

Veigel Stresses the Duty of Bank Directors to Direct

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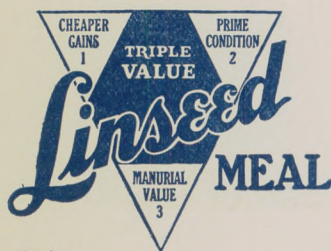
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## Municipals

### MINNESOTA

*We own and offer:*

	RATE	MATURITY	YIELD
*Hennepin County, Road	4¾	June 1, 1937	3.80

### KENTUCKY

*Carlisle County, Rd. & Br.	4¾	July 1, 1954	4.35
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### MISSISSIPPI

*Hinds County, Road	6	Jan. 1, 1933	4.30
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### NORTH CAROLINA

*Buncombe County, Highway	4¾	July 1, 1941	4.35
*Cumberland County, Court House	4½	Mar. 1, 1934	4.25
*Greenville, Graded S/D	4¾	Jan. 1, 1936-51	4.30

### SOUTH DAKOTA

*Lawrence County, Refunding	5	Nov. 1, 1938-40	4.30
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### TENNESSEE

*Weakley County, Highway	4½	May 1, 1947	4.20
*Weakley County, School	4¾	May 1, 1947	4.20

### TEXAS

*Port Arthur, Ind. S/D	4½	Oct. 15, 1939-49	4.30
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## Utilities

Associated Elec. Co. Gold	4½	Jan. 1, 1953	4.90
Central Gas & Elec. Co. Notes	5½	Dec. 1, 1930	5.75
Central Illinois Pub. Serv. 1st	4½	Dec. 1, 1967	4.80
Cities Serv. Gas Pipeline 1st	6	Jan. 1, 1943	6.00
Continental Gas & Elec. Deb.	5	Feb. 1, 1958	5.30

## Industrials

Barker Bros. Bldg. 1st M. Lshld.	6	June 15, 1947	6.00
Canadian Natl. Ry. Co. Eq. Tr.	4½	May 1, 1936-37	4.35
Donnacona Paper Co. Ltd. 1st	5½	Feb. 1, 1948	5.55
Leader Merc. Corp. Coll. Tr.	6	Dec. 1, 1937	6.13
National Union Mtge. Coll. Tr.	5½	Dec. 1, 1932-37	5.50

## Foreign

Commerz-Und Privat Bank, Notes	5½	Nov. 1, 1937	6.25
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## Stock

Arizona Edison Co. Cum. Pfd.	\$6½	Jan. Apr. Jul. Oct.	6.56
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SATURDAY, FEBRUARY 4, 1928

## The Duty of Directors to Direct

A. J. Veigel, commissioner of banks for Minnesota, in the terse and "hit the nail on the head" circular he has issued on the "Duties and Responsibilities of Bank Directors," deals some sharp knocks to the type of purely ornamental bank directors, whom he characterizes as only "rubber stamp directors."

To these "rubber stamp directors" he gives a serious warning as to the oaths of office they took before the notary public after they had been honored by stockholders with elections as directors. He tells them that if they do not know the duties and responsibilities of directors, they should find out or resign, there being no middle course. He reminds them that as bank stockholders they are liable in case of trouble, for the par value stock that they own, and that as directors, they have a financial responsibility individually and collectively to stockholders and depositors in addition and beyond the stockholder's liability, unless it can be shown that they exercise such caution, judgment and diligence as prudent men exercise in the conduct of their own business. He says they are unfit to be directors, if unfaithful to those who trust them.

On the other hand, he explains they are entitled to reasonable fees for attending meetings, and should pay themselves what their time is worth. He also advises the appointment of good examining committees, and members of these committees are also entitled to proper pay for their services, as well as to engage extra bookkeeping help. But this committee, however, cannot hire someone else to pass on the notes due the bank. The members must do that themselves, and usually if they can find the

note cases clean, they will also find that the bank is good.

Mr. Veigel also gives very valuable constructive suggestions to bank directors as to reviewing and approving loans and caution as to large loans, especially those in excess of the statutory limit, for which they may be personally liable. He shows a grave situation in the use of bank money to excess by the people on the inside. He stresses necessity of keeping a portion of the assets always in a liquid condition, and he explains how the history of closed banks in Minnesota within the past few years has been simply a story of frozen loans. He is certain that when bank directors really direct, there will cease to be bank failures.

The recent bank elections in Minnesota and other states have caused many important changes in the personnel of bank boards. We believe in most instances the new directors chosen are not of the "rubber stamp" variety, and that while many of the new names on bank boards are certainly ornamental and gilt-edged, yet they are so only because the holders of the same have shown themselves faithful and capable in every business trust they have ever thus far assumed.

The responsibilities however of bank directors are so particularly serious and important, and so many times in the past have even the finest business men shown neglect of duties to the banks which honored them, that Commissioner Veigel certainly himself well performs a high duty to the banks and to the public, when he so forcefully stresses these responsibilities, even to the point perhaps of alarming some directors who might otherwise perhaps be casual or careless, and not quite realize that it is the duty of directors to really direct.

## The Twin Cities As Investment Centers

A volume of sales of securities to the general public by dealers in the Twin Cities of St. Paul and Minneapolis, amounting to \$86,000,000 in 1927, as estimated by the Federal Reserve Bank of Minneapolis, may well astonish such eastern financial interests as have overlooked the tremendous investment buying power of the Northwest as centered in the Twin Cities. The term general public, in this return, means only individuals and some corporations, but does not include banks and insurance companies which were further heavy buyers.

While the East has doubtless well appreciated the importance of the Northwest as a "hinterland" for the raising of food crops and for the production of other raw material, it has probably never yet fully realized that the people of this section are also ever earning and saving vast sums of money for absorption of an enormous share of security offerings, nor that the Twin Cities are highly important markets for the sale of such securities. When really good offerings are available, the Twin Cities seem always eager and ready with liberal orders, and backing such orders is usually the capacity to pay 100 per cent of purchase values in cash at once.

As the Federal Reserve Bank of Minneapolis shows in its January review of agricultural and

business conditions, there is a large and persistent demand for investment securities by the general buying public of this Northwest district. The 1927 volume of Twin City securities sales was \$16,700,000 in excess of 1926 and \$25,700,000 larger than that of 1922.

The Northwest in the past has had its knocks from poor crops and low prices, nevertheless, even in the worst years, there was thrift and saving whenever possible. In good years, there has obviously been considerable capital accumulations. The investment of such saved up funds in good securities, has tended to steady business conditions during the most unpromising periods. The enormous amounts of capital invested in such securities, produced a very large return in interest and dividends, even when certain branches of business and agriculture brought in unsatisfactory returns or even losses.

More prosperous agricultural conditions at present in the Northwest, are making for better basic conditions generally. They add to the momentum of heavy Northwest investment buying of securities. Such purchases in the Twin Cities in 1927, great as they were at \$86,000,000, represent less than 85 per cent of even the increase in farm income from sale of crops and livestock in 1927 over the year before, in just four northwestern states. The gain in cash income of farmers in Minnesota, North Dakota, South Dakota and Montana, based on figures of the Department of Agriculture, is estimated in Lane, Piper & Jaffray's Business Survey of January, 1928, at \$104,000,000, or 12 per cent more in 1927 than in 1926.

The Northwest is really a creditor section of the United States, and is becoming more and more so. It is participating heavily in the profits of eastern corporations, through its tremendous and ever increasing holdings of stocks and bonds. Dividends and interest received from such holdings are to a large extent reinvested to obtain further returns. If all the security holders in the Northwest hinterland, were to take the trouble to attend stockholders' meetings in the East, of corporations in which they are interested, there would probably be standing room only, and perhaps not even that.

### Inquiry Into Gas and Electric Utilities

The hearings of the Senate Committee on Interstate Commerce in connection with the Walsh resolution for inquiry into the financing of public utility mergers and sale of their securities, started on January 16th. Much interesting testimony has been taken from Irvine L. Lenroot, former Senator from Wisconsin representing the Joint Committee of National Utility Associations; Charles S. Thomas, counsel for the Cities Service Company and George B. Cortelyou, chairman of the Joint Committee of National Utility Associations.

It was shown by these specialists that the electric light and power industry which was born when Thomas A. Edison invented the incandescent lamp in 1879, 44 years later in 1926, was selling nearly a million lamps a day, and generating more electric light and power in the United States than in all

the rest of the world combined. At least three-quarters of the total population of the United States now enjoy electric service. Every city with a population of 5,000 or over is supplied, 90 per cent of towns with population of 1,000 or over, 65 per cent of villages of 250 or over, and 20 per cent of hamlets or less than 250.

During the last three years there has been an increase of 86 per cent in the number of farms connected to power lines. Altogether 375 farms are now supplied.

There are now about 2,500 enterprises selling electricity, and approximately 1,000 gas companies. Investment in 1926 in the electrical industry was approximately \$8,000,000,000. Roughly, \$1,000,000,000 a year is required to provide additional plant and equipment to meet the increasing demands for service.

The gas industry is more than a century old. Since the World War, there has been a growth of one thousand per cent in the use of gas in industry. It is estimated that the capital employed in the two branches of the industry (manufactured and natural gas) is \$4,000,000,000, and that the operating revenue in 1926 was \$700,000,000, of which about ten per cent or \$70,000,000, was paid out in taxes, federal, state and local. This industry serves a population estimated at 70,000,000 and is being rapidly extended over wide areas. It is believed that the field will be extended until gas is used as the main heating agent in the factories, mills and homes of this country.

A letter was read from Owen D. Young, international financial expert and chairman of the General Electric Company, to Senator Walsh, in which he pointed out the unfairness of any such sweeping investigation of a particular industry, as contemplated in the Walsh resolution. Any Senatorial committee, being tremendously pressed for time, would naturally seek out a few bad practices of a few individual companies, and then unfairly advertise them to the world as representative of the industry. Even if a small percentage of companies offered any reason for criticism, yet the cloud of such small percentage should not be cast over all the securities of the vast industry, to possibly impair its credit, especially as such industry requires each year not less than a billion dollars to carry on.

Former Senator Lenroot and Mr. Thomas showed how state commissions have the right to inquire into reasonableness of rates and different states also have their "blue sky laws." Any national interference with such public utility companies, would be interference also with states and municipalities, which have the proper right to control them.

It was pointed out by Mr. Cortelyou that the Walsh resolution covered every phase of the public utility business, particularly its financial side, and included not only public utilities themselves, but all companies owning any preferred or common stock in them, and all non-utility companies in any way affiliated with such stockowning companies.

Banks, trust companies, insurance companies, investment trusts, educational and charitable institutions, and all companies in any way interested in the utilities or affiliated with companies owning

their stocks, would come within the scope of the inquiry. Engineering and construction companies would also be included.

The motive for the Walsh resolution of inquiring into public utilities is doubtless purely political, and intended to bring out material which might be useful in this year's political campaign.

But there could not possibly be time for any comprehensive investigation, between now and election day in November, of each and all of the 3,500 electric and gas companies in the United States, to say nothing of the great numbers of banks, trust companies, insurance companies, and other investment holders of their securities.

Any thorough and impartial fact finding investigation of public utilities, so as to disclose benefits as well as faults anywhere with any utility or any affiliations or security holding interests, would require doubtless many years of expensive work. And by the time such work got completed, any unsoundness, disclosed in any particular company, would doubtless very long ago have been ascertained and acted upon by state commissions, or shown in slump of securities of the particular company involved.

This thorough kind of an investigation might be theoretically proper, but expensive and unnecessary. But any unthorough and hurried investigation for this year's political purposes, would be worse than unnecessary. The particular class of securities to be investigated, as pointed out by Mr. Lenroot, are only 3 per cent of all corporate securities issued in the United States, but generally speaking they are among the best offered to American investors.

If any investors are to be paternalistically protected by the United States Senate, why single out the 3 per cent involved in the Walsh resolution, and neglect the remaining 97 per cent? But such undue senatorial solicitude for the 3 per cent of investors in electric and gas companies, is obviously not in their true interests, nor in that of the nation as a whole, for the good credit of these companies should not be threatened through political inquiry, but remain sure and solid, for the sake of the economic progress of the country.

### Help the Boy Scouts

The Boy Scouts of America are having a campaign from February 4 to 12 in all towns where they are organized, to strengthen their financial resources for their 1928 expansion program of activities.

The ideals and beneficent practical results of the boy scout movement, are such we believe, as very earnestly appeal to the readers of the Commercial West.

For instance there is that splendid oath "to keep myself physically strong, mentally awake and morally straight, to do my duty to God and my country and to obey the Scout laws, to help other people at all times."

One scout law enjoins thrift, to work faithfully, make the most of opportunities and waste nothing. Before the boy scout gets the coveted badge of the scout class he must have earned money for a savings account or insurance premium. The boy scout

movement is particularly useful in promoting wholesome village, rural and farm life. It has done a tremendous lot to promote contentment, character and usefulness amongst boys on the farm, many of whom may become the best farmers and citizens of the future.

It takes just a few dollars to get a boy scout troop into operation, in any locality, and provide for supervision by the nearest scout council. Country bankers of good community spirit, can do much good by helping to sponsor the boy scouts.

Walter W. Head, former A. B. A. president, is president of the national scout organization. Country bankers who would like to co-operate in the movement, can secure particulars as to how they can help, from the Regional Executive, B. S. A. Merchants National Bank Building. St. Paul.

### The World Wheat Crops

Revision of estimated world import requirements and surplus supplies has just been made by George Broomhall, leading English statistician. Needs of importing countries have been raised 24,000,000 bushels above his preliminary figures, but the world's available surplus was increased 48,000,000 bushels. While ample supplies from exporting countries were shown, the compilation indicates that European and other importing nations will need all that is likely to be shipped in the foreign crop year which ends July 31.

On the surface, Broomhall's estimate that surpluses of exporting countries are 112,500,000 quarters, or 900,000,000 bushels, while importers' requirements are 772,000,000 bushels, appears bearish. But he estimates that likely shipments in the 12 months ending August 1st, 1928, will be 772,000,000 bushels. However, the British authority's figures on expected shipments for the late months of the crop year, seem to be highly optimistic regarding clearances from the Argentine and Australia. Estimates of outgo from other sources appear conservative.

Shipments from the Argentine are estimated at 160,000,000 bushels and from Australia 60,000,000 bushels, of which 28,000,000 bushels has gone forward from the former and 17,000,000 bushels from the latter source. The reduction from 269,000,000 bushels shipped from the two sources last year, however, about equalled the loss of 55,000,000 bushels in crops of the two countries, taking small carryover stocks into account. As the southern hemisphere shippers export much more freely the fore part of their crop year, which started January 1, than in later months, it is possible Broomhall's estimate may be equalled.

An interesting feature of the revised world estimate was a drop to 8,000,000 bushels in the allowance for Russia, or 24,000,000 bushels less than preliminary figures and 40,000,000 bushels less than shipped last year. India, however, was raised to 12,000,000 bushels, against 4,000,000 bushels in the earlier estimate. The Commercial West recently commented editorially on the failure of Russia to live up to earlier promise as an export factor.

North America's expected contribution to exports in the seven months, January 1 to August 1, 1928, is

estimated at 242,000,000 bushels, with 246,000,000 bushels already shipped to the first of the calendar year, or a total of 488,000,000 bushels expected to be shipped for the entire crop year.

Broomhall's revised estimate of the North American available surplus was 568,000,000 bushels. The amount expected to be taken from this side apparently can be readily spared.

Although total world surplus supplies, estimated at 128,000,000 bushels more than expected import needs, makes the margin appear generous, foreign authorities, including Broomhall, recently have stated that Europe promises to need as much wheat

as last year.

World's shipments between August 1 and January 21 have been 368,000,000 bushels, or about 11,000,000 more than in the similar period the year before. Although these shipments have been at the rate of only about 750,000,000 bushels for the year, it should be remembered that totals exported the last half of the year normally exceed those of the first half. And world's shipments in the season ended July 31, 1927 were 888,000,000 bushels.

The broad outlook may be for a buyers' market for a while longer, but no overpowering burden of supplies seems to be threatened.

## THE BULL'S EYE

*By the Sharp-Shooter*

How the Intricate Chain of Trade that Makes it Possible to Bring the Ends of the Earth Together on Our Breakfast Table, is Possible Only to a World Keeping the Peace.

On a certain island a lighthouse keeper, finding it impossible to maintain a kitchen garden because of the rampant rabbit population, conceived the idea of bringing cats from the main land to prey upon the rabbits. This he did with such excellent success, that the cats, feeding on easy rabbit meat, multiplied and wiped out the rabbit population, then themselves perished for lack of meat.

