feed bill on farm profits. This can be done by alfalfa, the hay crop that produces the most, is richest in feeding value and gives the greatest returns in soil enrichment, drought resistance, weed eradication and dollars and cents. The problem is to increase our million and a half alfalfa acres to ten millions or more.

Alfalfa is one plant that puts as much in the soil as it takes out of it. It is a crop that always brings the grower more than enough to pay for the space it grows on and all the labor required for its cutting. It is the stand-by of the dairyman and the hog-grower. It has brought prosperity to farmers of Kansas, Colorado, Nebraska, Iowa and other states and will do as much for Minnesota, the Dakotas and other parts of the Northwest.

### Lignite Fields of the Northwest

Much has been written about the dwindling coal supply of the United States. It has been predicted that the known deposits are not likely to last more than a half century longer. Scientists are now investigating means of finding fuel substitutes. Our great peat beds, our forests and oil fields when the period of short coal supplies comes, may be utilized. But there is a little encouragement given in a report recently issued by the Bureau of Mines, telling how our vast fields of lignite can be well used. In



Montana and in North Dakota exist the largest lignite deposits known. There are hundreds of thousands of acres underlaid with lignite and still unexplored. It is possible that these fields contain sufficient good fuel to supply the requirements of the people of the United States for centuries to come. Even now the few mines operated in North Dakota are important factors in the fuel supply for the Dakotas and a great portion of Minnesota.

In the North Dakota lignite fields lie opportunities for capital investment and industrial development which will only be rightly appreciated when the population of the Northwest is quadrupled. In the mean time there is assurance that if necessity demands it, the people of the Dakotas, Minnesota and Montana, need not depend upon coal-producing states further east and in the South to supply needed fuel.

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

Last night, after the dark had ended the outside day, supper over and desk duties done, I joined the Lady of Our House before the open hearth for the hour of recreational reading. This time it was one of those pretty little classics about the shape and thickness of a poor man's pocket book, with which the thrifty publishing houses tempt the overfed reader to consume old fodder in new form. This evening it was a tale by Dumas of a debonnaire and devilish young marquis who having committed about all the crimes in the category is planning and carrying out a plot to commit the "perfect crime" to use a modern phrase. Dumas has a style that would make a police blotter attractive literature.

But while these little classic books look like thirty minutes, they sometimes spin out to hours, and bed time came just as the villain was poised for the pounce. Ordinarily here is where the reader is supposed to throw sleep to the winds and sit up till the denouement or the debacle or whatever it may be, is finally cornered and comprehended. But not so in our household. Our Lady and myself will not finish this tale; and this for two good and sufficient reasons: First, because this tale has to do with things 300 years ago and sit up and read as we may we cannot mend troubles as old as that. And second, because we are aware that we were doing nothing better than tagging along in the wake of the lurid fancy of a writer who does not care a sou into what moral morasses he leads

his readers. I have heard that Dumas used to tank up heavily when writing tales of crime. This tale may have been one such. If so Our Lady and I had been following a swill wagon, a reprehensible act. On this we are agreed.

While uncut books and unread magazines of high degree lie on our reading table, and while reading time is limited and life itself made of quite precious stuff, our house agrees that we must practice the choice between the good and the best, between the fair and the good as well as between the bad and the good, the worst and the best. Whether the mental can, which we call memory, is stocked with sweet preserves or filled with garbage, remains wholly within the will of the owner of the can. When Dumas brings clean and wholesome fruit we will can it, provided we have not already taken sufficient orders to fill the cannery's capacity.

Years ago I used to be fairly run ragged by bright, reading friends of mine who used to cry: "Oh, have you read 'This and That?' by 'Thus and So?'" Of course I hadn't and in their presence I usually had an attack of what we now call the illiteracy complex. But years have taught me poise and discernment. I refuse to be swept off my seat by the flood of new print that aspires to pass through the book bindery. For years I have bought no book that I did not want to read twice or more or one that I needed in my business for ready reference. I now let my city buy the most of my books; but oh! I squander on the magazines. And when I read in these magazines the tempting book reviews and the long lists of fetching book titles, I come as near breaking the Tenth Commandment of Moses as one safely may.

### A STATEMENT BY MR. VIEGEL

Banking Commissioner A. J. Viegel has supplied the Commercial West with a copy of his statement made February 8 before the joint committee of the Minnesota House and Senate which is investigating the banking situation. In this statement Mr. Viegel says:

"In reporting the first meeting of this Committee, one of the papers quoted me as saying that 90 per cent. of all mortgages in banks were second mortgages. What I did say was that 90 per cent. of the other real estate now in open, as well as closed banks, got into the banks through second mortgages. There are not many second mortgages in state banks at present and these are being gradually reduced."

### MORRIS PLANS LOANS IN 1926

Small loans on the Morris plan throughout the United States last year exceeded by almost \$25,000,000 the total for 1925, which was \$141,379,521, the figure for 1926 being \$165,876,000, divided among 696,800 borrowers. Loans from March 1910 to December 31, 1926, aggregated 4,238,821, the total amount being \$897,768,896. The combined capital of over 100 Morris plan banks and companies is \$15,900,000, and their full-paid and instalment 5 per cent. investment certificates outstanding amount to \$66,500,000. The average Morris plan loan average to date is inside of \$212.

### TRUAX-TRAEER COAL COMPANY GOLD NOTES

Lane, Piper & Jaffray, Incorporated and Kalman & Co., both of Minneapolis, on February 9 offered \$400,000 in collateral trust 6½ per cent. serial gold notes of the Truax-Traer Coal Company, operating extensive coal prop-

erties in North Dakota. Mines of the company near Columbus are operated by the strip mining method, reducing cost of mining coal to the minimum. These mines have been operated successfully for a number of years. The company also have extensive coal land holdings near Velva. The proceeds of this issue of notes will be used to make extensive improvements on the properties owned. The notes are priced to bring a yield from 6.50 to 7 per cent. The business will be operated under the direct supervision of E. M. Truax, president, and A. H. Truax, vice president and general manager of the company, who have been for 18 years in active control of the properties near Columbus. The board of directors consists of Messrs. G. W. Traer, Sr., E. M. Truax, A. H. Truax, H. C. Piper, L. P. Runkel, John Junell, G. W. Traer, Jr., Edwin White and H. C. Hornby.

### NORTHWESTERN PUBLIC SERVICE BONDS

A. C. Allyn & Co., Inc., and A. B. Leach & Co., Inc., with offices in Chicago and Minneapolis, on February 8 offered \$5,800,000 of Northwestern Public Service Company first mortgage 5 per cent. gold bonds, series A, due January 1, 1957, at 96¼ and accrued interest to yield about 5.25 per cent. The purpose was to retire outstanding bonds bearing higher interest rates than the new issue, except \$260,000 of divisional bonds, and to handle construction operations. New earnings of the company in 1926 were \$815,350 after taxes.

### THE SCOTSMAN'S PRESENT

A Scotsman, invited to a golden wedding, was told that each guest would be expected to take a golden present.

He took a goldfish.—Tit Bits.

## Superior is Greatest Coal-Receiving Port on Great Lakes

Duluth—Twelve lake ports of Wisconsin, outside of Milwaukee and Superior, do an aggregate annual marine business of \$6,000,000 or more, while Superior leads the state in cargo tonnage and is the greatest coal receiving port on the Great Lakes, with Milwaukee second. For Wisconsin ports, including Duluth-Superior, the 1926 total will reach nearly \$2,000,000,000.

Ashland follows Superior in actual vessel tonnage, the figures for the other ports being: Ashland, 8,215,000; Milwaukee, 6,900,000; Manitowoc, 2,205,000; Green Bay, 1,423,000; Sturgeon Bay, 875,000; Menominee, Mich., 748,000; Sheboygan, 396,000; Kewaunee, 395,000; Fox River canal, 332,000; Manistique, Mich., 307,000; Racine, 232,000; Kenosha, 97,000, Two Rivers, 22,000 and Port Washington, 17,000. The car ferry business covers the greater part of the business of such ports as Manitowoc, Sturgeon Bay, Manistique and Menominee, although Menominee takes in some of Wisconsin through Marinette and Milwaukee where car ferry trade covers a third of the revenues of that port.

Manitowoc's annual marine business, in 1925, including its car ferry trade, amounted to over \$190,000,000. Menominee and Sturgeon Bay's marine trade amounted to \$100,000,000 at each port; Kewaunee, \$28,000,000; Kenosha, \$30,000,000; Ashland, \$27,000,000; Racine, \$10,000,000; Green Bay, \$9,500,000. Two Rivers, Port Washington and Algoma did less than \$1,000,000.

### Duluth-Superior Harbor

The Duluth-Superior harbor business was 51,300,000 tons, valued at \$471,675,000; Milwaukee, 6,907,000 tons, valued, \$450,000,000.

Government aid in building breakwaters and dredging, is considered insignificant by marine men when compared to the results. At Ashland the total government expenditures have been estimated as one-eleventh of 1 per cent. of the value of the freight received and shipped from the harbor. The total of \$9,500,000 appropriated for the Duluth-Superior harbor is insignificant as compared with the annual marine business of nearly a half billion dollars.

The Government has spent, wisely, in all probability, \$4,500,000 on the Fox River canal, which is, or was intended, to open central Wisconsin as far south as Portage to the navigation of Winnebago Lake and Green Bay, and this is practically what has been spent also on Milwaukee harbor, which in one year did a marine business of \$450,000,000, while in 1895 the Fox River canal did a business of about \$1,500,000. The Sturgeon Bay canal, which cost the Government less than \$1,000,000 and is simply a short cut into Green Bay, did \$98,000,000 worth of commerce in 1925.

### Handles 19,000 Carloads of Freight

Indicating the growing importance of Great Lakes water transportation to northwest business and agriculture, the volume of merchandise handled last year by the McDougall Terminal Warehouse Company of Duluth totaled 19,000 carloads, most of which was shipped down the lakes, a gain of 2,000 over the 1925 figure of 17,000 cars. The figures are included in the annual report of the company and of its subsidiary steamer line, the Minnesota-Atlantic Transit Company, made public in Minneapolis by John L. Losie, western traffic manager.

Great Lakes freighters play an increasingly important part in marketing northwest dairy and poultry products in the East, the report shows. Butter and eggs made up from 10 to 15 per cent., on an average, of the eastbound cargoes carried last year by the Minnesota-Atlantic Transit Company.

The terminal warehouse and steamer line employ about 500 people, most of whom live in Duluth. Their total pay roll was nearly \$500,000 in 1925. The Minnesota-Atlantic Transit Company, operating the "poker fleet" boats, "Ace," "King," "Queen," and "Jack," was patronized by 45,000 shippers during the 1926 season and carried cargoes whose value aggregated more than \$80,000,000, the report shows. The average cargo last year was worth \$350,000. The four vessels of the "poker fleet" averaged 27 round

trips each between Duluth and Port Huron, eastern terminus of the line, where freight is turned over to rail carriers for its final run to eastern destinations. The fleet covered a total of 145,000 miles and consumed 20,000 tons of coal last year.

Eastbound cargoes of the Minnesota-Atlantic Transit Company fleet in 1926 consisted primarily of millstuffs and dairy products. About 80 carloads or 2,400 tons were loaded aboard for each trip. An average of 250 to 300 tons of this consisted of butter and eggs. Westbound cargoes include food products and manufactured goods, both imported and domestic, for distribution in the Northwest.

## Pacific Mortgage Guaranty Company Organized

Los Angeles—The Pacific Mortgage Guaranty Company, with an authorized capital of \$1,000,000, and owned by The First National Bank, Merchants National Trust & Savings Bank, the California Bank and the Pacific-Southwest Trust & Savings Bank, all of Los Angeles, was launched here for the purpose of selling to eastern banks, insurance companies and other financial companies which are desirous of loaning money in California, either directly through first mortgages, or indirectly through the purchase of bonds and other securities, with a steady volume of conservatively made, insured mortgages.

The demand for California securities of this type would be increased if eastern institutions were assured of an unfailing supply of this class of securities. The Pacific Mortgage Guaranty Company, through its stockholders, which constitute some of the largest banking groups in California, will be in a position to satisfy the demands of eastern institutions. The strength of the new organization is shown by its list of officers and directors.

The directors will be: John E. Barber, president, First Securities Company and vice president, The First National Bank; Harry J. Bauer, president; C. R. Bell, vice president, Merchants National Trust & Savings Bank; A. M. Chaffey, president, California Bank; A. E. Huntington, vice president, California Bank; A. N. Kemp, vice president, California Bank; Harry Lee Martin, vice president; A. T. Morrissey, vice president, Merchants National Trust & Savings Bank; Edward J. Nolan, president, Merchants National Trust & Savings Bank; Henry M. Robinson, president, The First National Bank of Los Angeles, and Charles F. Stern, president, Pacific-Southwest Trust & Savings Bank.

The officers will be: Harry J. Bauer, president; Harry Lee Martin, vice president; George H. Robinson, treasurer; and Wallace Moir, secretary.

### HOW STATE TAX IS SPENT IN MINNESOTA

Of the \$122,960,199 in direct taxes paid by Minnesota people in 1926, only 8.6 per cent. went to the state funds, and the rest was spent in home communities, a tabulation by State Auditor Ray P. Chase shows. The state levies amounted to \$10,566,069.78, but a good part of the money raised by the state was distributed back to local communities for road building, school aid and other purposes.

The biggest slice of the taxpayers' dollars in 1926 went for local school taxes. They amounted to \$40,169,086.26, or 32.67 per cent. of the total.

City and village taxes amounted to \$37,597,852.06, or 30.57 per cent. County taxes were \$25,320,086.96, or 20.59 per cent., and townships received \$9,307,104.48, or 7.57 per cent.

Dividing further the state's share of the dollar, 1.59 cents is spent for the revenue fund; 2.40 cents for soldiers bonus; 1.59 for the road and bridge fund; .51 for university building; .16 for soldiers' relief; .05 for the historical society building; .08 for national guard armories; .19 for state teachers colleges; 1.95 for the state school fund, and .08 for teachers' insurance and retirement.

## Operations of Minnesota's Rural Credits Bureau

The Minnesota rural credits bureau on February 8 presented to Governor Christianson and the legislature a statistical report that brings its operations down to December 31, 1926.

The bureau since its reorganization July 1, 1925, in a year and a half, has earned a "net income" of \$287,447.78. It has loans outstanding for \$42,517,099.71, and also has \$772,801.88 invested in 125 farm tracts which have been foreclosed and have become the absolute property of the state.

These farms, representing 24,843 acres of state owned land, are being administered by the state until the land can be sold. Already 14 farms have been sold on contract for deed, the report says.

In all three have been foreclosures on 199 tracts, with a total of 39,818 acres, representing a cost of \$1,220,565.03 to the state fund, but on many of these the year of redemption has not expired. There are 32 other foreclosure proceedings in progress, and others may follow. There are 1,039 instalment payments delinquent, amounting to \$259,701.45.

### Improved Conditions

These figures would seem to show a serious situation, but really it is not as grave as the one existing two years ago, when the legislature investigated the department. It found then that money had been lent too fast and often in too large amounts, so that a number of loans had to be termed as "bad." Following that inquiry the law was tightened and Governor Theodore Christianson reorganized the board.

The new board, consisting of Ole O. Sageng, chairman, H. H. Flowers, secretary, and Ludvig Gullickson, attorney, has foreclosed the bad loans and many that normally would have been good ones, but were hopelessly delinquent. It has slowed up the process of making loans, so that in a year and a half it has closed only 1,958 loans for \$7,408,000, compared with some \$36,000,000 loaned out in about the same length of time by the original board.

There have been no foreclosures on loans made by the present regime, it was stated, and but few instalments are delinquent on their loans.

The problem of managing the farms is larger than the fathers of the rural credits law contemplated, but as a rule the farms held by the state are rented. Those where the year of redemption has still to run are not in possession of the state. In some cases the owners have abandoned these farms, it is said, but the state has no right to take possession.

### No Taxes on Foreclosures

Another problem is the taxes on the foreclosed farms. When once the land becomes the absolute property of the state, it pays no taxes. There may be legislation this winter to provide for paying local taxes on these lands. The bureau has paid \$108,588.61 in taxes on farms carrying state loans, where the taxes have been in arrears before foreclosure.

The bureau's report for its 18 months of service shows interest earnings of \$397,825.60. That is the margin of interest received on state loans, over the interest paid by the state on rural credit bonds. It has received \$54,706 in application fees.

Office expenses have been \$110,801.22, traveling expenses, \$7,136.35; and appraisal expense, \$49,338.45.

There are now \$43,500,000 in rural credit bonds outstanding. The state is paying from 4 to 4½ per cent. interest on these bonds. Since the present officers took hold, the bonds are not being offered in the market, but are taken for the state trust funds as the money is needed to make loans. In 18 months the bureau has sold \$6,500,000 worth of its bonds to the state trust funds, and the rate on them was 4.15 per cent. until last September, when it dropped on loans made from then on, to 4.075 per cent. The bonds now issued run for 15 years.

### Loans Made

Since the formation of the rural credit bureau, the report shows, 13,433 applications have been received for loans, and 8,973 loans have been closed, while 169 are on

hand for action. Many of the loans granted have been cut down in amount.

Loans are being cut down by instalment payments each year, on the amortization plan. By far the greater portion of the loans are being kept up well, but the problem of foreclosed lands is becoming one for considerable care and attention. Wherever possible, the land is rented after it becomes absolute property of the state.

Books of the bureau are audited annually by the public examiner, and one audit now is being made.

## \$32,000,000 Set Aside for Roads in Minnesota

That more than \$32,000,000 will be spent for construction and maintenance of Minnesota roads in 1927, is revealed by figures from the state tax commission and the state highway department.

This is an increase of \$2,000,000 over the total spent last year. Nearly \$900,000 of the increase will come from additions to the fund for secondary and county roads. A normal increase in the number of cars registered will bring in nearly \$1,000,000 from license fees, and an increase of \$500,000 in the gas tax total is expected.

Last year, \$17,291,000 was spent for secondary and local roads, the state tax commission reported, and this year a fund of more than \$18,000,000 is set aside for this purpose.

Trunk highways used more than \$13,500,000 for actual construction and maintenance, out of a total fund of \$17,000,000 received from automobile license fees, totaling \$10,000,000; the gas tax, which brought in \$5,000,000, and \$2,000,000 Federal aid. Nearly \$4,000,000 was taken from the trunk highway total to pay off county reimbursement bonds on roads already built, for interest and administration.

### 637,000 Cars Registered

Automobile registration last year was 637,000, and with a normal increase this year, the revenue from this source, at an average of \$15.67 per car, will be increased by nearly \$1,000,000. An increase of \$500,000 in the gas tax fund is expected from the larger number of automobiles in the state. Highway department officials estimated that there will be 700,000 cars in Minnesota by next Christmas.

Figures compiled by the tax commission indicate that 55 per cent. of the state aid fund is collected from cities and villages. The total amount of this fund for 1927 is \$1,943,880, of which municipalities will contribute \$1,069,483. For the county road and bridge fund of \$10,290,267, municipalities will contribute \$4,824,632, or 47 per cent.; while the town road and bridge fund will cost municipalities \$5,953,439.

On the basis of these figures, the commission points out that out of the total tax, nearly \$6,000,000 is collected in cities and villages to be spent on rural roads.

Money spent for county and town roads, the commission estimates, is 6 per cent. of the total spent for automobiles in the state, while the cost of license plates and the gasoline tax, the funds of which go to state roads, is 5 per cent. of the automobile bill, which brings road costs up to 11 per cent. of the state's entire automobile bill.

## GAS PROPERTY IN LAWRENCE, KANSAS, BOUGHT BY FOSHAY COMPANY

It is reported that J. J. Heim of Lawrence, Kansas, and C. O. Kalman of St. Paul, Minnesota, controlling the Citizens Light, Heat & Power Company of Lawrence, Kansas, have sold this utility to W. B. Foshay Company of Minneapolis, Minnesota.

Citizens Light, Heat & Power Company property serves a population of over 12,000 with natural gas. It is located 38 miles south of Kansas City, Missouri, being connected by an hourly interurban system. The University of Kansas is situated in Lawrence, as is also the Haskell Institute, the largest Federal Indian school in the country, representing an investment of \$1,000,000.

This gas property will be operated by the Foshay interests as Peoples Utilities Kansas Corporation, a subsidiary of the Peoples Light and Power Corporation. The new owners state that improvements will be made to bring the property up to a high degree of efficiency.

## Chicago Money Market is Steady

Chicago, February 8—While choice names were selling at 4 per cent. in the Chicago market this week and good names ranged from  $4\frac{1}{4}$  to  $4\frac{1}{2}$  per cent., with the greater part of the business done on the basis of  $4\frac{1}{4}$  per cent. there was a steadier undertone visible in the money market here. Bankers said they were in an extremely comfortable position and that the volume of borrowing was entirely satisfactory to them inasmuch as at this time of the year merchants and manufacturers have just finished the contemplation of the preceding year's operations following completion of inventory taking. Commercial paper brokers said the demand exceeded their supply as portfolios contain a rather smaller assortment of names than the present requirements of their business. Hence the comparatively low rate existing. Over the counters of the larger loop banks commercial loans were generally negotiated at  $4\frac{3}{4}$  to 5 per cent. and favored clients were supplied at  $4\frac{1}{2}$  per cent., and  $4\frac{1}{2}$  per cent. was the going rate for collateral loans although some of the smaller borrowers paid  $4\frac{3}{4}$  per cent.

### Easier East Than Here

Bankers were of the opinion that the situation is easier in the East than it is here as the requirements of business in the West are larger than New York bankers report. The renewed movement of grain and hogs to this market has amplified the needs of commission houses, and the tiding over of monthly requirements increased the number of calls for banking aid, thereby expanding the loan account considerably. Changes in the position of the Chicago Federal Reserve Bank for the week were slight excepting for a further reduction of more than \$5,400,000 in circulation. Deposits were \$1,500,000 smaller, and reserves declined \$2,600,000, but the ratio moved up from 72.7 to 73.2 per cent. and borrowings here fell off \$5,600,000. There were indications of a rising trend in general business here as the week's clearings of the associated banks gained \$68,000,000 over the preceding period, but they were nearly \$9,000,000 under a year ago and \$10,000,000 less than in 1925. For the month of February there was a decline of \$243,000,000 compared with a year ago.

### "Corn Borer Menace"—Otte

Hugo E. Otte, president of the National Bank of the Republic, views the business situation conservatively,

calling attention to the fact that while there is plenty of credit for all those entitled to receive it money is not cheap, but there are no prospects of a tight money market. "We are faced with a serious problem this year in overcoming the ravages of the corn borer, which has been giving a great deal of concern to the Department of Agriculture," he said. "The country is also unfortunate in having adverse conditions in the South and in certain sections of the corn and wheat belts on account of the low prices at which cotton and corn have been selling. At the same time the packers have been doing a profitable business and implement concerns generally had a very satisfactory year in spite of unfavorable weather conditions last fall. This country is so big and its interests so varied that some spots are bound to be adversely affected, but on the whole I look for a continuance of good times well into this year."

### Otte Praises Texas

Joseph E. Otis, president of the Central Trust Company of Illinois, has returned from a visit to Texas, where he says he found the outlook promising. "The present and prospective wonderful developments in the Southwest will have a favorable reaction not only on the southwestern railroads but on the north and south roads which feed into that country as the Illinois Central and Gould lines do," he said. "The development of the Southwest in oil and other lines impressed me deeply. A trip I made recently inspecting gulf ports at Galveston, Houston and Port Arthur and visits to Dallas, Fort Worth and Beaumont forecasts that the new and unappreciated western cotton district of the Texas Panhandle hold a promise beyond the comprehension of the average business man. The resources there are just being discovered, principal among them being cotton, oil and sulphur, and the agricultural possibilities of northwestern Texas will have to be reckoned with. At Post City there is a great cotton spinning mill in addition to two other large plants in the same region, and around that town, Armillo, Plainview and Lubbock there are millions of acres which will raise cotton cheaper than any other region in the United States. The Panhandle oil field and the oil fields in the Pampa have only just started, but they are larger than any other except the Mosul and Baku regions."

### Reynold's Bank Shares Up

There were further advances in some of the larger loop banks caused by buying orders coming into the market from New York. Some of these buying inquiries were coming from insurance companies. The general list was strong, advances being recorded in many of the outlying banks as well as in the loop banks. Continental & Commercial National advanced from 474 to 500; then reacted to 496; First National advanced from 655 to 660; Foreman National from 500 to 515; National Bank of the Republic from 298 to 305 Northern Trust Company from 510 to 525 and Chicago Morris Plan Bank from 133 to 137. Among the advances registered in the outlying banks were Albany Park National, which rose from 185 to 190; Calumet Trust & Savings, which advanced from 200 to 205. Depositors State Bank advanced from 189 to 193; Gurantee Trust & Savings from 280 to 285; Keystone State from 135 to 140; Lincoln State from 135 to 140; Lincoln Trust & Savings from 235 to 250; North Avenue State from 180 to 185; Pullman Trust & Savings from 255 to 260; 63rd and Halstead State Savings from 230 to 240; South West State Bank from 143 to 155; State Bank & Trust Company of Evanston from 370 to 385; University State from 150 to 155; and Liberty Trust & Savings from 220 to 225.

### Wetmore in Bombay

Frank O. Wetmore, chairman of the First National Bank, expects to reach New York on April 2 and return to Chicago the week following. He landed at Bombay last Wednesday. In a letter to Chicago friends he said that Mrs. Wetmore and himself are in excellent health and enjoying their tour of the world.

John P. Oleson, vice president of the First National



**EUGENE M. STEVENS**

Newly Elected President of the Illinois Merchants Trust Company, Chicago

## Take Inventory:

This is an opportune time to take inventory of your securities. Business efficiency requires periodical inventories of stock on hand, but a security once purchased is so often never considered again. Our Statistical Department is fully equipped to serve you in analysis of your securities. Confidential information will be supplied you without cost or obligation.

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Bank, will leave on February 18 for Sarasota, where he will remain for a month in the enjoyment of his annual vacation. "The climate of Florida and the surroundings strongly appeal to me," he said. "Spending the time in fishing, on the beach and in various other ways without having a set program before me for each day is much more appealing than having a daily itinerary."

Ames, Emerich & Co., have opened Pacific coast offices under the direction of Arthur A. Newfield in San Francisco at 405 Montgomery Street.

Frank Iwick has been promoted from chief clerk to assistant cashier of the Boulevard State Bank.

At the annual meeting of the Cragin State Bank, Albert A. Mislura was elected vice president and Francis X. Milano assistant cashier.

#### Old House Dissolves

McKenna & Dickey, one of the oldest cash grain houses on the Chicago Board of Trade, have dissolved partnership.

F. M. Zeller has joined Frazier, Jelke & Co. For a quarter of a century or more he has been one of the leading authorities in La Salle Street on bank stocks. A year ago he retired from the house of Zeller & Co., that he had built up.

Howard G. Wade has been elected vice president of Carman, Snider & Co.

Graham R. Smith has been elected vice president of the Pearsons-Taft Company and is in charge of the New York office.

E. E. Mellinger has been appointed manager of the bond department of Colvin & Co., and James W. Knox, former western representative of the International Acceptance Bank, has also joined Colvin & Co., and will specialize in foreign bonds.

David R. Mathias has retired as general superintendent of the Illinois Steel Company after spending 40 years in the iron and steel industry. He received his appointment 23 years ago.

A. Rawson Waller, manager of the municipal bond department of the Chicago Trust Company, died suddenly last Tuesday at his desk. From 1915 to 1920 he was a member of the firm of Shapker, Waller & Co.

#### Banking News Notes

Horace Holmes has been advanced from cashier to the presidency of the National Bank of Bokton, Illinois, in recognition of his successful management of the institution he was instrumental in organizing. Mr. Holmes is also president of the First Trust & Savings Bank of Riverdale and vice president of the South Holland Trust & Savings Bank.

Excellent progress has been made by the Illinois State Bank of Evanston at 319 Howard Street since it was opened a month ago. "Our commercial deposits have come up to expectations," said Bruce E. Hakes, vice president and cashier of the new institution, "and savings deposits have exceeded our forecasts. Business in this district is excellent and merchants are satisfied with future prospects.

Hickey, Doyle & Co., have added L. A. Higgins, formerly with the Federal Securities Corporation to their trading staff.

Benjamin Conkling of Conkling, Price & Webb, has gone to California for the winter and will spend most of his time in Pasadena.

"Diversified investment by means of which the owner of small savings may enjoy protection with larger average income than can be secured through private investment is being planned for the benefit of depositors of our bank," said Walter T. Fisher, president of the Amalgamated Trust & Savings Bank. "Diversified investment is a phrase mysterious to the small investor, but nearly every bank of importance has a department offering advice to its customers and this will be done by this bank."

Trigg McElwee Waller, manager of the vaults of the Continental & Commercial Safe Deposit Company, died suddenly on Sunday from heart failure. He had been with the bank over a period of twenty years.

## Local Securities

#### We desire to buy

Dakota Central Telephone First Mtge. 6's.  
Duluth Street Railway First Mtge. 5's.  
Hamm Realty Co. First Mtge. 6's.  
Island Warehouse First Mtge. 6's.  
Kahler Corporation First Mtge. 6's.  
Marshall-Wells Bldg. Corporation First Mtge. 6½'s.  
Marshall-Wells Co. 6% Preferred.  
Minneapolis Street Railway First Mtge. Col. 5½'s.  
Minnesota Tribune First Mtge. 6½'s.  
Nicollet Hotel, Inc., First Mtge. 6½'s.  
Northern States Power Co. First and Gen. Mtge. 6's.  
Northwestern Bell Telephone Co. 6½% Preferred.  
Otter Tail Power Co. First Mtge. 6½'s, 5½'s and 5's.  
Otter Tail Power Co. 6% and 7% Preferred.  
Otter Tail Power Co. Common.  
Powell River Co. 5's.  
Russell-Miller Milling Co. 6½% Preferred.  
Tri-State Tel. & Tel. First Mtge. 5½'s.  
Tri-State Tel. & Tel. 6% Preferred.  
"Twin City Rapid Transit" Cons. Mtge. 5's.