Where food is, there is animal life. Lacking food they multiply slowly or perish altogether. The fact valleys of the Euphrates and the Nile were the homes of the densest ancient populations. When war broke up the irrigation works in the one valley and drifting desert sands buried the other, the populations died or moved to other food sources. Migrating birds follow food supplies as well as friendly climate. If robins found plenty of winter food in Minnesota they would winter there instead of in Georgia. Students of animal life find that the population of field mice, gophers, ground squirrels and the like, swell and shrink with seasons of plenty or scarcity of their accustomed foods. Sun spots which occur in regular cycles of eleven years, effect the rainfall, which affects the crops which feed the rodents. Thus these field pests are found to be more abundant when the sun wears spots upon its face.

When orcharding became a large commercial enterprise, the codling moth—which to our grandfather's home orchard was a slight bother,—became the ruination of the wide acres of the tree fruit planter. By a systematic war with power and poison, the orchardist can keep 90 per cent of his apples from the codling moth worm. Grandfather lost about 10 per cent of his applies that way and charged it off to providence; but he had no lead poison about his premises. Yet this war with lead arsenate is a blundering fight at best. By its use we kill our friends as well as our foes. The honey bee and other small insects that carry pollen, the birds and some of the benevolent insects that prey upon insect pests are killed. It is a fight that becomes a little less effective every year; and men are coming to find it so. They are seeking methods to keep the balance in Nature's own way. Instead of

lead for the moths, men are trying to establish bat roosts in their orchards, making homes for bats which fly and feed at night just when the moth is doing its dirty work. It is a dangerous business for man to upset Nature's harmonies. When we do it with a gun, we must ever eat with a gun in one hand and a sandwich in the other, as our fathers did in old pioneer days.

At our home on cold mornings we draw the tea cart before the hearth fire and make our breakfast there, toasting our bread over the coals as perhaps George and Martha Washington did sometimes at Mt. Vernon. This morning I took stock of the table's contents. The milk and cream I found on a fence post near a neighbor's dairy barn. The butter came from a creamery ten miles away. The bread was grown in the inter-mountain country 200 miles away. The wheat flakes were milled in Michigan. The sugar came from the Sandwich Islands, the coffee from Brazil, the oranges and raisins from southern California, and the dates from northern Africa. Here in a little dish on this little tea cart, southern California and northern Africa are contiguous territory. When I reach half way across the table I reach half way round the world. At every meal miracles are performed before our very eyes.

Why in these days are not men obliged to crowd into fat river valleys in order to live? Why may one now live where he likes, and yet live well? Because men have learned to trade with one another instead of killing one another. Slaves and plunder have been found to be less profitable than free neighbors and their traffic. Men have learned that dead men grow no grain. The long delicate, intricate chain of trade that makes it possible to bring the ends of the earth together on our breakfast table is possible only to a world that keeps the peace.

The next war that some of us fret and lather about, and that all of us pay our heavy taxes to prepare for, will smash this chain to flinders and send those of us who are alive and remain, back to dig in the dirt and eat what we may happen to find growing near at hand. Woe to him who by word or act dares to aid in upsetting God's fine balances!



# The Duties *and* Responsibilities of Bank Directors

By A. J. Veigel

Commissioner of Banks, State of Minnesota

The stockholders of your bank elected you a director for one or all of three reasons; they had confidence in your business ability and judgment, your business-getting ability for the bank, or as a recognition of your standing in the community.

They did not intend, when they so honored you, that you serve purely in an ornamental capacity. It was their expectation that you ascertain the nature of the obligations which you assumed when you accepted your office, and that you discharge these obligations until you had ceased to be a director in the bank.

After the stockholders' meeting was over, the Notary Public came in and you took the oath of office. You signed some sort of a paper. Did you ever afterwards endeavor to determine the nature of this curious document, and find out what your responsibilities and duties are, whether specified by law or implied?

If you do not know what your duties and responsibilities as a director are, find out or resign from your board of directors. If, after finding out, you are unwilling to perform the duties or accept the responsibilities, resign from the board. You owe to yourself the debt of doing one or the other. There is no safe middle course.

One bank commissioner points out that a great percentage of bank directors have put themselves in the position of being the champion law evaders of the banking fraternity, due to their non-attention to duty. Through negligence or carelessness, this class of directors has become rubber-stamp directors. If you are like them and the rest of your board is like you, then you have a rubber-stamp board. The logical result of a rubber-stamp board is a one-man bank. The one-man bank may be a very safe institution—in fact, very often is, but it might just as well be the very worst kind of a bank for all that the board knows about it. Even if it is safe and strong, it is not to the credit of the board of directors, if they did not perform their duties.

As a stockholder in a bank you are liable in case of trouble, for the par value of the stock that you own. As a director, however, you have a financial responsibility in addition and beyond your stockholders' liability. If it can be shown that as a director of the bank you did not exercise such caution, judgment and diligence as prudent men exercise in the conduct of their own business, then you are financially responsible, individually and collectively as a board to the stockholders and depositors of the bank.

This does not mean, of course, that you must do all the work in the bank yourself. In your own business you cannot do all the work. You have to employ assistants and through the fact that you impose your will upon them, you regulate the policies and exercise careful supervision. You are presumed to keep your own business safe and successful.

As a director of a bank, you are not an insurer of the fidelity of its



A. J. VEIGEL  
Commissioner of Banks  
State of Minnesota

officers, nor are you responsible for the losses that are the result of its officers' wrong doing; provided, however, that during your term as a director you used the same care and diligence in the regulation of the bank's business that you normally would use in the regulation of your own business affairs. The cases of bank directors being held responsible for bank losses through failure to direct, are legion and need not be recounted.

If you do not care to ascertain the character of the trust that you assume by becoming a bank director, you are unfit to be one, and you are unfaithful to those who trust you.

There is, however, no occasion for you to be unduly alarmed about your responsibilities as a bank director in the future if you will accept a few suggestions as to practical methods of obtaining directoral control in your bank. Normally, these suggestions can be carried out by your giving to the bank a few hours time each week. The following are a few practical suggestions for obtaining and maintaining directoral control:

Have frequent meetings, The By-Laws of many state banks in Minnesota contemplate that the board of directors should meet but four times a year. The Banking Department is taking the position that it is absolutely impossible for any board of directors to maintain proper supervision and perform its duties as a board by having so few meetings in the course of a year. The stand is being taken by the Department that directors in these banks cannot possibly direct, and it is being insisted upon that monthly board meetings in the future be held by all state banks.

It is realized that directors of banks are mostly business men, and, as such, their time is ordinarily valuable. The intention of the law is not that directors give wholly all their time without suitable compensation and it is perfectly proper for your board of directors to establish a reasonable fee for the directors who attend meetings. Pay yourself what your time is worth. The Department will interpose no objection. The increased efficiency of your bank will offset the required expense.

Make certain that proper minutes are kept for your protection. Some board minutes read about as follows: "Board met May 22, 1922. Loans and discounts 346 to 577 approved. Board adjourned." Such minutes are of no value when it becomes necessary for you to establish the fact that you have been a real director in your bank. The minutes of the meeting should make mention of the items that were discussed and the instructions given to your officers, and the names of the members present.

See to it that you have a sufficient number of local men on your board so that you may have frequent meetings. If too many of your directors are so far distant that it is impossible to obtain a quorum at frequent meetings, either change your directorate or increase the size of your board.

Appoint a good Examining Committee. The law contemplates a thorough examination of the bank, semi-annually, by a committee of directors, whose duty it is to examine the bank and make a report thereon promptly at the time specified in the By-Laws. A thorough examination usually cannot be made in a short time and it is entirely reasonable that members of the Examining Committee should be paid for their services. Many banks do not have on their Examining Committee any members who can run an adding machine in making lists or who can reconcile bank balances. It is recommended, where this condition

obtains, that it is proper for the Examining Committee to engage someone who is not an officer or employe of the bank, who can attend to these portions of the examination. The books of the bank should be thoroughly checked and unless the Examining Committee can do this, they should employ someone who can.

The real work of the Examining Committee, however, is in connection with the loans and discounts which the bank holds. The intention behind the law is that the Examining Committee thoroughly review the note case, for the committee should be more competent to establish the worth of the notes and point out the slow and doubtful paper and recommend action to the board of directors or officers, than any other conceivable agency, except perhaps the bank's officers. The state or national examiner seriously attempts to do this, but his knowledge of local conditions and his credit data, usually, are far too incomplete to allow him to decide on these matters with the same precision that a good Examining Committee can. The heart of the bank is its note case. Usually if the note case is clean, the bank is good. The Examining Committee cannot hire someone else to pass on the notes. The members must do that themselves.

The most important committee is the Discount Committee. They should be local men, easily available and well posted on credits. Officers should get the approval of the Discount Committee on all loans above certain amounts say \$500.00, before such loans are made. To require this procedure is not a reflection on the officers. It results in loans being given careful consideration before being made and in getting the benefit of the credit information and judgment of this committee. The time to determine whether or not a loan will be paid, is before it is made.

The board should review and approve all loans made since the last meeting.

The liability ledger should be consulted to determine the aggregate lines of credit, at least to the larger borrowers. The cashier should report at each board meeting, the total amount of past due paper. Losses are first predicted usually by past due paper. Spend plenty of time in talking over your loans and examining or discussing the security, if any.

Beware of large loans. Never approve any loan which puts the borrower in the excess loan class. Chapter 258, S. L. 1927, provides that "The officer of such bank willfully permitting or approving such loans shall be guilty of a gross misdemeanor, and in addition thereto shall be personally liable to the bank for the amount of such loan in excess of the statutory limit." Large loans should always have close attention. Effort should be continuous and everlasting to determine whether large borrowers are making progress, financially. Security

on large lines is always desirable and is insisted upon by good banks. The man whose credit is good enough to borrow a large amount of money should be able to secure his loans satisfactorily.

Loans to directors and officers are always criticized by the Department if they reach an unwarranted amount. There are many good banks in Minnesota which do not permit an officer to borrow money at his own bank. The Banking Department takes the position that those bank officers who are borrowing to excess or using the bank's money to promote their individual business enterprises in unwarranted amounts would be better off in the banking business in some other state than Minnesota. The policy will be strictly adhered to because in this position we are supported by all good bankers in the state. The gravest situation that can confront any bank is the use of its own money to excess by the people on the inside. Even if the bank officers are financially responsible, the practice referred to is against public policy.

It is well to call the attention of bank directors to the fact that a banker should not only be interested in whether his loans are good, but that he should also have some idea as to how soon they could be paid after demand has been made upon the borrowers. When a bank's loans are in such condition that a reasonable percentage of the loans cannot be collected within a reasonable length of time after demand, then it is said that the bank has frozen assets. The history of most banks which have been closed in Minnesota within the past few years is simply a story of frozen loans: inability to collect enough on notes to meet shrinking deposits. It is well that you do not have too large a percentage of your loans secured by real estate, because usually these loans are the slowest loans which a bank can have, even though they may be entirely good. Remember that it is a good policy to keep a portion of your assets in liquid condition so that you may realize on them promptly if need be.

As a director you should learn to read your bank's statement intelligently. You should be able to read a borrower's financial statement intelligently, with special reference to quick and fixed assets and liabilities. You should learn the evils of permitting overdrafts in your bank.

Even though you have performed all the duties so far called to your attention, there is still one of the utmost importance, which you should remember: Co-operate with the officers of your bank in every honorable way. There are countless opportunities for bank directors to be of service to their own bank; passing on to the bank officers, credit information gathered on the street; advising the bank officers of new prospects as depositors and giving business information to the officers of the bank that may be valu-

able and which may enable them to obtain new business. Loyalty to those officers who are working for your interests is essential. We know that there are many bank directors who fail to furnish the degree of co-operation that their position in the bank would seem to dictate. If you are a director in a bank, work, plan and boost for your own institution.

It has not been our intention to alarm you in any way as regards your position as a director nor has it been the intention to cast any aspersion upon the officers of your bank. Practically all bankers are honest men. The business would not have reached its high ethical plane had not that been the case for many years. The law which imposes obligations on bank directors, does so with the hope that the one dishonest man from among the many honest men may be detected before the bank has been damaged.

The Utopian Age will have been reached when bank directors really direct and we are certain that when they do that, bank failures will almost be a thing of the past.

Looking forward confidently to that time, the Banking Department pledges bank directors its earnest and sincere co-operation in helping to make and keep the state banks of Minnesota among the safest and the best in the nation.

#### NEW YORK BANKS RECORD FEW EXECUTIVE CHANGES

Amongst some of the changes at annual meetings of the shareholders of the larger banking institutions of New York City was the election of three new directors by the Harfiman National Bank: Frank H. Fayant, vice president of Lord & Thomas & Logan, Inc., of New York and Chicago; Walter W. Price of Livingston & Co., and Philip Ruxton, president of Philip Ruxton, Inc., printing inks, New York.

At the annual meeting of the shareholders of the National Bank of Commerce, Lewis Gawtry, president of the Bank for Savings, and Frederick P. Small, president of the American Express Company, were elected directors.

William Crawford was added to the board of directors of Hanover National Bank. Mr. Crawford is a director of the Colonial Bank, and was a director of the Greenwich Bank, absorbed by the Hanover National during the year.

F. Wilder Bellamy, W. J. Montgomery and John Hill Morgan were elected directors of the Bank of America.

Walter S. Jelliffe was elected vice president of the National Park Bank and Thomas I. Parkinson and H. C. Couch, directors.

The Chatham Phenix National Bank & Trust Company elected George MacDonald a director.

Charles V. Sheehan and Henry A. Koelsch, Jr., were appointed assistant vice presidents of the National City Bank.

# Northwest Breaks All Past Records in Volume of Securities Purchased

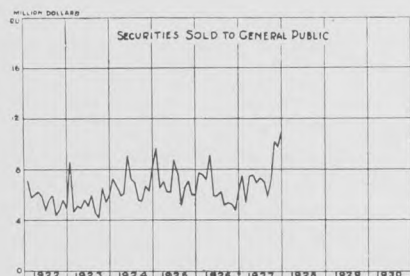
A new high record was established in 1927 for the sale of securities to the general public by representative Minneapolis and St. Paul dealers, the volume reaching the grand aggregate for the year of \$86,000,000, according to the January review of agricultural and business conditions, issued by the Minneapolis Federal Reserve Bank.

The 1927 volume was \$16,700,000 in excess of 1926 and \$25,700,000 larger than that of 1922. The review covers securities sold for each year from 1922 to 1927, inclusive. For that period the range is as follows:

1922	.....	\$60,300,000
1923	.....	59,700,000
1924	.....	74,300,000
1925	.....	75,900,000
1926	.....	69,300,000
1927	.....	86,000,000

The accompanying chart illustrates the fluctuations in sales during the years covered by the foregoing tabulation.

That the Northwest in 1927 had materially increased its purchasing



Sales of Securities to the General Public by Representative Investment Dealers in Minneapolis and St. Paul.

power and its ability to absorb investment offerings and that it is now one of the best areas of the country for the sale of sound securities is well illustrated by the volume chalked up in December, 1927.

In that month the banks of the Ninth Federal Reserve District purchased \$5,865,700 securities as against \$2,289,700 in 1926, an increase of 256 per cent. In the same month the general public absorbed \$10,273,900, compared with \$5,580,500 in December, 1926, a gain of 184 per cent. Insurance companies were under December, 1926, in their investment purchases, the figures being \$1,179,500 for December, 1927, compared with \$1,971,800 in 1926. Totals for the two months were: December, 1927, \$17,319,100; December, 1926, \$9,842,000, a gain for December, 1927, of \$7,477,100.

The accompanying illustration shows the trend of purchases of securities by banks of the Ninth District since and including 1923. The highest peak in that period, it will be seen, was in 1924, reached in the last month of that year, and was due to the general good crops of 1924 in the Northwest.

The next sharp upturn was in 1927, coming in the final months of last year. This line is still going up and may exceed 1924 before this year is many months older.

"The most encouraging business sign at the turn of the year," says the Federal Reserve Bank of Minneapolis, in its review, "is the large and persistent demand for investment securities by the general buying public of the district. This buying public consists of all individual and corporation purchasers, with the exception of banks, insurance companies and investment dealers.

"Country member banks," continues the report, "began the year 1928 auspiciously by reducing their borrowings with this Federal Reserve bank to the lowest amount during the post-war period. On January 4 they were borrowing only \$1,852,000 and in the succeeding two weeks their borrowings fluctuated very slightly above this figure. Country banks have drawn down their balances with city banks in this district 16 million dollars since November 2. This is good evidence of the progress of security buying by country banks.

"The usual call for reports of condition on December 31 was issued by the comptroller of the currency. Our convenient index of country bank conditions based on called reports of selected banks, gives a clear idea of what the complete returns will show when they become available two months from now. Deposits at these representative banks were 7 per cent larger on December 31, 1927 than a year earlier. Probably the increase in total country bank deposits will not be more than 5 per cent because the selected banks experienced an increase in deposits from other banks and in public deposits which was probably not experienced to the same degree by all country banks.

"The loans of these selected country banks decreased 2 per cent during 1927. The published loan reports in a period of rising deposits and debt liquidation are very unsatisfactory. At a time such as the present an interpreter of statistics wishes to know what proportion of the loans reported by banks consists of loans to customers and what proportion consists of commercial paper, acceptances and call loans, which are in reality short term investments. From interviews with representative bankers it is known that there is a considerable volume of these short term investments included in the loan item at the present time, and, consequently, the reduction of 2 per cent in loans does not fully measure the repayment of customers' borrowings from country banks.

"Security holdings of these selected

country banks increased 14 per cent during 1927, reflecting the increase in deposits and reduction in loans which occurred. There was an increase of 6 per cent in cash, uncollected items and balances "due from banks" during the year. The highest point was reached during the fall when the crop movement was heavy and some reduction has since been made as banks have found suitable investments for their funds.

"Banks in the cattle and sheep range country have experienced the greatest improvement during the year. Deposits at selected banks in that territory increased 13 per cent. Security holdings at these banks increased 26 per cent. At the same time, there was an increase of 10 per cent in loans which, as stated above, indicates precisely nothing on account of the impossibility of determining whether the increase came from expansion in loans to customers or from other placement of funds.

"Banks in the spring wheat belt



Sales of Securities to Banks by Representative Investment Dealers in Minneapolis and St. Paul.

showed the next largest increase in deposits and security holdings and reported a small decrease in loans. Banks in the lumber and mining regions of the district and in the mixed farming territory also reported gains in deposits and security holdings and reductions in loans.

"City member banks began the year 1928 with the largest volume of deposits and security holdings which they have held at the beginning of any year on record. There was some reduction in demand deposits during the last two months of 1927, following the usual seasonal trend. Investment holdings expanded rapidly during the same period as these banks found suitable investments for funds which they had placed on deposit with other banks during the heavy crop moving period. Loans secured by stocks and bonds decreased rapidly during the four weeks ending January 11. This was probably in part an accompaniment of the increase in investment holdings and partly a result of a sharp reversal in the downward trend of commercial loans in the first two weeks of January. Commercial loans, the 'all other' classifi-

cation, had declined rapidly during November and December to the lowest December level in our five year record."

## Banks Ready to Help Dairying Says B. V. Moore

B. V. Moore, deputy governor of the Minneapolis Federal Reserve Bank, was the principal speaker Monday of this week at the annual meeting of the Farmers Co-operative Creamery Association of Thief River Falls, Minn.

The occasion was made one of general celebration in the town. The Rotary Club was host at a luncheon, the guests being the farmer members of the Creamery Company and the Commercial Club of the town, there being more than 400 in attendance.

Deputy Governor Moore congratulated the Creamery Association upon the splendid growth of the industry in the vicinity of Thief River Falls and said that the dairy industry is one which will always have the hearty support of the Federal Reserve Bank, and that banks generally will be found ready to extend credit and aid in the extension of the dairy business.

### DECLINE IN SALES

Advance figures received by holders of shares in the Allis-Chalmers Manufacturing Company sustain the belief expressed in mid-year forecasts that 1927 earnings will approximate the equivalent of \$10 a share on 259,147 shares of common stock outstanding. Sales for nine months of \$25,052,882 compared with \$30,682,542 the full year before, and net profits for the same period last year of \$2,458,859 compared with \$3,596,891 for the 12 months in 1926.

## North Dakota Banks Report Reserve Gains

The state banks of North Dakota had an excess reserve of \$5,207,223.42, according to statistics compiled by the state banking department, from statements showing the condition of all state banks as of December 31, 1927.

The required reserve was \$9,388,378.43, whereas reserves on hand totaled \$14,595,601.05.

Other notable items of the statement show:

	Dec. 31, 1927	Dec. 31, 1926
Deposits .....	\$65,158,740	\$69,613,132
Loans and discounts ....	45,826,857	53,218,601
Undivided profits .....	855,359	849,485
Surplus funds..	2,353,654	2,439,331
Time certificates of deposit....	33,260,051	39,197,692
Savings deposits	3,173,655	3,246,142

Bills payable by the banks dropped sharply, the figure for the last report being only \$585,175.34 as compared with \$1,306,762.79 in October and \$1,453,624.07 a year ago.

Continued movement of real estate from the hands of banks to individual owners is seen in the decrease of \$541,935.68 in this item since October 10 and \$954,436.89 during the last year. The value of real estate still in the hands of banks, as of December 31, 1927, was placed at \$4,928,538.57.

Only 368 banks and three trust companies reported at the close of last year, however, as compared with 387 banks and trust companies in October and 409 banks and trust companies in December, 1926.

### NORWAY'S DEFLATION PANGS

Commercial Attache Harry Sorensen states that the past year witnessed the rapid appreciation of the Norwegian crown to approximate parity, and trade and industry suffered as a result of this deflation. Unrest among depositors and temporary suspension of payments resulted in a number of banks being placed under official administration. Gold redemption is expected during 1928, and, although deflation is not yet completed, a slow general economic improvement is anticipated.

The money market has recently become much easier, largely as a result of the influx of foreign capital and the increased discount rate. The arrangement made by the bank of issue for an American stabilization credit further tends to strengthen the rate of exchange.

### RAILWAY MATURITIES SMALLER

There will be a smaller total of maturities of railway securities this year than in 1927 or 1925—the high points for recent years—but somewhat more than in 1926 and 1924, Dow, Jones & Co. estimate. They place maturities this year at \$292,156,390, against \$357,568,710 last year, \$212,783,060 in 1926, \$370,408,760 in 1925, and \$147,847,360 in 1924.

# When your depositors invest

We are always in a position to help you in advising those of your depositors who may be seeking bond investments. Our lists include a variety of issues suitable alike for your bank's own funds or for the investment funds of your depositors.

You can easily keep in touch with this broad market through our special Bankers' List. We will send it regularly upon request.



## The National City Company

*National City Bank Building, New York*

Offices in more than 50 leading cities throughout the world

BONDS ✓ SHORT TERM NOTES ✓ ACCEPTANCES

# North Dakota Produces \$390,583,000 New Wealth on its Farms in 1927



From the sod house of the pioneer days of North Dakota to the farm home of today with all the conveniences and comforts of the modern city home.

North Dakota is finally getting its 1927 agricultural production down to actual dollars and cents and it is, indeed, an imposing figure. The total is \$390,583,000, almost \$200,000,000 more than that of 1926.

Final figures on the farm wealth of 1927 produced in North Dakota have been prepared especially for the Commercial West by J. M. Devine, commissioner of immigration of North Dakota. They are as follows:

**Grain Production 1927**

Hard Wheat	66,257,000 bu.	\$78,183,000
Durum Wheat	59,257,000 bu.	64,427,000
Barley	43,108,000 bu.	26,340,000
Flax	9,168,000 bu.	17,877,000
Rye	23,163,000 bu.	18,123,000
Oats	46,688,000 bu.	17,760,000

Total .....\$222,717,000

**Estimate Diversified Production 1927**

Corn	\$17,453,000
Beefstock (with increase)	28,700,000
Hogs	26,775,000
Dairy production	49,612,000
Poultry	17,240,000
Sheep, wool and lambs	7,860,000
Potatoes	8,644,000
Alfalfa & sweet clover seed	1,675,000
Honey	500,000
Sugar beets	177,000
Hay, tame and Wild (sold)	1,100,000
Fruits and vegetables	8,130,000

Total .....\$167,866,000

**Total Dollar Value**

Diversified Production	\$167,866,000
Grain Production	222,717,000

Total .....\$390,583,000

In 1918 the state produced 13,000,000 bushels of corn; 1927, 35,000,000 bushels. Number of sheep on farms in state 1918, 190,000, value \$1,490,000; 1927, 495,000, value \$7,860,000. In 1917 the state had on farms 290,000 hogs; 1927, 640,000; 1917, the value of dairy production was \$19,000,000; 1927, \$49,000,000; 1916, the state had 60,000 acres of alfalfa and sweet clover; 1927, 495,000 acres. Poultry production 1918,

\$3,900,000; 1927, \$17,240,000. Well distributed on the farms of North Dakota 1927 were: hogs, 640,000; beef-stock, 1,200,000; cows, 595,000; sheep and lambs, 495,000; 1920, 708 hives of bees; 1927, 25,000 hives.

"We are a state that will continue to be a great grain state," says Mr. Devine, "since we produce a high quality product, yet it may be well to state that when we have a certain per cent of live stock of good quality

on every farm with corn, alfalfa and sweet clover to feed them dependably throughout the year the wheat acreage will necessarily grow less but that acreage will produce more bushels, therefore, more dollars. Dockage will be reduced to the minimum and the soil fertility conserved. The above statement fully evidences the fact that we are very rapidly reaching that decided agricultural development in this state."



Samples of the purebred beef stock that is adding annually to the wealth of North Dakota

# United States Lead World in Water Power Utilization

The extent of the industrial development of a nation, which is the modern measure of its civilization, can probably be gauged best by the extent of its use of mechanical energy. For this reason it is interesting to compare the extent to which the water-power resources of various countries have been utilized and the progress which is being made in building new plants. In both respects, according to an estimate made by the department of the interior through the geological survey, the United States leads all other countries of the world, and in the capacity of its constructed plants it nearly equals all Europe. The total for the United States at the end of 1926 was 11,700,000 horsepower for plants of 100 horsepower or more, as against 13,100,000 horsepower in Europe, presumably for plants of all sizes. In the six-year period 1921 to 1926 the capacity of constructed plants in the United States of 100 horsepower or more increased 3,800,000 horsepower while in Europe the increase in plants of all sizes was 4,200,000 horsepower. During the last three years of that period, however, the rate of increase in the United States was much greater than during the first three years, whereas the rate of increase in Europe showed a decline. The leading countries in Europe in the use of water power and the capacity in horsepower of their constructed plants in 1926 are Italy, 2,300,000; France, 2,000,000; Norway, 1,900,000; Switzerland, 1,850,000; Sweden, 1,350,000.

## Development Active in Japan

The developed water power of Africa amounts to only about 14,000 horsepower, but Japan has build plants aggregating 1,750,000 horsepower, and India 200,000 horsepower. New Zealand has some large plants under construction, but those completed have a capacity of 60,000 horsepower. The Dutch Islands of Java, Sumatra, and Celebes have plants of 80,000 horsepower. Tasmania's plants have a capacity of 75,000 horsepower. Australia depends mostly on fuel plants and has utilized only 2,000 horsepower of its water-power resources.

In South America, Brazil leads the other countries by a wide margin, with 500,000 horsepower, most of it used in Rio de Janeiro and Sao Paulo. Chile's plants amount to 114,000 horsepower, and Peru's to 55,000 horsepower.

Coming back to North America we find that Mexico has plants with a capacity of 300,000 horsepower. A large part of this capacity is in plants supplying Mexico City and there is not much activity in building new plants. Newfoundland has a large new plant for the manufacture of paper that increases its total to 160,000 horsepower. But the only real com-

petitor of the United States in the whole world is our neighbor Canada, whose plants had a total capacity of 4,556,000 horsepower at the end of 1926, an increase of 2,138,000 horsepower since 1920.

At the end of 1926 the developed water power of the world was as follows: North America, 16,800,000 horsepower; South America, 750,000; Europe, 13,100,000; Asia, 2,100,000; Africa 14,000; Oceanica, 240,000; total of 33,000,000. As the total capacity of the water-power plants of the world in 1920 was 23,000,000 horsepower, there was an increase of 43 per cent in the six years.

## Ultimate in U. S. 80,000,000 H. P.

It is difficult to coordinate estimates of water power for the several countries, particularly estimates of potential water power, because of differences in their elements and character and in the completeness and accuracy of the data on which they are based; but the estimates here given are considered sufficiently accurate to afford a rough idea of the potential water-power resources of the world and the extent of their development. The figures for the developed water power represent the rated capacity of water wheels or turbines installed, and the figures for the potential power represent the total power that could be obtained at ordinary low water, including the power already developed. The installed capacity usually amounts to two or three times the power available at low water. Thus although the potential power in the United States amounts to 35,000,000 horsepower and the capacity of the water wheels already installed is 11,700,000 horsepower, the inference should not be drawn that 33 per cent of the water-power resources of the country is developed. Probably with complete development the installed capacity would amount to 80,000,000 horsepower or more, and thus only about 15 per cent of the total resources has yet been developed.

The figure for the developed water power in the United States includes only plants having a capacity of 100 horsepower or more and is based on excellent data. Even on this basis the capacity of constructed plants nearly equals the capacity of those in all Europe, for which the figures are presumed to include plants of all capacities, and at the present rates of increase this country will surpass Europe by a considerable margin in another three years.

## NORTHWESTERN LIFE CO.

### HAS RECORD NEWBUSINESS

Reports of officers of the Northwestern Life Insurance Company of Minneapolis, made at the annual meeting held this week, showed that



KENNETH T. MARTIN

Mr. Martin, who has just joined the First Minneapolis Trust Company as bond salesman in Minnesota territory, was born in Little Falls, Minn., and is a graduate of the University of Minnesota, taking his degree in 1923. After leaving the University he went with the First National Bank of Little Falls as assistant cashier and assistant secretary in the trust department. He entered the employ of the First Minneapolis Trust Company January 15, this year.

the company wrote \$51,190,685 of new business in 1927, the largest volume in its history, being an increase of 14.8 per cent over 1926. The company now has a total of \$257,825,730 of insurance in force.

The total income of the company was reported at \$9,047,050 for 1927, comparing with \$7,794,515 for 1926. Payments to policyholders in 1927 were \$3,423,555, compared with \$2,778,965 in 1926. Of the \$3,423,555 paid to policyholders, \$1,316,732 was for death claims and \$2,106,823 for profits earned by policyholders.

## RITTEN INCORPORATES

Louis N. Ritten & Co., a corporation under the laws of the State of Minnesota, has succeeded to the business of Louis N. Ritten. In announcing the change Mr. Ritten says:

"For the past 30 years I have been connected with the grain trade. At the present time my business volume has become so large, that I feel it is impossible for one man to render the service to which his customers are justly entitled. I have, therefore, incorporated.

"Into the firm I have taken men in whom I have implicit confidence. They have served me faithfully as employees; now they stand ready to serve the trade. Aside from a very slight change in the name, the management, policies and principals of the new company will remain the same."

## MONTANA CHEESE FACTORIES

Kraft Cheese Company has built its fourth factory in the Bitter Root Valley at Grandsdale, Montana.

# Investment Men Enthused By I. B. A. President Hayes at Local Meetings

The Twin Cities were honored this week by a visit from Henry R. Hayes of New York, president, Alden H. Little, executive vice president, and John P. Mullen, assistant educational director of the Investment Bankers Association of America. While here they were guests of the Twin City Bond Club and the Minnesota Division of the I. B. A.

The distinguished guests of the investment bankers of St. Paul and Minneapolis were presented formally at a luncheon Thursday noon at the Nicollet hotel, Minneapolis, and at a dinner the evening of the same day at the Minnesota Club, St. Paul, both affairs being sponsored by the Twin Cities Bond Club, of which Eugene Hanson of the Minneapolis House of Lane, Piper & Jeffray is president and the Minnesota Division of the I. B. A., of which Stanley Yonce of the Northern Trust Company, Duluth, is chairman.

At the Nicollet hotel luncheon, which was largely attended and at which a splendid reception was tendered, the executive officers of the National Association, Mr. Hayes discussed some of the outstanding, intimate problems that confront the investment banker today. In particular the need of making taxation the subject of more intense, popular interest was stressed by President Hayes.

"Unfortunately," Mr. Hayes said, "taxation is not a public question in this country. Rather, it exists as a disagreeable individual and personal question to which we give thought only as it touches our pocketbooks. In reality, taxation is wholly a subject of public concern and should be considered, therefore, in the light of public welfare. When the American people grow to a realization of this fact, when they become 'tax-wise' to a greater degree, we shall undoubtedly see the adoption of more efficient tax programs in state and municipal governments.

"The example set by our national government in the handling of this vital public question is well worthy of imitation by the country's lesser governmental bodies. For the seventh time in 11 years Congress is concerned with a revision of the national tax law. This continuous remaking of and downward revision of national taxes is one of the most promising evidences of our progress and a very important factor in our prosperity. Considering the world as a whole, it is an almost isolated policy among nations. It is to be wondered that the astute statesmen in our municipal and state governments have not long before this followed that laudable tax reduction program.