Quotations on Application

## Wells-Dickey Company

Established 1878

Ground Floor McKnight Building

MINNEAPOLIS

St. Paul Duluth Chicago Great Falls

## Chicago Bond Market Broad Affair

Chicago, February 8—With bond offerings in the past week the largest of the current year there was an opportunity of importance given to the investing public. A demand of unusual breadth characterized the Chicago bond market of the past week as the character of offerings was pleasing to investors, who were given an unusual variety to make their selections from. Notable among the new issues brought out were \$95,000,000 of Missouri Pacific first 5s, the second largest piece of railroad financing on record, and \$50,000,000 of General Motors Acceptance Corporation debenture 6s, both of which were largely oversubscribed. There were several important pieces of public utility issues offered and foreign offerings were of first grade including British Columbia, New South Wales and Republics of Bolivia and Chili, and municipals were also attractive. While a number of large eastern financial institutions were said to be taking advantage of new high peak prices for Government issues to realize profits, in Chicago the easy condition of the money market and rising trend of security quotations could not be classed as harbingers of depression. Individual buying of bonds taxed the resources of banking houses and dealers as the supply of desirable issues on their shelves was generally small and new offerings were so quickly snapped up by large interests that constant search for first grade securities was necessary to preserve business.

The return supplied by the offering of \$50,000,000 General Motors Acceptance Corporation debenture 6s by the New York banking syndicate headed by J. P. Morgan & Co., gave the issue an attractive position as the entire capital stock of the corporation is owned by General Motors. The issue is subject to redemption for the sinking fund beginning on August 1, 1928, in the amount of \$1,000,000 at 104, with decreases of  $\frac{1}{2}$  of 1 per cent. each succeeding redemption date until 1936.

### Chicago Shares Strong

Chicago stocks with few exceptions ran into higher ground this week under the leadership of Middle West Utilities, which is expected to be placed on an amplified dividend basis in the near future, the junior issue rising 3% to 114% under strong accumulation. The favorable character of Auburn's annual statement was responsible for an advance of 2 points to a new high of 89, and Borg & Beck crossed 60 for a gain of  $3\frac{1}{2}$  points as a result of the company's expansion. Hart-Schaffner responded to an extra dividend declaration and increased earnings with an advance of a point, and Illinois Brick's rise of  $2\frac{1}{2}$  points, the shares crossing 51, was based on expectations of a stock dividend. Real Silk sold up 5, Swift  $1\frac{1}{2}$ , United States Gypsum  $8\frac{1}{2}$  and Swift International 1, while Butler Brothers continued sluggish and lost 1% to 22% and Stewart-Warner's less favorable statement for 1926 and the final quarter of last year resulted in a recession of 3 points. Wahl showed renewed activity and strength owing to its improved earnings and payment of a preferred dividend. Traction bonds were bought by good people and were fractionally higher on the belief that present quotations are sufficiently low to discount receivership influences.

### Brick Dividend Earned

Although unfavorable weather cut into the earnings of the Illinois Brick Company last year the annual dividend was amply earned, the net income of \$839,652 being equal to \$446 a share on the capital stock outstanding, comparing with a net of \$1,036,292 in the preceding year, when the equivalent of \$5.51 a share was earned. The balance sheet discloses a further increase in working capital to \$3,748,796, comparing with \$3,344,019 in 1925 and \$2,724,958 in 1924. Commenting upon future prospects, President William Schlake says the outlook for this year is very encouraging as much building is still necessary to meet the demand for more and better housing facilities, adding that labor is quiet and seemingly content.

In 1926 the Wahl Company had a net profit of \$165,567,

equal to 85 cents on no par common stock after preferred dividends, while in the year preceding the company had sustained a loss of \$100,183. As a result of the improved position of the company's treasury the directors ordered the payment of \$1.75 on preferred stock, leaving 8.75 per cent. still in arrears. There was a sharp reduction made in current liabilities and a net working capital of \$2,690,423 on December 31 compared with \$2,47,281 the year before.

Auburn Automobile Company ended last year with a net profit of \$949,132, equal to \$11.17 a share on capital stock, establishing a new high record. This compares with a net return of \$755,685 in 1925, the equivalent of \$8.89 in 1925. The balance sheet showed a gain in cash from \$836,972 in 1925 to \$2,360,953 in 1926, and there was an increase in working capital to \$3,876,400 last year which compares with \$1,867,461 at the close of 1925.

### Mail Orders Decrease

Chicago's two leading mail order houses experienced a slump in business in January while in the corresponding month of 1926 there was an increase in sales over the preceding year. January sales of Sears, Roebuck & Co., totaled \$22,080,174 compared with \$22,590,905 in 1926, a decrease of 2.3 per cent. compared with the year preceding, when there was a gain of 2.3 per cent. over 1925, Montgomery Ward & Co., announced total sales of \$13,157,054 against \$15,266,946, a decline of 13.82 per cent., compared with an increase of 20.56 per cent. over 1925. In the four preceding years both companies registered increases for January in comparison with preceding seasons.

Foreclosure of the \$55,655,000 of first mortgage 5 per cent. bonds of the Chicago Railways Company has been ordered by Federal Judge James H. Wilkerson, the order being issued on a petition filed for the Harris Trust & Savings Bank, acting for the bondholders' protective committee, which holds more than 50 per cent. of the bonds for owners. In addition to the railway company the petition has directed against the city of Chicago, Illinois Merchants Trust Company, Central Trust Company of Illinois and Henry A. Blair, president of the Chicago Railways Company. Consolidations of the proceedings with the receivership suit of the Westinghouse Electric Company was also ordered by Judge Wilkerson, who named the same receivership now acting. The company defaulted on the payment of its bonds last Tuesday, on the day when the franchises of the traction companies expired.

It seems to us," said Thomson & McKinnon, "that all we need to do is to watch the money market, and so long as the supply appears abundant and the rates attractive stocks should be bought on the reactions."

### Jobbers Show Deficit

Hibbard, Spencer, Bartlett & Co., largest jobbers of hardware in the United States and Chicago pioneers, sustained a deficit of \$316,859 last year after dividend deductions. The net income of \$683,141 was the equivalent of \$3.41 a share, compared with a net income of \$1,057,271 in 1925, \$1,110,161 in 1924, \$1,167,307 in 1923 and \$999,692 in 1922. The balance sheet shows a profit and loss surplus of \$5,517,939 for the calendar year ended December 31 compared with \$5,384,798 in 1925, \$5,496,889 in 1924 and \$5,346,758 in 1923, and also the liquidation of investments of \$2,522,747 displayed in assets of 1925. Among the liabilities is an item of \$400,000 for bank loans contracted last year.

Chicago Pneumatic Tool's preliminary report of income for 1926 shows a net return of \$1,226,837, the equivalent of \$12.47 a share on outstanding capital stock, which compares with a net of \$716,493 in 1925, when \$6.88 a share was earned. The net income for the final quarter of 1926 was \$508,432 after all charges, equal to \$5.28 a share, against \$271,117 last year, when \$2.57 a share was earned on capital stock.

### Standard Power Sells Bonds

Offering was made today by H. M. Bylesby & Co., Ladenburg, Thalmann & Co. the Union Trust Company

## Conservative Traditions in Modern Banking

In the Illinois Merchants Trust Company, the traditions of a half century of conservative banking stand back of each transaction.

With its large financial resources, its highly developed and specialized facilities and organization, its intimate business and governmental contacts at home

and abroad, this institution is today one of this country's leading banks—a logical choice for banks or commercial concerns establishing a Chicago banking connection.

Personal attention to inquiries concerning our specialized services will gladly be given by our officers.



# ILLINOIS MERCHANTS TRUST COMPANY

*Capital & Surplus 45 Million Dollars*

LA SALLE, JACKSON, CLARK AND QUINCY STREETS · CHICAGO

of Pittsburgh and Federal Securities Corporation of a new issue of \$24,000,000 Standard Power & Light Corporation 6 per cent. debentures, due February 1, 1927. The price will be 99½ and interest to yield over 6.03 per cent. Proceeds will be used to retire \$10,000,000 two-year 5 per cent. first lien gold notes of Pittsburgh Utilities Corporation, due April 15, 1928, and to refund \$14,000,000 debentures of the corporation now outstanding, thus effecting a consolidation of the corporation's funded debt.

### Rock Island's Dividend Pleases

For the first time in 13 years Rock Island's junior issue has been on a dividend basis with the declaration of a quarterly disbursement of \$1.25 a share. Announcement of favorable action by the directorate last Wednesday was hailed with joy by Chicago investors who have for years been pinning their faith on the common stock, which reached a new high for the year of 75% on the New York Stock Exchange against a low of 40½ last year. Influential members of the board have in the past year advised their intimate friends to invest in the common shares for the reason that steadily rising income warranted the disbursement of a dividend, but from time to time holders have been disappointed by the dilatory tactics of the directors, who preferred to await the 1926 statement of income earnings before making a decision. A preliminary statement of earnings last year shows a net after all charges of \$7,948,000, equal to \$10.62 a share on common stock.

### Phone Income a Record

Illinois Bell Telephone Company achieved a new high peak in income last year with a net of \$8,870,681, the equivalent of \$11.07 a share, which compares with net earnings of \$8,236,426, when equal to \$10.27 a share was earned on the capital stock. The balance sheet reflects the enormous total of expenditures made for expanding operations, plant, equipment, land and buildings showing an increased valuation of about \$19,000,000 compared with the preceding year. Last year's construction program

called for \$26,878,000 and the 1927 budget \$36,500,000, while the total for the next five years will be approximately \$167,500,000. There were 85,294 new subscribers obtained in 1926, Chicago alone supplying 57,306.

### Curb List Rising

The trend in local unlisted stocks was upward and increased volume was noticeable. Acme Steel was actively traded between 67½ and 68½. Benjamin Electric first preferred was in demand at 105 with no stock offered. Beatrice Creamery common changed hands at 60. Sales took place in the preferred between 102½ and 103. Brunswick-Balke preferred held its gain of last week and was quoted 105 bid, 106 asked. Chicago Daily News common continued to advance and was wanted at 16 with no stock appearing. The preferred was wanted at 94 and

(Continued on page 49)

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SAINT PAUL, MINN.

Chicago Dallas Los Angeles Omaha Detroit Kansas City  
Des Moines

## "Much Obligated"

Does the Public Appreciate Receiving Something for Nothing?

"It's a funny thing the way people seem to think a bank ought to do them favors for nothing," mused the Wise Old Owl as he dropped into our office the other day. It was evident that he was primed for conversation and although it was our busy day we listened, at least with one ear, while he ruminated upon the frailties of human nature as follows:

"The other day I was up to Elmdale visiting my nephew. He's cashier of the Elmdale State and I always thought he had a pretty soft job, just taking in cash and fussing around with figures. But I don't know as I'd trade with him after all." He puffed at an ancient stogy and wafted imaginary circles of smoke into the air.

"It beats all what a lot of tending some of those customers of his require. He calls it service and says it's spelled with a big 'S.' I call it 'something for nothing' and I spell it with a little 'o.'" I asked him how he could spend so much time doing odd jobs for customers and have any leisure left for the banking business and he said he had to do the banking work when people didn't want him to do anything else for them. They sure ran him ragged the day I was there."

"I thought banks were getting away from that. Don't they have service charge schedules?" we asked doubtfully.

"Maybe some do, but he hasn't got one and I don't suppose he would dare to put it in for fear the other banks would get all his business. When I saw he was doing a lot of things for people that didn't seem to have much bearing on banking I remonstrated with him. 'What can I do,' he said. 'They been getting these services for nothing so long they'd be hotter than pepper if we tried to charge them for service now.' I said if I was him I'd take a chance on it anyhow."

### Busy Day for the Bank

The Wise Old Owl chewed his stogy a bit and continued: "Well, it was a busy day in the banking business when I was up there. I sat around the place and watched what was going on. First a man came in and wanted to know what his balance was and he drew all but nine dollars and made a fuss because the pen didn't write good. When he went out my nephew told me he never had a bigger balance than about \$35 and he cashed more than a dozen checks a month and needed a private secretary to keep his bank account straight. Then along came a school teacher with an out-of-town check and she kicked because there was an exchange fee to pay. She thought the bank ought to cash the check for nothing because she had an account there." The Wise Old Owl chuckled. "Another woman came in to deposit \$3.27 for her sewing circle. One of the checks was for a dollar and it wasn't signed. She wanted to know why the bank couldn't accept it if she called up the woman who made it and had her tell the bank it was all right. And then, when I was expecting to see my nephew settle down and do some bank work in came a farmer to have his bull insured. That took considerable time because he had to tell us all about the animal's ancestry, upbringing and social position in the community. Next came a fellow that wasn't even a depositor. He wanted to know about another man's account so he could make up his mind if it was safe to sell him a second-hand Ford, on time. He called for a 'credit rating' and I could see my nephew didn't think much of the rating by the way he looked at me when he got a chance. But he told Mr. Curiosity he guessed it would be all right. The fellow said 'much obliged' and went away feeling pretty good. When we were alone my nephew said 'What are you going to do in a case like that? He knows just as much about Jim O'Brady's credit as I do, but he wants me to say he'll get his money all right. If I say he won't I'll have Jim on my neck. If I say he will I'm a liar. 'Now that was a poser, wasn't it?'" commented the Wise Old Owl, "and any way it turns out the bank will get nothing out of the deal and no credit for the free advice. But I suppose that's service with a big 'S'."

### The Bank and the Ten-Cent Store

For some time he cogitated on this self-evident fact, then launched forth again.

"It's funny about the way people take something for nothing and think they're entitled to it by rights. The day I spent sitting around that bank made me think a small-town bank was kind of like a 10-cent store; everything priced for the poor man's pocket-book and the rich man cashing in on it."

We expressed curiosity, and asked him to elucidate.

"There was one man came into the bank—got out of a big, nifty car—and he wanted my nephew to make out a bill of sale for a land deal. He joked a good deal about the 'service department' of a bank and said it was the thing that created good will. When he went out he said 'much obliged,' so I suppose he must have figured that the bank did him some sort of a favor, but he didn't offer to pay for it and he sure could have afforded to do it."

He regarded his stogy seriously. "Well, I guess I'll be going along," he concluded. We offered him a fresh cigar but he declined. "There's a good smoke in the old one yet," he observed, and then, with a lazy smile, "No sree, I wouldn't trade places with that nephew of mine. If I had the right training I might be a right smart banker, but I never would be any good as an odd job man."—L. R. Hoppin.

\* \* \*

### DOES FREE SERVICE PAY THE BANK?

A Minnesota banker, writing to the Commercial West, expresses the following opinion about the policy of giving the public something for nothing:

"I believe a banker should ask payment for every service he renders anyone. For instance, if I went into a store and they gave me 15 eggs for a dozen, or 70 pounds of spuds for a bushel, and continued to do so without permitting me to pay for them I do not think I would continue to do my trading there; I would feel that I was being looked upon as an object of charity and unable to pay my way. While I want all I have coming, I—in turn—want the other fellow to get all he has coming. Or, if I hired a man to work for me and he also worked for my neighbors on my time and for nothing I would feel that he wasn't the man for me. I think bank officers should feel the same way about their employes; they should insist that they get paid for their time, no matter who they work for. Anyone who works for nothing is usually worth about what he gets. I think so much free service reflects upon a bank."

\* \* \*

### POWER OF DIRECT-MAIL ADVERTISING

Direct mail advertising is personal salesmanship only once removed. Everyone has something to sell, be it merchandise or service.

The piece of merchandise or the service one has to sell must have merit—it must have value. In other words, it must be good merchandise or good service. Its measure of merit will be its quality—its style—its usefulness—or the comfort it affords. It may have to do with the protection of home or the improvement of health. In any event it must fill some want or need. But whatever it is, its presentation must attract the attention of buyers, it must appeal to buyers, and after it is bought, it must satisfy before buyers will buy again. Otherwise it will die of its own inferiority or because it is not impressively presented.

The secret of the power of direct mail advertising lies in the fact that it is direct. Direct—not scattered in hit-or-miss range; that it is specific in that it is personally addressed—that it is individual, allowing certain familiarities of conversation that mass advertising cannot sacrifice dignity by indulging in—that it is select—going only to those where it should do the most good—that it is personal, mirroring the man and the wares behind the message.

The written message—next to conversation—is our most powerful means of expression. Proof is abundant that letters written with true courtesy, thoughtful consideration and fine expression bring growing prestige and success.—John Poole, president of the Federal-American National Bank of Washington, D. C.



**PERSONALS**

Daniel A. Freeman has been appointed an assistant cashier and Harbeck Meeker an assistant manager of the National City Bank, of New York.

G. E. Gregory, vice president and comptroller of National City Bank of New York, is in Hayti on an inspection trip for the bank, which owns the National Bank of Hayti.

Garrard B. Winston, former undersecretary of the Treasury, has been elected a director of the National City Company to fill a vacancy caused by the death of Ralph Crews.

W. W. Morse of Minneapolis has been appointed traffic manager of the Inland Waterways Corporation in charge of barge operations on the Mississippi River between Minneapolis and St. Louis.

John E. Rovensky, vice president of Bank of America, New York, is donor of \$225 of three prizes in an essay contest open to member of the American Institute of Banking, on the subject, "A Study of the Evils Due to Changes in the Purchasing Power of Money and an Analysis of Proposed Remedies."

**KUHN, LOEB & CO. SIXTY YEARS IN INVESTMENT FIELD**

February 1 marked the sixtieth anniversary of the organization of the investment banking house of Kuhn, Loeb & Co. of New York City. The firm was founded on February 1, 1867, by Abraham Kuhn and Solomon Loeb of Cincinnati, who had acquired substantial fortunes as commission merchants in that city. Jacob H. Schiff, whose energy brought the firm to the front rank in finance, became a partner in 1875 and was directing head of the firm until his death in 1920. Abraham Wolff, father-in-law of Otto H. Kuhn, became a partner in 1875 and was active until his death in 1900.

Directing heads of the firm today include Otto H. Kahn and Felix H. Warburg, both elected members in 1897; Mortimer L. Schiff, admitted in 1900, and Jerome J. Hanauer, admitted in 1912.

The activities of the firm have centered largely in acting as bankers for governments and large corporations and in issuing securities to the public. It is estimated that the firm alone or with others has placed or underwritten almost ten billion dollars in securities, an amount equal to one-half of the national debt of the United States. The firm's sixtieth birthday was marked, coincidentally, by the flotation of \$95,000,000 Missouri Pacific 5s, the largest issue on record in recent years to be brought out in New York by a single banking house.

**GATES W. MCGARRAGH TO HEAD NEW YORK RESERVE BOARD**

New York—Gates W. McGarragh has been appointed Class C director and chairman of the board of the Federal Reserve Bank of New York, and Federal Reserve agent. He will take over his new duties on March 1.

Mr. McGarragh has had 40 years of banking experience in New York. In 1914 he was president of the Merchants & Metals National Bank and later became chairman of the board. When this institution merged with the Chase National Bank a year ago Mr. McGarragh was named chairman of the board of the combined institutions.

In 1924 he was named as American member of the Dawes council of the Reichsbank. He is still connected with this group. He is regarded as one of the outstanding commercial bankers in the nation.

**LOAN OF \$14,000,000 TO FINANCE RAILWAY CONSTRUCTION IN BOLIVIA**

A loan of \$14,000,000 for the Republic of Bolivia designed to finance important railway construction in that country, has been arranged by Dillon, Read & Co. Public offering of

31-year 7 per cent. external secured gold bonds was made this week by the bankers at a price of 98½ to yield about 7½ per cent.

Proceeds will be employed by the Republic to start construction of a railroad from Cochabamba to Santa Cruz, to carry on the construction of the Potosi-Sucre railway, and for other purposes. The former railway will join the high plateau district with the interior agricultural regions of Bolivia. The new bonds will be a direct obligation of the Republic of Bolivia.



**ALASKA**

**Summer In The Sub-Arctic**

From late May to September, Summer reigns in the Alaskan Northland! Here's that "different" vacation you've been yearning for. Indian totem poles, flaming flowers, gigantic glaciers, the sub-Arctic Lake of Atlin. Well, why not *this* Summer? Sail on a yacht-like Princess steamer from Vancouver or Victoria to Skagway by the "Inner Passage." Only 4 days each way.

Early reservations are advised. Full information and itinerary from

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**The First National Bank  
Winona, Minnesota**

January 24, 1927

**RESOURCES**

Loans and Discounts.....	\$2,995,604.45
Banking House.....	113,000.00
Other Real Estate.....	21,200.00
U. S. Bonds and Securities.....	1,832,365.63
Other Bonds.....	1,547,734.41
Stock in Federal Reserve Bank.....	15,750.00
Cash Due from Banks and U. S. Treas. and Call Loans.....	2,085,578.39
	<b>\$8,611,232.88</b>

**LIABILITIES**

Capital Stock.....	\$225,000.00
Surplus Fund—all earned.....	300,000.00
Undivided Profits—Net.....	33,965.32
Reserves.....	23,187.83
Circulation.....	222,600.00
Deposits.....	7,806,479.73
	<b>\$8,611,232.88</b>

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# The Business Outlook

Fred Presley, New York Financial Authority and Former General Manager of the Harvard Bureau of Economic Research

The recession in business which has been in progress since the early part of the fourth quarter of 1926, has not yet apparently reached its point of termination. Commodity prices have continued to decline; industrial output has been curtailed; unemployment has increased; and industrial profits in several lines of trade have contracted.

The new year opened with a predominance of optimistic forecasts, untempered by the qualifications of the predictions of a year ago. The last quarter reports of many of the industrials and railroad companies, however, have reflected perceptibly this slowing down of business, with the result that an increasing number of financial observers are becoming apprehensive lest the year 1927 may mark, after all, the down side of this period of prosperity.

It is becoming evident that the automobile industry, will not fare so well during the coming year as in the preceding 12 months. It is probable that output will be on a reduced scale, possibly 10 per cent., and that the pressure of competition will force prices downward, all of which means that profits will be smaller. It does not appear, however, that this decline in automotive activity will be protracted; it rather suggests that a juncture has been reached where certain readjustments may be necessary before the forward movement can be resumed.

## New Building

It is also clear that the volume of new building in 1927 will not parallel the unprecedented construction programs of 1925 and 1926. It is probable that certain classes of construction have been overdone, not only in selected geographic areas, but quite generally throughout the country. This fact has already been recognized by the major buyers of real estate mortgage bonds and more recently it has received confirmation from the directing heads of certain of the leading real estate mortgage concerns. This evidence, in itself, lends a degree of assurance that building will proceed more cautiously during the months ahead. It does not, however, mean that new constructions will not be maintained on a high level during the coming year.

The continuation of the decline in wholesale commodity prices has carried the major price indexes down to mid-1924 levels. The downward movement in farm prices has now reached a point where the discrepancy between agricultural and non-agricultural prices has definitely reduced the purchasing power of the farmer and more particularly the southern cotton grower. This condition is tangibly reflected in the sales and profits of mail order houses and in other types of business enterprise, dependent largely for their livelihood upon the prosperity of the rural population.

## Banking Situation Improved

The condition of our banking system today, however, is substantially more favorable than the situation which obtained a year ago. The resources of the Federal Reserve system are greater; the loanable funds of the member banks are more abundant; and money rates are lower. Moreover, the trend of rates is clearly downward, with due allowance for seasonal influences, barring the eventuality of a sharp recovery in business and heavy speculation in securities markets.

There has been considerable discussion concerning the depletion of our gold reserves through the development of an adverse merchandise trade balance and the continued export of American capital. In 1926, our so-called favorable trade balance declined sharply while exports of capital reached record levels; yet this country added substantially to its gold supply in the final settlement of its international balance of payments for last year.

It is improbable that our favorable trade balance will be reduced to a point or that our investment in foreign securities will attain a volume which will result in the loss of any great quantity of our gold holdings during the year 1927. In fact another net gain in the yellow metal in

1927 would occasion no surprise, in which event money rates would be further influenced on the side of ease.

There are indications that certain major industries which have thus far failed to participate in this era of prosperity, such as the textile, sugar and leather trades, are beginning to emerge from the depths of depression and that 1927 may prove to be their best year since the close of the war. It is therefore probable that renewed activity in these and other lines of industry which have been so thoroughly deflated, may take up a part of the slack left by the anticipated contraction in the building and automobile trades.

## Commodity Prices

There is some basis for the belief that the decline in commodity prices which has been in progress since late 1925, may presently be arrested. This decline, particularly in reference to prices of farm products and the non-ferrous metals, has been due in no small measure to the fiscal and currency programs of those foreign countries which have been endeavoring to restore the gold standard. It now appears probable that deflation arising out of the stabilization of foreign currencies is about at an end. France may undertake to stabilize the franc at a higher level than the rate now ruling for her currency, but this seems improbable in view of the increasing hardships which the achievement of such an objective would impose upon general business conditions. Then again information has more recently come to hand that gold production is increasing and that the volume available for monetary purposes may be somewhat larger than in several years. This factor, as history has so convincingly demonstrated, is capable of exerting a profound influence on the long time tendency of general commodity prices.

It therefore seems improbable that the recession in business which began in the last quarter of 1926, will prove more than a temporary interruption in the period of prosperity which has been under way since the end of 1924. It is equally improbable that a major decline is now impending in stock prices. The evidence is quite reassuring that 1927 will be another year of large scale production and substantial business profits, although neither of these factors may equal 1926 records; nor would it be reasonable to employ a year of such extraordinary activity as a benchmark for determining what constitutes a normal business year.

## BUSINESS CONDITIONS IN SOUTHERN CALIFORNIA

Los Angeles—January constituted an active month in practically all lines of business in Los Angeles. Indicative of the degree to which business showed an increase over last year was the volume of bank clearings which reached the total of \$822,832,484.40 for the month as against \$737,906,314 for the corresponding month of 1926. This is an increase of 11½ per cent., whereas the increase of December over the previous December was only 7 per cent., and the gain for November over November, 1925, was only 6.8 per cent. Thus the increased volume of business compared with last year has shown a higher rate of gain during the last month than for several past.

Incomplete reports indicate that Los Angeles without counting the clearings of Hollywood and San Pedro clearing houses, had for the first month on record the largest clearings of any city on the Pacific Coast. The situation also is to be contrasted with most of the eastern cities which are showing clearings running below those of last year.

Building permits for the month totaled \$8,129,749 for 2,844 buildings, as compared with \$6,973,252 for 3,236 buildings in 1926. This shows a gain in value of about 16.6 per cent. A check-up of architects and contractors indicates a large volume of business pending and confirms the forecast in our annual review that the year 1927 will present a substantial increase of building over 1926.

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## Putting Government Into Business

New York is not the only community afflicted with a lurking desire on the part of vociferous and persistent groups of citizens to put government into business. The same urge exists more or less throughout the country and takes shape in proposals that cities, counties, states and even the Federal government shall lend their credit to what are essentially commercial undertakings. The spirit of progress is invoked in more or less plausible argument for the compelling necessity of undertaking this, that and the other project, whether its object be to relieve massed populations unhealthfully compacted or to make the desert blossom.

For many years the Far West has desired that something must be done about the Colorado River. Its waters are coveted by the people of at least seven states for power, irrigation and municipal supply. The stream presents also a problem in flood control, which purpose is conceivably a legitimate concern of the Federal Government. But the pending Swing-Johnson bill, carrying an appropriation of \$125,000,000 for construction of the Boulder Canyon dam, power plant and canal, involves also another commitment of national credit to a power and water supply project.

Already the city of Los Angeles looks forward to the time when it will have to augment its water supply from the Colorado River. Its hope to obtain electric power for the infant industries it is tenderly nursing is a matter for the nearest future. Most of lower California and large portions of the six other states are to be amazingly developed agriculturally from this same river.

Granting that all the uses to which it is proposed to put the river are worthy, in their respective degrees; and assuming that the states will be able to agree upon a division of a volume of water insufficient to satisfy all claimants, it should be more widely understood than it is that the pending measure puts the Government into business. The appropriation it makes will never accomplish

complete utilization of the stream; it must be recognized as an initial expenditure, to be followed by others from which the Federal Government, once committed, will be unable to escape.

Nor is the Colorado the only river on or within the boundaries of the United States carrying the seeds of Government ownership of commercial undertakings. The pork barrel is in the process of changing and enlarging its label. Heretofore known by the name of river and harbor improvement, it must hereafter be recognized under the various aliases of flood control, utilization of the national domain and conservation of natural resources.

All of these mean putting the politician in business with capital supplied by the tax payer.—An editorial from The Wall Street Journal.

## MINNEAPOLIS GAS LIGHT COMPANY EARNINGS

A net income of \$417,892 for the year 1926 was reported by the Minneapolis Gas Light Company in its annual report filed with the city comptroller.

The net profit showed a gain of more than 50 per cent. over the previous year, when net profit totalled \$264,459, a net increase from 1925 of \$153,433.

The gross income for the year was \$3,895,469, while its operating expenses totalled \$3,062,141. Liabilities are listed at \$769,104, while its reserves and miscellaneous credits total \$2,375,470.

## Investment Securities

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## Estimate of Stock Owners in America Exaggerated

New York—The widely held belief that the number of American corporation stockholders runs to many millions is refuted by Joseph S. McCoy, Government Actuary of the United States Treasury, declares the American Bankers Association Journal, in a study he has made for its current issue.

"Taking the duplication of holdings into account, Mr. McCoy estimates that there are not more than 3,000,000 separate individuals who own stocks and bonds," says the Journal. "Responsible economists in recent years have estimated that there are 15,000,000 stockholders." The McCoy article says in part:

"Cash dividends are reported as having been paid for 1924 amounting to \$4,338,822,858. Of this, \$915,215,980 was paid other corporations, \$3,250,913,954 was received by individuals making income tax returns. The remainder was distributed to those who make no returns, leaving about 4 per cent. to be accounted for.