"Yet, as able as has been the handling of the national tax problem, there remains in the Federal tax law much



EUGENE HANSON

Mr. Hanson is the new president of the Twin City Bond Club, and presided at the Minneapolis luncheon February 2 in honor of President Henry R. Hayes of the I. B. A.

that is unscientific and discriminating. An example is the tax on capital gains. This tax continues to do injustice, to place a penalty on ability to create new wealth, not because anyone wishes to be unfair, but because of public insensibility to the fact that it is unscientific and a handicap to prosperity. In a like manner, we see communities adopting the unwise policy of strangling their local industries with taxes, thus rendering them ineffective against competitors in other and wiser communities that offer some measure of tax relief. A better understanding of the taxation question in the public mind will go far to correct such situations."

#### Talks for Commercial West

Alden H. Little, executive vice president, whose home is in St. Louis, spoke briefly at both gatherings. He urged local investment men to take more interest in the National conven-

tion and asked them to work up enthusiasm here for the gathering and see to it that a large delegation attends the next annual convention, to be held in October in Atlantic City, for which the entire Ambassador Hotel has been taken over.

Discussing the general investment situation for the Commercial West during his visit here President Hayes, who is on a tour of the larger cities of the country, and will visit the Pacific Coast in a couple of weeks, said that the trend of investment securities is definitely toward higher prices.

The rate of return on investments will tend lower, Mr. Hayes believes, because of the huge and steadily increasing accumulations of capital in this country and because industrial progress naturally has intensified competition, with attendant lessening of profits. The lower yield in investment returns, however, is more apparent than real, Mr. Hayes says, owing to the fact that the purchasing power of the dollar is gradually increasing and because taxes are being reduced, at least by the Federal Government, in an admirable and consistent program that is yearly adding to the country's buying power and providing for sustained prosperity.

"We are apparently now in a 'coming back' period from the modest recession of 1927," Mr. Hayes continued. "To me the remarkable thing about this recent reaction and any current sequels thereto is that they took place without much public concern. Rather, they have been accompanied by pronounced optimism, as evidenced by the securities markets wherein there is apparently a very sturdy anticipation of a still better period beyond any past or possible future recessions which are regarded as merely temporary. I believe this optimism for the 'long pull' is eminently justified in our own country, and probably in a number of other countries as well. Our good, sound, American securities still hold their premier position among the world's opportunities for the safe

For twenty years The Northern National Bank has constantly added to its strength and ability to better serve its banking correspondents.



**THE NORTHERN  
NATIONAL BANK**  
DULUTH

and profitable employment of capital. I do not believe any of us who are working today will live to see any fundamental change in this condition; very possibly it will not be the unenviable portion of our grandchildren to see any change, in a detrimental way.

"I said just now that increased competition in industry was a mark of progress. I sincerely believe that. There may be temporary unpleasantness connected with it, and here and there some hardship to individual concerns, but on the whole it is beneficial and a necessary stimulus to greater achievement. If we were soft, it would be otherwise, but we have ability to overcome obstacles and to build better persistently."

Messrs. Hayes, Little and Mullen came to the Twin Cities from the annual mid-winter meeting of the Association's board of governors, held two weeks ago at Absecon, N. J.

#### Investment Volume Growing

"Our Board meeting at Absecon," Mr. Hayes said, "was our usual periodic gathering to consider the timely developments in business and finance. Among the more important topics were reports on investment trusts, foreign securities, taxation and the internal problems peculiar to the investment banking business. One of these problems had to do with split rate bids on securities offered by municipi-

palities and other taxing subdivisions and was the subject of a very able report by a Boston member of our Board, Mr. Harry H. Bemis, of Curtis & Sanger, Boston. In commenting on the resolution adopted at that meeting in which the board went on record against Blue-Sky legislation for the control of investment trusts, Mr. Hayes said:

"The public participation in investment securities has become so enormous—there are probably not far from 15,000,000 holders of investment securities in the United States today—that our problems have become manifold. We are greatly concerned that America become investment-minded with as little economic waste as possible, and, therefore, we are particularly interested in what is a new development in this country, the investment trust. Today there are about 150 of these institutions in the United States and practically all of them have been organized within the last five or six years. No doubt, among this number there are many soundly and ably managed. Yet, there are some which should be labeled 'speculation' rather than 'investment' trusts, and there are a few whose respectability is in grave doubt.

"I feel, however, that the investment trust will make as useful a place for itself in this country as it has in

England. But the point is that the investment trust is a new thing with us; we should act accordingly. A great number of our people are interested in this newcomer among our financial institutions, attracted perhaps by its novelty. Many bankers, investors and public officials are giving it their study. Yet, there remains need for deeper interest and study if the investor is to profit as he should from commitments he makes in these financial institutions. We have action toward that end, but not a little of it has been action, in one way or another, without a thorough appreciation of the subject. We should remember that the safety of an investment lies in the honesty and ability we find in management. The investment trust has not changed that fundamental by the thickness of a shadow."

Questioned regarding the attitude of the organized investment banking business of the country toward the resolution of Senator Walsh of Montana, calling for an investigation of public utilities, Mr. Hayes said:

"I had the pleasure to express our views before a hearing of the Senate Committee on Interstate Commerce, which is making inquiry as to the desirability of that investigation. We are interested in it solely as a part of that public which has invested more than

(Continued on page 36)

# MIDLAND BANK

LIMITED

Chairman:

THE RIGHT HON. R. McKENNA

Joint Managing Directors:

FREDERICK HYDE

EDGAR W. WOOLLEY

## Statement of Condition

December 31st 1927

### RESOURCES

\$5 = £1

Cash in hand and Due from Banks .. .. .	\$342,025,233-56
Money at Call and Short Notice .. .. .	137,545,385-25
Investments .. .. .	177,177,650-44
Bills Discounted .. .. .	246,573,891-31
Advances .. .. .	1,032,439,551-29
Liabilities of Customers for Acceptances, Confirmed Credits and Engagements .. .. .	184,987,972-37
Bank Premises .. .. .	38,178,229-98
Investments in Affiliations .. .. .	33,332,444-73
	<u>2,192,260,358-93</u>

### LIABILITIES

Capital Paid up .. .. .	63,328,990-00
Surplus .. .. .	63,328,990-00
Deposits .. .. .	1,880,614,406-56
Acceptances and Confirmed Credits .. .. .	100,802,473-52
Engagements .. .. .	84,185,498-85
	<u>2,192,260,358-93</u>

Together with its affiliations the Midland Bank operates 2410 branches in Great Britain and Northern Ireland, and has offices in the Atlantic Liners *Aquitania*, *Berengaria* and *Mauretania*. The Foreign Branch Office at 19 Piccadilly, London, is specially equipped for the use and convenience of American visitors in London.

AMERICAN DEPARTMENT: POULTRY, LONDON, E.C. 2

HEAD OFFICE: 5 THREADNEEDLE STREET, LONDON, E.C. 2, ENGLAND



# The Federal Reserve Bank

By *W. B. Geery*

*Governor Federal Reserve Bank, Minneapolis*

Address Given Over WCCO February 1, 1928

*This is the first of a series of eight talks on the principles of banking, investment and finance that will be given Wednesday evenings from 7 to 7:15 o'clock over WCCO radio station. Considering the importance of the widespread dissemination of the addresses comprising this very worthwhile program the Commercial West has arranged to publish each of the speeches as they go on the air.*

*Arrangements for these addresses were made by Henry Verdellin, assistant secretary in the trust department of the First Minneapolis Trust Company, and H. A. Bellows, manager of WCCO station. They are sponsored by the Minneapolis Chapter, American Institute of Banking. The program is a continuation of one inaugurated last year, but goes further than its predecessor in that the public is invited at the conclusion of each address to write the WCCO station asking questions*

"I am glad of the opportunity to talk to you for a few minutes about the Federal Reserve System, because I imagine that a great many of you are not very clear as to the objects and working of the System. It is not a panacea or cure-all for all the ills of banking. It cannot prevent the closing of an insolvent bank, but any solvent member bank honestly and competently managed, can at all times get assistance for seasonal requirements and emergencies.

"The title of the Act as passed by Congress, effective December 23, 1913 is 'An Act To Provide for the establishment of Federal reserve banks, to furnish an elastic currency, to afford means of rediscounting commercial paper, to establish a more effective supervision of banking in the United States, and for other purposes.'

"In order to appreciate the necessity for the passage of the Act, it is necessary to go back and briefly review the conditions that prevailed in banking in the United States at that time and which the money panic in 1907 brought so clearly to the attention of the whole country.

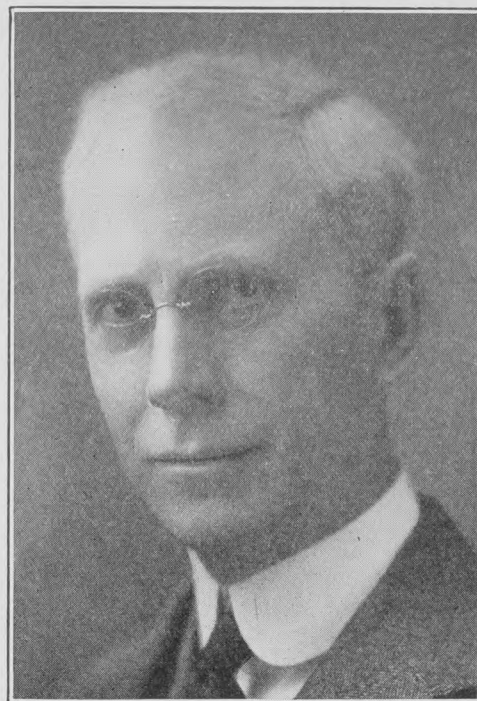
"There were about 30,000 independent banks operating in this country, and each carried its own reserve. National banks in so-called central reserve cities (New York, Chicago and St. Louis) were required to carry 25 per cent of their deposits in gold or lawful money in their own vaults. Banks in so-called reserve cities, such as Minneapolis, St. Paul, Kansas City and the like, were also required to carry 25 per cent reserve against their deposits, but only one half of this must be carried in their own vaults, the balance being carried in central reserve city banks. All other national banks were required to carry 15 per cent reserve; 6 per cent must be in gold or lawful money in their own vaults and 9 per cent could be carried in reserve city or central reserve city banks. Thus a bank in the

country with \$500,000 deposits carried \$30,000 in cash in its own vault, and \$45,000 with its city correspondent, on which it received 2 per cent interest, but the city correspondent could not keep this balance idle. It loaned it out, retaining 12½ per cent of it in cash so that in reality the cash reserve of the country bank with \$500,000 deposits, was \$30,000 cash in its own vault and 12½ per cent of the \$45,000 in its correspondent's hands or \$5,625. This pyramiding or interlocking of reserves resulted in periodical tightness of money when any special demand for cash came as at crop moving time and there was no means at hand for increasing the amount of circulating notes in use when the demand was heavy or for contracting the supply when the demand was over.

"When one of the large trust companies in New York suspended in the fall of 1907, every bank in the country started to fortify its own position by laying in a supply of cash. In a few days, the New York bankers were compelled to stop paying cash and paid only through the clearings, settling clearing balances in Clearing House Certificates. A large proportion of the banks throughout the country followed suit, and the panic was on in earnest. Situations like this recurring at intervals of a few years were intolerable, and spurred Congress on to devise a new system which would do away with the possibility of such conditions in the future.

## 7,800 Members Now

"After several years of study, the Federal Reserve Act was introduced in Congress and finally, in the fall of 1913, was passed. Membership was made compulsory for National banks and permissive for State banks. This brought about 7,500 members into the System at the start, representing about 42 per cent of the banking resources of the country. There are now, in round numbers about 7,800 National bank members and 1,300 State



W. B. Geery

bank members, representing approximately two-thirds of the banking resources of the country.

"The country was divided into twelve districts, and in each was located a Federal reserve bank, each of which, with the exception of Boston and Philadelphia, has established one or more branches. Every member bank is required to subscribe to the stock of the Federal reserve bank in its district, an amount equal to 6 per cent of its own capital and surplus. Only one-half of this, however, has been paid in. All the stock in Federal reserve banks, therefore, is owned by the member banks.

"The Federal reserve banks are limited in respect to the dividends which they may pay, to 6 per cent. All earnings in excess of this amount go into a surplus fund until the surplus equals the subscribed capital, that is, twice the paid in capital. After this point has been reached, 10 per cent of the net earnings, after paying expenses and dividends, are retained to increase the surplus account and the balance is paid to the Government as a franchise tax. In case of liquidation the stockholders, i. e., the member banks will be entitled to receive only the paid in value of their stock plus any accrued dividends, and the balance will become the property of the United States. The franchise tax and the residue remaining in case of liquidation will in the discretion of the Secretary of the Treasury be used to supplement the gold reserve held against outstanding United States notes, or applied to the reduction of the outstanding bonded indebtedness of the United States.

"Each Federal reserve bank is managed by a board of nine directors, all of whom must be residents of the district. Six of these are elected by the member banks of the district, and three are appointed by the Federal

Reserve Board at Washington. The Federal Reserve Board designates one of the directors appointed by it as Chairman of the Board and Federal Reserve Agent. He must be a person of tested banking experience, and in addition to his duties as Chairman of the Board of Directors, he is required to maintain, under regulations of the Federal Reserve Board, a local office of said Board on the premises of the Federal Reserve Bank, his salary being fixed by the Federal Reserve Board but paid by the bank. The local Board elects the Governor and such other officers as it may deem necessary, fixing their salaries, subject to approval of the Federal Reserve Board at Washington. So much for the organization.

#### Legal Reserves Required

"Each member bank is required to carry certain reserves, all of which are represented by balances with the Federal reserve bank of its district. These reserves vary somewhat.

"Country banks are required to carry on deposit with the Federal reserve bank an amount equal to 3 per cent of their time deposits and 7 per cent of their demand deposits.

"Banks in reserve cities carry 3 per cent of their time deposits and 10 per cent of their demand deposits.

"Banks in central reserve cities carry 3 per cent of their time deposits and 13 per cent of their demand deposits.

"Aside from this, there are no reserve requirements, although in practice all banks must carry a certain amount of till money and moderate working balances with correspondents.

"Federal reserve banks are required to maintain at all time reserves in gold of at least 40 per cent of their circulating notes outstanding, and reserves in gold or lawful money of not less than 35 per cent of the member banks' reserve balances.

"The functions of a Federal reserve bank are many, and include making advances to member banks on eligible paper in the shape of rediscounts or by taking the member banks own Bills Payable secured by this paper or by pledging Government securities; the issuing of Federal reserve notes and redeeming the same on demand when presented, buying and selling at home or abroad Government securities, bankers acceptances or gold (so-called Open Market operations); maintaining a clearing or check collection system for its member banks; handling for its member banks the collection of maturing notes and bills of exchange; the custody of securities for its members, and lastly, acting as fiscal agent of the Treasury Department in the issuance of Government securities and the redemption of Government securities and coupons.

"Assuming that a bank in an agricultural community finds its deposits going down and its reserves getting low, or a special demand for money for harvest expenses which it has no

funds to meet, it can end its farmers' paper to the Federal reserve bank with its own endorsement and receive credit in its reserve account. If it needs actual cash, the reserve bank will ship its Federal reserve notes to such a bank, charging its reserve account, and even paying the shipping charges. More as to these Federal reserve notes later.

"If a city bank finds an unusually heavy demand from customers who have to borrow heavily to handle the crops in the fall, and has not available sufficient idle funds to take care of this demand, it can rediscount its good jobbers, manufacturers' and grain merchants' notes at the Federal Reserve Bank, getting credit therefore in its reserve account. The proceeds can be transferred to any part of the country where needed, or withdrawn in cash to be shipped to the country or can be used to settle adverse clearing house balances, all without cost to it. Or a member bank having Liberty Loan bonds, Treasury Certificates or other Government securities, may pledge these as collateral and borrow from the Federal reserve bank on its own Bills Payable.

"To illustrate how the demand for advances varies, the Federal Reserve Bank of Minneapolis in the fall of 1920 had advances to its member banks of better than \$115,000,000 and within the last 60 days, the advances have been as low as \$1,852,000.

"Provision is also made in the Federal Reserve Act so that if one Federal reserve bank has heavier demands from its members than it can take care of from its own resources, it may in turn rediscount the paper which it has taken from its member banks, with one of the other Federal banks, which has surplus funds available. In this way, the Federal Reserve Bank of Minneapolis in the fall of 1920 rediscounted very heavily with the Federal reserve banks of New York, Philadelphia, Boston and Cleveland.

#### Maturity in 90 Days

"Commercial and industrial paper to be eligible for rediscount at a Federal reserve bank must mature within 90 days from the time of offering. Agricultural and live stock paper, however, may have nine months to run and still be eligible.