"In 1924, of the total corporate dividends, 75 per cent. went to some of 7,369,788 individuals making income tax returns. Of these only 4,489,698 actually returned income in excess of their deductions and paid any tax. These are distributed according to their net income. A study of these statistics makes it clear that the number receiving dividends must be within certain limits, the larger the income, the narrower the limits. For example, the three persons with net income in excess of \$5,000,000 each, must all have been stockholders, because the dividends received by them actually exceeded their net income, the latter being reduced by their capital losses.

### Net Incomes of Individuals

"At the other end of the scale the 344,876 individuals with less than \$1,000 net income received \$235,451,546 in net income, \$26,714,260 of which was in cash dividends. This group could not have included less than 39,143 stockholders, based upon their entire average net income in the form of dividends, nor was it possible for more than 344,876 of them to be stockholders. Considering carefully their other income and its nature it is not probable that in excess of 156,572 of them were actually stockholders.

"The next group includes those with net incomes between \$1,000 and \$2,000. There were 2,413,881 in this group, 844,046 of whom had no taxable income. Their net income was \$3,564,474,084 of which only \$82,135,860 was derived from dividends. The minimum number of stockholders in this class is 55,519. The probable number is 166,557. The entire income tax returns have thus been examined and the total number of stockholders estimated at 888,826.

"The remaining 4 per cent. of dividends unaccounted for must have been received by individuals who did not make income tax returns; \$172,692,924 in dividends must have been received by them. About \$15,000,000 of this was received by non-profit institutions, such as churches, trusts, foundations, etc. There are fully 100,000 widows in the United States whose principal income is from investments in stocks. In addition there must be 100,000 students of colleges and schools, and others such as invalids, whose principal income is also from corporate stocks. This leaves some \$12,692,924 yet to be accounted for; an average dividend of \$10 is about as low as can reasonably be estimated and will account for an additional 1,269,000 shareholders.

"We have, as a result, the following distribution of shareholders in stocks of corporations for 1924; 889,000 stockholders returning net income; 200,000 stockholders receiving dividends due to inheritance and with net incomes of less than \$2,500 or \$1,000; 1,269,000 stockholders not making income tax returns; total individual stockholders, 2,358,000.

### One Family in Ten Owns Stock

"This means that an average of one family out of every 10 owns stock in one or more corporations, that some 2,358,000 stockholders, most of whom hold stock in many concerns, practically own the 410,000 corporations in the

United States. In addition to these individuals, religious organizations, foundations and charitable institutions own about one-third of 1 per cent. of the total corporate stock.

"The 11,000 millionaires of the country received about \$300,000,000 in dividends or less than 7 per cent. of the total declared. From this it is evident that no longer are the corporations closely owned. The millionaires own less than 7 per cent. of their stock while those with net income of less than \$12,500 own 50 per cent. of all the corporate stock in the United States."

By another analysis Mr. McCoy arrives at the conclusion that the number of bondholders in the United States is probably about 1,300,000 but that "the total number of stockholders necessarily includes many of those who are also bondholders. That is, of the 2,368,000 individuals holding corporate stock practically all holding more than a comparatively small number of shares are also bondholders. It is very probable that in 1924 the total number of separate individuals in the United States holding either stocks or bonds, or both, did not exceed 2,700,000, and now does not exceed 3,000,000."

## Say Credit Cooperation Gave Us Great Wealth

"Three decades ago our industrial output did not exceed ten billions for the year; in 1926 the industrial output was about 63 billions. Our bank resources 30 years ago were measured by eight billion dollars; at present they are 65 billions. Our bank deposits 30 years ago did not exceed five billions; at present they are easily 48 billions. During these three decades our trade increased five-fold and our credit circulation increased in even a larger measure.

"What was the cause of this magnificent increase in our financial and credit resources? Not increased money, but increased uses of credit; and these increased uses were made possible in a safe and constructive manner by cooperation."

In presenting this statement, which was made public by J. H. Tregoe, executive manager of the National Association of Credit Men, the Credit Policies and Methods Executive Committee of the association believes that "it is wise and protective for the entire body of our mercantile and financial interests to recognize the mainspring of our present progress."

"The need of preserving this human element should be emphasized at a time when the complexities of our large business and the competition of industries may lead to its neglect, from which a decline and a slowing-up in our credit circulation would unquestionably result," says a declaration adopted by the committee at a recent meeting."

"In the strong competition of these days, self-seeking would cause disaster, and egotistic self-protection would violate the law that has made us strong and rich. Efforts to maintain individual policies in credit functions, such as interchange and adjustments, would cause severe losses if these policies did not represent an unreserved and sincere cooperation.

"As we give up the idea of self-seeking and self-protection and submerge these individual ideas into a cohesive plan for the handling and protection of credits, the recompense is assured in a more stable and fluid business.

"This is the time for every credit department to search its heart and recognize that cooperation, after all, produces what individual effort cannot obtain. There is no better guarantee of wealth and capital building than preserving the integrity of cooperation in all of our credit methods and practices."

### AMERICAN BANKERS ASSOCIATION ANNUAL CONVENTION DATE

New York—The week of October 24 has been fixed for this year's annual convention of the American Bankers Association. The convention will be held at Houston, Texas.

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### New Financing in 1926 Fixes New Record

New York—New financing in 1926 broke all records as to volume, both for new capital and refunding. Of the total amount of new issues offered, \$5,746,354,000 was new capital, against \$5,234,992 in 1925. New issues for refunding aggregated \$1,104,053,000, against \$700,497,000 in 1925.

Unusual expansion in industrial and public utility fields was responsible for much of the new capital, while easier money rates enabled many corporations to call high coupon rate bonds and refund them with lower interest bearing securities.

Despite the vast amount of new securities floated last year, activity so far this year has not lessened, and, in view of the continued decline in money rates and prospects of tax reduction, the year 1927 bids fair to be a year of heavy corporation financing.

Following compilation shows division of 1926 and 1925 between new financing, as computed by Dow, Jones & Co., and refunding, with the latter approximated:

	1926		1925	
	New Capital	Refunding	New Capital	Refunding
January	\$684,450,380	\$101,061,000	\$560,967,735	\$139,618,000
February	452,943,585	45,821,000	475,027,235	45,664,000
March	515,480,435	75,323,000	454,037,180	77,439,000
April	473,631,035	135,850,000	550,996,945	77,096,000
May	505,179,715	24,483,000	323,459,600	45,433,000
June	531,874,790	110,855,000	397,537,100	51,030,000
July	520,158,940	98,923,000	464,216,030	76,244,000
August	256,270,480	62,152,000	266,381,880	35,505,000
September	388,460,235	46,009,000	325,531,000	19,849,000
October	354,267,275	53,239,000	411,036,115	72,310,000
November	617,514,115	273,754,000	478,828,940	20,206,000
December	446,123,015	76,583,000	526,972,240	40,103,000
	\$5,746,354,000	1,104,053,000	5,234,992,000	700,497,000

In 1926 the refunding was 19.2 per cent. of the new capital; in 1925, 13.4 per cent.; and in 1924, the ratio was 16.1 per cent.

Table above does not include any foreign or domestic government, state or municipal loans. In the 12 months of 1926, about \$700,817,000 foreign government, state, provincial and city loans were floated in our markets, against \$938,248,000 in 1925 and \$827,430,000 in 1924.

There were also offered roughly \$130,000,000 American Joint Stock land bank and Federal land bank bonds in 1926, about the same total as the preceding year. American state and municipal issues, according to the Bond Buyer, aggregated \$1,360,219,000 for the 12 months of 1926, compared with \$1,404,702,000 during 1925 and the high record of \$1,446,688,000 during 1924.

### FORD FORTUNE SAID TO BE NEAR \$2,000,000,000

Washington—On the basis of the \$1,000,000,000 valuation placed on his motorcar company, Henry Ford's vast fortune, including that of his son, Edsel, is estimated by former associates as approaching \$2,000,000,000, or comprising by far the largest store of wealth dominated by any one man.

In addition to the \$1,000,000,000 he could have commanded for his company within the last 30 days which establishes its market value at that sum, the automobile manufacturer is supposed to have above \$300,000,000 in cash deposits and surplus. It is said his cash deposits last October 1 aggregated \$300,000,000, and that if he chose to market his own stock he could obtain for it about as much as the bankers who naturally dispose of it at a profit.

Mr. Ford also has stock in the Ford Motor Company of Canada and the Ford Motor Company of Great Britain, a railroad, steamboats, iron and coal mines, subsidiary factories for manufacture of glass and woodwork, timber forests, various other properties that would bring the cash he could command in a general liquidation, in the opinion of those acquainted with his business, to above \$1,500,000,000.

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# Utilization of Nation's Enormous Lignite Supplies

Bureau of Mines Explains How High Grade Fuel Can Be Produced from Low Grade Coal

The possibility of making a high grade fuel from the enormous lignite deposits of the United States, comprising nearly one-third of the total solid fuel resources of the nation, is demonstrated by the Bureau of Mines, using a cheap process for carbonizing the raw lignite and subsequently briquetting the resulting char.

Extensive lignite fields lie in states west of the Mississippi, notably in North Dakota, Montana, Wyoming, Colorado, and Texas; smaller areas occur in several other states. The total area of the deposits and the total amount of lignite in the various districts are so enormous that the potential economic value of the deposits is seldom recognized. The section of the country which contains almost one-third of the nation's entire coal resources still imports coal. Many of the depositors are in regions that are not thickly settled or well supplied with manufacturing industries. Lignites, from their peculiar physical and chemical characteristics, are low grade fuels and almost every locality can get high grade coal from a distance. The proximity of this section to the Great Lakes, which afford a relatively cheap means of transporting fuel from the eastern coal fields into the Northwest, has retarded the development of the full possibilities of lignite. The lignites in these areas are imperfectly developed coals. Many have a more or less woody structure; others are darker, denser, and more homogeneous, approaching sub-bituminous coal.

## Experiments in North Dakota

The Bureau of Mines approached the lignite problem hoping to produce for domestic purposes a satisfactory briquetted fuel with a heating value comparable with that of other good fuels, and simultaneously to obtain data regarding the cost of operating, the yield and character of the by-products—gas, tar, and ammonia—obtainable under definite operating conditions, the approximate cost of a unit of suitable size for commercial production of such fuel, the factors bearing on the design of a suitable carbonizer, and other pertinent information. The Bureau also hoped to show the possibility of the direct use of the unbriquetted char.

In studying the problem experiments were conducted at Salome, Ariz., Hebron, N. D., and Grand Forks, N. D. Cooperative work was carried on with the University of North Dakota and with the lignite utilization board of Canada.

Carbonizers commonly used for coking bituminous coal are distinctly unsuitable for carbonizing lignite. Since lignite is a fuel of low calorific value which yields upon distillation a relatively low percentage of char and gas of relatively low heating value, and since industries depending on lignite are not of a size to justify large expenditure, it was found essential that a relatively low-priced carbonizer of high capacity and automatic in operation should be used for carbonization. The efficiency of the carbonizing process as developed by the Bureau of Mines is very high.

## The Many By-Products of Lignite

The yields of by-products—gas, tar, ammonia, oil, and pitch—depend upon the character and quality of the lignite carbonized, upon the completeness or degree of carbonization, and upon the method and apparatus used for carbonizing. In general, the yields are lower per ton of raw lignite than per ton of bituminous coking coal and the quality of the gas is lower, sometimes very much lower than that of coal gas. The value of the by-products from the carbonization of average lignite is considerably less than the value of the by-products resulting from the carbonization of bituminous coal. The recovery of ammonia as ammonium sulphate will probably be unprofitable in the Northwest, particularly in small plants, until some time in the future. The tar and its crude distillation products have value, but in the present state of the art of refining and under present market conditions to assign a high value to the by-products or to attempt to refine the crude by-products is not advisable.

The lignite occurring in Europe is quite different from the American lignite; the demand for a high grade fuel there is not so exacting as in this country, and the demand for by-products there is greater. The lignite industry in Europe has been investigated by the Bureau of Mines and the conclusion reached that the method now in use in Europe are not adapted to the development of a lignite industry in the United States.

Briquets are made in Europe from partly dried lignite without the use of binder, but American lignite does not contain enough natural binder to be successfully briquetted in this manner, and if it did the briquets thus made would not satisfy the domestic trade, for they tend to disintegrate in the fire.

## Large Potential Market in United States

A potential market exists in the United States for carbonized lignite, and it should be developed. This fuel is excellent for producer-gas generators or on suitable, especially provided grates, either as boiler furnace or domestic fuel. A suitable grate for burning the char in domestic heaters has been developed by the Bureau of Mines.

A further market for char or partly carbonized lignite lies in its use in the powdered form in pulverized fuel burners. It should be a very satisfactory fuel for use in cement kilns.

For domestic use briquetted lignite char is comparable with anthracite coal in heating value and convenience in handling. Some smoke is usually evolved during the period immediately following the charging of briquets into the fire, but in the main the briquetted char burns much like anthracite coal and can be stored like the latter.

That lignite can not be used satisfactorily as fuel without processing is not to be inferred, the Bureau points out. Its use as a domestic and an industrial fuel is increasing yearly; it can be burned on suitable grates with fairly high thermal efficiency. Raw lignite, however, contains approximately 33 per cent. of water, has about half the calorific value of good bituminous coal, slacks when it is exposed to the air (particularly in summer), is liable to ignite spontaneously, and does not store well.

No commercial plants manufacturing char or briquets for fuel exist in the United States at the present time. Considerable interest has been shown in the Bureau's investigation of lignite and in the activities of other investigative agencies experimenting in this field. The outlook is promising for the development of a lignite fuel industry, particularly in the Northwest.

The results of these studies are contained in Bulletin 255, "Investigations of the Preparation and Use of Lignite 1918-1925," copies of which may be obtained from the Bureau of Mines, Washington, D. C.

## BRITISH EXPERTS' ESTIMATE OF THE WORLD'S RUBBER OUTPUT

Washington—A world rubber supply for 1927 of approximately 540,000 tons is estimated by British rubber authorities.

This figure is based upon the limitation of exports of British controlled rubber to 80 per cent. of the two following quarters. This would release for export 270,000 tons of an estimated standard production of 400,000 tons in Malaya and Ceylon.

British estimates place the standard production for the restriction year 1926-27 at 325,000 tons for Malaya and 75,000 tons for Ceylon, with a production of 210,000 tons in the Dutch East Indies. Where British owned plantations have voluntarily restricted their production more or less in accordance with the Stevenson Act quotas. Other plantation production throughout the world is estimated at 35,000 tons, with Brazilian production placed at 28,000 tons and other wild rubber at 10,000 tons, a total possible production of 683,000 tons.

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## Income Tax Collections in 1926

Washington, D. C.—Income tax collections for 1926 were \$2,172,127,321.43, or \$346,423,185.50 more than in 1925, according to final figures for the year issued today by the Commissioner of Internal Revenue.

The collections included \$1,256,793,265.95 from corporations and \$915,334,035.48 from individuals.

The distribution of corporation and individual collections by quarters in 1926 was:

Quarter Ended	Corporation	Individual
March 31 .....	\$326,650,844.04	\$248,735,739.86
June 30 .....	304,795,517.50	249,272,306.46
September 30 .....	319,582,817.09	213,001,039.29
December 31 .....	305,764,107.32	204,324,949.87
Total .....	\$1,256,793,265.95	\$915,934,035.48
Increase 1926 .....	300,525,067.91	45,898,117.59

New York led in the collections, paying \$618,415,054.45, of which \$276,299,217.78 was from corporations and \$342,115,836.67 from individuals. Income collections for New York for the calendar year 1925 aggregated \$528,796,905.03, of which \$209,062,700.24 was corporation and \$319,734,204.79 individual.

Pennsylvania was next with \$213,418,954.66 and Illinois third with \$192,101,247.

Florida showed a notable increase in income tax collections for 1926 compared with the previous year. The total was \$46,678,668.47, of which \$17,679,748.17 was corporation and \$28,998,920.30 individual. For 1925 the total was \$16,803,149.68.

Corporation and individual income tax collections by states during 1926 were as follows:

States	Corporation	Individual
Alabama	\$5,951,113.71	\$2,982,903.27
Arizona	993,282.63	653,340.02
Arkansas	3,054,290.09	2,112,539.62
California	61,602,849.57	46,487,204.49
Colorado	8,339,255.71	3,918,517.02
Connecticut	16,474,125.34	15,273,775.06
Delaware	8,788,550.73	3,125,068.55
Florida	17,679,748.17	28,998,920.30
Georgia	9,703,183.61	4,461,738.43
Hawaii	4,724,663.96	1,111,283.30
Idaho	1,221,355.28	222,080.17
Illinois	114,267,679.93	77,833,567.07
Indiana	18,715,311.12	8,757,781.05
Iowa	7,575,604.15	4,253,817.38
Kansas	14,263,434.06	3,375,960.65
Kentucky	9,806,820.75	6,235,580.49
Louisiana	8,410,819.23	5,673,550.15
Maine	5,715,285.23	3,392,836.54
Maryland (including District of Columbia)	25,339,377.93	19,208,776.43
Massachusetts	56,813,882.09	47,266,378.84
Michigan	108,869,297.36	38,816,774.25
Minnesota	21,435,647.58	7,834,458.59
Mississippi	2,337,846.27	1,232,136.45
Missouri	39,587,222.57	17,072,917.19
Montana	1,470,247.34	767,353.09
Nebraska	3,983,528.97	2,258,634.38
Nevada	260,534.27	189,601.05
New Hampshire	1,428,272.50	1,588,842.38
New Jersey	43,653,405.88	34,558,821.23
New Mexico	369,563.70	246,509.22
New York	276,299,217.78	342,115,836.67
North Carolina	14,354,580.15	4,746,030.83
North Dakota	562,712.44	263,539.33
Ohio	93,519,977.39	36,280,041.21
Oklahoma	9,287,819.03	11,119,458.63
Oregon	4,026,097.97	2,238,727.44
Pennsylvania	130,040,325.09	83,378,629.57
Rhode Island	8,234,420.07	6,592,940.83
South Carolina	3,221,738.13	695,261.64
South Dakota	549,299.60	288,612.94
Tennessee	8,940,445.97	3,785,432.21
Texas	28,293,907.37	12,923,802.43
Utah	3,039,550.76	740,528.66
Vermont	1,613,381.39	1,100,944.36
Virginia	15,595,794.78	4,081,826.97
Washington, Inc. Alaska	9,767,143.79	3,212,104.92
West Virginia	10,988,966.09	3,034,055.76
Wisconsin	24,493,324.01	8,501,132.96
Wyoming	1,128,384.41	386,461.46
Total .....	\$1,256,793,265.95	\$915,334,035.48

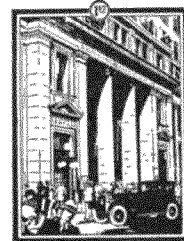
## ANOTHER CALIFORNIA BANK MERGER

San Francisco—Merger of Liberty Bank of San Francisco and Bank of America of Los Angeles, both owned by Bank of Italy through Americommercial Corporation, has been effected, forming Liberty Bank of America, with authorized capital of \$50,000,000, of which \$15,000,000 is paid in, and resources in excess of \$200,000,000. The new bank has 136 branches in northern and southern California.

Authorization is the first action of Will C. Wood, the new state superintendent of banks. Application for this merger had been pending 11 months under the former administration. Marshal Hale of San Francisco is chairman of the new bank, and Orra E. Monnette of Los Angeles, president.

## WHAT HE ACCUMULATED BY LOOKING DOWNWARD

"A young man once found a five dollar bill on the street," says William Feather, a well-known writer. "From that time on he never lifted his eyes when walking. In the course of years he accumulated 29,516 buttons, 54,172 pins, 12 cents, a bent back, and a miserly disposition. He lost the glory of the sunlight, the sheen of stars, the smiles of friends, tree blossoms in the spring, the blue of skies, and the entire joy of living."—Exchange.



1853

1927

## A Specialized Service

for Banks and Bankers, the result of more than SEVENTY-THREE years of experience, is offered by this bank. You are invited to make the First your correspondent, where close relationships are possible and where your business will receive the most careful individual treatment at all times.

The  
**FIRST NATIONAL BANK**  
of St. Paul.

"73 Years of Service"

# AMERICAN EXCHANGE NATIONAL BANK

Isaac S. Moore President  
 J. Daniel Mahoney Vice President  
 E. L. Palmer V. P. & Trust Officer  
 W. Gordon Hegardt Cashier and Asst. Trust Officer

of DULUTH  
 Oldest Bank at Head of the Lakes  
 OLD ACCOUNTS ARE APPRECIATED.

Capital, Surplus and Profits  
**\$3,400,000.00**  
 NEW ACCOUNTS ARE INVITED.

## A Definition of Cooperation

W. H. Wetherell, of Yale & Towne, in The Yale Panel

Cooperation is working together to get the best results for the organization as a whole, eliminating self and self interests. It implies:

Willingness at all times to give all possible assistance in order that the best results may be obtained.

Willingness to render assistance to another department even if it means some sacrifice or inconvenience to ourselves. Our sole aim should be to aid so that final results will increase the efficiency and accomplishments of the organization as a whole.

Willingness to listen to what may seem to us to be criticism, but which, in reality may be the attempt of some one to cooperate with us. To illustrate: Should someone bring to our attention an instance of something not up to the standard, we ought at once to show the right spirit and the right willingness to correct the error. We should not take umbrage and try to retaliate by finding something wrong in another department, thereby causing hard feelings. Whenever and wherever the spirit of cooperation is carried out, results will show in a short time.

"Knocking" is never cooperation. It is just the reverse, and at all times should be avoided. Generally if we approach a man in the right way, he will gladly cooperate with us. This means that we should use tact in all that we try to do, to the end that we will not be misunderstood.

### Wide Awake Clerk

A striking illustration of cooperation recently appeared in the Iron Age under head of "team work." It speaks of a storekeeper that advertised a sale of small pruning shears. On going into the store and asking one of the clerks for one of the shears, the clerk said he was not aware of the sale. He had not read his instructions. This shows lack of cooperation.

In another store the same man wanted a few safety razor blades. After buying them, the clerk thanked him for the sale, and said there was a special sale going on in their sporting goods department and volunteered to show him where it was. As a result quite a few purchases were made. This second clerk had the right idea of cooperation. He was willing to assist some other clerk in making a sale, for he saw by so doing he was increasing his employer's profits. Thus he manifested he had the interest of the business at heart.

### Study All Problems

We should discourage haphazard, non-constructive criticism in the rank and file. We should study all problems with an open mind, so that we may be able to instruct or advise others. This secures the hearty support of each and every employe. This will be cooperation, and we will all share in the benefits sure to follow. The more hearty the cooperation, the quicker the results.

### Team Work

In team work, it is necessary that each one connected with the organization should be in harmony with the other members. All should strive to pull together, so that the object sought can be attained with the least possible effort and exertion. I will give one or two illustrations:

One of the essential things toward better team work is to eliminate lost motion. This organization should be one of our principal aims. Here we have a human machine that performs the work. Like the chain or the engine, it is no stronger than its weakest part. So we are collectively as strong as the individual members are strong. Before this human machine can operate successfully, it is necessary to see that there is no emery in the oil cups. By this we mean the petty strife, that canker

in organization, must be removed, jealousy, personal grievances, individual ambitions, as opposed to individual cooperations should be eliminated. All such undesirable elements represent grains of emery in the human oil cups. They slow down or ruin the human engine and cause the first lost motion.

Big ideas of advancement cannot develop when such matter clogs up. This frictional matter must be removed before we can hope for higher advancement and it is the duty of the individual members of an organization to see that all friction is eliminated as far as humanly possible.

You have noticed a team of horses trying to pull a heavy load. If these horses pull at an angle of, say from 30 to 40 degrees, their efficiency is greatly decreased. They are not able to pull as much, and many times they are not able to even start the load. If the driver gets them to pull together in a straight line, they find no trouble in starting it and after once starting it, they seem to have no trouble keeping it going.

### Start With Ourselves

The same thing applies to each individual member in an organization. If we are willing to cooperate and assist each other in solving the various problems by pulling in a straight line together, we will find it much easier than if we pulled our own way, or in other words, in an angle.

None of us can expect to get the highest efficiency in cooperation and team work unless we first start in with ourselves to see where our weak points are. We must note how we antagonize our fellows and try to see ourselves as others see us. After finding out our weak points (we most likely know them better than any one else) it should be our earnest desire to correct all these and strive constantly to improve. In doing this we will show the rest of the organization that we are endeavoring to cooperate with them in all things. It will be but a short time before it can be said that our cooperation and team work is of the highest efficiency and the results any company is looking for are bound to show in the increased profits in their business.

Work and the help works with you,  
 Loaf and they do the same,  
 But the man who works, while his rival shirks,  
 Wins out in the business game.

### \$300,000,000 OF NEW BONDS SETS WEEK'S RECORD

New York—New issues aggregating more than \$300,000,000, the largest single week's total on record, furnished the outstanding interest in the bond market for the week ending February 5. These offerings were absorbed with ease and without causing any great slowing up of current sales of listed securities. The week's issues compared with \$150,000,000 for the week before, and \$54,000,000 for the corresponding week of 1926.

That the well from which new financing flows has not exhibited signs of running dry is shown by contemplated issues. These include \$60,000,000 Aluminum Company of America 5 per cent. debentures, at par; \$10,000,000 Los Angeles Gas and Electric Corporation 5 per cent. first and general mortgage bonds, at 98½; \$5,500,000 Sun Maid Raisin Growers Association 6½ per cent. first mortgage bonds, at 98½; \$4,250,000 Allerton New York Corporation 5½ per cent. first mortgage bonds, at 98½; \$2,500,000 City State Bank Building 6 per cent. first mortgage bonds, at par; and \$2,000,000 North Continent Utilities Corporation 6½ per cent. debentures, at par.



## Midwinter Doings

In February occurs the annual Duluth Frolic inaugurated in 1926. Bankers and others in Duluth's trade territory are cordially invited to visit this Bank during their stay in our city. Incidentally new business is extended a cordial welcome.

# THE FIRST NATIONAL BANK

Capital \$2,000,000.00

DULUTH, MINN.

Surplus and Profits \$2,250,000.00

### Bethlehem Steel Sales Reach \$304,361,805 in 1926

Net income of the Bethlehem Steel Corporation for the year ended December 31, 1926, was \$20,246,167, equal to \$7.48 a common share, compared with \$13,858,196, or \$5.30 a share, in 1925. The net for the final quarter of 1926 was \$4,481,316, or \$1.55 per share, against \$4,550,978, or \$1.57, in the preceding quarter, and \$4,272,830, or \$1.77 a share, in the fourth quarter of 1925.

Eugene Grace, president of the corporation, speaking of the business outlook this year, expressed the belief that conditions may warrant the resumption of dividends on the common stock. He stated that indications point to another good year not only in the steel trade but in business generally. The creation of steel cartel in Europe, he said, helped to stabilize conditions in the steel industry. In a statement issued Mr. Grace said:

"Gross sales and earnings for 1926 aggregated \$304,361,805, as compared with \$273,025,320 for 1925. The total amount of new business booked during the year amounted to \$283,707,678, as compared with \$266,542,624 for 1925.

"The value of orders on hand December 31, 1926, was \$49,912,796, as compared with \$44,553,571 at the end of the previous quarter and \$70,566,923 on December 31, 1925.

"Operations averaged 74.5 per cent. of capacity during the fourth quarter, as against 80.3 per cent. during the third quarter and 81.1 per cent. for the entire year, as compared with 70.3 per cent. for the previous year. Current operations are at the rate of approximately 75 per cent. of capacity.

#### Assets Growing

"The balance sheet of the Corporation as of December 31, 1926, will show current assets over current liabilities of \$128,596,660, as compared with \$119,045,554 the previous year, and a ratio of current liabilities of 5.2 to 1. Cash and liquid securities as of December 31, 1926, amounted to \$50,971,276, as compared with \$39,390,524 on December 31, 1925.

"There was charged against the 1926 earnings a full year's dividend on the additional \$35,000,000 of 7 per cent. cumulative preferred stock of the Corporation which was sold on April 6, 1926, and also the discount on and expenses incident to the issue and sale on June 15, 1926, of \$10,000,000 of secured serial 5 per cent. gold notes of the corporation and the premium paid upon the redemption during the year of approximately \$12,000,000 of 7 per cent. equipment trust certificates.

"The balance sheet as of December 31, 1926, will also show a net reduction of \$18,584,232 in the funded debt of the corporation as compared with the previous year. The net reduction in its funded debt since January 1, 1925, totaling over \$29,200,000, together with the refunding of the 7 per cent. equipment trust certificates above referred to has resulted in a saving in its interest charges of more than \$1,800,000 per year.

#### Construction Cost

"The cash expenditures for additions and improvements to properties in 1926 amounted to \$32,363,998. The estimated cost to complete construction authorized and in progress as of December 31, 1926, was \$32,500,000.

"The most important units of the construction work now in progress are the new pipe plant, 12 additional tin plate mills, a new 21-inch continuous sheet bar and skelp mill, a new 12-inch skelp mill and a new electric power installation at the Maryland plant, an additional new structural

mill at the Lackawanna plant and additional by-products coke ovens at the Lackawanna and Cambria plants. All of these new units are expected to go into operation during the current year, and should add substantially to earnings."

#### AMERICAN STORES COMPANY CONTROLS 1,950 STORES

Philadelphia—American Stores Co. now has 1,950 grocery stores and meat markets in its chain situated in principal cities and towns in Pennsylvania, New Jersey, Delaware and Maryland. During 1926 the company added about 180 stores.

ESTABLISHED 1905

BONDED

### THE CARLING SERVICE DETECTIVES

ST. PAUL, MINN.  
316 EXCHANGE BANK BLDG.CHICAGO, ILL.  
327 SO. LA SALLE ST.

### Engineering and Architectural Service

Reports, Plans, Specifications, Supervision.  
BUILDINGS - BRIDGES - DAMS - GRAIN ELEVATORS, ETC.

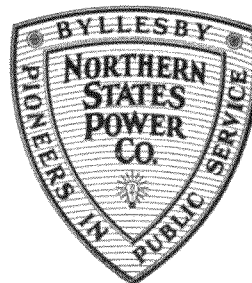
WALTER H. WHEELER, E. M., MEM. AM. SO. C. E.  
DESIGNING AND CONSULTING ENGINEER  
1112-10 METROPOLITAN LIFE BUILDING. MINNEAPOLIS, MINN.