"The second function I spoke of, the issue and redemption of Federal reserve notes, is the provision for an elastic currency referred to in the title of the Act. Federal reserve notes are the obligation of the United States Government, but are a first lien on the assets of the reserve banks. These are issued by the Comptroller of the Currency to the Federal Reserve Agent, upon his request, and kept in the joint control of the Agent and the Federal Reserve Bank until needed by the bank. The notes issued to each Federal reserve bank bear a distinguishing symbol, and no bank is allowed to re-issue notes of another Federal reserve bank, but when received by it,

these are immediately sorted and forwarded for redemption.

"When a demand for currency comes to a Federal reserve bank, either for shipment to the country or for payment over the counter, it applies to the Federal Reserve Agent for Federal reserve notes, pledging with him as security, notes which it has rediscounted, or bankers acceptances it has bought, or gold. The security may be 100 per cent gold, but the gold pledged must never get below 40 per cent of the notes actually outstanding. When the demand for currency is over and money begins to flow back to the Federal reserve bank, it turns the notes redeemed back to the Federal Reserve Agent and is in turn privileged to withdraw a like amount of its collateral pledged, either gold or securities, so long as the percentage of gold is not reduced below 40 per cent, and so long as the notes are always secured by at least 100 per cent of collateral. The circulating notes of the Ninth Federal Reserve Bank in the last six or seven years have been as high as \$79,000,000 and as low as \$49,000,000. During 1927 the maximum was \$69,000,000 and the minimum \$56,000,000. This give elasticity to the circulation which it never had before.

#### Open Market Operations

"The time at my disposal has been nearly used up in giving a brief outline of the Federal Reserve System. The full 15 minutes could be used on the rediscount service, the clearing function, the custody service or the fiscal agency duties. I have merely touched the high spots and not all of them. I must, however, refer to one other function—that of the Open Market operations.

"Power is conferred in the Act to buy and sell in the market at home or abroad from or to domestic or foreign banks, firms, corporations or individuals, cable transfers, bankers acceptances and bills of exchange of the kinds and maturities made eligible for rediscount by the Federal Reserve Act. Under this section, the Federal reserve banks have assisted England, Italy, Poland and many other foreign nations to get permanently upon a gold basis, by buying gold about to be shipped here and employing it in the foreign market until the exchange position reversed itself and the foreign exchange could be sold to advantage, by entering into agreements to purchase a certain amount of foreign bills, if needed, to maintain the required foreign gold reserve. These foreign countries have not had to avail themselves of this agreement, but the knowledge that they could if necessary has given them confidence to establish the gold standard, and thus make a stable market for our exports of grain, cotton and manufactures with assurance of payment in a currency on a par with our own. In our own markets as gold was shipped abroad, the Federal Reserve Bank has bought

(Continued on page 45)

# Bank Backing for Turkeys Has Helped North Dakota Win \$15,000,000 Profits

That succulent native American bird Turkey, which gave our Pilgrim forefathers from the Mayflower their first Thanksgiving dinner and has ever since been the fattest and most pleasing edible symbol of American prosperity, is now in the Northwest, and in North Dakota particularly, running strong over the top in conquest of that prosperity which it symbolizes.

In the heart of North Dakota's famous turkey country, including especially districts around Grand Forks, Fargo, Petersburg and Minot, fine turkeys and fine automobiles are today as plentiful as were once the swarms of devastating locusts which the turkeys were originally introduced to devour.

In those earlier days in North Dakota, the gobblers gobbled up the locusts. Today thousands of turkeys are

eating off the fat of the land in North Dakota, but whatever they eat, they also convert into choice meat which in cash value per pound is many times the value of any kind of feed gobbled. There is apparently no greater producer of farm profits in North Dakota today, than the turkey. No wonder that around these rich areas of turkey land you can find the autos everywhere just as you find the turkeys everywhere.

### Turkey Crop \$15,000,000

A \$15,000,000 turkey crop for North Dakota, is estimated for this year by Ed. L. Hayes, president of the American Turkey Breeders Association. This is indeed a fine sum of money to be injected into the channels of North Dakota business, into checking accounts with local banks, and to

liquidate past debts about as fast as the gobblers originally liquidated the locusts.

All during this past week in Grand Forks, the great capital of the American turkey industry, there was the fifth annual American turkey show. It was a veritable turkey carnival, about 500 of the most splendid birds in the world of the turkey 'family, being gathered into a kind of Mardi Gras festival, offering a de luxe spectacle of fine feathered fashion. And many of them also were fine food for a feast, at the Hotel Dakota, when participants in the show assembled at their annual turkey banquet.

In the Commercial West of December 17, 1927, appeared a survey of the northwestern turkey industry. It was shown how more turkeys would sup-



Pictures by Courtesy Great Northern Ry.

Prosperous centers of North Dakota Turkey-land where more turkeys per acre are produced than anywhere else in the world. The present crop is worth \$15,000,000. Fargo left hand corner, Grand Forks below, Minot to right

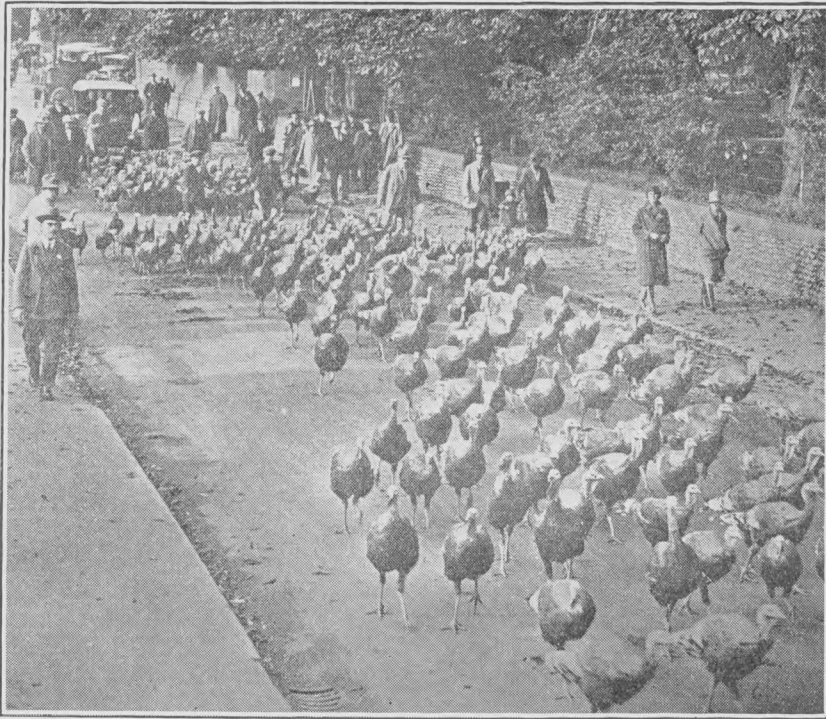
ply both consumers and producers with rich fat dividends. A special article on "The Grand Forks Capital of the Turkey Industry," was contributed by Mr. Hayes, president of the American Turkey Breeders Association. Letters were also published from leading bankers in the Northwest, showing how turkey raising promoted local prosperity.

### Banking Aid Given

In the great triumph of the turkey in North Dakota, it is by no means sufficient to stress the splendid work of breeders and raisers. To round out the notable story of prosperity achieved from turkeys, it is hardly possible to give sufficient credit to far sighted and progressive bankers who first financially got the gobblers on their running feet.

For instance consider the great turkey fame of Petersburg, the small North Dakota town which produces many of the prize turkeys of the world. It is here that a progressive young banker, Clarence Swendseid, assistant cashier of the First National Bank of





There was a veritable carnival of feathered fashion at Grand Forks this week, with 500 turkeys there from far and wide for this all America show. The Sultans of North Dakota turkey-land, gave a turkey feast to participants in the show.

Petersburg, being a believer in turkeys, influenced his bank to finance farmers in turkey raising. Petersburg now has five great "sultans" of turkey, and all but one of these was set up in business through the backing of the First National Bank of Petersburg. The five "sultans" include Ray Andrews, secretary of the American Turkey Breeders Association, with a flock of 800 birds, and a pioneer in the artificial incubation and brooding of turkeys; N. A. Reiten, with a flock of 400; Ole H. Reiten, with a flock of 500; Herbert M. Drake, with 300 birds; Almer Gedestad, with 250 birds, and Carl Waag, with 500 birds.

The bank's plan for fostering the turkey industry, is to lend \$50 to the prospective turkey raiser in cash on a straight note, or enough to purchase a small foundation flock of one tom and four hens. This provides for an increase of breeding stock the second year, with enough marketable birds to pay for the first cost of the flock. These flocks soon pay for themselves. The bank also assists turkey raisers to buy breeding stock and incubators, and to erect poultry houses. Some of the breeders get as high as \$75 for a single choice bird. One breeder last season sold 800 birds at an average of \$10 each.

Since the Commercial West published its survey on December 17, 1927, on the Northwest turkey industry, it has received some more interesting letters as to the treasure producing possibilities of turkeys. In South Dakota and Montana there is a growing movement for more turkeys. In South Dakota it is becoming realized that consumers should not have to go to North Dakota for turkeys, but the state ought to raise instead a surplus of its own for export.

#### South Dakota Turkeys

M. F. Patton, president of the Mitchell National Bank, Mitchell, S. D., writes:

"I believe it would be a good thing if we could interest our people in raising turkeys, but at the present time we do not get nearly enough turkeys in this vicinity to supply the local market."

W. Bauer, president of the Mitchell Produce Company of Mitchell, South Dakota, writes:

"We have always contended that there are not a sufficient number of turkeys raised in this territory. We have to draw our supply from west of the river and from North Dakota.

"We see no reason why turkeys can not be raised more abundantly for if they can be grown in North Dakota and west of the river, they certainly can be raised in larger quantities here. Turkey raising is very profitable and certainly should be encouraged.

"Just recently we corresponded with a raiser west of the river who had crossed his tame birds with wild turkeys and had secured excellent results.

"A much larger supply of turkeys can be marketed very profitably. Our own recent experience is, that we have had numerous inquiries for carloads of turkeys, which orders we are unable to fill. We certainly would like to see a much larger crop raised in South Dakota."

#### Raises 536 Turkeys

N. Plin Beebe, president of the Bank of Ipswich, Ipswich, S. D., kindly sends a clipping from a local paper of Edmunds County, as follows:

"We believe that Berton Ham, son of Mr. and Mrs. Robert H. Ham, is the champion turkey raiser of the northwest. At any rate his achievement is inspiring and shows what can be done with a few turkeys to bring in a substantial income.

Last spring Berton started out with

14 White Holland turkeys and about three weeks ago a commission man was out to look over his flock and offered him \$2,300 for the bunch, but he did not accept the offer. Since then he has marketed about half of the flock and will ship the balance before the holidays. Without purchasing any eggs, Berton raised 536 turkeys, being over 3800% increase.

"Two years ago Berton chose to be the poultry man at the Ham farm and he has made a real study of his line. He puts in all of his time looking after the poultry interests and his success goes to show just what can be done on the average farm."

Mr. Beebe also advises—

"The turkey growing proposition in this section has proved most profitable. I remember at the height of the deflation, a woman came into town with a bunch of dressed turkeys in the back of her Ford and her check for turkeys was more than her husband received for a load of hogs. Quite a few women are coming in now with checks for from \$50.00 to \$200.00 for turkeys. The first of last month I was in southern Texas where they have real herds of turkeys but at that I understand the best turkeys are raised in the Northwest. Today John Roberts who lives southeast of town was in and gave me the following figures:

"His wife hatched 281 turkeys. When they were 6 weeks old a badger got 126 of them. She raised the 155 that were left but about the time she was ready to sell same a dog killed 12 of them and she is keeping 12. That left 131 to sell. These she sold for 42c and 44c which netted her \$700.00. A year ago last fall they sold the best of their turkeys at 65c per lb. They are now buying some new stock and are paying \$10.00 apiece for the hens and \$18.00 for the gobblers."

#### Montana's Turkey Profits

O. R. Rubie, cashier of the Hill County State Bank of Havre, Montana, writes:

"About 6600 turkeys were marketed in Hill County in 1927 for \$38,225.00. About 2000 birds which will bring not less than \$8,000.00, will be marketed in January.

"The turkey business as a side line to the farmers in this community has proven very profitable. In the summer the birds live on grasshoppers and other insects, and later in the fall they are turned into the stubble fields, until about 60 days before marketing, then they are fed on wheat and oats. Some of the local authorities claim that wheat and oats as a feed are superior to corn as it produces a light meat. Our turkeys sell at a 10 cent premium over southern birds. The size of the flocks vary with the different farmers, averaging from 10 to 150 birds per farmer.

"The following are a few of our customers who marketed and received checks: Anna Kinsella, 123 birds, \$647.47; J. B. Plummer, 104 birds, \$611.50; and C. A. Wardell, 92 birds, \$502.75. About 50 cars of turkeys have been shipped out of Montana and each car will average no less than \$12,000.00.

"We feel that the raising of turkeys is a very important contribution to the farmer's income as they are raised at a very small expense and are easier to raise in the dry years, than in the wet years which are favorable to crop conditions. Therefore when the crops are not very good the sum received from the sale of turkeys materially

(Continued on page 45)

## Announcing

.... the consolidation of the American National Bank with the **FIRST WISCONSIN NATIONAL BANK**



ON January 23 the American National Bank and the First Wisconsin National Bank consolidated under the name of the First Wisconsin National Bank.

The total resources of the consolidated institutions are now more than \$125,000,000, with capital, surplus and undivided profits of \$11,000,000 and deposits of over \$110,000,000.

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# W. G. Hudson Tells How Crop Reports Are Issued by Van Dusen Harrington

On January 21 the Commercial West published an interview on the subject of crop reports with H. V. Jones, the great crop expert of two decades ago, also the first publisher and editor of the Commercial West, and now publisher and editor of the Minneapolis Journal. Mr. Jones scored noted beats over the United States government wheat crop reporting service of that time, his own estimates proving approximately accurate from year to year, while the government was often many millions of bushels in error. Mr. Jones in his interview showed the faulty system by which the government then wrongly estimated crops.

On January 28, we published an article by Nat C. Murray, the distinguished crop statistician of Clement, Curtis & Co. of Chicago, who reviewed the history of government crop reports since the system started in 1862, down to the present time. He showed the record had been one of great improvement, so that there was now no such opportunity for private experts to make the government reports look ridiculous, as Mr. Jones did a quarter of a century ago.

In our present issue, we publish a statement from Walter G. Hudson explaining the splendid crop letters issued by the Van Dusen Harrington Company of Minneapolis. This private service of this prominent grain firm really amounts to a beneficial public service. It has gained a fine international reputation in the grain trade, and is always eagerly looked for by all interested in Northwest crop conditions. For a number of years past, these reports of the Van Dusen Harrington Company, have been written by Walter G. Hudson, who ranks as one of the foremost wheat authorities of the world. Mr. Hudson explains the weekly crop letters of his company as follows:

"Many years ago The Van Dusen Harrington Company decided to issue a weekly crop letter that would reflect the actual conditions of the crops of the Northwest each season. We knew that to have the proper standing and create confidence, these reports must be accurate and unbiased. We believe also, that they should be brief. Mr. W. J. Hartzell was at that time in charge of this work for the company, and it was carried on by him until he moved West a number of years ago.

"We found these crop reports were being read throughout the United States by men in every line of industry. Many financial publications and newspapers began publishing them, and have continued to do so for many years. In the meantime, we have received additional requests for copies, and our mailing list has been greatly increased. Through the re-



WALTER G. HUDSON

quests received for these reports, we learn of the importance of the Northwest to the business interests in other parts of the United States. Manufacturers, selling goods in this territory, bankers and railroad officials are enabled through reports of this type, to keep in touch with the conditions.

#### How Information is Collected

"In these letters we do not attempt to forecast yields, but we follow the crops from week to week, stating the conditions as reported to us. In order to receive just the information we desire, we have a large list of correspondents throughout the four Northwestern states, Minnesota, North Dakota, South Dakota and Montana. They report to us much the same as the county agents for the United States Department of Agriculture. Each week we send, with a stamped return envelope, an inquiry blank, asking for specific information. These correspondents are selected from the reliable bankers business men, grain dealers, farmers, or those engaged in other lines of industry in the farming district. In our own organization we have several hundred men in various parts of the Northwest. In addition, our auditors cover the territory by automobile.

"When all of these are received by us, they are separated, according to states, and later divided into districts. Each one is then studied carefully. The information is, in this way, boiled down to a point where we have an idea of the general opinion of our correspondents for each district. The crop letters are then written as a summary of these reports. They are concise in order that a busy man may readily form an idea of the conditions without going into detail.

"During the growing season we also receive each day from the United States Weather Bureau a list of North-

western stations in the grain territory, showing the temperatures and rainfall. This information is transferred to a weather map, on which we indicate the moisture conditions throughout the four Northwestern states by using various colored tacks. Whenever there are reports of a dry spot or too much moisture, this is investigated, and the condition is then indicated on our weather map. This gives us, at all times, an accurate idea of the soil conditions throughout the four states covered by our report."

## Northern Discount Enjoys a Good Year

At the annual meeting of stockholders of the Northern Discount Corporation of Minneapolis held January 16, former officers were re-elected and H. M. Porter of the Belden-Porter Company, was added to the board of directors.

The president, A. G. Morrison, reported the closing of a very successful year. Resources of the corporation increased from \$112,000 to above \$188,000. Dividends at the rate of 8 per cent were paid upon the preferred and common stock of the company, the preferred dividends having been earned 4.43 times over.

## EAU CLAIRE, WIS., BANKS SHOW GOOD 1927 INCREASES

Bank deposits in Eau Claire, Wis., reached a new high mark during 1927 with a grand total of \$9,611,701.31 as compared with \$9,096,748.51 in 1926 and the previous record of \$9,104,950.39 in 1925. The increase in total deposits of 1927 over 1926 as taken at the close of business on December 31 of each year is \$514,952.80.

Every form of deposit, savings accounts, checking accounts, and deposits by outside banks showed an increase during the past year.

Combined savings accounts and certificates of deposit during 1927 totalled \$4,826,633.48, an increase of \$132,545.31 over 1926 when these savings totalled \$4,694,088.17.

Savings accounts increased from \$3,569,543.09 in 1926 to \$4,259,183.30 in 1927, a gain of \$689,640.21. The amount saved by bank patrons on certificates of deposits decreased from \$1,124,545.08 in 1926 to \$567,450.18 in 1927, a drop of \$557,094.90.

Checking accounts show an increase of \$229,874.28. In 1927 this form of deposit totalled \$3,913,796.86 as compared with \$3,683,922.58 in 1926.

Deposits in local banks by outside banks increased from \$718,737.76 in 1926 to \$871,270.97 in 1927, a gain of \$152,533.21.

## Nebraska Banks Are in Good Condition, Says State Bureau

The Nebraska Banking Bureau, in its annual report released recently says there were 872 banks operating under state laws on June 30, 1927, but the number has since been cut down by placing in receivership a number which the guaranty fund commission had been handling as going concerns.

Their aggregate capital stock was \$22,788,200; surplus \$6,685,052, undivided profits were \$2,414,955; deposits, \$275,133,998; loans, \$211,042,982; cash and reserve in other banks, \$48,793,988.

Fifteen new banks were chartered in the last two years, with total capital of \$470,000. Most of these were to take the places of other banks failed and liquidated, or in process of liquidation, in same towns. These banks are located at Holdrege Stapleton, Wausau, Sidney, Greenwood, Randolph, Lynch, Harvard, Stratton, Richfield, Ord, Humboldt, Bassett, Crawford and Nelson.

Beginning in 1920 and up to June 30, 1927, there were 131 State bank failures in Nebraska. Fifty-seven others had passed into the guaranty fund commission's hands and were still being operated. Since then, other banks have been taken over and some of those the guaranty fund commission was running have been closed and thrown into receivership.

From 1915 to 1920, inclusive, 20 State banks in Nebraska joined the Federal Reserve System, but 13 of them have withdrawn therefrom during recent years. Those still affiliated with it are located at Aurora, Broken Bow, Genoa, Oakland, Sidney, Wayne and Western.

### UNTANGLING RADIO NEWS

Col. H. A. Bellows, who is now in charge of WCCO and who until recently was one of the members of the National Radio Commission, gave several interesting talks during the last few days in Minneapolis, on the subject of the radio business. One was before the Minneapolis chapter of the American Institute of Banking.

Colonel Bellows told of a court order that ruled that the Interstate Commerce Commission had no power to regulate the wave lengths of the different sending stations and that after that ruling was handed down, there was no way or no laws of any kind to control the numerous radio stations. Out of this chaos the present over-worked Radio Commission was started on its work to try to untangle the terrible mess. The first thing the Commission set about to do was to get a report from the various stations as to their power and equipment. They found that there were 733 stations running at all hours of the day and night, and, of course they did not want to be interfered with in any way. The present Radio Commission

will legally end March 15th of this year, but Colonel Bellows says that it will perhaps go on for another year.

He also told about new television experiments, and mentioned he had actually seen a picture transmitted by radio. He said he thought that in about five years television would be perfected so it could be commercially used. There are at present about 6,000,000 radio sets in the United States. The radio business has grown from practically nothing to a business representing a total investment of half a billion dollars. This advance has taken place in only six years.

### DISCUSS COMMITTEE WORK

A meeting of the sub-committee of the banking analysis committee of the Iowa Bankers Association met with the officials of the Federal Reserve Bank in Chicago January 20. Those present were: L. F. Parker, Cherokee, chairman; Emil Webbles, Burlington; A. F. Dawson, Davenport; F. M. Orr, Monona; Homer A. Miller, Des Moines; L. A. Andrew, superintendent of banks, Des Moines; George J. Schaller, president Iowa Bankers Association, Storm Lake.

The purpose of the meeting was to discuss general committee work in which the Federal Reserve Bank and the committee from the Iowa Bankers Association co-operate.

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# Minnesota High in Auto Liability Adjudication Costs—Rates Increased

The National Bureau of Casualty and Surety Underwriters, at a meeting in New York this week, reached a decision on increased automobile casualty and property damage rates for Minnesota, which had been postponed on account of the protest of George W. Wells, Jr., insurance commissioner of Minnesota. The new rates will be effective March 5. They represent an increase of about one-half that proposed by the Bureau and which would have been effective December 12, 1927, if Commissioner Wells had not objected to them as being too high. He indorses the new rates as "fair and reasonable." They were arrived at through three conferences of Minnesota casualty and property damage insurance men with Commissioner Wells, the last having been held on Friday of last week.

The new schedule calls for an increase of 15 per cent in public liability rates in Minneapolis and St. Paul and their suburban territory, and for the city of Duluth. An increase of 4 per cent will be put into effect in St. Louis county, excluding the city of Duluth, and a 20 per cent increase in the remainder of the state. Originally the companies sought a 28 per cent increase in the Twin Cities and 35 per cent in the state as a whole.

Property damage rates in Minneapolis, St. Paul and Duluth and the Twin City suburban territory will be increased 8, instead of 16 per cent. Rates for Duluth suburban territory will be decreased 3½ per cent and the remainder of the state will be increased 4 per cent. These rates will apply to private passenger cars.

Truck public liability rates will be increased 10 per cent in Minneapolis, St. Paul and Duluth; 6 per cent in the Twin City suburban territory and the remainder of the state, except in the Duluth suburban territory, where there will be no change.

Property damage rates for trucks in Minneapolis, St. Paul and Duluth will be increased 6 per cent in Minneapolis and St. Paul suburban territory, 5 per cent; in Duluth suburbs, 5 per cent, and the rest of the state, 7 per cent.

Discussing the new rates C. H. Van Campen, president of the Fred L. Gray Company of Minneapolis, one of the largest of the companies writing such insurance, said: "While the new rates are an improvement over a situation that was becoming worse each year, still they cannot be called adequate. Minneapolis, St. Paul and Duluth are high cost cities in the matter of the adjudication of claims for damages in automobile accidents, due to several contributing factors. For one thing the climate here is responsible for a high rate of automobile accidents. The policy of our courts and peace officers

in arresting after violations and collecting fines, instead of putting in effect ultimate preventive measures is another factor. Sheriff Brown has the right idea. It is far better to let our motorists see the peace officers in action, to serve as a warning, than to have them pounce out on the driver after he has committed the offense. The deterrent effect helps keep the motorist in observance of the law. It is necessary, therefore, for us to have at least as high a rate as other parts of the country have if casualty and property damage insurance here is to have an equal opportunity to earn a nominal profit on their business."

## BEST YEAR IN HISTORY OF MINNESOTA NATIONAL BANK

Duluth—B. M. Peyton, president of the Minnesota National Bank of Duluth, reports that this bank has had very satisfactory business and that 1927 was the best year in the history of the bank since its organization seven years ago.

"General business in the Northwest has been very much better the past six months, largely due to the enormous grain crop, which was a wonderful help to the merchants and bankers of the Dakotas and Western Minnesota," he says.

"I am optimistic as regards general business during 1928, but would suggest a few remedies which would go to make 1928 a banner year: Reduction of income tax, reduction of local taxes, discontinuance of cut-price competition by all merchants, and a demand that the Republican party nominate Herbert Hoover for president at the June convention, providing Mr. Coolidge continues to insist that 'he does not choose to run'."

## NET EARNINGS OF FEDERAL RESERVE BANKS UNDER 1926

Washington—A drop in gross earnings of the 12 Federal Reserve banks in 1927, as compared to 1926, is announced by the Federal Reserve Board.

Earnings of 1927 amounted to \$43,020,000, as compared to \$47,600,000 the year before.

Current expenses were given as \$27,540,000 in 1927 and \$27,350,000 in 1926.

Net earnings were \$13,050,000 in 1927, as compared to \$16,610,000 in 1926.

The banks set aside from their earnings \$2,440,000 as reserves to cover depreciation charges and reserves for losses on discounted paper, and paid dividends to member banks amounting to \$7,755,000.

According to the statement the Federal Reserve banks of Minneapolis and Kansas City paid a total of \$249,591 to the United States Treasury as a franchise tax.

"All net earnings of the ten other reserve banks remaining after the payment of dividends were transferred to their surplus accounts as required by law, the surplus accounts of none of these banks at the end of the year being in excess of their subscribed capital," the statement said. "The total subscribed capital of the 12 Federal Reserve banks on January 1, 1928, amounted to \$264,962,000, and the total surplus \$233,319,000."

## T. A. Marlow Explains New Montana Prosperity

T. A. Marlow, president of the National Bank of Montana and of the Montana Trust & Savings Bank of Helena, Montana, visited the Twin Cities for several days last week, while on his way for a brief trip to New York and Boston.

Mr. Marlow stated to the Commercial West that business is very good indeed in Montana, and that sentiment there is very optimistic. He said that Montana had raised last season over 75,000,000 bushels of wheat, and of most excellent quality. Although there has been some disappointment over the course of prices, yet net results are very favorable.

"The livestock industry," he said, "is now in a better position than for many years, and with excellent prices and good condition of cattle, sheep and wool, the resulting prosperity becomes very satisfactory. Wool," he said, "is now being actively contracted for at 40c a pound, 5c more than last year. Lambs are about the same as last year, but cattle are now higher than in many years.

"Mining in the district around Helena has become increasingly active within the last two years, there being a resumption of activities which had previously ceased because of very low and unprofitable prices of lead and zinc. Not only have these prices improved of late, but also more economical methods can now bring profits where there were previously losses."

"Helena," he said, "is enjoying very good business. This city becomes more popular every year with tourists. Its proximity to the Yellowstone National Park makes it a favorable center for those taking in this great national attraction of the United States. The bankers of Montana are looking forward to the mid-summer state convention which will be held this year in the Yellowstone, jointly with the convention of Wyoming bankers. They are hoping that many of their friends in the east will also meet them at this convention.

"The banks of Montana," he said, "are in excellent shape, and their business is reflecting Montana's much more prosperous outlook."



## Jennings Resigns as President of Federal Land Bank

H. K. Jennings, president of the Federal Land Bank of St. Paul, and also of the associated Intermediate Credit Bank, has tendered his resignation, according to information from Washington.

In an interview with the Commercial West Mr. Jennings said that he did not care to make a statement at this time concerning his reasons for quitting the Federal post, nor as to whom might be his successor. "Such a statement will be provided in due time," he said. Asked if he was going into other business he said "yes, but that is a matter which will not be announced until later."

Mr. Jennings has been president of the St. Paul Federal Land Bank and the Intermediate Credit Bank for three years, having been selected for the post following the resignation of Former President E. G. Quamme. He was born on a farm in Michigan, near Charlotte, and was in the banking business in that town for several years, first with the Merchants National Bank and later with the Eaton County Savings Bank. He held the position of cashier with both institutions.

### Commercial Investment Trust Nets \$3,003,392

*(Special to Commercial West)*

New York—The annual report of Commercial Investment Trust Corporation shows gross business and net profits for 1927 exceeded only by those of the record year 1926. The volume of bills and accounts purchased during the year was \$188,271,263 compared with last year's record of \$206,113,930, while net profits totaled \$3,003,392, compared with \$3,504,376 in 1926. After deducting preferred dividends, the balance available for dividends on the common stock was \$2,168,735, equal to \$4.89 a share on the 443,000 shares outstanding. In the second half of the year earnings of the corporation showed a decided upward trend. Net profits available for dividends on the common stock in this period were at the annual rate of \$5.88 a share while in the first half of the year they were at the annual rate of \$3.90 a share.

During the 20 years of its existence, the Commercial Investment Trust Corporation has financed the distribution of products whose selling price was in excess of a billion dollars. Established with a paid-in capital of \$100,000, the corporation today employs \$27,318,000 of capital funds represented by capital stock of \$21,190,000 and surplus of \$6,128,000. Its first year's business amounted to \$738,000 in contrast with the 1927 volume of more than \$188,000,000. It operates in every state of this country with offices

in more than 50 cities. In addition it has offices in Canada, Great Britain, Germany and Denmark.

### MONTANA BANKERS ACTIVE IN FARM DEVELOPMENT

Bozeman, Mont.—The agricultural committee of the Montana Bankers Association, in session here agreed upon livestock improvements, increased use of pure seed of adopted crop varieties, and boys and girls 4-H club work as major projects for its 1928 program of activity.

Work along these lines as carried on by the bankers' committee in cooperation with the Montana extension

service, has given the state the best record in agricultural development work of any state in the Ninth federal reserve district, declared F. A. Irish of Fargo, director of the American bankers association, who attended the meeting.

A special correspondent of the American Foreign Service Journal in the Near East reports one of life's little ironies; Consul General DuBois, formerly chief of the Visa Office in the Department, was refused permission to land in Constantinople by the Turkish authorities for failure to have the required visa.

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## Canada's Production of Wealth Near Billion Gain in 5 Years

That Canada has increased its purchasing power tremendously during the past few years is evidenced in a comparison of production by its people from 1923 to 1927 inclusive. The value of gross production in Canada in 1923 was \$4,946,000,000; in 1924 it was \$5,263,000,000; in 1925 \$5,599,000,000; in 1926 \$5,656,241,624 and in 1927, according to the latest estimate \$5,755,796,700. Production in 1927 exceeded that of 1926 by approximately \$100,000,000 and that of 1923 by \$809,000,000. Agriculture accounted for \$1,660,387,100; forestry \$489,405,000; fishing \$59,291,000; trapping \$16,788,600; mining \$262,750,000; electric power \$108,195,000; construction \$398,300,000, and manufactures \$2,760,700,000.

With agriculture as the principal productive factor wheat stands out as the chief product in the annual amassing of new wealth in Canada. The total yield of wheat for 1927 is estimated at 440,024,700 bushels from 22,460,000 acres, according to a crop report issued by the dominion bureau of statistics. The yield of wheat in 1926 was 407,136,000 bushels from 22,895,000 acres.

The wheat crop for 1927 in point of yield is the second largest on record, the largest having been 474,199,000 in 1923.

The average yield between 1922 and 1926 was 387,738,000 bushels from 22,000,000 acres. The 1927 total is made up of 22,266,000 bushels from fall wheat and 417,758,700 from spring wheat. The average yield per acre for all wheat in 1927 was 26.1 bushels, as compared with 25.8 bushels in 1926, and 25.8 bushels for the five year average.

Oats yielded in 1927, 439,712,000 bushels from 13,239,000 acres, as compared with 383,416,000 bushels from 12,741,000 acres in 1926. The five year average for oats was 449,384,900 bushels from 13,743,000 acres. The average yield per acre was 33.2 bushels, as compared with the average yield of 32.7 bushels over the period of 1922-26.

Barley yielded 96,938,000 bushels as against 99,987,000 in the preceding year, and the average yield over five years of 84,955,000 bushels. The average yield per acre was 27.7 bushels, or about one bushel more per acre than in 1926.

Flaxseed totaled 4,884,000 bushels, as compared with a five year average of 6,814,000 bushels.

Other 1927 grain crops are as follows, with the five year average in parenthesis:

Rye, 14,950,000, (18,138,000).

Peas, 2,794,000, (3,070,000).

Beans, 1,037,000, (1,239,000).

Buckwheat, 10,890,000, (10,257,000).

The 1927 potato crop was 46,458,000 hundredweight as compared with 46,937,000 hundredweight in 1926, and

a five-year average of 51,000,000 hundredweight. The average yield per acre was 81.2 hundredweight in 1927; 89.7 hundredweight in 1926, and 89.4 over the past five years.