### CHARLES H. PRESTON & Co.

#### CERTIFIED PUBLIC ACCOUNTANTS

AUDITS AND INVESTIGATIONS  
ACCOUNTING AND COST SYSTEMS  
INCOME TAX SERVICE

PLYMOUTH BUILDING  
MINNEAPOLIS



Every sixth customer  
a shareholder

# Stock and Bond Quotations

## MINNEAPOLIS BANK STOCKS

Quotations by C. D. Mahoney & Co., Minneapolis.

	Div. Rate	Pct.	Bid	Asked
Camden Park State	6	125	...	...
Central State	10	209	...	...
East Hennepin State Bank	...	160	...	...
First National	12*	287	292	...
Gateway State	...	...	...	...
Marquette Nat'l Bank & Trust	3	...	200	...
Metropolitan National Bank	6	135	145	...
Midland National Bank & Tr. Co.	10	175	180	...
Millers & Traders State	6	170	...	...
Northwestern National	12	235	245	...

\*3 per cent extra dividend.

## ST. PAUL BANK STOCKS

	Div. Rate	Pct.	Bid	Asked
American National	6	200	...	...
Great Northern State	10	125	...	...
Merchants National	12	260	...	...
Mound Park State Bank	20	250	...	...
Fayne Avenue State	10	...	225	...
St. Paul State	10	250	...	...

## DULUTH BANK STOCKS

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

## MINNEAPOLIS CORPORATIONS

Quotations by The Minnesota Loan & Trust Co., Minneapolis

	Rate	Bid	Asked
Minneapolis Thresh. Machine, pfd.	7	98	...
Munsingwear Corp., pfd.	7	105 1/2	107 1/2
Pillsbury Flour Mills, com.	3	50 1/2	55
Russell Miller Milling, com.	...	195	...
Russell Miller Milling, pfd.	6 1/2	103	105
Washburn Crosby Co., pfd.	7	108 1/2	109 1/2

## ST. PAUL CORPORATIONS

	Rate	Bid	Asked
Foote, Schultz & Co., pfd.	7	80	85
St. Paul Fire & Mar. Ins. (par \$25)	14	105	...
St. Paul Union Stockyard	8	125	...
Tri State Tel. & Tel., pfd.	6	9.75	10.00
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 1927/30	6	99 1/2	101
Clarkson Coal Dock 1931/9	6	99	100
Dakota Central Telephone	6	105 1/2	106 1/2
Duluth Street Ry., 1st 1930	5	96	98
Duluth Street Ry., Gen. 1930	5	91	...
1st Nat. Soo Line Bldg., 1st 1930/5	5	98	100
Island Warehouse Co., 1st 1934	6	101 1/2	102 1/2
Marshall-Wells Bldg. Corp., 1930/7	6 1/2	101	105
Minneapolis Gen. Elec., 1st 1934	5	101 1/2	102 1/2
Minneapolis Gas Light, 1st 1930	5	99 1/2	100
Mpls. Gas Light Sec. Notes 1930	6	101 1/2	102 1/2
Mpls. St. & St. P. City Joint 1928	5	97 1/2	99
Mpls. St. Ry. Secured Notes	5 1/2	100	100 1/2
Minn. Fr. & Light Co., 1950	6	105 1/2	106
Minn. Tribune Co., 1st 1942	6 1/2	104	105
Northern States Pr., 1948	6	104	105
Northern States Pr., 1941	5	100 1/2	101 1/2
Northwestern Elev. Co., Ltd. 1930/2	6 1/2	100	6.00
Northwestern Terminal Co. 1930/5	6	98	100
Ottertail Power Co. Gen. Ref. 5 1/2	...	101 1/2	102 1/2
due Jan. 1, 1945	...	102 1/2	103 1/2
Pillsbury Flour Mills, 1943	6	102 1/2	103 1/2
Powell River Co., Ltd. 1927/9	6	100 1/2	102
Red River Lumber Co., 1st 1928	5	99	100
Red River Lumber Co., 5% notes	...	98 1/2	100
due Nov. 1, 1927/9	...	99 1/2	100 1/2
St. Croix Power Co., 1929	5	99 1/2	98
St. Paul City Ry. Cable Cons. 1937	5	95 1/2	98
St. Paul Gas Light 1st 1944	5	101	102
St. Paul Gas Light, Gen. 1952	6	105 1/2	107
St. Paul Gas Light, Gen. 1954	5 1/2	102	103 1/2
St. Paul Union Stockyards, 1946	5	99	101
Tri-State Tel. & Tel., 1942	5 1/2	105	106 1/2
Union Public Service, 1st 1936	6	98 1/2	101
Watab Paper Co., 1st 1942	6 1/2	102	103

## CHICAGO BANK STOCKS

Reported February 8 by Babcock, Rushton & Co., 137 South La Salle Street, Chicago:

	Bid	Asked	Book Value
Calumet National	300	...	196
City National Evanston	360	...	314
Continental and Commercial	492	496	280
Drovers National	225	...	154
First National	650	...	352
1st National Englewood	425	...	425
Foreman National	515	525	280
Int. National Hegewisch	425	...	567
Irving Park	290	...	199
Jefferson Park	250	...	159
Kenwood National	285	...	217
Mutual National	285	295	245
National Bank Commerce	180	184	167
National Bank Republic	299	303	167
National Bank Woodlawn	210	220	151
Rogers Park	220	227	187
Stock Yards	275	280	196
Washington Park	257	...	142
Austin State	275	...	204
Boulevard Bridge Park	210	...	154
Builders & Merchants	220	...	159
Calumet T. & S.	200	210	122
Cent. Mfg. Dist.	400	410	273
Central Trust	302	305	177
Chicago City	325	340	215
Chicago Trust	308	312	174
Citizens State Bank	345	355	201
Cosmopolitan State	215	225	163
Drexel State	245	...	220
Drovers Trust & Savings	350	New	349
Franklin Trust & Savings	300	...	302
Greenbaum Sons Bank & Trust	635	645	294
Guarantee Trust & Savings	275	285	224
Halsted St. State	285	300	225
Harris Tr. & Savings	490	...	221
Home Bank & Trust	295	300	202
Hyde Park State	280	...	224
Illinois Merchants Trust	678	682	301
Independence St.	200	205	145
Kaspar Amer. St.	215	225	140
Kimbell Trust & Savings	200	225	177
Lake Shore Trust & Savings	265	...	154
Lake State	...	121	132
Lake View State	230	...	170
Lake View Trust & Savings	385	395	267
Lawndale State	410	...	232
Liberty Trust & Savings	220	230	155
Lincoln Trust & Savings	235	...	220
Madison-Kedzie	235	240	151
Marquette Park	250	...	184
Mercantile Trust	225	235	166
Mid-City Trust & Savings	250	255	144
Noel State	245	...	140
Northern Trust	515	522	382
North-Western Trust	390	400	203
Oak Park Trust	260	...	191
People Stock Yds.	265	270	154
Peoples Trust & Savings	315	350	175
Pinkert State	220	...	152
Pioneer Trust & Savings	260	270	155
Prudential State	215	...	209
Pullman Trust & Savings	256	265	208
Reliance State	250	255	168
Roseland State	300	...	208
Schiff Trust & Savings	290	300	131
Security	360	...	263
Sheridan Trust & Savings	300	310	153

63rd & Halstead	230	240	182
So. Chicago Savings	295	305	155
So. Side Trust & Savings	232	236	142
Standard Trust	243	248	205
State Bank of Chicago	790	795	391
St. Bank & Trust Evanston	385	...	287
Stoney Island NEW	210	220	162
Suburban Trust & Savings	220	230	189
Union Bank of Chicago	262	270	208
Union Trust	450	455	238
United State	240	...	209
W. Englewood Trust & Savings	325	335	175
W. Side Trust & Savings	265	270	144
West Town	275	...	172
Wiersema State	260	265	238
Woodlawn Trust & Savings	250	...	170

## CHICAGO INDUSTRIAL STOCKS

Reported February 8 by Babcock, Rushton & Co., 137 South La Salle Street, Chicago:

	Bid	Asked	Div. Rate
Acme Steel Co. (com., no par)	67 1/2	69	2 1/2
American Furniture Mart (com.)	3 1/2	4 1/2	6
Am. Fork & Hoe (com.)	98	102	7
Am. Fork & Hoe (pfd.)	106	107	7
American Stove Co.	136	139	10
Barnhart Bros. & Spindler, 1st pfd.	105	107	7
Barnhart Bros. & Spindler, 2nd pfd.	102	...	7
Beatrice Creamery, com.	59 1/2	60 1/2	5
Beatrice Creamery (pfd.)	103 1/2	105 1/2	7
Benjamin Electric (pfd.) 1st	104	...	8
Brennan Packing (Class A)	50 1/2	51 1/2	4
Brunswick-Balke-Collender Co., pfd.	104	106	7
By-Products Coke (pfd.)	110	112	9
Celotex Co. (pfd.)	89	91	7
Celotex Co. (com.)	74	79	6
Central Cold Storage (com.)	20	21	1.60
Chicago Cold Storage (pfd.)	88	90	7
Chicago Cold Storage (com.)	51	55	...
Chicago Daily News, pfd.	93	96	7
Chicago Daily News (com.)	17	...	...
Chicago Mill & Lumber (com.)	75	77	4
Chicago Mill & Lumber, pfd.	101	103	7
Chicago Railway Equipment (\$25 par)	30	...	3
Chicago Railway Equipmt., pfd. \$25 par.	23	24	1.75
Creamery Package	30 1/2	31	2
Creamery Package (pfd.)	101	103	6
Congress Hotel (com.)	184	190	6
Dolese and Shepard (capital)	95	98	6
Drake Hotel Co. (pfd.)	69	74	6
Elgin National Watch (\$25 par)	73	74	10
Fansteel Products (com.)	150	155	6
Federal Electric (com.)	11	12	...
Federal Electric (pfd.)	35	38	...
First State Pawnners' Society	124	126	7
W. C. Foster (com.)	20	...	...
W. C. Foster (pfd.)	64	67	7
Fulton Market Cold Storage (units)	510	520	...
Godschau Sugar (pfd.)	18 1/2	20	...
Goodman Manufacturing Co. (\$50 par)	49 1/2	50 1/2	6
H. W. Gossard (pfd.)	104	...	7
Great Lakes Transit (pfd.)	87	89	7
Great Lakes Transit (com.)	23	25	3
W. F. Hall Printing (com.)	27	27 1/2	1
Holland-St. Louis Sugar, com. \$10 par.	2 1/2	3	...
Hotel Sherman (com.)	200	...	12
Hotel Sherman (pfd.)	96	97	7
Hydrox Corp. (pfd.)	94	96	7
Interstate Iron and Steel (pfd.)	100 1/2	101	7
Interstate Iron & Steel, com.	...	92	...

# MIDLAND NATIONAL BANK & TRUST COMPANY

MINNEAPOLIS

Statement of Condition at Close of Business December 31, 1926

**RESOURCES**

**LIABILITIES**

Loans and Discounts.....	\$16,530,771.17
Overdrafts .....	31,840.66
U. S. Bonds to Secure Circulation.....	500,000.00
Other Bonds.....	661,253.36
Stock in Federal Reserve Bank.....	45,000.00
Real Estate.....	77,154.59
Furniture and Fixtures.....	68,033.25
Customers' Liability on Letters of Credit and Acceptances .....	4,146.00
Redemption Fund with U. S. Treasurer.....	25,000.00
U. S. Bonds and Treasury Certificates.....	1,969,801.35
Cash on Hand and Due from Banks.....	4,529,278.71
	<b>\$24,442,279.09</b>

Capital Stock.....	\$1,000,000.00
Surplus .....	500,000.00
Undivided Profits.....	156,098.91
Reserved for Interest and Taxes.....	130,239.00
Circulation .....	500,000.00
Letters of Credit and Acceptances.....	4,146.00
Bills Payable with the Federal Reserve Bank .....	1,000,000.00
Deposits .....	21,151,795.18
	<b>\$24,442,279.09</b>

Kellogg Company (pfd.) .....	111	113	7
Kellogg Company (com.) .....	118	122	4
Keystone Steel & Wire, pfd. ....	90	93	7
Keystone Steel & Wire (com.) .....	47	49	..
LaSalle Extension Univ. (pfd.) .....	83	85	7
McCord Mfg. Co., com., no par. ....	9 1/2	10	..
McCord Mfg. Co., "A" pfd. ....	65	69	7
Michigan Sugar Co., com., \$10 par. ....	3	4	6
Michigan Sugar Co., pfd., \$10 par. ....	6	..	6
Moir Hotel Co., Units .....	90	93	7
National Gypsum Co. (com.) .....	38	42	..
National Gypsum Co. (units) .....	112	..	..
National Tea Co. (pfd.) .....	100	101	6 1/2
National Grocer (com.) .....	3	4	8
National Grocer (pfd.) .....	..	80	6
Northwestern Yeast Co. ....	174	176	12
O'cedar Corp., Class "A" .....	3 3/4	4	6
O'cedar Corp., Class "B" .....	1 1/2	2 1/2	..
Palmolive Co. (new com.) .....	60	61	2
Palmolive Co. (pfd.) .....	107 1/2	108 1/2	7
Albert Pick & Co. (pfd.) W. W. ....	93	94	7
Pyle National Co. ....	40	41 1/2	4
Pyle National Co. (pfd. 8%) .....	106	..	8
Sefton Mfg. Co. (pfd.) .....	105	..	7
John M. Smyth & Co. (pfd.) .....	103	..	7
St. Joseph Stock Yards, com. ....	73	75	6
St. Louis Stock Yards (com.) .....	80	81 1/2	8
Standard Cap and Seal (com.) .....	36	37 1/2	5
Stover Mfg. & Engine (pfd.) .....	91	..	7
Stover Mfg. & Engine, com. ....	5	6	..
Sullivan Machinery, no par. ....	50	51	4
Union Stock Yards of Omaha .....	125	129	8
Universal Gypsum Co. (free com.) .....	6 1/2	7 1/2	..
Universal Gypsum Co. (pfd.) .....	..	62	7
Utah-Idaho Sugar Co., \$6 par. ....	1 1/2	2	..
Vellie Motor Co. (pfd.) .....	20	25	..
Vesta Battery (pfd.) .....	90	95	7
Wahl Co. (pfd.) .....	76	78	..
Whitestone Co. (units) .....	81	83	7

Philadelphia .....	454,901,000	413,920,000	475,351,000
Pittsburgh .....	392,503,000	213,890,000	241,056,000
San Francisco .....	315,333,000	231,322,000	280,141,000
Los Angeles .....	224,534,000	218,742,000	210,362,000
Cleveland .....	189,775,000	170,176,000	166,525,000
Detroit .....	188,457,000	200,655,000	190,203,000
St. Louis .....	176,200,000	157,400,000	187,000,000
<b>Twain Cities .....</b>	<b>119,459,000</b>	<b>112,739,000</b>	<b>128,345,000</b>
Baltimore .....	99,826,000	93,902,000	114,900,000
Kansas City .....	85,491,000	77,241,000	84,058,000
New Orleans .....	82,316,000	73,259,000	90,178,000
Minneapolis .....	77,907,000	79,896,000	85,568,000
Washington .....	54,239,000	54,242,000	57,330,000
Dallas .....	49,087,000	46,218,000	53,162,000
Omaha .....	47,581,000	45,188,000	44,312,000
Seattle .....	44,556,000	41,536,000	47,345,000
St. Paul .....	41,552,000	32,843,000	42,777,000
Portland .....	36,024,000	33,863,000	40,255,000
Denver .....	31,530,000	38,459,000	43,112,000
Sioux City .....	20,080,000	18,454,000	20,725,000
Des Moines .....	17,842,000	16,681,000	17,014,000
Duluth .....	13,504,000	14,448,000	14,221,000
Spokane .....	11,039,000	12,309,000	11,846,000
South St. Paul .....	9,132,000	8,658,000	9,030,000
Sioux Falls .....	4,467,000	3,947,000	3,974,000
Fargo .....	2,830,000	2,877,000	3,178,000
La Crosse .....	2,460,000	2,543,000	2,336,000
Helena .....	1,716,000	1,607,000	2,054,000
Superior .....	1,594,000	1,647,000	1,837,000
Grand Forks .....	1,587,000	1,455,000	1,858,000
Billings .....	1,528,000	1,623,000	1,573,000
Winona .....	1,421,000	1,173,000	1,054,000
Aberdeen .....	1,096,000	1,161,000	1,533,000
Minot .....	1,046,000	935,000	1,171,000
Red Wing .....	582,000	471,000	617,000
Jamestown .....	423,000	511,000	534,000
Dickinson .....	238,000	265,000	367,000
Total (261 cities) .....	\$14,045,662,000	\$12,399,554,000	\$13,393,225,000

**PUBLIC UTILITY STOCK**

	Bid	Asked	Div. Rate
Am. Public Utilities (com.) .....	65	70	..
Am. Public Utilities (part. pfd.) .....	80	82	6
Amer. Public Utilities (prior pfd.) .....	90	92	7
Central States Elec. (com.) .....	100	110	1
Central Illinois Light (pfd.) .....	96	99	6
Chicago Rapid Transit (com.) .....	9 1/4	9 3/4	..
Chicago Rapid Transit, prior lien pfd. ....	103	105	7.8
Cities Service (pfd.) .....	92	93	6
Commonwealth Pr. Corp. (com.) .....	44 1/2	45	2
Commonwealth Pr. Corp. (pfd.) .....	92	93	6
Consumers Power Company (pfd.) .....	99	100	6
Consumers Power Company (pfd.) .....	103 1/4	105	6.60
Consumers Power Company (pfd.) .....	104 1/4	..	7
Continental Gas & Electric (pfd.) prior .....	102	103 1/2	7
Continental Gas & Electric (com.) .....	210	220	4.40
Illinois Power & Light (pfd.) .....	99 1/2	100 1/4	7
Interstate Public Service P. L. ....	99 1/2	100	7
Iowa Railway & Light Corp (pfd.) .....	98	100	7
Iowa Railway & Light Corp. ....	85	..	8
Iowa Electric (com.) .....	250	..	7
Iowa Electric (pfd.) .....	97	100	7
Iowa Southern Utilities (pfd.) .....	88	101	7
Kentucky Utilities (pfd.) .....	95	97	6
Northern Indiana Pub. Svc. (pfd.) .....	102	103	7
Southern Indiana Gas & Elec. (pfd.) .....	87	89	6
Southern Indiana Gas & Elec. (pfd.) .....	97	..	7
Tri-City Railway & Light (pfd.) .....	93 1/2	95 1/2	6
Wis.-Minn. Light & Power (pfd.) .....	95	97	7

**BANK TRANSACTIONS**

Washington—Debits to individual accounts, as reported to the Federal Reserve Board by banks in leading cities for the week ending February 2, 1927, aggregated \$14,046,000,000 or 13.3 per cent. above the total of \$12,400,000,000 reported for the preceding week. Total debits for the week under review are \$653,000,000 or five per cent. above those for the week ending February 3, 1926. New York City reported an increase of \$299,000,000, Boston \$157,000,000, Pittsburgh \$151,000,000, Chicago \$89,000,000, San Francisco \$35,000,000 and Cleveland \$23,000,000. Aggregate debits for 141 centers for which figures have been published weekly since January, 1919, amounted to \$13,306,330,000, as compared with \$11,679,395,000 for the preceding week and \$12,640,197,000 for the week ending February 3, 1926.

City	Week ending		
	Feb. 2, 1927	Jan. 26, 1927	Feb. 3, 1926
New York .....	\$7,509,973,000	\$6,697,368,000	\$7,211,172,000
Chicago .....	944,483,000	770,273,000	855,638,000
Boston .....	642,030,000	433,852,000	484,876,000

**AMERICAN BANKERS ASSOCIATION SPRING MEETING**

New York—The administrative committee of the American Bankers Association has designated the Arlington Hotel, Hot Springs, Arkansas, for the annual Spring meeting of the executive council of the association. The meeting will be held the week of May 1.



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# New Banks and Changes

## MINNESOTA

### Kenneth Cobb Resigns

Nevis—Kenneth Cobb has resigned as cashier of the State Bank of Nevis.

### Nelson Bank Fails

Nelson—The Nelson State Bank was closed February 4. It was capitalized at \$12,000 and had deposits aggregating about \$250,000.

### Winfield Hughes to Succeed Clyde Johnson

Brook Park—Winfield Hughes has been elected assistant cashier of the Brook Park State Bank to succeed Clyde Johnson who resigned.

### Holmes City Bank Closes

Holmes City—The Holmes City State Bank capitalized at \$10,000 was closed February 3. It had deposits aggregating about \$65,000.

### Bank at Gray Eagle Closed

Gray Eagle—The Farmers State Bank was closed February 3. It had deposits of approximately \$100,000 and was capitalized at \$15,000.

### Winnebago Bank is Closed

Winnebago—The Winnebago State Bank was closed February 3. It was capitalized at \$25,000 and had deposits aggregating about \$200,000.

### A. L. Ritt Elected Cashier Minneapolis Bank

Minneapolis—A. L. Ritt, former field representative of the Merchants National Bank of St. Paul, has been elected cashier of the Fidelity State Bank to succeed O. A. Goetzman, who resigned.

### Richmond Bank Elects Officers

Richmond—At a recent meeting of the directors of the newly organized Richmond State Bank Joseph Schwankl was elected president; John Lang, vice president and Joseph Doll, cashier.

### Henderson Bank Holds Election

Henderson—At a meeting of the directors of the Farmers & Merchants State Bank J. A. Gmeinder was reelected president; J. F. Dempsey, vice president; F. L. Harman, cashier, and Roy M. Crosby, assistant cashier.

### Hastings Bank Reelects Officers

Hastings—At a recent meeting of the board of directors of the Hastings National Bank Theodore Albrecht was reelected president; Theodore Cook, vice president; Charles Doffing, cashier, and A. J. Doffing, assistant cashier.

### Bowlus Bank Elects Officers

Bowlus—At the annual meeting of the directors of the Morrison County State Bank the following officers were elected: John Barton, president; Vincent Schwentiek, vice president; H. C. Wuertz, cashier, and Minnie Barton, assistant cashier.

### A. O. Christensen Succeeds Memfred Nelson

Moorhead—A. O. Christensen, formerly vice president has been elected cashier of the Farmers & Merchants State Bank to succeed Memfred Nelson who resigned. Louis Altenbernd and Christian Rehder were elected president and vice president, respectively. F. B. Erickson was appointed an assistant cashier.

### E. F. Wright Succeeds S. A. Erickson

Crookston—E. F. Wright has been promoted from assistant cashier to cashier of the First National Bank to succeed S. A. Erickson who resigned to engage in the insurance business, but who continues as a director. Other officers who were reelected are H. L. March, president; Otto Bremer and M. E. Walker, vice presidents; L. R. Erickson was elected an assistant cashier.

## NORTH DAKOTA

### Douglas Bank Closes

Douglas—The Citizens State Bank capitalized at \$10,000 has been closed. It had deposits of approximately \$100,000.

### F. O. Gentz Succeeds Walter W. Kramer

Beulah—F. O. Gentz has been elected assistant cashier of the German State Bank to succeed Walter W. Kramer.

### Ole Sereumguard Heads Warwick Bank

Warwick—Ole Sereumguard of Devils Lake has been elected president of the Security State Bank. J. H. Mikkleson is cashier.

### Glenfield Bank Elects Officers

Glenfield—At a meeting of the directors of the First State Bank H. P. Hammer was elected president; G. H. Condy, vice president and Bert T. Urban, cashier.

## New Salem Bank Names Officers

New Salem—Officers of the Farmers & Merchants State Bank who were recently elected are Charles Wiegmann, president; W. H. Mann, vice president; F. H. Ellwein, cashier, and W. E. Schmidt, assistant cashier.

## SOUTH DAKOTA

### Hetland Bank Reopened

Hetland—The First State Bank which was closed recently was reopened February 1.

### Beresford Banks Consolidate

Beresford—The recently reopened Beresford State Bank has been merged with the Security State Bank. The combined deposits are about \$620,000.

### George K. Burt Succeeds S. B. Crothers

Watertown—George K. Burt, formerly vice president of the Security National Bank has been elected cashier of the Peoples Savings Bank to succeed S. B. Crothers, who resigned.

### Brookings to Have New Bank

Brookings—Application for a charter for the Brookings National Bank has been made. James Grady of Fargo, North Dakota, has purchased a large block of stock and the remainder was sold to local men.

### Hudson Bank Reelects Officers

Hudson—The following officers of the First National Bank were recently reelected: James F. Toy, president; H. A. Stoltenberg, vice president; R. G. Eilers, cashier, and C. H. Sanderson, assistant cashier. P. E. Burkhart was made teller to succeed C. R. Spiecker who resigned. A 5 per cent. dividend was declared.

## WISCONSIN

### Lloyd C. Bekkedal Elected President

Viroqua—Lloyd C. Bekkedal of Westby has been elected president of the Farmers Bank and T. O. Mork, vice president.

### H. H. Heineman Heads Merrill Bank

Merrill—H. H. Heineman has been elected president of the Citizens National Bank to succeed the late George A. Foster.

### Viola Bank Elects Officers

Viola—The following officers were elected at the annual meeting of the directors of the State Bank of Viola: R. M. Ericson, president; W. J. Fishel and H. O. Wheeler, vice presidents; L. S. Griffin, cashier, and A. B. Schroeder, assistant cashier.

### Etrick Banks Merge

Etrick—The Bank of Etrick and the Beaver Valley State Bank have consolidated and are continuing business the the Etrick State Bank. Directors elected for the consolidated institution are H. F. Claussen, M. Casey, A. H. Ekern, L. K. Underheim, A. C. Hagestad, Will Melby and B. I. Enghagen.

## IOWA

### Carleton H. Miller Elected Cashier

Buffalo—Carleton H. Miller has been elected cashier of the Buffalo Savings Bank.

### E. H. Runburg Succeeds J. E. Brownlee

Davenport—E. H. Runburg has been elected cashier of the Citizens Trust & Savings Bank to succeed J. E. Brownlee who resigned recently.

### C. H. McNider Director Clear Lake Bank

Clear Lake—Charles H. McNider, president of the First National Bank at Mason City, has been elected a director of the Cerro Gordo State Bank.

### Center Point Bank Names Officers

Center Point—E. E. Bach has been elected president of the Farmers Savings Bank; J. P. Soukup, vice president; R. T. Remer, cashier, and K. F. McNiel, assistant cashier.

### J. S. Bailey Succeeds William Tener

Riverside—J. S. Bailey has been elected president of the First State Bank to succeed William Tener who has resigned from the presidency but who remains as a director.

### Cromwell Bank Renames Officers

Cromwell—The following officers of the Cromwell State Savings Bank have been reelected: E. W. Daugherty, president; D. Gault, vice president, and A. O. Cannon, cashier.

### Keokuk Bank Adds New Officers

Keokuk—Edward A. Ebersole has been elected assistant cashier, and George N. Duerkop, assistant cashier and manager of the savings department of the State Central Savings Bank. Mr. Ebersole succeeds the late Alvin Kraft.

**Dubuque Banks Consolidate**

Dubuque—The Pioneer Trust & Savings Bank and the Consolidated National Bank have been merged and are continuing business as the latter. Two directors of The Pioneer, C. W. Ziepprecht and Charles J. Schrup have become directors of The Consolidated and W. J. Grace, cashier of The Pioneer, is assistant cashier.

**NEBRASKA**

**Herbert Rhoades Appointed Director**

Tekamah—Herbert Rhoades has been added to the directorate of the First National Bank.

**Elected a Director**

Omaha—Clifford W. Smith of Boston has been elected a director of the United States National Bank to succeed the late W. Farnam.

**Charles Bonham Succeeds C. W. Tiaht**

Ellis—C. W. Tiaht has sold his stock in the Ellis State Bank to two of the bank's directors and is succeeded as cashier by Charles Bonham.

**Ulysses to Have New Bank**

Ulysses—Application to organize the National Bank of Ulysses has been made by J. J. Loughran of Ulysses. The bank is to be capitalized at \$25,000.

**William Kort is Promoted**

Ayr—William Kort, for some time connected with the Farmers State Bank, has been promoted to assistant cashier. Other officers of the bank are Heil H. Dunn, president; G. F. Kort, vice president, and J. I. Pollock, cashier.

**OREGON**

**George E. Kellough Heads Weston Bank**

Weston—George E. Kellough, president of the Third National Bank of Walla Walla, Washington, has been elected president of the Farmers Bank, succeeding George A. Hartman.

**Hillsboro Banks Consolidate**

Hillsboro—The Hillsboro National Bank and the Hillsboro Commercial Bank have consolidated and are continuing business as the Commercial National Bank of Hillsboro with a capital and surplus of \$100,000. Edward Schulmerich is president; Glenn T. Stapleton and E. I. Kuratli, vice presidents; W. C. Christiansen, cashier, and F. J. Sewell and James Wood, assistant cashier.

**CALIFORNIA**

**Ernest Holly Resigns**

Suisun—Ernest Holly has resigned as cashier of the First National Bank.

**Delano Bank Fails**

Delano—The First National Bank capitalized at \$100,000 has been closed. It had deposits aggregating about \$500,000.

**Alden Anderson Succeeds Walter Bassett**

Sacramento—Alden Anderson has been elected president of the Capital National Bank to succeed the late Walter Bassett.

**Concord Bank is Sold**

Concord—The Bank of Italy has purchased the Bank of Concord. It also purchased the First National Bank and its branch at Bay Point.

**Jesse B. Alexander a Director**

San Francisco—Jesse B. Alexander, a director of the Citizens National Bank and Citizens Trust & Savings Bank has been elected a director of the Federal Reserve Bank of San Francisco.