Sugar beets produced 391,000 tons last year as compared with 525,000 tons in 1926.

Hay and clover amounted to 17,370,000 tons last year, and 14,058,000 tons in 1926.

### Bank of Nova Scotia Increases Reserve to Twice Its Capital

Record profits, deposits and assets and a reserve fund equal to twice the capital stock are outstanding features of the 96th annual report of the Bank of Nova Scotia of Canada.

Profits totaled \$2,365,320, an increase of \$122,077 over 1926, and with \$658,887 brought forward from 1926 made a total of \$3,024,207 available for distribution. Of this \$1,600,000 was paid out in dividends, war tax on circulation required \$100,000, \$250,000 was written off bank premises, \$95,000 was contributed to officers' pension fund, and \$500,000 transferred to reserve account, leaving a balance of \$479,207 to be carried forward to profit and loss account.

The \$500,000 transferred to reserve makes this fund \$20,000,000, or double the bank's capital of \$10,000,000.

Total assets increased during the year \$15,015,396 to \$261,736,980. Deposits total \$203,498,570, an increase of \$13,116,329. Of this increase \$10,510,631 is in interest bearing or savings deposits, while free or current deposits increased \$2,605,697. Current loans in Canada increased \$6,201,301 to \$82,145,510. Current loans outside Canada are \$22,126,487, an increase of \$2,393,647.

The bank's investment accounts stand at \$51,446,294, a decrease of \$2,803,073. Call loans in Canada increased \$8,076,337 to \$27,457,071.

### ANOTHER PROSPERITY MARK

Winnipeg, Manitoba—Another barometer of Western Canada's agricultural progress is the sale of school lands in the Prairie Provinces which in 1927 were the best on record. In all 480,408 acres were disposed of for a total of \$8,983,967, representing an average of \$18.70 per acre. The lowest price obtained was \$7 per acre and the highest \$79.

### CANADA HAS BIG BUILDING PROJECTS UNDER WAY NOW

Construction projects in Canada reported by Trade Commissioner Walter J. Donnelly, Montreal, include the following: A hospital addition costing \$100,000; a new hospital to cost \$500,000 and subways at an estimated

cost of \$7,000,000 to \$8,000,000, Montreal; a women's college hospital, to cost \$1,000,000, Toronto; a grain elevator with a capacity of 2,000,000 bushels, St. John, New Brunswick. Contract awards reported include the following: General contract for tunnel work costing \$200,000, Vancouver; contracts for the erection of a \$350,000 apartment house and a two-story building addition costing \$250,000, Montreal. Details relative to these and other projects in Canada are available under reference Canada No. 79.

### CANADA GAINS 14 PER CENT IN NUMBER OF IMMIGRANTS

Ottawa, Ont.—Immigration to Canada for November amounted to 5,904, of which 1,816 were British, 1,739 from the United States, and 2,349 from other countries, according to a statement issued recently by the Department of Immigration and Colonization. Totals for November 1926 were: British 2,471, United States 1,311, other countries 3,939.

For the eight months of the fiscal year for which statistics are now available, immigration to Canada has amounted to 124,362, compared with 108,620 a year ago, an increase of 14 per cent. This increase is distributed over all three principal sources or origin—that is, from Great Britain, from United States, and from other countries. Canadians who went to the United States to live continue to return to Canada with the intention of remaining in this country. In November, 2,478 returned, and in the eight months of the fiscal year ended November, 31,342 returned.

### ALBERTA BREAKS RECORD IN ITS 1927 COAL PRODUCTION

Edmonton—Coal production in Alberta last year was the largest ever, reaching a total for all grades of 6,936,755 tons. Figures compiled by the mines branch show that 1927 went 27,832 tons ahead of the best previous year, 1920, thus establishing a new record in the history of the Alberta coal industry.

The year's yield is considered highly satisfactory by the government, according to Premier Brownlee, and shows that the mining business of the province is on the upward grade again. It is hoped that the present year will better even this grand total and a goal of 7,000,000 tons plus is to be aimed at.

### BRAINS IN DEMAND ON FARMS SAYS CANADIAN OFFICIAL

Duncan Marshall, commissioner of agriculture for Canada, was the principal speaker at the second general assembly during Farmers and Home-seekers' celebration last week in Fargo, N. D. Commissioner Marshall referred enthusiastically to the great progress Western Canada and the Northwest is making in the development of farming along practical, pro-

fitable lines, and said that this trend is responsible for a farming situation that is going to cause "an ever increasing demand for brains on the farms of the North American continent."

**BRITISH BUILDING BOOMS**

The building industry in Great Britain enjoyed a year of prosperity in 1927, and except in some districts there is every reason for continued confidence in the current year, according to advices just transmitted to Bankers Trust Company of New York from its British Information Service. Builders have contributed greatly toward meeting the housing shortage, and over a million houses have been completed since the Armistice.

**Dakota Bank Finds Prosperity Among Agricultural Class**

Bismarck—Agricultural prosperity is returning to North Dakota, according to officials of the Bank of North Dakota.

A year ago the bank had more than 100,000 acres of land, which it had acquired as the result of foreclosures of real estate mortgages. In addition, new land was being acquired faster than the bank could resell.

Now foreclosures are few and land held by the bank is being sold at the rate of several thousand acres a week, records of the bank show.

Some of the sales were made on contracts entered into last spring and summer and payments now are being made on them. Other sales are to persons who want more land and have the money to pay for it, or at least make a substantial down payment.

One phase of the land movement is regarded by bank officials as pecu-

liarily significant in pointing toward the future of the state. It is that all of the sales made by the bank have been to farmers already living in the state, who are familiar with property they are acquiring.

**HELENA RESERVE BRANCH HAS GOOD YEAR**

R. E. Towle, managing director and all other executives and directors of the Helena, Mont., branch of the Minneapolis Federal Reserve Bank were re-elected at a recent meeting of the Federal Board of this district.

Nearly all departments of the Helena bank showed increased business, according to the annual report, reflecting prosperity throughout Montana. The Helena branch deals with member banks in the state and its business depends upon what the members do. During 1927 rediscount operations were small, every borrowing bank having paid up its indebtedness during the year. More checks and drafts were collected during the year than for any previous year since the branch opened in 1921, while currency of \$41,500,000 was handled. Much of it was new currency placed in circulation.

More than \$100,000,000 of telegraphic transfers were put through the Helena branch and more than \$600,000 in Liberty Loan bond coupons were paid for the account of the government.

**BANK ITALY EARNINGS IN 1927 TOTAL \$20,125,371**

San Francisco—Earnings of \$20,125,371 for the year 1927, or more than \$2,000,000 in excess of the estimate of \$18,000,000 made at the December meeting of the board of directors, were reported in the annual statement of the Bank of Italy. Included in this amount is the sum of \$1,581,684 which

will be distributed to employees under the profit-sharing plan.

Aggregate resources of \$765,188,976 are shown in the statement, an excess of \$300,000,000 since the first of the year. Deposits have grown from \$416,656,511 to \$645,002,138 during the same period and the number of depositors now stands at 1,290,315, as compared with the 626,046 last January, a gain of approximately 665,000.

During 1927 the combined average paid in capital was \$40,000,000 with an average of 1,174,000 shares outstanding.

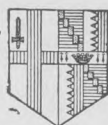
**GIVES PRINCELY SUM FOR AGRICULTURAL ECONOMICS**

A. P. Giannini, president of the Bancitaly Corporation of California, has donated the princely sum of \$1,500,000 to the University of California to establish the Giannini foundation of agricultural economics. The gift represented Mr Giannini's 1927 income.

The Bancitaly Corporation controls and operates one of the largest branch banking organizations in the United States. Its chief institution is the Bank of Italy. Mr. Giannini was born 57 years ago of humble parents in San Jose, California, and worked his way to the top.

Recent acquisitions of the bank include the Federal Trust & Savings Bank of Hollywood, Central National of Pasadena, National Bank of Santa Maria, City Bank of Stockton, First National of Selma and Selma Savings Bank. The group represents about \$12,000,000 deposits. All these banks have been previously owned by the Bank of Italy interests, part of time, including the Hollywood Bank, having been organized by Bank of Italy.

If you wish to maintain your illusions—then don't fall in love.



**A Complete Banking Service**

The Midland Bank offers exceptional facilities for the transaction of banking business of every description. Together with its affiliations it operates nearly 2400 branches in Great Britain and Northern Ireland, and has agents and correspondents in all parts of the world. The Bank has offices in the Atlantic Liners *Aquitania*, *Berengaria* and *Mauretania*, and a foreign branch office at 196 Piccadilly, London, specially equipped for the use and convenience of visitors in London.

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HEAD OFFICE: 5 THREADNEEDLE STREET, LONDON, E.C. 2

Affiliated Banks: Belfast Banking Co. Ltd., Northern Ireland; The Clydesdale Bank Ltd., and North of Scotland Bank Ltd., Scotland.

## 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.

### Corporation can declare dividends only out of surplus profits.

Fellows, J. In 1885 Alfred J. Brown started in a small way in the business of selling seeds in the city of Grand Rapids. The business was successful and slowly and continuously developed until he had a large number of customers to whom he sold seeds at wholesale throughout the country. His son T. Herschel Brown, when he grew old enough, became associated with him in the business. On October 21, 1913, Alfred J. Brown Seed Company, a corporation, was organized and took over the business. \$100,000 of common and \$100,000 of preferred were authorized; the par value of each share was \$100. The common stock was all issued, 989 shares to Alfred J. Brown, 10 shares to T. Herschel Brown, and 1 share to Edward B. Seymour, bookkeeper of the company. They were elected directors of the company. Six hundred shares of the preferred were issued to Alfred J. Brown and he gave his note in payment therefor. He sold 100 shares of the preferred, and the money received was applied on his note. Some of Alfred J. Brown's stock was transferred to his son Herschel, and some of the employes also acquired a few shares from him. In 1918, due to war conditions, and the increased cost of seeds, more money was needed in the business, and it was planned to increase the common stock to \$500,000 and the preferred to \$200,000. On June 25, 1918, the board of directors, consisting of the two Browns and the bookkeeper, declared a 20 per cent cash dividend and a 100 per cent stock dividend upon the common stock. There was some delay in perfecting their plans, some of which was attributable to the creation of the Capital Issues Committee by the Act of Congress of April 5, 1918 (40 U. S. Stat. at Large, pp. 506, 512 [U. S. Comp. St. § 3115 4/5kk et seq.]). We shall go more into detail presently.

The \$200,000 of preferred stock was sold to the public. Under normal conditions it had no voting power and the board of directors remained the same. Dividends were paid on the preferred and from time to time on the common. The company borrowed large sums of money from various banks. The bank indebtedness having reached something in excess of half a million, the banks became somewhat perturbed, and in December 1922, they were given and assumed control over the affairs of the company for the purpose of liquidating their indebtedness, which was accomplished by converting the assets, including some real estate, into cash, and the furnishing of some money by

the preferred stockholders. This result was reached in October, 1923. The preferred stockholders also became interested in the affairs of the company, and in March, 1923, the articles of association were amended by increasing the number of directors to seven, and Alfred J. Brown and six of the holders of the preferred stock were made directors. They did not assume the management of the company affairs until after the banks had been paid. This bill seeks an accounting from the individual defendants by reason of claimed unlawful and fraudulent acts and conduct on their part in the manipulation of corporate assets and affairs. Upon the hearing in the court below and here, the case resolves itself into an inquiry of these questions; the relief against the A. J. Brown & Son, Inc., not being insisted upon. This involves a consideration of various transactions and more of detail than is usually necessary, as the case must be largely disposed of as one of fact. The record is voluminous, consisting of two volumes and the exhibits, many of which are audits and has required much time and attention. In disposing of the case we shall follow the order pursued by both counsel.

(1) 1. When the company reorganized and authorized the sale of \$200,000 of preferred it also increased its common to \$500,000. Alfred J. Brown subscribed for 1,612 shares of the common and gave his note to the company for \$161,200. T. Herschel Brown subscribed for 264 shares and gave his note to the company for \$26,400. As appears by the records of the Company, this was subject to the approval of the Capital Issues Committee then recently created by the act above cited. The committee disapproved of this plan, and the stock was recalled and the notes given up and canceled. It is insisted that the individual defendants should now account to the company for these notes—should pay them. This contention cannot be sustained. These subscriptions were made under a plan of reorganization expressly stated to be subject to the approval of the Capital Issues Committee. This committee disapproved the plan, as it had a right to do under this war-time measure. Having disapproved the plan proposed, it became necessary for the company to make other plans. This it did. The stock was returned to the treasury, the notes were canceled, and with the approval of the committee the preferred stock only was sold.

(2) 2. There was a cash dividend of 20 per cent declared and paid on the common in the summer of 1918, and at the same time there was a stock

dividend of 100 per cent declared on the common and it was issued to the Browns, who thereafter held it and drew dividends on it. In the summer of 1919, a 10 per cent cash dividend was declared and paid on the common, and in the summer of 1920 a 7 per cent cash dividend was declared and paid. The Browns received in cash dividends on the common stock \$50,616, besides their stock dividend. Counsel do not disagree as to the applicable law. It is thus stated in 6 Fletcher Ency. Corporations, § 3658:

"It is a well-settled principle that, as 'between the stockholders of a corporation and its creditors, the assets of the corporation are, in a sense, a trust fund for the payment of its debts and they cannot lawfully be distributed among the stockholders, even in part, to the prejudice of creditors. Furthermore, the amount of the capital stock of corporations is very generally fixed by their charters or by a general law, and both the state and each stockholder of the corporation, as well as its creditors, have the right to insist that it shall not be reduced or impaired by any distribution among the stockholders. It is a settled rule, therefore, even in the absence of any statutory provision, that a corporation cannot lawfully declare dividends out of its capital stock, and thereby reduce the same, or out of assets which are needed to pay the corporate debts. They can be declared only out of surplus profits.'

Counsel for plaintiff insists that the condition of the company, as disclosed by all the audits, did not justify the declaration of these dividends or any of them, and points to the fact that a deficit existed at the end of each fiscal year, which in 1918 was made the calendar year, while counsel for defendants insist that the condition of the business when the dividends were declared about the middle of the year justified their declaration and point to the fact that the audits show a surplus as of June 30th of each year. The business of the company was a seasonal one. In the first half of the year, money was coming in and in the last half of the year it was going out. Counsel for defendants thus states the situation:

"During the last six months of the year less than one-fifth of the annual sales were made, and during this period an operating loss usually exceeded \$100,000 was sustained. During the first six months of the year more than four-fifths of the sales were made and all of the profits of the company were realized."

It is doubtful if the loss in the last half of every year reached the figures stated. In December 31, 1918, the de-

ficit was \$38,733.90. In other years the last half of the year showed losses of upwards of \$100,000. Defendants' counsel blame this condition to the system of bookkeeping used by the company under the management of the Browns. There is considerable force in this suggestion. It would probably have been better had the expenses of the new crop been put in a deferred account or added to inventory. But the condition at the end of the fiscal year, covering the full year's business, would include the "fat" as well as the "lean" periods of the year and more truly reflect the condition of the company than would the condition as of June 30th, which admittedly was the peak of the company's condition. On the 30th of June of each year the officers of the company knew they had facing them six months of loss, sometimes running over a hundred thousand dollars, which was as much of a fixed charge on the business as any other known expense. That this fixed charge would deplete the assets of the business they also knew, the extent of it being the only uncertainty.

As of June 30, 1918, the company was in a prosperous condition. Its financial condition justified the declaration of the cash dividend of 20 per cent. Counsel for defendants makes much of the condition of the company at this time, but does not take into account in fixing the surplus the fact that the federal taxes estimated at \$25,000 were not deducted. Deducting this amount, together with the cash dividend, the condition of the company did not authorize the declaration of the stock dividend, even if we take into consideration the figures as of this date alone. But in addition to this fact is the further fact that the company was then facing a deficit during the succeeding months of the year, which would deplete its assets as certainly as any fixed charge could deplete them. While we hold that the cash dividend was validly declared, we also hold that the stock dividend was not.

(3) On December 31, 1919, the deficit was \$44,461.61; on December 31, 1920, it was \$70,447.08. This covered the full year, both fat and lean portions. In reaching this figure, however, the capital account took into consideration the \$100,000 stock divi-

dend. Eliminating this stock dividend as we have, the deficit in each of these years would be turned into a surplus. This would justify the payment of the dividend declared upon the original holdings of the Browns, and to that extent it is sustained, but they must account for dividends received on the stock issued to them as a stock dividend.

See Alfred J. Brown Seed Co. v. Brown et al., (Mich.) 215 N. W. Reporter 772.