**First National, Ocean Park, Bought by California Bank**

Ocean Park—Interests affiliated with California Bank of Los Angeles, purchased the control of the First National Bank of Ocean Park. Five officers of California Bank were elected to its directorate, including A. N. Kemp, chairman executive committee California Bank; George A. J. Howard, Henry J. Engelbrecht, G. L. Alexander, and H. E. Hudson, vice presidents of California Bank. With the exception of the addition of new directors, the personnel of the First National Bank of Ocean Park will remain the same.

**ILLINOIS**

**Princeton Bank Appoints Assistants**

Princeton—Theodore Roene and Pearl Knueden have been elected assistant cashiers of the Farmers National Bank.

**J. A. O. Preus Elected a Director**

Chicago—J. A. O. Preus, former governor of Minnesota, has been elected a director of the new Congress Trust & Savings Bank.

**Raymond F. McNally Goes to Chicago**

Chicago—Raymond F. McNally, formerly vice president and cashier of the National Bank of Commerce, St. Louis, has been elected vice president and a director of the National Bank of the Republic.

**First National Adds Two Vice Presidents**

Chicago—At a recent meeting of the board of directors of the First National Bank James P. McManus and Alfred B. Johnston were elected vice presidents. Both were promoted from assistant vice presidencies.

**BANKING NOTES**

**Wisconsin Banker Dies**

Palmyra, Wisconsin—Henry C. Stacey, president of the Farmers State Bank, died recently.

**L. E. Southwick Passes Away**

Lincoln, Nebraska—L. E. Southwick, a director of the Lincoln Joint Stock Land Bank and the National Bank of (Continued on page 42)

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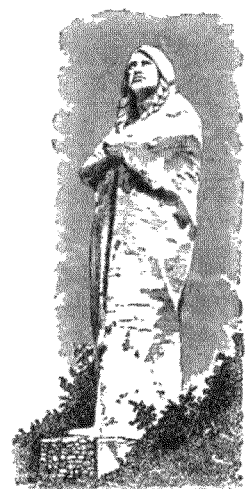
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Ar. Chicago . . . . 6:55 a. m.

**North Coast Limited**

Lv. Minneapolis . . . . 8:30 p. m.  
Lv. St. Paul . . . . 9:30 p. m.  
Ar. Chicago . . . . 9:25 a. m.

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Lv. St. Paul . . . . 8:00 a. m.  
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## American Bankers Association Issues Bank Insurance Guide

A comprehensive treatise on bank insurance intended as a guide book for members of the American Bankers Association has been issued by its insurance committee, bringing out the coverage now enjoyed under the most dependable forms of contracts including those copyrighted by the association. It also instructs bankers how to get the maximum benefit from their various insurance contracts, especially directing attention to risks not covered under a number of forms. The text, prepared in narrative form by James E. Baum, secretary of the committee, says in part:

"Every bank or trust company is confronted with insurance problems involving serious risks that are peculiar to banking. In addition to the risks common to all forms of business, banks and trust companies are exposed to unusual dangers, by the mere fact that their possession of a large supply of money, securities and other valuable presents greater temptations to those unable to resist the lure of easy money. Unexpected and burdensome loss, as through dishonest or criminal acts, plus the imperative need of preserving good will, forces upon every bank the question of how best to protect its depositors and stockholders.

"Beyond all other means of loss prevention, the insurance committee of the association has always advocated the broadest possible insurance. In view of the increasing variety of policy forms being sold, the committee deems it advisable to give member banks an outline of the most desirable forms of essential insurance available, with a brief explanation of the protection afforded by each contract.

### More Flexible Fidelity Insurance

"As early as 1899 the association recognized the need of a broader and more flexible form of fidelity insurance for banks and that year copyrighted its first 'standard form, fidelity schedule bond,' which was subsequently revised, the present bond having been copyrighted in 1913. It has endured the test of experience and has proved more satisfactory to banks than other fidelity forms. As a fidelity bond for banks that do not carry a bankers' blanket bond this form has met the demands of changing conditions and remains the most popular contract for banks and underwriters alike. Under licenses granted by the American Bankers Association it is written at uniform rates by the 44 companies listed in the booklet.

"Second only in importance to bank fidelity insurance, the need of protection against loss from burglary and robbery is self-evident. Since 1911 the American Bankers Association copyrighted burglary and robbery policies have enjoyed wide usage among banks, trust companies and other financial institutions, either as contributing or excess insurance. To meet changing conditions, the association has copyrighted standard forms of burglary and robbery policies successively in 1911, 1914, 1918, 1920, and 1925. This policy gives specific insurance as to dates and amounts and binds the insurer 'to pay, rather than indemnify, for loss sustained by burglary from within a specified safe or vault or robbery of money and securities feloniously abstracted during the day or night' from within the assured's premises as specified. Damage to money and securities or damage, except by fire, to the premises, vaults, furniture and fixtures, caused by burglary or robbery, is also covered.

### Copyrighted Policy Forms

"Licenses to write the association's copyrighted form of burglary and robbery policy have been issued to 48 companies. It has been singled out by the National Bureau of Casualty and Surety Underwriters as the only burglary and robbery insurance contract for its member companies to write for banks. Written at reduced cost, it has also proved attractive as excess coverage over blanket bonds of \$50,000 or more, thus giving primary damage protection to the premises that is not covered in blanket bonds.

"Against banks daylight robbery, commonly known as holdup has become a most frequent form of robbery, having long since exceeded burglary in the number of attacks and amount of loss, but of all the hazards that con-

cern bankers none are more serious than risks attending the transfer of funds and securities outside the premises. A special form of policy is written to indemnify for all loss by robbery committed between 7 a. m. and 7 p. m. of money and securities outside the assured's premises."

The pamphlet discusses other policies as issued by various companies covering safe deposit box burglary and robbery, registered mail, forgery, and alteration of checks, securities blanket bonds and bankers' blanket bonds. Of this last it says:

"The introduction of bankers' blanket bonds marked the greatest advance toward meeting the needs of banking for protection under a single policy that would include the different risks common to banking and also extend the coverage on each risk to the full amount of the bond. In addition to Lloyd's policy, there are now four standard forms of bankers' blanket bonds written by the American companies. Because their titles imply safety through blanket protection is no reason for bankers who carry blanket bonds to lull themselves into a sense of false security, confident that their policy covers every hazard of banking. Each bond varies as to the spread of insurance thereunder and its premiums are correspondingly graduated." The treatise analyzes those bonds in detail, giving a comparative summary of the exclusions "as a precaution against misplaced confidence as to the extent of protection given by each form."

The booklet also discusses insurance against losses from fire, explosion, riot and civil commotion, public liability, boiler explosion, elevator accidents, compensation for injured employes, automobile mishaps and windstorms.

### WOULD CHANGE INTERNAL REVENUE BUREAU RULING

New York—Twenty or more prominent casualty companies of the country will seek to have the general counsel of the Bureau of Internal Revenue reverse his recent ruling prohibiting the inclusion of reserve funds in computing invested capital, which ruling, if it stands, will subject the companies to a heavy additional tax.

In citing article 870 of regulations 45 as amended by Treasury decision 3153, wherein it is provided that the reserve funds of insurance companies, other than life, may be included in computing invested capital, the general counsel, in his opinion rendered the latter part of last year, held: "Invested capital is an arbitrary statutory concept. Its statutory definition is both exclusive and inclusive. The only items that are permitted to be included are: (1) cash or property paid in for shares, (2) paid in surplus, and (3) earned surplus and undivided profits exclusive of profits or undivided profits earned during the year. Insurance reserves are not paid in for stock, nor to create a paid-in surplus, hence article 869 of regulation 62 can only have intended that they should be included if and to the extent that they represent earned surplus."

The interests of the casualty companies have been entrusted to Prof. T. S. Adams of Yale University, admittedly the foremost authority on taxation in the country. A graduate of Johns Hopkins University, Professor Adams for a time occupied the chair of economics in the University of Wisconsin, later being called to the same department of Yale. During the early days of the late war he was one of the advisors on taxation to the Treasury Department, and has been consulted by the taxation committees of both houses of Congress.

The fire and the surety companies as well as the casualty office are concerned in the present tax problem, though not to such degree, many of the fire companies having signed waiver.

### GRAY COMPANY SECURES NORTHWEST AGENCY FOR STANDARD ACCIDENT

The Fred L. Gray Company, of Minneapolis, has been appointed general agent and Northwestern manager of the Standard Accident Insurance Company, of Detroit.

The Gray agency is one of the oldest casualty general agencies in the country and has grown to be one of the largest and best known. For the past two years it has represented the Standard Accident for fidelity and surety lines and now takes that company for all casualty lines as well, resigning the representation of the London Guarantee & Accident Company which it has held since 1892.

### Bank Credit Not Over-Expanded

Dr. Lewis H. Haney, director of the Bureau of Business Research of New York University, in his monthly analysis of business conditions states that his studies show the volume of bank credit to be in good adjustment with the requirements of industry and trade.

His statement is as follows: "In view of arguments that have been made concerning a possible overextension of bank credit, I have checked up on the trends in recent years and conclude that, judged by the volume of business, the total amount of bank credit at present is reasonable. I do not undertake to pass judgment on the character and liquidity of bank assets, but it is clear that the total volume of bank credit seems conservative.

"As a measure of bank credit I use both total loans and discounts and total loans and investments of the member banks of the Federal Reserve System. As a measure of business I take railway freight tonnage, multiplied by the Bureau of Labor statistics index of commodity prices, and also take total bank debits, in both cases eliminating the merely seasonal changes. A comparison of the two sets of data leads to the following conclusions: Bank credit is almost exactly in line with the estimated value of freight traffic; bank credit is a little under the average relation with bank debits that has existed during the last six years; bank debits, this is, the volume of checks drawn, which have been in excess of the physical volume of trade for over a year on account of the high level of speculative transactions and retail trade, were less in excess during the last quarter of 1926 than in any quarter of the year.

"The method of comparison used in this study was as follows: A six-year average of each series of monthly data and on these bases as 100, index numbers were constructed which show the percentage of variation from the average. In September, 1924, all the series come nearly together, the value of freight tonnage being 103, bank debits 102.9, loans and discounts 102.2 and loans and investments 102.6. In December, 1926, we find that while the indexes of bank credit were only about 117 the indexes of trade were 122 in the case of the value of freight tonnage, and 127 in the case of bank debits.

"At no time since early 1922 has bank credit been out of line with business requirements except possibly during two or three months in the middle of 1924.

"Since early in 1922 the value of freight tonnage has increased 60 per cent. and bank debits 68 per cent., while bank credit has only increased about 36 per cent."

Dr. Haney concludes: "While it may be that the banks are unduly involved in stocks and bonds and the financing of instalment paper, the total volume of credit is certainly reasonable."

### NEW YORK FEDERAL RESERVE BANK ADOPTS UNIFORM CHECK

New York—The Federal Reserve Bank of New York has adopted the recommendations for standardized size and style bank checks formulated by the Bureau of Standards of the United States Department of Commerce. A letter sent by Benjamin Strong, Governor of the Reserve Bank, to all banks and trust companies in the Second Federal Reserve District urges general use of the standards.

The sizes recommended are as follows:

Bank drafts, certificates of deposits, cashiers' checks, special or individual checks, customers' drafts, notes, trade acceptances, voucher checks, collateral notes, special notes, when folded and other similar instruments, 3% by 8 1/4 inches.

Deposits slips, 3% by 6 1/4 inches, or multiples of 6 1/4 inches.

Customers' checks, counter checks, 3/16 by 8 1/4 inches. Pocket checks, 2% by 6 1/4 inches.

Governor Strong's letter says the standard form will eliminate much waste if banks and others will cooperate. Some of the advantages cited are that the plan saves money by reducing clerical personnel saves paper by cutting from standard size stock without waste; eliminates misunderstandings and inconveniences; saves time in filing, finding and handling while being checked, and eliminates wasted filing space through uniformity of size.

The Reserve Bank is adopting the recommendations with respect to its own checks and those furnished to member banks, and Governor Strong adds, "We believe that all banks will find it likewise to their advantage to follow the standards recommended and also encourage such of their customers as print their own checks to adopt these standards."

1899	JOHN H. GRIFFIN, PRESIDENT	1927
<b>NORTHWESTERN FIRE &amp; MARINE INSURANCE CO. MINNEAPOLIS, MINN.</b>		
January 1st, 1926		
Assets .....		<b>\$2,061,361.50</b>
Liabilities .....		<b>769,125.72</b>
Cash Capital .....		<b>400,000.00</b>
Reinsurance Reserve .....		<b>684,422.21</b>
Surplus to Policyholders.....		<b>607,813.57</b>
<b>Writing</b>		
<b>Fire—Tornado—Lightning—Hail</b>		
<b>Automobile—Rents—Use and Occupancy</b>		
<b>Insurance</b>		

# Yes

"See to it that the other fellow gets the bargain in all dealings with us" has been our 36-year-old policy. Our service does not end with the delivery of the policy. It functions with efficiency and speed in the adjusting and paying of every claim. Its inspection lessens the probability of losses. Its engineers reduce the rates and improve the coverage. Our large organization gives skilful and technical counsel on all insurance matters. It pays to insure with

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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.

## PURCHASER AT FORECLOSURE CANNOT RESTRAIN MORTGAGOR HARVESTING GRAIN SOWED AFTER SALE

Editor Commercial West:

When first real estate mortgage is foreclosed in the month of June, owner having one years time to redeem same, can mortgagor sow the land into crops and harvest same though the time for redemption has expired?

STATE BANK, . . . . ., MINN.

### ANSWER

This question here raised goes directly to the fundamental principle of property law relating to the character of growing crops. In many jurisdictions it has been popularly supposed that only natural fruits of the soil were part of the real estate and passed with the real estate upon conveyance but the sounder doctrine and the one existing in Minnesota is that farm products and crops at least until severed and even after ripening are a part of the real estate and pass with the conveyance of real estate to the grantee.

The Minnesota decisions upon the question above raised are interesting in that they illustrate a clash of public policy with a sound law of property and as usually is the case the decisions held to the public policy involved. The theory of title under mortgages in Minnesota is that legal title remains in the mortgagor throughout the period of the mortgage even after foreclosure sale and up to the time when the period of redemption of one year expires. Therefore, there is no question or hesitancy on the part of the Courts in deciding that crops planted and gathered before the expiration of the year of redemption belong to the mortgagor. One would naturally expect, however, that when legal title actually passes as it does upon expiration of the year of redemption that any crops then growing upon the land passes to the purchaser at the foreclosure sale.

In a curiously interesting group of decisions the Supreme Court of this State has managed to decide the questions on other grounds or to circumvent the property law in order to hold that the mortgagor who plants crops before the expiration of the period of redemption is nevertheless entitled to the crops although not harvested nor even ripened until after the expiration of the year of redemption.

For instance in *Mitchell vs Tschida*, 71 Minnesota 133. An action in replevin is brought to recover certain crops that had matured after the expiration of the period of redemption. The question arose as to who was the owner in possession of the crops thus grown. The Court is very frank to state:

"We are of the opinion that this case can be properly disposed of without passing upon the question of the mortgagor sowing seed upon the mortgaged premises before the time for redemption expires and when the crop is immature at the time of the expiration of redemption whether he is entitled to the crop or not."

They immediately proceeded to decide the case upon other grounds.

In the next case of *Marks vs. Jones* of 71 Minnesota 136, the plaintiffs were the purchasers at a mortgage foreclosure sale of a certain farm on July 21, 1895. The defendant went into possession in the spring of 1896 under lease of owner of equity of redemption and sowed grain which was not fully matured when the date of redemption expired. He thereafter continued in possession and the plaintiffs brought an action against him to recover possession of the farm which he defended and proceeded with the work of harvesting the crops with the declared purpose of disposing of them for his own use. An attempt was made to enjoin him from harvesting the crops. The in-

junction was denied by the Lower Court and affirmed by the Supreme Court which said:

"Where the mortgagor or his tenant remains in possession after the period for redemption has expired and harvests the crops the authorities are not agreed as to whether the purchaser at the sale may maintain replevin or trover therefor. We need not and do not decide this question, nevertheless this action to enjoin the defendant from removing or disposing of the crops cannot be maintained. The plaintiffs have a complete and adequate remedy for an action at law, if, as claimed, they own the crops."

They then proceeded to decide the injunction upon the ground that it would deprive the defendant of all substantial benefits of his possession without any corresponding benefit to the plaintiffs and they say:

"If the injunction issued, they could not enter and harvest the crops, and certainly the defendant would not do so for their benefit, when his control and disposition of the crops was taken away. In such case the function of the injunction would be the same as that of the dog in the manger."

The action was properly dismissed for want of equity.

In *Aultman vs. O'Dowd*, 73 Minnesota 58, the Supreme Court again very interestingly held that where a mortgagor or his tenant remain in possession after the expiration of the redemption period and harvests a crop sown prior to the expiration of such a period, he is entitled to the crop, at least if the purchaser at foreclosure sale remains inactive.

The above cases are set out in detail for the reason that it is not possible to give a definite opinion of what the Supreme Court would really decide if they were forced to make a decision upon the plain and clear cut issue of the title to the crops. The personal reaction of the writer, however, to the above decisions is that in every case possible the Supreme Court would strain itself in order to permit the mortgagor to harvest and take the benefit of crops planted before the expiration of redemption and harvested after the period of redemption had expired and as first suggested the reason for this attitude can be attributed to the broad public policy of a great agricultural state which considers it highly desirable that land be constantly under cultivation. Perhaps again this frame of mind can be attributed to a doubtful equity in that to hold otherwise and deprive the mortgagor of the benefits and fruits of his labors and investment made upon the property during the period in which he held legal title.

### CERTIFICATE OF DEPOSIT "PAYABLE SIX OR TWELVE MONTHS AFTER DATE" WITH INTEREST AT FOUR PER CENT

A customer of this bank deposited some money in the Becker County State Bank of Lake Park, Minneapolis, on December 22, 1925. He received from the Becker County State Bank a regular Certificate of Deposit—which certificate provided that he would receive this sum six or twelve months after date, with interest at 4 per cent. This certificate would then be due on June 22, 1926, or December 22, 1926.

On June 29, 1926, our customer deposited this certificate in another bank. This latter bank did not present the same for payment until December 22. I would like to know if it was not incumbent upon the latter bank to present the same in due time, immediately after its receipt on June 29. I would also like to know if this paper would be considered past due paper—after June 22, or is not the same due and payable any time after the six months period? If the certificate of deposit is not presented for payment promptly on June 22, is it then considered twelve months paper or is it due and payable any time after June 22?

FIRST NATIONAL BANK, . . . . ., MINN.

### ANSWER

References made to this in Patton's Digest, Volume 2, Section 296A, in which the writer states that the proper construction of an instrument so worded is that it matures



twelve months from date; but the date of maturity could be abbreviated and certificate be made to mature at the expiration of the six months period at the option of the payee. However, the holder of an instrument cannot require payment or maintain an action until the expiration of the time fixed unless he is given an option to do so. In the instant case the holder had the option of demanding payment at the expiration of six months and failing to exercise such option the certificate did not mature until twelve months from date and no causes of action were to rise on it until its maturity. Citizens State Bank of Los Angeles vs. Jones, 121, California 30-58 Pacific 354, Moore vs. Oncilly 42 Arkansas, 163, Zachey vs. Brown, 17 Arkansas 442.

There are two popular misconceptions of the making of an instrument payable as the one above referred to. Uniform negotiable instrument law requires an instrument in order to be made negotiable must be payable at a definite fixed time but following upon the case of Snyder vs. Peterson, 114 California 900-210 Pacific 960 in which the co-partnership in its employing the above company it was definitely and unequivocally decided that an instrument payable like the one above was not uncertain or indefinite as to time and hence was negotiable. Following upon that decision the Courts generally have accepted the negotiability of instruments and treated them as being payable at the last date with the option of presentment on any of the intervening dates specified.

The second misapprehension of the legal effect of such an instrument is a popular one and treats the instrument as being payable at six months and if presentment is not made at that time then it is considered a demand instrument from then on. The fallacy of this interpretation lies in the fact that the twelve months period stated would be absolutely meaningless for if it became a demand note after six months it would be a demand note thereafter. This misconception is probably due to a courtesy on the part of many banks to make payment upon certificates of deposit any time after the first mentioned period regardless of whether the presentment be made at the specified periods or between those periods. It is our opinion, however, based upon the cases above cited that the banks would be legally justified in refusing payment unless demand were made upon the dates specified.

The question raised in the last paragraph of the above letter would, therefore, be that inasmuch as presentment was made on the expiration of the six months period or June 22 but in the absence of instructions to the latter bank it could rightfully be presumed that the payee of the certificate of deposit not only did not intend to make presentment until the expiration of the twelve months period but could not have done so if he had desired.

\* \* \*

#### LIABILITY OF BANK IN CASHING CHECKS SIGNED BY AGENT IN REPRESENTATIVE CAPACITY

I

Section 20 of Uniform Negotiable Instruments Act: "Where the instrument contains or a person adds to his signature words indicating that he signs for or on behalf of a principal or in a representative capacity, he is not liable on the instrument if he was duly authorized."

Brannon, Page 164—"The plain language of this section indicated that it was the intention of the draftsman and the commissioner to clear up the necessary and unpardonable confusion caused by the failure of some of the courts to exercise a little more common sense and to recognize mercantile usage. Much of the difficulty found on this subject is purely manufactured and would not trouble a business man for a moment. He would perceive no difference between notes signed, 'The X Company, by A, President', 'The X Company, A, President, or A, President of the X Company.'"

Mr. Brannon then goes on to say that most courts have construed the act in this reasonable manner, though some, probably not including Minnesota, have made a distinction. It seems, therefore, that under a reasonable interpretation of this act now enforced in Minnesota, that there is no distinction between "X, Attorney for John Brown,"

(Continued on page 42)

#### NEW NORTHWESTERN PATENTS

The following patents were issued February 1, 1927 to Minnesota and Dakota inventors, as reported by Williamson, Reif & Williamson, patent attorneys, 925-935 Metropolitan Life Building, Minneapolis:

Leonard E. Aske, Duluth, Minn., electric heater or vaporizer; Oscar N. Bratvold, Wayzata, Minn., hydraulic drive; Frank L. Holman, Minneapolis, movable live fish container; Edwin D. Hooley, Minneapolis, bathhouse for cage birds; Joseph D. Johnson, Leola, S. Dak., disk cultivator; Benjamin Knight, Winona, Minn., golf putter guide; Chas. E. Luedtke, Chatfield, Minn., shears; Walter J. Maddrell, Minneapolis, heat generating apparatus; John McCoy, St. Paul, traffic signal; Ralph V. Palmer, St. Paul, Internal-combustion engine; Darwin D. Parks, Staples, Minn., cording attachment for sewing machines; George T. Parr, St. Paul, powder pad; Glen Roberts, et al. Minneapolis, screw clamp; Hugh E. Shedd, Minneapolis, calendar; Richard W. Smiley, Morgan Park, Minn., marking stake; Henry W. Wilson, Duluth, Minn., rolling-mill housing; Engebright Winden, Willmar, Minn., radiator shutter; Arthur N. Wreissner, Dassel, Minn., hen roost.—(Advertisement.)

#### Patent and Trademark Lawyers WILLIAMSON, REIF & WILLIAMSON

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

#### LEGAL DECISIONS

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

#### WEST PUBLISHING CO.

ST. PAUL, MINN.

#### ANNOUNCEMENT

On January first the Williams Stationery Company was consolidated with the Farnham Printing & Stationery Company, and the combined business will be operated from that date as the Farnham Printing and Stationery Company.

The increased and improved facilities which these two well-known firms will offer to the public in the Stationery, School Supply, Office Furniture, and Printing business will be second to none in the Northwest.

The entire official and sales organization of both companies will be retained, and both stores will be operated for the present. Your previous habits of doing business with either firm will be in no wise disturbed, and you may deal with the same representatives through whom you have formerly been favoring us with your patronage. The old telephone numbers of both companies will be continued. Use either Atlantic 4980 or Main 0426.

We respectfully ask you for a continuation of your appreciated business and propose to render you the highest type of service from every department of our organization.

Respectfully,

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415 Hennepin Avenue

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Minneapolis

## Easy Money and Speculation

Plethora of money is not an unmixed blessing. One of its influences is toward speculation of some one kind or another. It is a constant force in that direction. When repulsed in one quarter it seeks opportunities elsewhere. Business refused to speculate in commodities and afterwards in inventories after the recovery from the 1920-21 troubles, although plenty of funds had been made available. The natural inclination to take chances had been pretty well blotted out in that direction by the experiences in the after-war boom. Then, too, in the last two years or so, prices have been falling and some credit for moderation must be given to this. There is no inducement to speculate in commodities in a steadily falling market. Rising commodity prices might have evolved a different situation.

The taste for speculation, however, was not dead. Easy money began to push itself into real estate. The land boom developed and finally climaxed in Florida. Meantime, speculation was extant to a considerable extent in building construction. This still exists and is leaving its marks. The security speculation of 1925 and 1926, while it developed under the pressure of easy money, was after all moderate when we consider the history of such speculations in the past. It is still existent and has not yet culminated.

There is another quiet and insidious temptation offered by too much money and credit and which has been detected by keen observers who devote their attention to the obverse side of things.

This is the possibility, in the great rush of business and demand for things, which has characterized the panorama for two years or more, that abundant funds and easy credit may tempt increase in production and in production-equipment, or manufacturing plant, to a point in some lines beyond any possible capacity for consumption. This evil of oversupply of plants is akin in effect on business to inflated inventories. This kind of thing happened in 1907 when the boom in building furnaces, and steel factories, induced at first by great demand for iron and steel, was carried so far that long after the consumptive demand for other things had slowed down, the demand for iron and steel to build new iron and steel furnaces, kept the boom going and feeding on itself until it reached the bursting point.—The Bache Review.

## Better Collection Methods Urged By Credit Men

An appeal for practical, sensible and saving policies in the collection of receivables, which will cut down the waste that is now a tax on business and save deserving debtors who need but good counsel in order to get over the rough spots of business, was made in a declaration adopted at a recent meeting of the credit policies and methods executive committee of the eastern division, National Association of Credit Men.

"In no function of the credit department is there a finer field for improvement and economy than in the function of collecting receivables," says the declaration, which was made public by J. H. Tregoe, executive manager of the association.

"There is a too strong inclination, discernible in many directions, to confine credit department activities to merely mechanical functions," the declaration continues. "The chief purpose and value of the department is to conserve profits, and this is accomplished by prudent discrimination in the selection of credit risks and the collection of receivables at a minimum cost and shrinkage.

"Whenever a receivable does not liquidate at its full value, then some profit has been lost; and without the exercise of hardheaded common sense in the collection of receivables the debtor may be unnecessarily injured.

"It is the sense of this committee that the collection methods of credit departments at the best are susceptible of improvement, and that too frequently unnecessary costs are incurred by failing to apply sensible methods in the collection of receivables.

"When an attorney is resorted to and the attorney is known only to a forwarding agency and not to the credit

department, is it not *obvious* that a lack of direct control may encourage abuses of accounts, causing losses to creditors and damage to debtors?"

"Receivables represent value conveyed to debtors. Receivables are, therefore, property and should be treated as property. Many millions annually are sacrificed by unsystematic and lax methods in the collection of receivables. Unless we exercise the judgment and economy necessary to a well-conducted credit department, every dollar unnecessarily lost impeaches the intelligence of the department and clearly indicates that good methods are not used."

## Realty Financing in January Sets Record

New York—Real estate mortgage bond financing in January broke all previous records, according to statistics compiled by the Building Economic Research Bureau of the American Bond & Mortgage Company, which show that new issues underwritten and offered by leading investment houses during the month aggregated \$96,163,500. This total is \$38,725,500 larger than the volume for December, 1926.

"The huge increase in realty security offerings is largely due," it was stated, "to the fact that many of the larger houses closed loans in the later part of 1926, but withheld them from public offering until January. The former high record for this type of bonds was established in June, 1926, when new offerings and underwritings totalled \$86,244,000.

"The demand continues strong for new construction financing. Fewer applications, however, are being received from speculative builders, and there are good indications that the speculative tendency is on the decline. Builders now seeking to start new structures are first assuring themselves of the necessity of the proposed project and the prospects of its producing an adequate rental income."

Analysis of the Bureau's figures, which covered bond issues of \$65,000 upwards, showed that January financing was distributed in 127 issues and used for new construction in 35 cities throughout the country. Of the total amount, approximately \$42,200,000 was underwritten on office buildings, \$33,371,000 on apartment houses and apartment hotels, while the remainder was used for financing hotels, theaters, club buildings, and various types of commercial and semi-commercial structures.

New York led the country with 38 new issues, aggregating \$32,589,000. Of this amount there were 29 issues totaling \$15,194,000 secured by apartment houses and apartment hotels, and \$17,395,000 for office buildings and various types of commercial and semi-commercial structures. Chicago was second, with a volume of \$17,777,000 and Los Angeles, third, with \$3,925,000.

All underwritings were widely distributed and nearly 50 per cent. of the new financing is being used for building apartments, hotels and commercial structures in the smaller cities of the country.

## PEOPLE OF UNITED STATES SPENT \$550,000,000 DURING 1926 FOR RADIO EQUIPMENT

Radio listeners in the United States spent \$550,000,000 for radio parts and equipment during 1926, H. H. Cory, secretary-treasurer of the Federated Radio Trade association declared at a meeting of the Business Forum of Minneapolis, February 2.

"There are about 22,000 receiving sets in Minneapolis alone," Mr. Cory said. "With these sets, there are about 90,000 listeners. In the Ninth Federal Reserve district there are today about 400,000 receiving sets, and last year more than \$28,000,000 was spent on radio goods in this district."

## HUDSON MOTOR CAR COMPANY OUTPUT

Detroit—Hudson Motor Car Co. has entered on the largest manufacturing schedule for February in its entire history, with a daily output of 500 Hudsons and 700 Essex.

In January 12,000 Essex cars were shipped. The new Hudson Super-Sixes went into production February 1. The 500-a-day schedule on Hudsons is the largest in the company's history. Many factory departments have gone on a two-shift-a-day basis.

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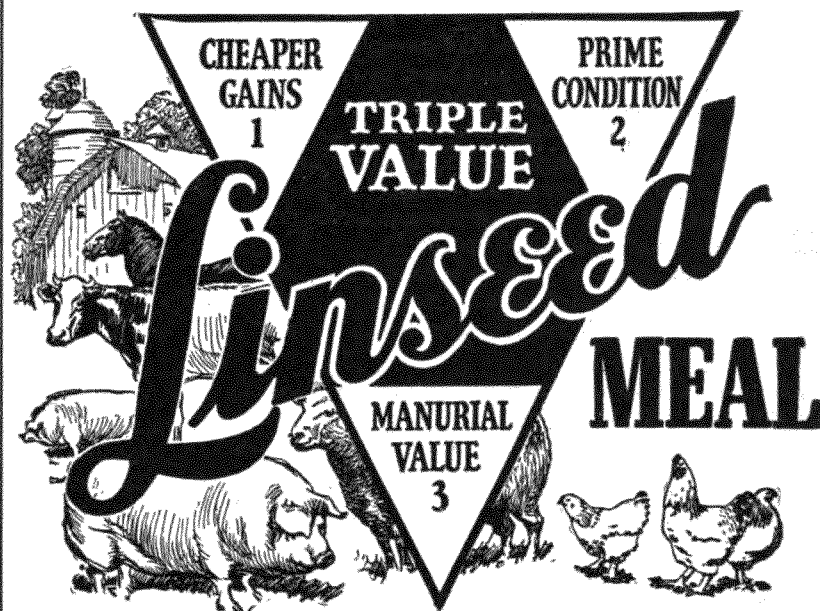
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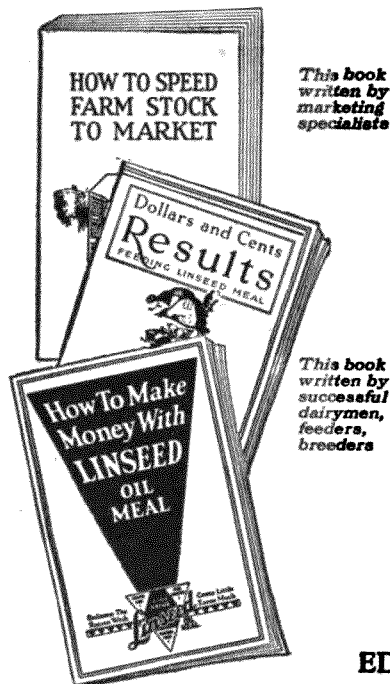
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## How North Dakota's Highways are Aided By Gas Tax

Williston—Exhaustion of Federal funds available to aid construction of the North Dakota highway system was one of the most significant events of 1926 from a good roads standpoint, according to H. C. Frahm, chief engineer of the North Dakota highway department.

The other, Mr. Frahm said, was the increase of the state gasoline tax from one cent a gallon to two cents a gallon.

Until 1926, he said, the state had never used all of the Federal aid money available. Last year, however, balances from previous years were exhausted and future work must depend on the annual appropriations only.

A financial statement shows that Federal aid available in 1927 totals \$1,469,981.32, while the estimated state revenue is placed at \$2,263,720.14. Against the estimated state revenue, however, must be placed \$1,405,782.69, which must be spent for expenses other than new contracts. When the latter figure is deducted from the total state revenue, he said, only \$857,937.45 of state money is left for new road construction contracts.

"The Federal funds are fixed for 1927 and are definite to the exact cent," Mr. Frahm said. "The state funds are perhaps conservatively estimated, but on the other hand they may not be. They are based on the 1926 receipts for the reason that car sales have shown a falling off during the last six months. To estimate the usual increase would not be safe.

"The state funds will be only slightly in excess of the amount required to meet Federal aid on the basis we are working, 50 per cent. Federal, 25 per cent. state and 25 per cent. county. This is important at this time when separation of the counties from state road work is being considered. Should the counties be relieved from their 25 per cent. contribution, the highway commission must be provided with other funds or construction be slowed up, which in view of the present demands would be very undesirable from your standpoint as well as ours.

### Present System Can Be Improved

"The present procedure of having three governmental departments, the Federal, the state, and the county, attempting to cooperate can be improved. The state highway commission should be in the best position to determine the state's interests in the designation of the projects, not only as to location but also the sequence of building.

"A limiting mileage of state roads has been fixed by statute in other states. South Dakota has a limit of 6,000 miles although the Federal seven per cent. allowance would permit considerably more than that. Our own Federal mileage, 7,434 miles, is more than ample for the activities of the state highway commission; perhaps too large, and beyond that the counties should take up the work. Our designations are now within 100 miles or so of the Federal limit and further additions must be rather of local interest, except for certain desirable cut-offs, relocations and shortening of the routes. A statute limiting the mileage tends to force the construction of the principal routes more rapidly than where there is no limit to the secondary routes which may be added and to which funds may be diverted. Good roads everywhere for everybody, but the most important ones first.

"Federal regulations require us to follow grading with gravel surfacing within a reasonable time. We have completed 2,746 miles of grading and 1,335 of that has been graveled. There are undiminished contracts of 677 miles of grading and 140 miles of graveling which will bring our total to 3,423 miles graded and 1,475 miles graveled. This spread between the grading and graveling cannot be increased without Federal objection. Adopting a policy of an equal amount of grading and graveling for next season will permit construction of about 520 miles of each. The average cost of grading in 1926 was \$3,104.13, including bridges and structures complete. The average cost of graveling was \$2,018.35 per mile. This is slightly less than the average for 1925 when the averages were \$3,380.56 and \$2,271.82."

### GUARANTY FUND COMMISSION INSPECTOR DEFINES "MONEY"

Bismarck—What constitutes "money or its equivalent" in so far as the state guaranty fund commission is concerned recently was explained to a senate committee by F. W. Cathro, guaranty fund commission inspector.

Explaining that it has been the practice of the commission to reject claims based on other than bona fide deposits in banks, Cathro said: "The law provides that money or its equivalent must be deposited in a bank in order to create a deposit eligible to the guaranty of deposits act. What is money or its equivalent? Clearly a note given for the purchase of oil stock is not money or its equivalent and a note given in settlement of any other account is not money or its equivalent. Notes, however good, are not the equivalent of money. Therefore a note exchanged for a certificate of deposit has not been the placing of money or its equivalent in the bank.

"Money consists of gold, silver and all forms of legal tender currency. The equivalent of money includes bank drafts, cashiers checks, postoffice, express and bankers money orders, travelers checks, matured certificates of deposit and other forms of common mediums of exchange which are payable on presentation instantly, in fact, instruments convertible into cash at the place of payment on a moment's demand.

"Elevator cash tickets, creamery checks, drafts drawn payable upon demand against commodities of trade in transit or in storage where the commodities may be sold instantly for market value may properly be considered the equivalent of money. School warrants, city warrants, county and state warrants under present law, which merely have to be presented to the proper treasurer in order to receive a check therefor may well be considered as cash for such items are almost always so certain of payment when presented under our present law that in substance they may be considered the equivalent of money.

"School warrants, city warrants, county and state warrants under the old law which provided for registration in the event the treasurer did not have the funds on hand to meet them, were not the equivalent of money.

"Deposits of documents, credits, instruments or other forms of property is not the equivalent of money. The commission is not concerned with what the law ought to be but only with what the law actually is. It is not the privilege of the commission to change or amend the existing law. The commission holds that the legislature meant what it said when it enacted the law."

Cathro's explanation came in response to questions concerning the reason the commission disallowed certain claims which had been presented by persons who sought relief from the guaranty fund law. In many cases, he explained, the deposits consisted of credits or items other than money or its equivalent and could not, therefore, be allowed.

### DAIRYING IN NORTH DAKOTA

Minot—In the last 10 years, the volume of butterfat shipped from cream stations in North Dakota increased 548 per cent., or from 5,500,000 to 31,500,000 pounds, according to data gathered by Minot creamery men.

This tremendous gain is "just a start" according to the prediction of these same men, and more than any possible arguments, show the trend to diversification in North Dakota and its natural talent for the dairy business.

In the same time the number of creameries increased from 35 to 60 and the number of cream stations from 90 to 1,850. Meanwhile, the amount of butter made in North Dakota by creameries increased from 3,250,000 pounds to 32,300,000 pounds, according to the same statistics of Minot creamery men. In terms of money this last named increase means a jump from a \$1,500,000 industry to a \$15,000,000 industry.

In this 10 year period, the number of dairy cows in the state jumped from 220,000 to 350,000.

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## Increasing Number of Visitors to South Dakota is Predicted

Murdo—Towns and cities along the Custer Battlefield Hiway leading west through South Dakota are making plans for the entertainment of the heavy tourist traffic which is expected during the season of 1927, according to the reports of N. F. Browning, field secretary of the highway.

Mr. Browning has given talks at a number of the towns along the line, including Kennebec, Presho and Murdo. It is understood that plans for a modern tourist park are underway since his address at Kennebec. In all the places, he said, the business men showed great interest in the prospects for the year.

The speaker predicted that there will be a far greater number of visitors coming to South Dakota this year than ever before, this being judged by an estimate at the home office of the Hiway at Mitchell, using the number of inquiries about the C. B. H. and South Dakota scenery upon which to base the estimate. It is said that during past years this method has never failed.

"There are unlimited numbers of people in the eastern states who have never seen the real West except as portrayed on the motion picture screen," Mr. Browning declared. "Many have been for years planning a trip into this scenic country, and this year finds a larger number of them in readiness to make their pilgrimage here.

### DATES FOR 10 FAIRS IN SOUTH DAKOTA ARRANGED

Aberdeen—Dates for 10 fairs in the northern counties have been set by fair association secretaries. An outgrowth of the schedules may be a horse and auto racing circuit in northern South Dakota, Secretary Lee Truman of the Aberdeen Tri-State fair declared.

Dates for the fairs follow:

August 18 and 19, Roscoe; August 23 and 24, Selby; August 25, 26 and 27, Eureka; August 30, 31 and September 1 and 2, Aberdeen; September 5, 6 and 7, Lemmon, September 8, 9 and 10, Britton; September 8, 9 and 10, McLaughlin; September 12 to 17, state fair, Huron; September 19, 20 and 21, Milbank; September 22, 23 and 24, Webster; September 27, 28 and 29, Clark.

### NORTH DAKOTA STATE BANK DEPOSITS DECREASE

Bismarck—Total deposits in state banks on December 31, 1926, were \$69,613,143.02, the abstract of all bank reports, issued recently by the state banking department shows.

This is a decrease of \$7,747,387.82 since the last report on October 16. The December 31 report, however, lists the status of only 406 banks and three trust companies, whereas in October there were 478 banks and four trust companies reporting deposits of \$86,350,627.97.

The total assets and liabilities of reporting banks balanced at \$81,988,115.65 on December 31 last. On October 16 they balanced at \$89,637,625.93 and on December 31, 1925, at \$100,498,910.45.

Since October 16, 1926, loans and discounts decreased \$5,266,482.95 and since December, 1925, the decrease was \$8,218,526.07.

The present report shows a total of \$9,866,803.45 due from approved reserve agents. This is a decrease of \$811,798.24 since October 16 and a decrease of \$5,713,479.75 since December, 1925.

### NORTH DAKOTA LIGNITE SEEN AS ENGINE FUEL SUPPLY

Fargo—Fuel supply for farm machinery is one of the problems which is confronting the North Dakota farmers, according to Thomas F. Kane, president of the University

of North Dakota. The solution as to the problem of a new supply apparently lies in North Dakota's 6,000,000 ton lignite production, according to Dr. Kane. It is believed that the lignite may be coked and also that it may be liquified, thus giving farmers a fuel for their binders.

### AGRICULTURAL EARNINGS IN BRITISH COLUMBIA

Victoria—Agriculture is outdistancing mining and lumbering as British Columbia's principal industry. Farm output of the province this year will reach a value of \$50,000,000, according to a review of the department of agriculture.

Mixed farming, the review points out, has been a factor in pushing agriculture to the fore. Live stock and dairying, it is estimated, will account for a value of \$25,000,000, or about half the total farm output. Dairying has made remarkable progress in the Okanagan Valley which has until recently been almost exclusively a fruit growing area.

Production of fruit will have a value of \$10,000,000 this year. British Columbia will lead the Dominion in apple output with crop estimated at 1,208,500 barrels, compared with 850,570 barrels in 1925. Pear crop is forecast at 100,000 boxes.

Field crops, grain and vegetables will be worth more than \$15,000,000. Greater diversity of farming, it is said, can be followed in British Columbia than in any other area in Canada, due to the extreme mildness of climate and the varied conditions of the soil. With farming and fruit growing developed to a high point in the southern sections of the province, settlement in recent years has been heaviest in the Bulkley and Nechako valleys of the central part, where live stock raising, grain growing, and dairying are followed successfully.

### IMMIGRATION TO CANADA IN 1926

Ottawa—Immigration to Canada for the calendar year 1926 amounted to 135,984, compared with 84,907 for the calendar year 1925, an increase of 60 per cent. This information is made public in an official statement by the Department of Immigration and Colonization today.

During the year just ended 48,819 British immigrants arrived in Canada. The number from the United States was 20,944 and from other countries, 66,221. A substantial increase over 1925 occurred in each of these three general classifications.

Immigration for December amounted to 5,415 of which 1,275 were British, 1,058 from the United States and 3,082 from other countries. The figures for December 1925, were British 982, United States 1,049, other countries 1,972, total 4,003.

Canadians who had gone to the United States with the intention of remaining there permanently, and who returned to Canada during the year declaring their intention of now remaining permanently in Canada, totalled 48,601. The number of such returning Canadians in December was 3,289, of whom 2,855 were Canadian born citizens, 275 were British subjects with Canadian domicile, and 159 naturalized Canadians with domicile.

### CARS MADE IN DETROIT IN 1926 WORTH \$2,632,250,000

Detroit—A survey made by the convention and tourist bureau of Detroit shows that 3,420,000 cars were produced in Detroit in 1926, the largest production ever recorded in this city. This production represents an estimated retail value of \$2,632,250,000.

In 1916, approximately 942,000 cars were turned out in Detroit, at a market value of \$665,507,000. This figure today would be surpassed by the production of three Detroit factories alone.

# Montana's Cooperative Marketing Bodies Do Lively Business

Bozeman—Farmers' cooperative marketing organizations sponsored by county agents did a \$2,000,000 business in the state last year, according to a summary of marketing activities compiled by Fred Bennion, county agent leader. Sales of live stock, wool, poultry, butter fat, alfalfa seed, seed potatoes and grain totalled approximately \$1,750,000 and pooled purchases of explosives, twine, gypsum, sacks, insect and rodent poisons, and other supplies, approximated \$250,000.

Live stock marketed through cooperative shipping associations had a total value of almost \$750,000. The Prairie County Shipping Association was the leader in this activity, handling more than \$200,000 worth of live stock. The Blaine County Association handled live stock valued at \$150,000, the Hill County Association, \$100,000, and the Teton County Association, \$100,000. Pondera, Valley, Sanders, Custer, Daniels and Gallatin counties also operated live stock associations last year.

During the year almost \$400,000 worth of wool was handled through cooperative wool pools, located in Stillwater, Gallatin, Sanders, Judith Basin and Hill counties. Stillwater County was the leader in wool shipments, the fleeces sold through the county shipping association having a value of \$284,000.

Poultry marketing organizations are the most popular form of cooperative marketing associations, 11 counties having such organizations last year, selling products valued at \$185,000. Since these figures were compiled early in December the bulk of last season's shipments, which were made just before the Christmas holiday, was not included in the total. Of the total as shown in the report, Pondera marketed poultry products valued at \$87,000; Blaine County, \$18,500; Hill County, \$16,900; Judith Basin, \$16,000, and Stillwater County, \$12,224. Other counties with poultry marketing associations were Prairie, Flathead, Yellowstone, Cascade, Chouteau, Daniels and Gallatin.

Other county and local cooperative marketing associations marketed butter fat values at \$68,878; alfalfa seed, \$148,060; seed potatoes, \$45,300; grain, \$205,000 and other products, \$19,352. It is estimated that farmers saved \$175,000 last year through the operation of these associations.

## MONTANA'S DAIRYING OUTLOOK GOOD

Helena—Although farm prospects in general are somewhat unfavorable, unless acreages are reduced, Montana producers of beef cattle, hogs, sheep and, to some extent, dairy and poultry products, have reason to be optimistic, according to the annual report of J. C. Diamond, agricultural statistician of the United States Bureau of Agricultural Economics here.

Beef cattle are expected to continue the upward swing in price started in 1922 on prospect of materially smaller market supplies in 1927 compared with 1926 and about the same domestic demand as last year.

The dairy industry nationally is considered to be on a stronger basis than a year ago.

## HYDRO-ELECTRIC POSSIBILITIES IN MONTANA

Butte—Chas. W. Towne, publicity director of the Anaconda Copper Mining Company, and the Montana Power Company, recently addressed the Butte Kiwanis Club on the hydro-electric possibilities of Montana. Mr. Towne, who knows his subject thoroughly, stated that the potential water power of the country was 34,818,000 horse power and of this 2,550,000 horse power is located in Montana. The potential water power of Montana is exceeded only by the states of Washington, California, Oregon and Arizona. Montana's principal water power sites are found along the Missouri and Clark's Forks rivers and their tributaries. There has been developed in this state 360,000 horse power of which Montana Power Company has developed 313,000. The latter company holds 120,000 of undeveloped horse power for future requirements. Since 1912 Montana's popu-

lation has increased 50 per cent. and water power developments have increased 250 per cent. Steam power in Butte formerly cost \$125 per horse power a year but this has been replaced with electric power costing from \$35 to \$50 per horse power a year. Montana leads the nation in steam railway electrification, now having 530 miles of electric trunk lines installation. At this writing mining and reduction enterprises of Montana consume more than 150,000 horse power. Montana Power Company has 45,000 lighting customers, 5,000 electric range customers and 2,000 power customers. Mr. Towne stated that average consumption of electric energy in a home is 32 kilowatt hours per month, which at present rate, costs \$2.28.

## MONTANA'S WAR ON BARBERRY GETS RESULTS

Bozeman—Since the beginning of the barberry eradication campaign in Montana in 1918, almost 12,000 common barberry bushes have been located and destroyed, according to a report by W. L. Popham, in charge of barberry eradication in the state. The plant is a host of the rust fungus which causes black stem rust of wheat and other grains, says Mr. Popham, and a concerted effort is being made throughout the spring wheat belt and other western states to remove all barberry bushes, thus preventing the tremendous losses in grain which are traced directly to this cause.

In the 10-year period starting with 1915, it is estimated that black stem rust caused a loss of almost 15 million bushels of wheat in Montana, an average of a million and a half bushels per year, says Mr. Popham. In 1916 it is estimated that rust destroyed 180,000,000 of grain in the states producing spring wheat with much of this loss coming in the states of Montana, Minnesota, North and South Dakota.

In the eradication campaign in the state, the entire eastern half of the state has been covered with a farm-to-farm survey and some of the important wheat growing areas west of the mountains as well. Only the counties of Lincoln, Glacier, Toole, Sanders, Missoula, Powell, Lewis and Clark, Granite, Ravalli, Deer Lodge, Silver Bow and parts of Beaverhead and Lake Counties remain to be surveyed. The work will be pushed to completion as rapidly as possible, advises Mr. Popham.

## MONTANA BEET GROWERS RECEIVE \$3,712 BONUS

Forsyth—Beet growers in the Cartersville irrigation district in Rosebud County, Montana, have received a bonus of 50 cents per ton from the Holly Sugar Company, which contracted the 1926 crop at \$6 a ton. The total crop last year in the district was 7,425 tons, or 11 tons to the acre, on the 675 acres devoted to the beets. The bonus will give the growers an additional \$3,712.50, or a total of \$48,262 for the entire crop.

## NORTHERN PACIFIC TO SPEND \$250,000 IN IMPROVEMENT IN MONTANA

A quarter of a million dollars is to be expended in improvement work on the Rocky Mountain division of the Northern Pacific Railway during the next few months. Tentative approval of work to this amount has been received here, Superintendent J. H. Johnson announces.

## 1926 COAL OUTPUT RECORD

Washington—Coal produced in the United States in 1926 amounted to 663,290,000 tons the Bureau of Mines estimated today, revealing that the total was exceeded only in 1918, when war demand was at its peak, and the output was 678,211,000 tons.

Of the 1926 production, 578,290,000 tons was bituminous and 85,000,000 anthracite.

Despite the high rate of production, deaths from mine accidents dropped off slightly in 1926. There were 3.78 deaths for each 1,000,000 tons of coal produced, as compared with 3.84 deaths for 1925.

# "The Romance and Tragedy of Banking"

By Thomas P. Kane

There is much romance in banking, if it is considered as the work of men, instead of as dry statistics and statements. The author writes the history of the National Banking System, which served the United States well for over fifty years, before the passage of the Federal Reserve Act, as a series of biographies of the Comptrollers of the Currency who administered the system.

He tells, particularly of the great bank failures since the Civil War, and their causes. The history of crime is not only interesting; it is instructive. For the banker, who knows how other banks have been looted in the past, is fortified against similar attempts against his bank.

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### Loans Less Liquid than Formerly

A decline in the proportion of loans and investments of national banks which at present are suitable for rediscount at the Federal Reserve banks was the subject of an address recently given by B. M. Anderson, Jr., economist of the Chase National Bank of New York, before Group VI of the New York State Bankers Association.

The percentage of loans and investments of national banks which can be taken to the Federal Reserve banks for rediscount or as collateral for loans has declined since 1923, said Mr. Anderson. For the United States as a whole, the figures stood at 37.05 per cent. on June 30, 1923, and at 30.98 per cent. on June 30, 1926; for New York City, the drop has been from 38.62 per cent. to 30.32 per cent.; for Chicago, from 405 per cent. to 31.38 per cent.; for country banks generally, from 35.07 per cent. to 30.27 per cent.; and for country banks in New York State, from 31.59 per cent. to 24.22 per cent. These figures are not alarming, but they do call for study, and they particularly suggest that individual banks should examine their own figures with reference to the tendency in question.

The prudent banker gives daily consideration to his reserve position. It is not enough that his assets should be sound; it is also necessary that a high percentage of his assets should be liquid. He has constantly to consider two questions, (1) whether he is able to meet all demand or short notice calls from his depositors for cash, and (2) whether he is prepared to expand loans to meet the legitimate needs of his borrowing customers. If he has made too many slow loans, even though they are good loans, or if he has tied up too large a proportion of his funds in investments which, while good, are not readily marketable, he may find difficulty in doing one or both of these things.

These figures are not alarming, though they do show a tendency which ought to be watched and checked, Mr. Anderson said, in summing up his discussion. There has

been a great expansion of bank loans, discounts and investments in recent years. Unneeded by commerce, this expansion has gone preponderately into real estate loans, investments in securities, stock and bond collateral loans and finance paper representing instalment buying. When a bank goes too far in these directions, the ability of its Federal Reserve Bank to help it is restricted, and the Federal Reserve system may be unable to help it adequately in time of emergency.

The averages still present figures which we may view without undue concern, but it must be remembered that the averages are averages and that they are made up of some figures which are much higher and of some figures which are undoubtedly lower than the average. The individual banker, therefore, does particularly well to examine at frequent intervals his portfolio and investment list with reference to the question of how much he has that the Federal Reserve Bank can take.

### VALUE OF ANIMALS ON FARMS

Washington—Total value January 1, 1927, of all farm animals was \$5,076,605,000, against \$5,005,096,000 on January 1, 1926 and \$4,675,640,000 on January 1, 1925.

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### Commercial Notes on Canada

Trade Commissioner Lynn W. Meekins, Ottawa, writing to the Department of Commerce says:

"Although Canada's foreign trade during the calendar year 1926, valued at \$2,292,281,000 has been exceeded in only three previous years, decreased values since 1920 make it reasonably certain that the 1926 volume was the largest ever attained. The increase of \$118,989,000 over 1925 was due to the remarkable advance in imports, they having aggregated \$1,008,342,000, in contrast to \$890,193,000 during the preceding year. Imports increased principally because of the much heavier requirements of Canadian industries for raw and partly manufactured materials, but a general expansion in the purchasing power of Canadian consumers was an important factor. Domestic exports showed a slight valuation decline to \$1,268,582,000 from the 1925 total of \$1,270,987,000. The export volume was affected by the industrial difficulty in Great Britain, which country took smaller quantities of agricultural products from Canada, and by the extremely high ocean freight rates, accompanied by the diversion of vessels to the coal trade during the latter part of the year.

The Shoe Manufacturers Association of Canada has filed an application with the tariff advisory board for an increase of 7½ per cent. in the present import duty on British footwear and for a radical revision of the customs act to keep out shipments of job lots from the United States. Free entry of slipper cloth of camel hair, wool, and cotton when imported by manufacturers, is also asked.

"The Canadian newsprint mills operated during December at 92.4 per cent. of their rated capacity. The year's output was 1,882,000 tons, an increase of 24 per cent. over 1925. The first pulp and paper mill in the Prairie Provinces (located at Pine Falls, Manitoba, 90 miles north of Winnipeg), commenced manufacturing on January 17.

"It is reported that legislation providing for the payment by the Dominion Government of a bonus of 70 cents per ton on coke produced in Canada from Canadian coal will be considered at the approaching session of Parliament.

"The Retailers Clothiers Association of Ontario decided at a meeting this week to apply for the removal of the sales tax on all wearing apparel.

"The recent visit to Canada of the Premier of New Zealand and the recent visit to Cuba of the Canadian Minister of Finance are expected to result in negotiations

for commercial treaties between Canada and those two countries.

"The principal food products in storage in Canada on January 1 show large increases in most cases over the same date in 1926, with the exception of eggs, evaporated milk, and apples, stocks of which are considerably smaller.

"Imports of eggs from the United States have been reduced by the imposition of the Canadian dumping duty upon shipments invoiced at more than 5 per cent. under the customs valuations established January 10, which was 45 cents per dozen on shipments direct from producing markets and 48 cents on others. As a result Canadian prices have advanced from 3 to 5 cents and a strong demand has been created for supplies from British Columbia, the only Province where production is active at this season.

#### Wheat Exports

"The December exports of wheat, 44,879,000 bushels, brought the total for the first five months of the 1926-27 crop season to 139,515,000 bushels. As compared with the last comparative periods, the respective decreases were 21 per cent. and 15 per cent. The Alberta wheat crop in 1926, 113,120,000 bushels, averaging 18½ bushels per acre, was the second largest on record for that Province. The Peace River district, with an average of 20 bushels per acre, surpassed all previous years. December exports of flour, 885,000 barrels were 15 per cent. smaller than in the last month of 1925.

"Security prices were higher during the week ended January 15, the index number being 220.8 as compared with 218.0 for the preceding week. Marked increases occurred in both the volume and the value of sales.

"The employment level throughout 1926 was higher than for any year since 1920, with a monthly average of 807,342 workers. Logging was the only activity that showed a decrease; there were phenomenal gains in construction work and in trade.

"The aggregate of building permits in 63 Canadian cities in 1926, with a total authorization value of \$156,304,000, reached the highest point since 1913. The 1925 total was \$125,029,000. The index number for the wholesale prices of building materials fell from 153.7 in 1925 to 149.2 in 1926. The marked expansion of winter construction is shown by the value of building authorized by permits issued in December, \$11,472,000, an increase of 15.1 per cent. over November, 1926, and of 55.8 per cent. over December, 1925. In Quebec the December gain was no less than 134.7 per



cent., and Montreal reported the largest total for any month of 1926 and the highest total for December since 1910.

"Unusual construction, manufacturing and railway activity during 1926 stimulated the production of pig iron to 737,500 long tons, an increase of 29 per cent. over the 1925 total; but the output of steel ingots and castings, 776,890 tons, advanced only 3 per cent. The lower prices prevailing restricted the returns to the domestic industry. In December 53,971 tons of pig iron and 58,493 tons of steel ingots and castings were produced.

"The production value of the Canadian fur goods industry in 1925 was \$14,143,000, an increase of 15 per cent. over 1924.

"Canadian canal traffic in 1926 aggregated 13,478,000 tons, representing a decrease of 653,000 tons from 1925, on account of late opening and the early closing of navigation in comparison with the previous year. United States wheat shipments, however, were about the same as in 1925."

#### AMERICANS LIKE CANADIAN POTATOES

Ottawa—Fifty years ago last fall the first shipment of potatoes from eastern Canada was exported to the United States. It was sent in secondhand double-headed flour barrels by Samuel Dayton, of New Brunswick to O'Connor, and Judge, produce commission merchants, of New York City. The routing of that shipment of 12,100 bushels in 1876 was by rail from Fredericton, N. B., to Boston, and from there by ship to New York.

Since then potatoes from the Maritime provinces of Canada have been in increasing demand by American buyers. Last year the three Canadian provinces on the eastern seaboard—New Brunswick, Nova Scotia, and Prince Edward Island—exported 6,077,372 bushels of potatoes, 3,933,556 of which went to the United States. Of the 1926 exports to Uncle Sam from the Maritime provinces, New Brunswick shipped 2,571,128 bushels, Prince Edward Island 1,318,540 bushels and Nova Scotia 43,888 bushels. So important is the potato export trade in New Brunswick, which last year totalled over four million bushels, that potatoes make up the principal commodity of freight handled by the railways in that province.

While most of the Canadian potatoes bought by the United States are for table use, thousands of bushels of certified seed potatoes find a ready market, particularly in the southern States, where the Canadian product is in demand by growers because of its excellent quality and virility.

#### CONSERVATION OF CANADA'S FORESTS

Montreal—Conservation of Canada's forests through development of more efficient methods of manufacturing pulp and newsprint paper will be undertaken by the Canadian Pulp and Paper Association which announced plans for the erection here of a \$350,000 research laboratory.

"Future advance of the industry depends on the progress made in working out improved methods of manufacture," says the announcement. "Pulp and paper making is becoming more efficient, but greater saving of timber can be effected and more economic methods of manufacture devised. In the last six years the output of paper has increased by 66 per cent. and of pulp by 44 per cent., while the consumption of pulpwood has increased only 37 per cent.

"Research work at the new laboratory will be supported by McGill University and the Forest Products Laboratories of Canada. Results of successful experiments in timber saving will be applied to practical conditions in the industry. Special apparatus and experimental machinery will be installed. Utilization of wood in the manufacture of artificial silk will be studied.

"Pulp and paper manufacturing has developed in the last decade to the first among Canadian manufactures in the value of production. It ranks second only to agriculture in its contribution to the Dominion's foreign trade. Investment in the industry totals more than half a billion dollars. Six out of the nine provinces now produce pulp

or paper. Value of exports last year totaled \$154,555,951, of which 90 per cent. went to the United States."

#### PITTSBURGH BANK MERGER

Pittsburgh—Bank of Pittsburgh N. A. and the Columbia National Bank of Pittsburgh will be merged as of March 7. The new institution will retain the name of the Bank of Pittsburgh N. A., which was established in 1810 and is the oldest bank west of the Alleghany Mountains. Total deposits will be \$65,000,000 and capital and surplus will be \$6,000,000.

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A tireless worker, in prime of life, and willing to prove my worth. Will consider auditor country banks, representative, assistant or secretary to executive or manager and other responsible positions. Interview feasible. What have you to offer? Address "M66" Commercial West.

## RECENT LEGAL DECISIONS AND QUESTION BOX

(Continued from page 38)

and "X as Attorney for John Brown," or "John Brown by X, his attorney." In each case there are very plainly added to the signature words which indicate a representative capacity. Therefore, in this instance, if X, Attorney for John Brown is sufficient, then X, as Attorney for John Brown is also valid.

### II

In considering the question of whether or not the attorney actually has authority to endorse a check, there is no conflict in the law which holds that it is incumbent upon the bank to establish that authority. The authority to endorse an instrument, which I herein refer to, is not to be confused with the authority to receive payment on a claim. Where the check is made payable to X, Attorney (or, as attorney) for John Brown, he undoubtedly has authority to indorse the instrument.

Brannon, Page 470, R, a Lawyer, had in defendant bank two deposit accounts, one in his individual name and the other in his name as attorney. He deposited in the attorney's account a check payable to 'R, attorney for C. Company,' and afterwards overdrew the account. Held that if R did not alter a check payable to the C Company so as to make it payable to himself, the bank was not liable to the C Company. Since the check was deposited in the attorney's account its form did not put the bank on inquiry as to the ways the funds were disbursed. Semble; even if the check had been deposited to his individual account the bank would not have been liable. *Charleston Paint Company vs. Exchange Packing & Tie Company*, 129 S. C. 290, 123 S. E. 830."

In this case, assuming that the agent did not have authority to receive payment of the money for his principal, the loss would have clearly been charged to the maker or drawer, who manifestly assumed that the agent had authority, and could not be charged to the bank, which honored the endorsement which actually corresponded with the name of the payee. The situation would have been different, however, had the check been payable to the C Company and the indorsement read "C Company by R, Attorney."

Brannon quotes another case in which a check was payable to A, Agent and was deposited to the payee's individual account and checked out by him, and in which the bank was held liable to the principal. The court said that the word "agent" meant the same thing to the endorsee bank that a red flag beside a railroad track means to the engineer of an approaching train, or what the sound of a distant foghorn meant to a befogged mariner. *Mitchell vs. First National Bank*, 263 S. W. 15.

It seems to the writer that the whole question resolves itself into this: If the agent's name does not appear as payee, then his authority to endorse must be strictly verified and established or then the bank will be liable for honoring his endorsement. If, however, the payee is X, Agent for or Agent as, then no liability can attach to the bank for honoring the indorsement unless the money is absolutely deposited to an individual account. It seems that in the latter instance the only duty upon the bank is not to disregard any apparent indication of bad faith or

irregularity. In honoring the indorsement for cashing the check or for depositing it to the agency account, they are only obeying the instructions of the maker, and if the agent had no authority to receive the check, then the loss is on the maker and not upon the bank.

## NEW BANKS AND CHANGES

(Continued from page 29)

Commerce died recently. He was also president of the First National Bank of Friend.

### Minneapolis Bank Increases Capital

Minneapolis—At a special meeting of the board of directors of the Central State Bank, the capital was increased from \$50,000 to \$100,000. A new \$100,000 building is being completed and will be ready for occupancy about March 1.

## SALE OF THE CHICAGO, MILWAUKEE AND ST. PAUL RAILWAY

Sale of the Chicago, Milwaukee and St. Paul, and the Chicago, Milwaukee and Puget Sound Railway properties, recently consummated at Butte, Montana, has been approved by decrees of confirmation entered in all judicial districts in which the properties are represented. The action of Judge Goddard in signing the decree in New York City late Friday evening, February 4, which decree was filed Saturday morning, completes the necessary confirmation of the sale and thus makes it possible to begin execution of the foreclosure proceedings.

Because of the railroad's wide-spread property holdings in 11 states it was necessary to secure confirmation of the sale in four judicial circuits by the Federal Courts at Minneapolis, Minn., Great Falls, Mont., Grand Rapids, Mich., and New York City.

Edwin S. S. Sunderland of New York City represented the Guaranty Trust Company of New York and Merrel P. Callaway, as trustees for the road, in presenting the petitions for decrees of confirmation.

The first confirmation decree was entered by Federal Judge James H. Wilkerson at Chicago on January 19, in whose Court the railway receivership proceedings began almost two years ago.

Following Judge Wilkerson's decree, the United States Circuit Judge Wilbur F. Booth at Minneapolis entered a decree confirming the sale of the properties included in the Eighth Judicial Circuit which embraced holdings in the states of Iowa, North and South Dakota, Missouri, Nebraska, and Minnesota. On January 29, Honorable Charles N. Pray entered a similar decree confirming the sale of property the Ninth Judicial Circuit which included Montana, Idaho and Washington. At Grand Rapids on February 2, Judge Raymond Confirmed the sale of properties in the Sixth Judicial Circuit which includes the state of Michigan.

Judge Goddard's action in New York on February 4 marked the final judicial step in confirming the sale to the Chicago, Milwaukee and Pacific Railroad Company, the assignee of the purchasers, Messrs. R. T. Swaine and D. C. Swatland, the incorporation organized under the Kuhn, Loeb & Company, National City Company Plan of Reorganization.

# Review of the Live Stock Markets

By United States Bureau of Agricultural Economics and Minnesota Department of Agriculture

South St. Paul, February 8, 1927—Opening to a strong market in which all classes with the exception of low grade she stock and bulls shared in the advance, the market today reacted when outside reports showed heavy runs and uneven downturns. Locally supplies were light and buyers were only able to enforce a steady to weak deal, but with any appreciable increase in receipts for the remainder of the week all indications point toward unevenly lower prices. An additional bearish factor in the present situation being the sluggish dressed market.

Top heavy weight steers weighing in the neighborhood of 1280 pounds scored at \$9.75, best yearlings \$9.25, other desirable offerings selling between this price and \$8.75. Bulk of the steer crop has cleared at the \$7.50 to \$8.75 range with common kinds down to \$7.00 and below. She stock closed on a weak footing today with cows and heifers selling for the most part at \$5.00 to \$7.00, cutters from \$4.00 to \$4.50, while bulls dragged along at the \$5.50 to \$5.85 range.

The vealer market has worked lower in line with outside conditions this week, downturns for the two days averaging around \$1.00 or more when compared with last Friday. The range for good light droves at present is from \$12.00 to \$13.50, with the bulk on packer account from \$12.00 to \$12.50.

Stocker and feeder output here this week has been of moderate dimensions and in consequence price levels are showing little if any change from those which prevailed at last week's close. Some few lots of meaty feeders have sold upwards to \$8.00 or more, however, for the general run of the crop, it is largely a \$6.25 to \$7.50 market for steers and a \$4.25 to \$6.25 trade on cows and heifers.

For the period extending from a week ago, the tendency in the hog division has been fully steady. The opening market of the present week ruled mostly 25c or more higher, but the advance was entirely wiped out on Tuesday's session when most outside market news had a lowering effect here. This places the market about on a steady level with a week ago with bulk of the butcher and bacon hogs on an \$11.60 to \$11.75 basis with sorted kinds suitable for shipping purposes upward to \$11.90. Most of the packing sows cleared at \$10.50 to \$10.75. Desirable pig weights were cleared at \$12.50 largely, with strongweights mostly at \$11.90.

The fat lamb market has been on the upward trend for the period and figures mostly 50c higher than a week ago, while fed ewes are strong to 25c or more higher. Best fed lambs sold at \$13.00, with natives around \$12.50 to \$12.75, heavy lambs around \$10.00 to \$10.50 or better and culls mostly \$8.50 to \$9.75. Inferior and low grade lambs have sold around \$5.00 to \$7.00. Best fed ewes reached an \$8.25 top with strongweights at \$6.50 to around \$7.00 or better, and culls and low grades \$2.00 to around \$4.50. Several sizable strings of range feeding lambs have sold at \$12.60 to \$12.75, with a few lots of natives around \$10.00.

## CHICAGO

Chicago, Illinois, February 8, 1927—The bloom which developed throughout last week on steers and yearlings is gradually disappearing this week, the close today finding heavy weights barely steady, while light and medium-weight kinds are fully 15 to 25c under the windup of a week earlier. Resistance of big killers toward higher asking prices accounted for much of the present downturn, this in turn reflecting the dull outlet for the dressed product at the present time. Shippers continue fairly active buyers for anything on the weighty order, however, such kinds remain scarce.

Top bullocks went to shippers at \$12.75, these originating in an Iowa feedlot, and while of choice quality, were not fully finished. Most of the weakness developed on offerings selling around \$10.50 and down in the heavy-weight division and as comparable grades of yearlings

were absent there was no dependable criterion for the market on such kinds. Low grade steer offerings did not show much price change as with feeders in the market to replenish their stocks of fleshy offerings around the \$8.00 to \$8.50 levels, killers were forced to compete in order to supply the apparently unsatiable demand for cheap beef. She stock trade reflected a very uneven tendency, cowstuff grading medium to good, which was in light supply, showing but relatively little price change, while all heifers together with low grade offerings cleared on a 15 to 25c lower market, the former class showing the maximum loss. Most fat cows landed within a price range of \$7.00 while heifers were taken around \$6.50 to \$8.25. Cutters from \$4.50 to \$4.85. The bull market centered around the \$6.25 to \$6.60 spread, while the veal crop cleared on a 25 to 50c higher market, or from \$12.00 to \$13.50.

Most thin steers on country account showed but minor price changes if any, the meagre quota offered clearing largely at \$6.75 to \$8.00.

The hog market at Chicago has shown some rather strenuous fluctuations during the period under review but averages around 25c higher. Light and mediumweight butchers have shown the most advance with heavy butchers being on a steady to strong basis, while packing sows remained about steady. Pigs have advanced around 25c on the more desirable kinds also.

Recently bulk of the 140 to 200 pound averages cashed at \$12.15 to \$12.35, with most 210 to 240 pound weights at \$12.05 to \$12.15, while bulk of the 250 to 310 pound averages cleared at \$11.90 to \$12.00. Packing sows sold largely at \$10.85 to \$11.10, choice pigs brought up to \$12.35, with bulk at \$12.00 to \$12.25.

Better grade lambs worked upward mostly 25c during the past Tuesday to Tuesday period with best cashing at \$13.35, bulk at \$13.00 to \$13.35, with heavy lambs at \$12.85 to \$13.15. Woolled culls cleared at \$10.50 to \$11.00. Fat ewes were 25 to 50c higher with best quoted at \$8.90, bulk of the desirable kinds cashing at \$7.75 to 8.75. Good feeding lambs were salable around 25c higher with best stopping at \$13.60, bulk desirable kinds \$12.75 to \$13.15, mediumweights and good heavies \$12.25 to \$12.50.

## SIoux CITY

Sioux City, Iowa, February 8, 1927—The hog market closed mostly 15c lower with the quotable range from \$11.50 to \$11.90, bulk \$11.60 to \$11.75. Packing sows cleared at \$11.00 to \$11.35. The cattle market was mostly on a steady basis with fed steers and yearlings listed at \$7.50 to \$11.50, fed heifers and cows \$5.75 to \$9.50. All cutters cleared at \$3.50 to \$4.50, with vealers at \$7.50 to \$12.50. Feeders and stockers were quoted at \$5.75 to \$8.25, stock cows and heifers \$4.25 to \$5.00. Sheep were steady with best lambs at \$13.35, best fed ewes \$8.00.

## RETAIL TRADE CONDITIONS

Retail trade in January has continued to reflect the well distributed buying power of the country. Total volume of retail trade this far has been heavier than a year ago, although not all parts of the country are participating in the improvement. Business in the South and Middle West is said to be less active than a year ago, but declines in these districts are more than offset by increased sales elsewhere. Aggregate first quarter sales are estimated at about 3 per cent. over the first three months of last year.—W. J. Wollman & Co. Review.

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## Grain Situation and Crop Outlook

Office of Commercial West, February 9—Subzero weather visited the greater part of the Northwest the first few days of this week, 30 below being reached in Montana with from 20 to 8 degrees below in parts of North Dakota and in Minnesota. Cold weather was reported as far south as Oklahoma. What damage has been done to wintered wheat is not yet evident.

The area sown to winter wheat, which supplies about one-third of the United States wheat crop, is estimated at 41,047,000 acres by the Department of Agriculture. This is about 2,000,000 acres, or five per cent. more than sown last autumn. The condition of the crop on December 1 was 81.8 per cent. of a normal, as compared with a 10-year average of 84.4 per cent.

The low price of cotton, however, caused the conversion of some cotton acreage into that of winter wheat. Texas has sown 25 per cent. more than a year ago; Georgia 30 per cent. and South Carolina 35 per cent. Kansas, which has more than one-fourth of the country's total area, increased sowings five per cent.

Winter wheat sowings a year ago totaled 39,799,000 acres, of which 36,913,000 were harvested, producing 626,929,000 bushels or an average acre yield of 17 bushels.

Winter damage during the last 10 years has caused an average abandonment of 12.8 per cent. of the acreage sown to winter wheat, the abandonment ranging from 1.9 per cent. to 28.9 per cent. in the different years of that period.

The area sown to rye for grain last fall is 3,579,000 acres, which is 1.9 per cent. more than the revised estimate of 3,513,000 acres in the fall of 1925. The condition of rye on December 1 was 86.3 per cent. of a normal, compared with 83.8 last year and the 10-year average of 88 per cent.

The preliminary estimate of acreage of winter wheat and the condition on December 1, by important producing states, follow: Pennsylvania, area 1,039,000 acres; condition, 83 per cent.; Illinois, 2,227,000 and 71; Michigan, 958,000 and 88; Missouri, 1,619,000 and 73; Nebraska, 3,569,000 and 90; Kansas, 11,962,000 and 80; Oklahoma, 4,558,000 and 82; Texas, 2,322,000 and 85; Washington, 1,235,000 and 98; Colorado, 1,509,000 and 70.

### Wheat and Wheat-Flour Stocks

The United States Department of Commerce through the Northwest District office of the Bureau of Foreign and Domestic Commerce announces the following statistics on stocks of wheat and wheat-flour held by mills at the close of the quarterly period ending December 31, 1926. Reports were received from 868 milling companies owning or operating 1,026 mills. These mills produced 87.5 per cent. of the total output of wheat flour reported at the census of manufacturers in 1923. Only merchant mills which have manufactured at the rate of 5,000 or more barrels of flour annually have been considered. Of the 1,026 mills reporting, 11 held no stocks of wheat and flour on December 31, 1926. Data on stocks as of September 30, June 30, and March 31, 1926, and December 31, 1925 are presented for comparison.

The total stocks of wheat held on December 31, 1926, by the mills reporting amounted to 116,412,650 bushels, of which 82.4 per cent. was in private terminal elevators, in transit, and in mills and mill elevators attached to mills; 10.3 per cent. in public terminal elevators; and 7.3 per cent. in country elevators. These mills reported stocks of wheat flour in all positions—in mills, in warehouses, and in transit, sold and unsold—as 4,336,050 barrels.

### Market Review

Steadier tone to foreign markets and indications for a cold wave over sections of the winter belt attracted improved buying in the Chicago and other markets yesterday. Profit taking and selling against offers held the market in check but the undertone throughout was appreciably healthier. Late advices of snowfall in some districts of Kansas was offset by lack of snow in other sections, pre-

dictions of lower temperatures and the firm tone in Winnipeg. Liverpool closed  $\frac{1}{8}$  to  $\frac{1}{4}$  pence higher and at midday Buenos Aires had rallied  $\frac{3}{4}$  cents from the opening  $\frac{1}{2}$  cent decline. The movement of wheat to primary markets showed a moderate falling off and it is to be noted that interior markets of Kansas received less grain.

The world's available supply of wheat and flour for the last week increased 2,304,000 bushels compared with a decrease of 4,282,000 bushels previous weeks and a decrease last year of 2,307,000 bushels. The available now totals 244,534,000 bushels against 205,384,000 bushels last year. "While I am friendly to wheat, particularly July and September," writes W. E. White of the Armour Grain Company, "I believe that extreme caution should be exercised in pressing the buying side on crop-scare bulges. Immediate trend, will in my opinion be influenced to a very great extent by climatic conditions."

### Corn

A steady tone prevails in the corn market. The falling off in the primary receipts having considerable effect. The commercial demand was fair with the trading limits 1c higher to 1c lower. Shipping sales at Chicago recently totaled 39,000 bushels. Primary receipts of corn aggregated 890,000 bushels compared with 1,433,000 bushels last week and 913,000 bushels last year. Estimated receipts were placed at 77 cars.

### Oats

A firmer tone persisted in oats. Trade is of moderate volume with commission houses operating on both sides. The commercial demand was healthier with the basis steady to 1c higher. Shipping sales aggregated 64,000 bushels. Primary receipts were 518,000 bushels against 589,000 bushels last week and 508,000 bushels last year. Lean to buying side on moderate recessions.

### Rye

Averaged moderately higher in sympathy with the leading grain. The export demand for this grain was slightly improved. Pressure of rye on the domestic markets continues of moderate size. Cash rye locally a little easier.

### FLOUR MILL 1925 OUTPUT TOTALED \$1,298,000,000

The Department of Commerce announced that, according to data collected at the biennial census of manufacturers taken in 1926, the flour mills and feed mills of the United States reported, for 1925, a total production valued at \$1,298,015,000, an increase of 23.8 per cent. as compared with \$1,048,577,000 for 1923, the last preceding census year. The mills covered by this report are merchant mills.

The output of wheat flour showed a slight decrease of two-tenths of 1 per cent. in quantity—from 114,439,000 barrels in 1923 to 114,156,000 barrels in 1925—but increased in value from \$663,302,000 to \$904,972,000, the average selling price per barrel at the mill having increased from \$5.80 in 1923 to \$7.93 in 1925. The rate of increase in total value was 36.4 per cent. The output of rye flour decreased 4.5 per cent. from 1,635,000 to 1,561,000 barrels; but, as a result of an increase in the average price per barrel from \$4.11 to \$5.72, the total value of this product increased 32.9 per cent., from \$6,714,000 to \$8,923,000. The production of buckwheat flour decreased from 49,181,000 pounds, valued at \$1,920,000, to 47,565,000 pounds, valued at \$1,874,000, the rates of decrease being 3.3 and 2.4 per cent., respectively. The output of corn meal decreased from 12,155,000 to 8,903,000 barrels, and the value from \$52,011,000 to \$43,653,000, the rates of decrease being 26.8 per cent. and 16. per cent., respectively. For bran and middlings the figures show an increase of 6.8 per cent. in quantity from 4,183,000 to 4,474,000 tons, together with an increase of 15.8 per cent. in value, from \$118,011,000 to \$136,711,000.

The leading three states in this industry, both in 1925 and 1923, as determined either by total value of products or by production of wheat flour, were Minnesota, New York and Kansas.

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### Domestic Animals on Minnesota Farms

The Crop Reporting Board of the United States Department of Agriculture in its January report for Minnesota shows a decrease in all horses on farms, an increase in mules, a decrease in all cattle and all milk cows, but an increase in heifer calves being kept for milk cows. They also show more hogs and sheep on farms January 1, this year, than one year ago, according to Paul H. Kirk, Federal statistician for the Minnesota Co-operative Crop Reporting Service.

The number of all horses on farms January 1, this year, was estimated to be 810,000, compared with 827,000 on the same date one year ago. The average price per head this year is \$77, compared with \$81 one year ago.

The number of mules was reported at 14,000 with a farm value of \$78 per head, compared with 13,000 one year ago and an average price per head of \$86.

Milk cows and heifers two years old and over being kept for milk were estimated to be 1,529,000, compared with 1,560,000 one year ago. The average price per head this year was \$61, compared with \$59, one year ago.

The number of heifer calves 1 to 2 years old being kept for milk cows was reported to be 321,000 this year on January 1, compared with 300,000 on January 1, one year ago.

The number of all cattle on farms January 1, this year, was given at 2,739,000, compared with 2,853,000 one year ago. The average price per head for all cattle on farms was estimated to be \$45.70 per head, compared with \$43.15 January 1, one year ago.

Hogs on farms January 1, this year, were estimated to be 3,525,000, compared with 3,456,000 a revised estimate made by the Board for January 1, 1926. The value per head for hogs was reported to be \$17.50 for both years on January 1.

Sheep on farms January 1, this year, were reported to be 670,000, compared with 540,000 one year ago. The farm value per head January 1, this year, was reported to be \$9.74, compared with \$11.21 on January 1, one year ago.

### SEALED GRIMM SEED BEST FOR PLANTING

Too many wait until the eleventh hour to get their seed grain, legumes and grasses. A sharp demand is foreseen for alfalfa seed by A. C. Army, of the University of Minnesota. "Buy the sealed seed of the Grimm variety," he says, "and then you'll know you have something genuine, and buy it early."

In crease in the alfalfa acreage has been a standing project for several years of the university's agricultural extension service. Many agencies have co-operated with it with the result that the land planted to this legume in the state increased from 2,288 acres in 1909 to 220,256 in 1924 and alfalfa is now estimated to be growing on 300,000 acres.

### FLAXSEED PRICES

Grand Forks—Prices for flaxseed are not expected to be any higher on the average in 1927 than they were in 1926, according to Paul C. Newman of the United States division of crop and live stock estimates.

With another large crop of 69,000,000 bushels now being harvested in Argentina, the world's supply of flaxseed is approximately the same as a year ago, when that country harvested a record crop of 75,000,000 bushels.

Although the demand for linseed oil may slacken somewhat in 1927, the domestic requirements of flaxseed for all purposes are likely to remain around 40,000,000 bushels, Mr. Newman stated.

The United States flax acreage in 1926 was estimated at 2,897,000 acres, with an average yield of 6.7 bushels per acre, resulting in a crop of 19,459,000 bushels. Of this, 1,295,000 acres were in North Dakota and the production of that acreage was 7,273,000 bushels.

For the United States, a 10 per cent. increase in 1927 acreage with an eight-bushel crop would result in a crop some 14,000,000 bushels below last year's domestic consumption. Should the highest average yield on record, 9.7 bushels, be obtained, the supply still would be below domestic requirements. However, such a large crop undoubtedly would exert considerable influence on prices, Mr. Newman declared.

### CRUDE PETROLEUM OUTPUT

The production of crude petroleum, which is based on pipeline runs, again reached a new high level in December, 1926, when 72,061,000 barrels was transported from producing properties. This represents a daily average of 2,325,000 barrels which, while only a slight increase over November, is an increase over December, 1925 of 17 per cent.

Gasoline production in December reached a new high level of 27,497,000 barrels, or a daily average of 887,000 barrels. This represents a recovery from the total runs to stills of 39.4 per cent. Domestic demand totaled 21,429,000 barrels, a daily average of 691,000 barrels and an increase over the previous month of 2 per cent. and over December, 1925, of 19 per cent. This was the first time that the daily demand for December was greater than that for the preceding November.

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## Farm Bill Imparts Strength to Chicago Futures

Chicago, February 8—Chicago grain futures are higher and speculative sentiment more bullish although the volume of business on the Board of Trade is light. Favorable consideration given to the McNary-Haugen measure in the Senate supplied an incentive for constructive operations in grain futures on Saturday and September wheat rose to its highest level on the crop with most of the activity in May at a premium of  $8\frac{1}{2}$ @ $3\frac{1}{4}$ c over the July. Coarse grains were firm at the end of the week, but operations were on a small scale and the range of fluctuations narrow. There is a plan under advisement providing for the nullification of Government supervision of future trading with the view to improving operations on the Board of Trade, and there is possibility of an appeal being made to the Federal Supreme Court for a review of the grain futures act. Crop news was almost entirely favorable, the higher temperatures which cleared fields of snow and ice disclosing no damage of moment in territory of the greatest importance, and on the continent of Europe the crop situation was entirely normal. The export demand continued fairly active and on recessions considerable business was done for the account of eastern houses.

### Cotton Moving Upward

Cotton ended buoyantly on the Chicago Board of Trade, the highest quotations of the week being maintained at the end. There was considerable hedging pressure and selling by longs on the bulges was at times liberal, but improvement in the textile situation supplied the basis for constructive buying. Liverpool was firmer and reported larger sales of print cloth. Foreign buying indicated improving conditions in Europe and in the Orient, and India reported a crop failure in the South. World's production of 25,844,000 bales included 18,618,000 bales credited to the United States, comparing with 23,844,000 bales in 1925 and 21,189,000 in 1924. There has been steady accumulation for prominent textile industries and the expectation of farm legislation receiving the approval of Congress heartened holders.

### Wheat Narrowly Confined

Wheat futures moved within narrow confines during the week and the volume of business was small although export buying showed an increase when prices sagged in midweek, when the slack was also taken up in the pit and timid bears covered at the first show of recovery. Dullness of flour supplied a bearish argument as the amount of wheat ground in the first half of the current crop year by United States mills was only 4.1 per cent. more than a year ago although the wheat crop was 23 per cent. larger than in the preceding season. Murray of Clement-Curtis called attention to the census report for six months from July 1 to December 31 of last year showing that mills ground 274,024,000 bushels and produced 60,031,000 barrels of flour, comparing with 263,292,000 bushels wheat ground and 56,875,000 barrels flour produced in the corresponding period of the preceding year. Exports of flour during this period were 7,550,000 barrels against 5,410,000 barrels in the year before and assuming that total production in the next six months will be 630,000 barrels more than in the first half and exports 2,410,000 barrels more there would appear to have been retained in the country an increase of 1,490,000 barrels.

Continental and domestic reports concerning the crop were more favorable owing to the mild weather experienced, and in Russia the area seeded to winter wheat was 2.5 per cent. greater than a year ago, the largest gains being in the chief export sections, and the condition of the growing grain averaged 22 per cent. than in the past five years. Threshing in the Argentine revealed a continuance of higher yields of excellent quality, rains in India proved beneficial and Australia offered freely as the yield is now estimated at 160,000,000 bushels. World's shipments were 1,260,000 bushels larger and 3,650,000 bushels in excess of a year ago, the amount afloat for Europe gained 2,024,000 bushels, exceeding that of last year by 24,304,000 bushels and the Canadian visible was 725,000 bushels larger. The movement toward primary markets increased 943,000 bushels and was 1,574,000 bushels greater than last year for the same week, but the visible decreased 2,136,000 bushels according to Bradstreet's, leaving the total 10,493,000 bushels more than last year. In this market May ranged  $8\frac{1}{2}$ @ $9\frac{1}{4}$  over July, but No. 2 red was at a discount of  $3$ @ $4$ c under May.

### Corn Becomes Sluggish

Corn displayed a sluggish undercurrent and the support visible in preceding weeks did not appear. The Government report on the number of live stock on farms on January 1 indicated 1 per cent. less corn consuming units of stock than a year ago. The corn crop of 1926 was 9.3 per cent. smaller than in the year before, or, taking into consideration the carryover the total supply is about 5.1 per cent. less than the year before. In the previous year the ratio of corn production to live stock was 20 per cent. above the ten-year average of 1916 to 1925, while this year the ratio is about 8 per cent. above the average. There was only a moderate shipping and industrial demand, and No. 3 grades ranged  $9$ @ $11$ c and No. 4 under the May as primary receipts increased 1,922,000 bushels for the week and were 1,067,000 bushels larger than a year ago. World's shipments of 7,262,000 bushels compared with 5,076,000 bushels a year ago, the amount afloat for Europe increased 1,867,000 bushels and was 8,423,000 bushels more than in 1926 for the same week and Bradstreet's reported an American increase of 505,000 bushels.

### Oats Slip Backward

Oats were weaker under free liquidation of the May, which declined to a discount of  $\frac{1}{2}$ c under the July, and spot grades were easy. No. 2 white falling to a discount of  $1$ @ $3$ c and No. 3 white to  $1\frac{1}{2}$ @ $6$ c under the May. Primary receipts were 267,000 bushels larger, but fell 223,000 bushels under last year for the same week. World's shipments increased nearly 1,000,000 bushels, the amount on passage to Europe was 1,340,000 bushels greater, and the American visible gained 372,000 bushels, according to Bradstreet's.

Rye was comparatively firm as export buying continued with a show of briskness, Germany, Sweden, Belgium and Italy taking round lots. The visible supply increased 136,000 bushels, while the week's exports of 196,000 bushels compared with 316,000 bushels in the same week of 1926. In this country as well as Europe crop conditions were entirely satisfactory.

Provisions were weaker, lard falling back 20c, ribs 30c and bellies 10c. Hogs became easier although receipts fell off, export and domestic buying slackened and the week's exports of lard and meats fell under 1926.

With Chicago at a premium of  $8$ @ $9$ c over Toledo and Kansas City for spot wheat business here in the cash market has been rather slack.

Cash grain houses here continued to complain of the smallness of business and curtailments of office forces has been notably increasing. Some of the private wire houses have also been cutting down their staffs owing to the dullness of the market.

### Trading Shows Losses

Trading in grain futures on the Chicago Board of Trade during the past week was still smaller, the total of all grains

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

# THE QUAKER OATS COMPANY

**Buyers of Oats Corn Wheat Barley**

Mills at: Cedar Rapids, Ia. Fort Dodge, Ia. Akron, Ohio.

Address: Chicago, Ill. Grain Dept.

showing a recession of more than 12,000,000 for the week. Wheat trading fell off 10,000,000 bushels, corn 9,500,000 bushels and rye 6,000,000 bushels, while oats gained to the extent of 13,000,000 bushels.

Chicago Board of Trade memberships advanced \$200 from the last sale to \$7,100 net to the buyer.

Primary receipts of grain last week were the largest in nearly a month, the total of 17,923,000 bushels showing a gain of 3,343,000 bushels for the week and 3,566,000 bushels over last year. Chicago was the leader in receipts of oats and corn.

Favorable treatment given to the McNary-Haugen bill caused shorts to cover with freedom in the past week and resulted in outstanding accounts being liquidated on both sides of the market.

Herman G. Kallin is now connected with McKerr & O'Brien, a new firm on the Board of Trade.

S. P. Arnot of Clement, Curtis & Co., said, "Domestic wheat requirements are estimated to be about 640,000,000 bushels, based upon average statistics of the last five years. For season 1926-27 stocks July 1, 1926, 60,000,000; crop, 832,000,000; domestic needs, 640,000,000; if carryover is unchanged, 700,000,000; remains for net export for season, 192,000,000. Gross exports July 1 to January, 1927, were about 146,000,000, imports 8,000,000, making net exports for six months about 138,000,000 bushels. Exports first three weeks of January were about 10,000,000, imports 1,000,000, or net exports about 9,000,000. Some wheat of this season's crop was probably cleared for export before July 1 owing to the very large early crop in Texas. This amount is uncertain, probably 5,000,000 or more. Assuming 192,000,000 bushels exportable from the 1926 wheat crop and 152,000,000 exported to January 22, there would remain for export on that date about 40,000,000 bushels."

Joseph P. Griffin, resident member of J. S. Bach & Co., said: "Considerable buying of wheat and corn today on theory that farm relief legislation will shortly be enacted by Congress. It is our opinion that the chances are against the passage of this legislation, and it is more than probable it will be vetoed by the President if it does pass. Furthermore, there is no measure now pending which, if enacted into law, would likely have any immediate effect on grain values. In plain fact, it probably would not be operative until the next crop and then only provided it could be proven that there existed a huge surplus. Nevertheless, we grant that there is considerable buying on the theory stated. To us, this is confirmatory of the accuracy of our views; in other words, it must be conceded that the grain situation is desperately weak if it requires artificial stimulation by Congress."

F. H. Babcock of Thomson & McKinnon said: "Figures of actual and prospective exports of wheat plus home requirements, as suggested by estimates of population, depict a new picture of the wheat situation in that they promise an exhaustion of our entire surplus, which in turn prompts the question why the discounts for July and September? There is nothing in the early morning news to promise any activity today."

### THREE GREAT IDEAS OF BETTER SEED TRAIN

The Better Seed Special Train which has just completed a run through 21 counties in western and north-western Minnesota, over the Northern Pacific, the Soo, and the Great Northern roads, was trying to interest all of Minnesota's farmers in three great things:

The elimination of dockage, in part at least.

The prevention of losses caused by plant diseases.

The more economical production of better crops through the planting of tested and recommended varieties.

The 21 counties referred to in 1926 produced about 2,000,000 bushels of dockage at a total cost of about \$4,000,000. Cleaned seed, crop rotation, and careful cultivation would have done much to prevent this.

Minnesota annually pays a tremendous toll because of plant diseases, such as the smuts. A large part of this can be prevented by proper seed treatment—with copper carbonate or formaldehyde. The Division of Publications, University Farm, St. Paul, distributes without charge a bulletin telling how to treat seed.

There are certain tested and tried varieties of the major crops grown in the state, which give the best results under normal conditions. Farmers are advised to plant these. A list of them can be had, also without charge, by writing to the same place.

## Clement, Curtis & Co.

Brokers

Illinois Merchants Bank Building  
Chicago

Grain — Stocks — Cotton

## Rosenbaum Grain Corporation

GRAIN MERCHANTS

EXPORTERS — IMPORTERS

Chicago, Illinois

Cash and Futures

Private Wires

SERVICE

RELIABILITY

## LOUIS N. RITTEN

GRAIN COMMISSION

MINNEAPOLIS

DULUTH

MILWAUKEE

Since 1885

Bankers have recommended

## McCARTHY BROS. CO.

MINNEAPOLIS

DULUTH

May we serve you and your customers?

Write for sample sacks.

## ARMOUR GRAIN COMPANY

CHICAGO, ILL.

GRAIN DEALERS

FUTURES ORDERS SOLICITED

Winnipeg, Liverpool and United States Markets

CONSIGNMENTS SOLICITED

Chicago

St. Louis

Milwaukee

Minneapolis

Buffalo

## Brown Grain Co.

### GRAIN COMMISSION MERCHANTS

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

1151 Chamber of Commerce, Minneapolis, Minn.

# A Billion Dollar Business

Fifty-three thousand employes, of whom 13,000 are shareholders, helped to boost Swift & Company's sales close to the billion dollar mark in 1926, an achievement of which the company is proud.

That is just a part of the story told in the new Swift 1927 Year Book.

In his annual address to shareholders, President Louis F. Swift outlines an amazing tale of big business:

Swift & Company spent \$482,708,847 for live animals in 1926, almost a million and a half in cash each business day;

The number of animals purchased was 16,969,708;

Live stock prices averaged slightly higher than in 1925, although sheep sold for slightly less.

Payment of dividends regularly for more than 40 years has earned the confidence of the investing public, and attracted 47,000 shareholders, of whom 20,000 are women.

There are a number of interesting charts in the Year Book.

A copy will be sent free on request. Just fill out the coupon below and mail.

## Swift & Company

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Swift & Company,  
Union Stock Yards, Chicago

Please send a copy of the 1927 Year Book to:

F.N.

### TWIN CITY RAPID TRANSIT COMPANY EARNINGS

Twin City Rapid Transit Company earned \$5.57 per share on its outstanding common stock in 1926, compared with \$3.63 in 1925. The 1926 earnings on the preferred were \$47.89 compared with \$34.58 the previous year. Gross revenue increased from \$12,562,983 in 1925 to \$14,001,764, in 1926, although the total number of revenue passengers carried dropped from 200,783,106 to 190,826,784.

The increase in gross revenue is attributable to the earnings of subsidiary bus companies and taxicab companies, some of the latter of which were acquired and consolidated in the calendar year. The ratio of operating expenses, including taxes, to gross revenue, showed an improvement over 1925, as will be seen by one of the accompanying charts, although the 82.5 per cent. is 2.15 per cent. higher than in 1925, when the company carried nearly 30,000,000 more revenue passengers than in the twelve-month period just ended.

On the whole, the position of the company, as revealed by the annual report, shows a betterment over any recent year and the future is indubitably more hopeful than for perhaps a decade. The existing rate of fare on the traction lines is apparently not adequate to earn the 7½ per cent. on the investment valuation as agreed upon, but it is possible that trial over a longer period will demonstrate it to be sufficient. In any event, the situation is clarified by the decision of the higher courts on the law and the public has accepted the new rate.

Purchase of control of the Yellow Cab Corporation of Minnesota gives the Street Railway Company control of the Red Top Cab Company, the Yellow Cab Company, the Town Taxicab Company, Drive Yourself, Inc., and the Yellow Cab Company of Duluth. It previously bought all the inter-city and suburban bus lines.

### SHAREHOLDERS APPROVE INCREASED CAPITALIZATION

Shareholders of the Wisconsin Public Service Corporation at their annual meeting in Milwaukee, Thursday, February 3, 1927, authorized an increase in the number of shares of preferred stock from 55,000 (\$5,500,000 par value) to 125,000 (\$12,500,000 par value) and the number of shares of common stock from 30,000 (\$3,000,000 par value) to 75,000 (\$7,500,000 par value). They also voted to change the par value of the common stock from \$100 to \$10 per share. Dividend dates on the Series "A" and Series "B" preferred stock, which heretofore have been different for the two classes of stock, were made to coincide and all dividends on preferred stock will now be payable on the 20th of March, June, September and December to stock of record the last day of the preceding month.

### NEBRASKA BANK TAXES

Lincoln—Both houses of the Nebraska legislature have passed a resolution directed at a number of national banks, most of them located in Omaha, insisting that they dismiss litigation they started a year ago in the Federal courts to secure a reduction in their taxes in Nebraska. Contention of the banks is that they are taxed on a higher basis of valuation than are the owners of private capital with whom they come in competition in making loans.

Members of the legislature scored the bankers in vigorous terms, asserting they had violated an agreement entered into at the 1925 session by which, in consideration of being taxed on the basis of 70 per cent. of their capital and surplus, they would halt litigation previously entered, because farm lands and real estate generally was being taxed only on a 70 per cent. basis.

### ASSOCIATED GAS OFFERING

A nation-wide syndicate on February 10 offered the new \$40,000,000 Associated Gas & Electric debenture issue. The syndicate was headed by Harris, Forbes & Co. and will include Lee, Higginson & Co.; Guaranty Co. of New York; Kidder, Peabody & Co.; Marshall Field, Glore, Ward & Co.; E. B. Smith & Co.; E. H. Rollins & Sons; the Equitable Trust Co. of New York, and John Nickerson & Co.



**B. B. SHEFFIELD**  
President

**W. H. SUDDUTH**  
Vice President

**COMMANDER MILLING COMPANY**  
**COMMANDER ELEVATOR COMPANY**

Flour Exchange

MINNEAPOLIS

**THE LARABEE FLOUR MILLS COMPANY**

KANSAS CITY

Daily Capacity with Associated Mills—27,000 barrels

Elevator Capacity—10,000,000 bushels

**Building Construction Outlook Bright**

Chicago—Half a billion dollars has been spent for building in the United States in the past 30 days, according to a nationwide survey by the Indiana Limestone Company.

Thomas J. Vernia, vice president of the company, said that while opinion varies slightly as to what the future may hold "there is indisputable evidence that the building situation is more stabilized than ever before." He added that in meeting the ever-growing demand due to population increase, to better living conditions, to the desire for better business quarters, coupled with a more plentiful supply of available money, the construction industry probably would continue at a high rate for some time to come.

"Signs point to a building volume well up toward the totals of the last three years," Mr. Vernia said. "This in spite of warnings to retrench and reports of overbuilding in some branches. If there is overbuilding, it is a local rather than a general condition. There is still a sharp demand for the moderate-priced apartment and suburban home and certain types of commercial buildings. Surveys in a number of cities indicate a fairly good balance between underproduction and oversupply. A halting of building now would create another building shortage which in turn would mean higher rents as well as unemployment for several hundred thousand workers.

"Based on preliminary reports from all sections of the country, the month of January closed with a construction volume of approximately \$500,000,000. While this figure shows a slight decline from the same period a year ago, it is far in excess of January, 1925, which was also a six billion dollar year.

"The most pronounced slump was in industrial and residential building, while commercial and public works showed some increase. This, it is believed, conforms with the general stock market condition which has experienced a between-seasons lull.

**CHICAGO BOND MARKET BROAD AFFAIR**

(Continued from page 15)

offered at 95. There was a scarcity of H. Channon issues, the common being wanted at 12, the first preferred at 86, and the second preferred at 89. Chicago Railway Equipment common was up a point at 30 and the preferred was wanted at 23½, with offerings at 25. Chicago Rapid Transit common was quiet at 9 bid and offered at 9½. Chicago Title & Trust was easier and was traded between 590 and 595, off 3 points. Congress Hotel was strong at 185 bid with no stock offered. Sales of Creamery Package full-voting common were between 30¼ and 30¾. Deere common reacted from the high point of 90 last week to sales at 75 and closed 75 bid, offered at 80. Elgin National Watch declined to sales at 74 after selling at 76 earlier in the week. First State Pawnners advanced to sales at 126. Goodman Manufacturing was slightly lower at 49. H. W. Gossard preferred continued to advance and sold at 106 on good earnings report. Great Lakes Transit common, after selling at 23 earlier in the week, improved to 23½ bid with stock for sale at 24½. Hall Printing improved fractionally to sales at 27½. Hotel Sherman preferred sold between 95 and 96½. Hydrox preferred was actively traded between 95 and 96. Lott Hotel units sold between 16 and 19. The McCord Manufacturing issues were all strong. The common was wanted

at 9½ with light offerings at 10½. The Debenture stock was 16 bid, offered at 17. The preferred was wanted at 66. Oscar Mayer common at 8 bid, none offered, was stronger. National Gypsum common registered a gain of several points at 40 bid with offerings scarce. Northwestern Yeast at 175 bid, none offered, was up a point. Albert Pick preferred without warrants at 93½ was up a point. St. Louis National Stock Yards declined to sales at 85. Union Stock Yards of Omaha improved to sales at 130. Universal Gypsum & Lime free common was fractionally lower at 6¼ bid, offered at 6¾. A strong demand for Wahl preferred existed and sales were made as high as 73½, a gain of 3½ points.

**DIAMONDS POPULAR IN UNITED STATES**

The United States leads the world in per capita wealth in diamonds, according to the National Jewelers Publicity Association. It is estimated that 10,000,000 carats, valued at \$4,000,000,000 are here.

The association bases its estimate on a survey of the diamonds imported since 1867. Few of the diamonds seen today were acquired before 1867.

Diamonds are five times as valuable as they were in 1867, when the South African mines were opened.

*A Good Firm to Ship to*  
**Atwood-Larson Company**  
Established 1889  
**Grain Commission Merchants**  
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DULUTH, MINN.      MINNEAPOLIS, MINN.

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To individual farmer shippers, as well as to farmers' elevators and independents, we offer Special Service.  
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Minneapolis      Duluth

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Established 1889  
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DULUTH      MINNEAPOLIS  
*Send samples and we will give you values.*

**STOCKS OF GRAIN IN MINNEAPOLIS**

	Last week	Year ago
No. 1 dark nor.	2,057,577	2,075,831
No. 1 northern	997,399	986,671
No. 2 dark nor.	774,204	765,066
No. 2 northern	774,204	765,066
No. 3 dark nor.	196,452	202,661
No. 3 northern	25,167	25,165
Winter	1,276,047	1,311,765
Durum	263,205	249,122
Transfer		1,470
Other grades	3,146,843	2,233,973
Public houses	9,561,443	9,665,332
Private houses	938,115	982,768
<b>Total</b>	<b>10,499,558</b>	<b>10,648,100</b>
Decrease	148,542	101,993
Corn	1,077,001	661,467
Oats	14,953,713	15,891,909
Barley	2,511,790	2,574,319
Rye	3,741,111	3,776,058
Flax	771,145	804,543

**DULUTH-SUPERIOR GRAIN STOCKS**

Grain stocks in Duluth and Superior elevators as on February 5, showing changes in the week.  
 Wheat—Nos. 1 and 2 dark northern and Nos. 1 and 2 northern, 590,015 bu.; No. 3 dark northern and No. 3 northern, 118,370 bu.; other spring, 1,961,087 bu.; Nos. 1 and 2 amber durum and Nos. 1 and 2 durum, 232,945 bu.; No. 3 durum, 173,663 bu.; other durum, 3,082,274 bu.; Nos. 1 and 2 dark hard winter and Nos. 1 and 2 hard winter, 1,172,189 bu.; other winter, 207,544 bu.; white, 3,752 bu.; bonded, 252,052 bu.; total wheat, 7,793,891 bu., increase, 116,018 bu.  
 Coarse grains—Corn, 15,525 bu.; oats, 7,770,988 bu.; afloat, 393,000 bu., increase, 1,882 bu.; rye, 5,666,015 bu., increase, 124,450 bu.; barley, 473,467 bu.; decrease, 50,238 bu.; flax, 1,543,247 bu., decrease, 24,042 bu.

**MINNEAPOLIS-DULUTH WHEAT RECEIPTS**

Receipts of wheat in Minneapolis and Duluth from September 1, 1926, to February 5, 1927, compared with the corresponding period of previous years, in bushels (000's omitted):

	1926-27	1925-26	1924-25	1923-24
Minneapolis	46,828	67,943	70,522	68,547
Duluth	30,594	53,878	88,023	24,558
<b>Totals</b>	<b>77,422</b>	<b>121,621</b>	<b>158,545</b>	<b>88,105</b>

**GRAIN STOCKS IN CHICAGO**

	Public	Private	*Total	Last year
Wheat	1,312	1,427	2,739,000	3,166,000
Corn	7,260	14,414	22,581,000	15,385,000
Oats	2,288	4,294	6,582,000	9,679,000
Rye	1,195	119	1,314,000	3,150,000
Barley		186	186,000	570,000

\*Includes 907,000 bu. corn afloat.

**UNITED STATES VISIBLE GRAIN SUPPLY**

	This week	Last week	Last year
Wheat	54,595,000	55,728,000	43,998,000
Corn	41,566,000	38,792,000	29,718,000
Oats	45,108,000	45,422,000	29,718,000
Rye	13,188,000	12,929,000	13,528,000
Barley	3,895,000	4,164,000	6,602,000

**WORLD GRAIN SHIPMENTS**

	Last week	Prev. week	Last year
Wheat	21,418,000	18,545,000	12,755,000
Corn	8,868,000	7,262,000	4,138,000
Oats	3,208,000	2,118,000	2,030,000

**THE WEEK'S FLOUR OUTPUT**

The following table shows the flour output at principal milling centers, by weeks ending on the indicated dates, together with figures covering a group of representative interior mills in each district, in barrels, as reported to The Northwestern Miller:

	1926		1925	
	Feb. 5	Jan. 29	Feb. 6	Feb. 7
<b>Northwest—</b>				
Minneapolis	233,423	186,228	215,909	252,271
St. Paul	11,481	13,984	11,309	8,151
Duluth-Superior	16,670	15,705	14,185	13,090
Outside mills*	130,873	192,304	211,189	241,231
<b>Totals</b>	<b>392,447</b>	<b>408,221</b>	<b>452,592</b>	<b>514,743</b>
<b>Southwest—</b>				
Kansas City	152,808	144,982	98,835	116,307
Wichita	42,707	40,960	28,939	36,044
Salina	24,003	19,339	24,809	30,666
St. Joseph	44,949	52,171	24,466	43,368
Omaha	20,601	22,210	17,774	21,968
Outside mills†	243,143	242,822	182,491	239,030
<b>Totals</b>	<b>528,211</b>	<b>522,484</b>	<b>377,314</b>	<b>487,383</b>
<b>Central and Southern—</b>				
St. Louis	25,100	28,300	28,200	26,100
Outside‡	47,200	45,700	41,000	42,400
Toledo	43,000	38,550	35,700	32,300
Outside§	41,149	25,590	50,152	44,796
Indianapolis				12,439
Southeast	110,104	128,677	107,391	121,322
<b>Totals</b>	<b>266,553</b>	<b>266,817</b>	<b>262,443</b>	<b>279,357</b>
<b>Pacific Coast—</b>				
Portland	28,324	27,804	26,363	38,334
Seattle	16,541	23,224	19,550	28,800
Tacoma	35,253	26,831	21,789	12,844
<b>Totals</b>	<b>80,118</b>	<b>77,859</b>	<b>68,102</b>	<b>79,978</b>
Buffalo	192,413	199,968	177,797	193,016
Chicago	34,000	32,000	38,000	38,000

\*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, 1926, to February 5, 1927, compared with the corresponding period of the previous year, in bushels (000's omitted):

	Receipts		Shipments	
	1926-27	1925-26	1926-27	1925-26
Minneapolis	6,821	8,229	1,609	2,032
Duluth	6,664	8,373	4,748	7,143
<b>Totals</b>	<b>13,485</b>	<b>16,601</b>	<b>6,357</b>	<b>9,175</b>

**MINNEAPOLIS GRAIN FUTURES**

	May					
	Feb. 3	Feb. 4	Feb. 5	Feb. 7	Feb. 8	Feb. 9
Wheat	1.41	1.41	1.41	1.41	1.41	1.40
Rye	1.01	1.01	1.01	1.00	1.01	1.00
Oats	.44	.44	.45	.44	.44	.43
Flax	2.22	2.22	2.21	2.22	2.22	2.22
Barley	.71	.71	.71	.71	.71	.70

	July					
	Feb. 3	Feb. 4	Feb. 5	Feb. 7	Feb. 8	Feb. 9
Wheat	1.41	1.41	1.41	1.41	1.41	1.40
Rye	1.01	1.01	1.01	1.00	1.01	1.00
Oats	.45	.45	.45	.45	.45	.45
Flax	2.24	2.24	2.23	2.24	2.24	2.22
Barley	.72	.72	.71	.71	.71	.71

**DULUTH GRAIN FUTURES**

	May					
	Feb. 3	Feb. 4	Feb. 5	Feb. 7	Feb. 8	Feb. 9
Durum	1.42	1.43	1.44	1.42	1.43	1.43
Flax	2.22	2.22	2.22	2.22	2.23	2.23

	July					
	Feb. 3	Feb. 4	Feb. 5	Feb. 7	Feb. 8	Feb. 9
Durum	1.40	1.40	1.41	1.40	1.41	1.41
Flax	2.24	2.24	2.24	2.24	2.24	2.24

**CHICAGO GRAIN FUTURES**

	May					
	Feb. 3	Feb. 4	Feb. 5	Feb. 7	Feb. 8	Feb. 9
Corn	.80	.81	.81	.81	.84	.80
Oats	.46	.47	.47	.46	.47	.46
Rye	1.08	1.08	1.08	1.07	1.07	1.06

	July					
	Feb. 3	Feb. 4	Feb. 5	Feb. 7	Feb. 8	Feb. 9
Corn	.84	.84	.85	.84	.84	.83
Oats	.47	.47	.47	.47	.47	.46
Rye	1.04	1.04	1.04	1.04	1.04	1.03

	September					
	Feb. 3	Feb. 4	Feb. 5	Feb. 7	Feb. 8	Feb. 9
Corn	.86	.86	.87	.86	.86	.86
Oats	.46	.46	.46	.46	.46	.45
Rye	.98	.99	.99	.99	.99	...

**WINNIPEG GRAIN FUTURES**

	May					
	Feb. 3	Feb. 4	Feb. 5	Feb. 7	Feb. 8	Feb. 9
Wheat	1.39	1.39	1.39	1.38	1.38	...
Flax	1.96	1.95	1.95	1.96	1.96	...

	July					
	Feb. 3	Feb. 4	Feb. 5	Feb. 7	Feb. 8	Feb. 9
Wheat	1.34	1.37	1.37	1.36	1.37	...
Flax	1.98	1.98	1.97	1.97	1.98	...

	October					
	Feb. 3	Feb. 4	Feb. 5	Feb. 7	Feb. 8	Feb. 9
Wheat	1.27	1.27	1.27	1.27	1.28	...
Flax	2.00	2.00	2.00	2.00	...	...

**WHEAT RECEIPTS—CARS**

	Minneapolis		Duluth		Chicago		Winnipeg	
	1927	1926	1927	1926	1927	1926	1927	1926
Feb. 3	143	196	81	21	27	29	314	796
Feb. 4	177	222	59	48	26	12	561	614
Feb. 5	101	128	53	65	23	9	428	556
Feb. 7	237	326	154	91	23	22	426	385
Feb. 8	88	157	122	30	80	27	788	677
Feb. 9	181	180	63	33	24	26	79	677

**MINNEAPOLIS RECEIPTS—COARSE GRAINS**

	Corn	Oats	Rye	Barley	Flax
Feb. 3	66	26	21	19	11
Feb. 4	48	19	20	38	12
Feb. 5	76	31	6	18	5
Feb. 7	77	44	13	37	22
Feb. 8	5	14	10	6	9
Feb. 9	39	35	10	26	27

**VALUE OF CANADA'S 1926 GRAIN CROP**

The final government estimate of the 1926 wheat crop is 406,269,000 bushels, valued at \$441,355,000, from 22,768,449 acres. This is the third largest yield in the history of the Dominion and nearly 20,000,000 bushels above the average for the four previous years. The Prairie Provinces yielded 379,898,000 bushels. The total value of Canada's field crops in 1926 was \$1,131,241,000, as compared with \$1,153,395,000 in 1925. The slight drop for 1926 was caused mostly by smaller returns from wheat and oats.

## Bureau of Mines Report on the Manganese Situation

Domestic shipments of manganese ore containing 35 per cent. and more of metallic manganese totaled in 1926 approximately 44,000 long tons, valued at \$1,185,600, according to preliminary figures compiled by the Bureau of Mines. This is a decrease of 55 per cent. from the 1925 shipments, amounting to 98,324 tons. The increase in average value per ton of all ore shipped in 1926 is due to the fact that the ratio of the shipments of chemical ore to those of metallurgical ore greatly increased. The shipments of metallurgical ore amounted to 24,200 tons, valued at \$332,000, while those of 1925 were 76,173 tons, valued at \$954,799. The shipments of chemical ore in 1926 amounted to 19,800 tons, valued at \$853,600, while those of 1925 were 22,151 tons, valued at \$902,970.

In 1925 the Butte, Montana, district shipped 47,507 tons of manganese ore and in 1926 this district shipped 1,718 tons of manganese ore. The decrease indicated is due to the fact that in 1925 the Emma mine shipped 47,469 tons and in 1926, 1,718 tons. In July, 1926, shipments from the Crescent mine, Washington, were discontinued. The ore was bottomed at a vertical distance of 400 feet, and the continuation of the ore-body was not found by diamond drilling. No high grade ore was produced during the year from Leadville, Colo. Shipments of manganese ore from Arizona and Georgia showed increases over 1925. The production from the Batesville-Cushman district, Arkansas, in 1926 showed a decided decrease from 1925, and must be attributed in part to the exhaustion of the ores minable at prevailing prices.

The quoted price of high grade manganese ore during the year has been relatively constant. A material tonnage has been sold at a figure far below those quoted; the average price for the year was approximately 40 cents a unit, c. i. f., Atlantic seaboard.

### Imports

Figures furnished by the Bureau of Foreign and Domestic Commerce show that during the first eleven months of 1926 the metallic manganese content of manganese ore imported amounted to 327,258 tons, exclusive of imports from Cuba. The imports from Cuba for 11 months are given as 13,937 tons of manganese ore. For the first 11 months, the manganese content of ferromanganese imported is given as 36,471 tons. Assuming an average manganese content of 48 per cent. for all ores imported, the gross weight of the ores imported, including that of Cuba, during this period was approximately 703,000 tons. Assuming the imports of December to be equivalent to those of November, the total for the year would be about 745,000 tons, as compared with 615,000 tons in 1925, an increase of 130,000 tons.

### Minnesota Leads in Production

The shipments of domestic ores containing from 10 to 35 per cent. manganese increased in 1926 from 267,252 tons, valued at \$915,316 to approximately 366,500 tons, valued at \$1,119,000. This increase is due to the large increase in production in Minnesota and New Mexico, whereas production in Colorado and Georgia decreased.

The domestic shipments of ore containing five to 10 per cent. manganese show a decided decrease over those of 1925. This decrease is due to the fact that the Ottawa mine in Wisconsin produced 347,639 tons of ore containing only 4.8 per cent. manganese in the natural state. This percentage falls slightly below the classification, but the ore was consumed as manganiferous iron ore by the trade. Shipments from Minnesota increased from 741,409 tons in 1925 to 810,769 tons in 1926, and those from Wisconsin decreased from 404,014 tons containing over 5 per cent. manganese to 347,639 tons containing 4.8 per cent.

The apparent outstanding feature of the year has been the increase in the domestic manufacture of ferromanganese. During the year the Bethlehem Steel and Iron Company placed ferromanganese on the market. This action resulted in a decrease in price from \$115 to \$88. At present ferromanganese is quoted at \$100 c. i. f., Atlantic sea-

board, duty paid. With the exception of the ferromanganese of Swedish manufacture the present price at which ferromanganese is selling is said to be below the cost of manufacture in foreign countries.

### NUMBER OF JEWISH FARMERS INCREASE

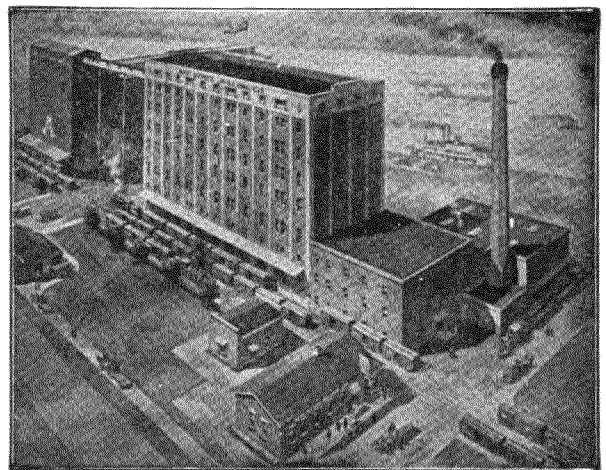
Jewish farmers in the United States are making steady progress, according to the annual report of the Jewish Agricultural Society of New York City, made public by Gabriel Davidson, general manager.

Since 1900 the society, according to the report, has made 8,360 loans, aggregating \$5,310,215, in 40 states. Last year loans were made to 454 farmers in 18 states. Repayment of loans is spread over a long period of years. No bonus or commission is charged and there are no renewal fees.

The society's farm labor department has obtained farm work for 15,510 Jewish young men since 1908. Last year it placed 588 men as farm workers. The department aids young Jews in acquiring practical agricultural experience and many of them acquire farms of their own.

During the last nine years, 9,213 Jewish men and women applied to the society's farm settlement department for guidance in buying farms. Farms were found for 848 families, of whom 398 received loans to help finance their purchases. This department is responsible for the establishment of the Toms River and Lakewood, N. J., settlement, where there are more than 100 Jewish families, all successful farmers. A new Jewish farming center has been established at Farmingdale, N. J. This department also is engaged in exposing dishonest real estate agents.

The report says the Jewish farm population in the United States has grown from 1,000 in 1900 to 75,000 in 1927. One million acres are being farmed by Jews and the value of their real and personal property is more than \$100,000,000. Percy S. Straus is president of the society; Lewis L. Strauss, vice president, and Francis F. Rosenbaum, treasurer.



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