**MINNEAPOLIS BANKS START NEW PROGRAMS OVER WCCO**

The First National Bank and First Minneapolis Trust Company, on January 10, started a new series of radio programs to be broadcast for the two institutions jointly, and also for the other members of the First National Group. They believe the new series will be the most outstanding piece of broadcasting ever done over WCCO. The aim of the programs is to introduce to listeners in the Northwest and throughout the country the best of the many exceptionally good artists available in the Northwest and to present, if possible, some equally good but less well known artists. The soloist for the first concert was Mr. Engelbret Roentgen, cellist, assistant conductor and leader of the cello division of the Symphony Orchestra. Other artists of similar calibre are appearing on succeeding programs. To support the soloists there will be a 10 piece orchestra led by Clarence Olsen, violinist, leader at present of the Trustodian orchestra.

**WISCONSIN FIFTH LOWEST IN U. S. BANK FAILURES**

Wisconsin surpassed all but four states of the country in the record of smallest number of bank failures during the six-year period from 1921 to 1926 inclusive, according to W. G. Coapman, secretary of the Wisconsin Bankers Association.

During that period, says Mr. Coapman, 46 states reported a total of 3,124 bank failures while Wisconsin had but 35. The only states that recorded a lower mortality rate among banks were Pennsylvania and New York, both in the center of manufacturing territory, and Indiana and Ohio, on the far outskirts of the dis-

trict that was directly affected by the agricultural depression.

On January 1, 1927 there were 980 banking institutions in the state. Of these 157 were national banks and 801 were state banks. Mutual savings banks and trust companies comprised the remainder. On that date the total resources of the institutions totalled more than \$1,000,000,000.

The 1927 Wisconsin legislature raised the minimum for banks chartered in towns with a population of 5,000 or less to \$25,000. Banks in towns having a population of 5,000 to 10,000 are required to have a minimum capital of \$35,000. Bankers throughout the state express the opinion that the new banking requirements will add largely to the soundness of Wisconsin banking institutions.

**GUARANTY TRUST DIRECTORS**


Eugene M. Stevens, president of the Illinois Merchants Trust Company of Chicago, Eugene W. Stetson, vice president of the Guaranty Trust Company, and Joseph R. Swan, vice president of the Guaranty Trust Company and president of the Guaranty Company have been elected directors of the Guaranty Trust Company of New York.

**NEW NORTHWESTERN PATENTS**

The following patents were issued January 24, 1928, to Minnesota and Dakota inventors, as reported by Williamson, Reif & Williamson, patent attorneys, 925-935 Metropolitan Life Bldg., Minneapolis, Minn.: John H. Anderson, St. Paul, Minn., portfolio; Clarence M. Corlew, et al, Sioux Falls, S. D., crank case oil heater; Fred L. and J. Friet, Parkers Prairie, Minn., hunting boat; Chas. J. Hentschell, et. al, Minneapolis, Minn., process and apparatus for use in connection with flongs; Herbert Hoffmann, Renville, Minn., grain elevator; Eger-ton W. Kibbey, Minneapolis, Minn., post; William E. Nelson, Minneapolis, Minn., reversible shingle; Ledvin F. Nordling, Olso, Minn., spring wheel; Frank Peham, St. Paul, Minn., bed table; Benjamin Porter, Fullerton, N. D., headlight bulb and deflector; Jacob Schilling, Hosmer, S. D., locking cover; Peter Wascho, Perham, Minn., plow hitch; Edward M. Wanger, Watkins, Minn., animal trap.

**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.

**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.



**AMERICAN NATIONAL BANK**  
 St. Paul, Minn.  
*Will appreciate your patronage*

## Minnesota Mutual Life Insurance Co. to Build Large New Home

President E. W. Randall of the Minnesota Mutual Life Insurance Company of St. Paul has announced the purchase by his company of an entire block in St. Paul for its future home office. The site is bounded by University, Sherburne, Syndicate and Hamline avenues. The plans for the building have not been worked out yet and meanwhile the company will continue to occupy its present quarters. In the purchase of this commanding site the company is anticipating its future needs in looking forward to the time when it will occupy the whole block. The location is in the most rapidly developing section of St. Paul.

The Minnesota Mutual Life is now domiciled in 26 states. Dividing all of the companies in the country into four groups according to size the Minnesota Mutual will be found in the first group. The company is 46 years old and has more than \$145,000,000 of paid-for business on its books. Its assets are in excess of \$17,000,000, invested very largely in St. Paul and surrounding territory. The surplus of the company is \$1,400,000.

The Minnesota Mutual Life has extended its field of operations to include North Carolina and J. C. Hardin of Raleigh has been appointed general agent.

### ST. PAUL FIRE LOSS HEAVY

The fire loss for 1927 was the largest in the history of St. Paul, according to Captain John Townsend of the Insurance Patrol.

The total loss for the year was \$1,500,000, compared with \$926,000 in 1926.

There were eight large fires which ran up the total to the record figure, Captain Townsend said.

There were a total of 2,042 alarms in the year. Of these 115 fires were started by overheated furnaces or stoves, 226 by sparks from chimneys, 29 by defective chimneys, 33 by

sparks from locomotives, 200 from carelessly thrown cigarets or cigars, 215 were grass fires, 145 rubbish fires, eight still explosions and 42 of undetermined origin.

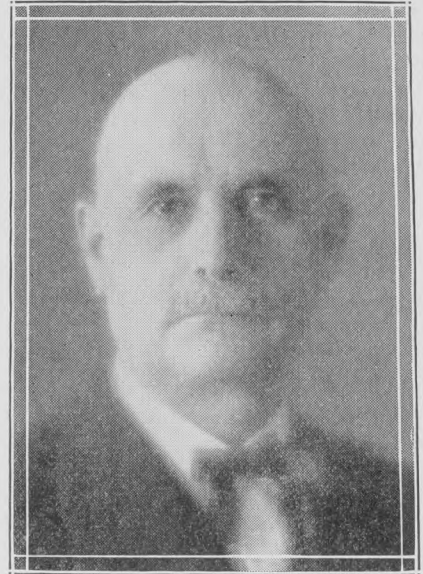
### Eighty-seven Billion Dollars Now Invested In Life Insurance

Life insurance production by United States legal reserve companies in 1927 totaled \$16,700,000,000, an increase of 1.5 per cent over 1926. This estimate by the Association of Life Insurance Presidents is based upon reports of 44 member companies writing 77 per cent of the total new business and assumes that remaining companies made the same percentage of increase for 1927. Total insurance in force now is more than \$87,000,000,000.

The report shows that the new business, exclusive of revivals, increases and dividend additions, was 1.1 per cent less than during 1926. This result is due to the falling off or 15.5 per cent in December business, for the first 11 months showed an increase in new business over 1926. When the revivals, increases and dividend additions, unusually extensive in 1927, are included, the total new paid-for life insurance business shows an increase of 1.5 per cent.

Production in 1927 exceeded 1925 by 5 per cent; 1924 by 26 per cent and of 1921 by \$5,347,000,000, or 8.9 per cent. Thus 1926 and 1927 stand out as the record years of life insurance history in the matter of new business.

Industrial insurance made a gain of 3.9 per cent. Ordinary business amounted to \$7,804,406,000 in 1927, just \$9,000 less than in 1926. Group insurance, the youngest of the three branches, aggregated \$824,000,000 which was 21.5 per cent less than the unprecedented total of \$1,051,000,000 in 1926. Total of 1924 was exceeded by 37.9 per cent, however.



E. W. RANDALL

Mr. Randall is president of the Minnesota Mutual Life Insurance Company of St. Paul, which has recently purchased a square block of land in the Midway district upon which the future home of the company will be erected. Mr. Randall, for many years prior to becoming president of the Minnesota Mutual, was executive secretary of the Minnesota State Fair, and it was largely through his untiring efforts and capability that that great institution was carried successfully through the early stages of its career.

### MINNEAPOLIS AETNA AGENT GETS PHILADELPHIA BRANCH

Theodore A. Engstrom of Minneapolis, who has been manager here for the Aetna Life Insurance Company, has been promoted to manager of the Philadelphia branch of his company. He succeeds Harold K. Remington, who has just resigned to become vice-president of the Constitution Indemnity. Howard Hager has been appointed assistant manager and George T. Barber becomes assistant to the manager. He has been with the Aetna organization for 14 years and has been very successful in developing the business in the casualty department. Mr. Engstrom was an aviator in the world war and was for

#### Annual Statement

### Federal Insurance Company Jersey City, New Jersey

January 1st, 1927

Assets .....	\$11,322,426.53
Liabilities .....	3,402,985.49
Reinsurance Reserve .....	2,574,078.28
Cash Capital .....	1,000,000.00
Surplus to Policyholders .....	5,345,362.76

**FIRE, LIGHTNING, TORNADO, HAIL AND RAIN INSURANCE**

*A good Company to represent. Write*

**WESTERN DEPARTMENT**

**JOHN H. GRIFFIN, GENERAL AGENT,**  
New York Life Building,  
MINNEAPOLIS, MINN.

R. M. BISSELL,  
President

WILLIAM WALSH  
Secretary

### Twin City Fire Insurance Company

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

**Fire, Tornado, Hail, Automobile, Tractor Insurance**

For twenty-six years—and more—the Commercial West has been serving Banks and Business Men of the Northwest. Its Advertising Columns are Proven Profit Producers.



C. F. SCHLESSELMAN

Mr. Schlesselman has become associated with the Sun Life Assurance Company of Montreal, Canada, which recently opened a branch office in the Roanoke building, Minneapolis. Mr. Schlesselman has been identified with trust company and investment business in the Twin Cities and Rochester, Minn., for the past ten years.

a short period with the Curtis Airplane & Motor Corporation in New York.

**UNION LABOR INSURANCE**

A survey covering the provisions of labor unions of the country for com-

pensation in the sickness, old age, death, injury, etc., of members, compiled by the bureau of labor statistics of the United States Department of Labor, shows that 60 labor unions of the country paid out last year \$10,500,000 in benefits and \$12,000,000 in insurance. Since labor unions of the country began paying this form of protection for members a total of \$300,000,000 has been disbursed.

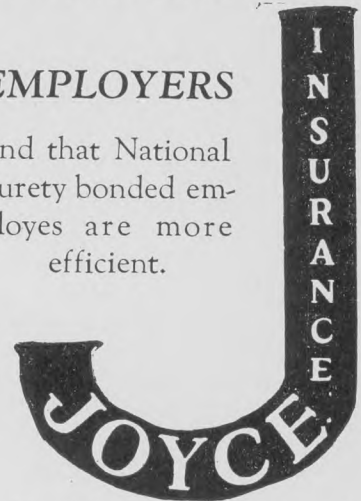
**MINNEAPOLIS AGENT URGES  
VALUE OF SOCIAL CONTACTS**

Frank T. McNally of Minneapolis, general agent here for the Massachusetts Mutual Life Insurance Company, was one of the speakers at the General Agency banquet given by the Bokum & Dingle Company, Chicago managers, this month. Mr. McNally took as his topic the importance of social contacts. He said that straight canvass is hard work and will bring results. However, in order to cut corners and get the greatest results in the shortest time, he said that it is very desirable for a life insurance man to cultivate people who can pay for life insurance and appreciate it. A life insurance man, he said, should have the gregarious instinct. He should like to be with people and mingle with them in their various activities. Mr. McNally said that in some cities life insurance men had organized a golf, a country club or other organization. This enabled them to get in contract with that many more

*Insurance Headquarters*

**EMPLOYERS**

find that National Surety bonded employes are more efficient.



St. Paul - Minneapolis

men, to call more men by their first names, to bring about a relationship where an agent could go to a man's office and be cordially received. Gilt edged business, he said, comes from acquaintances and friends. He said that it would be a very profitable hour spent each day if an agent would take that much time to study how to make friends.

A. B. Lathrop, vice president Merchants National Bank, St. Paul, has been elected a vice president of the St. Paul Association.

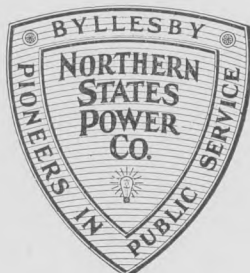


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COMMERCIAL PAPER  
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Casualty Insurance**

MINNEAPOLIS BRANCH OFFICE

1140 Baker Building

Minneapolis,

Minnesota

# Further Declines in Cattle Feature South St. Paul Live Stock Market

South St. Paul—Further declines were put into effect in the cattle division this week following reports of a slow deal at outside points and receipts of fairly liberal volume locally. The downturn measured unevenly 25c or more on steers and from 15 to 25c on the inbetween grades of fat she stock, extremes of the latter class holding to about in line with the windup of a week earlier, due to active support from shippers and city butchers as well as the relatively light numbers in which they were offered.

The steer crop furnished a number of cars of well finished mediumweight bullocks, these scoring at \$14.25, while other attractive offerings in this line sold between this price and \$13.25. Mixed light yearlings are getting fairly good call at present, a load of these having reached \$13.50, a new high mark for some time, while bulk of all the fed steers and yearlings offered were of quality and condition to sell at the \$10.50 to \$13.00 register.

Specialties in the she stock line were lacking, these being eligible upwards to \$10.50 for sows and to \$12.00 for yearling heifers, the latter price having been paid for a load of 870 pound offerings last Friday. Rank and file of the fat cows offered are selling on a \$7.00 to \$9.00 schedule for cows and at \$8.00 to \$10.00 for heifers. Cutters were maintained on a \$5.00 to \$6.50 register, the bulk selling around \$5.25 to \$6.50. Bulls suffered another uneven decline, weighty medium grades stopping at \$7.75, best beef offerings at \$8.25.

Vealers have held to a fairly even tenor, good lights today going from \$11.50 to \$12.75, the bulk around \$12.00.

Stocker and feeder price lists declined in sympathy with steers, with maximum losses for the period figuring 25 to 50c. Meaty feeders are selling from \$10.75 to \$12.50, bulk of all steers at \$8.75 to \$10.50.

The feature of the trade in the hog division was the narrowing of the price spread, due largely to increased demand for lighter weights. Better grade butchers and lights sold 10 to 15c higher, with light lights and pigs on a 25 to 50c higher basis. Packing sows held about steady.

Trade at the present writing found most of the desirable lights and butchers selling at \$8.10 with 140 to 160 pound averages at \$7.75 to \$8.10, while most of the pigs cashed at \$7.50. Packing sows cleared generally at \$6.75 to \$7.25, bulk around \$7.00.

Some increase in marketings of sheep and lambs was apparent here as compared with the preceding week and the same week last year during the period under review. Outside market conditions have been on the upgrade quite consistently, due generally to somewhat lighter runs and a slightly better tone to the dressed trade, so that some upturns here were to be expected. Better grades of lambs advanced 60 to 65c with sheep mostly 50 to 75c higher. Most of the desirable lambs of handy and mediumweight cashed recently at \$14.00 to \$14.10, less desirable and weightier kinds \$13.50 to \$13.75. Heavy lambs cleared at \$11.00 to \$12.00 with culls and common lambs largely at \$10.00 to \$11.00. Better hand and mediumweight fat ewes cashed at \$7.50 to \$8.00, less desirable kinds \$6.00 to \$7.00, culls \$2.50 to around \$4.00.

## CHICAGO

Chicago—On the strength of a moderately liberal run offered at the opening, buyers set out to open a bear campaign, but under the support of feeders and shippers little progress was made in this direction. Early sales on fed steers looked fully 25c or more lower, but on late rounds, under the stimulous of an active shipper demand and the prospects of a light supply for the following session, the market closed quite active and mostly steady. Isolated instances found extreme declines as much as 25 to 50c for the two day period on low grade beef offerings, as lacking the support of feeder competition on these, sellers had to accept packers terms.

The extreme top for heavy steers was \$18.50, paid for prime 1400 pound averages from Iowa. A sprinkling of heavier offerings sold at \$16.50 to \$17.50, while for most of the steer crop it was a \$13.00 to \$16.00 trade, with mixed yearlings at \$12.50 to \$14.50 mainly, while low grade warmed ups sold downward from \$12.25.

Stockers were in fair demand at the opening but eased off today, with sales of this class mostly at \$10.00 to \$11.25, meaty types to \$11.50 to \$12.50.

The stock values are carrying a slow weak undertone, under fairly liberal supplies and a restricted outlet for these in the beef. Fat cows predominated at \$7.50 to \$9.50, while heifers moved freely at \$9.00 to \$11.00, with cutters from \$5.50 to \$6.50, low grades turning motly at \$5.75 and down.

Bull values were slashed again, the average run of medium grades clearing around \$8.25 to \$8.50, some few outstanding heavies to \$8.60 to \$8.75.

A slow opening marked the trade on vealers, while today the market advanced 50 to 75c, putting good lights on a \$13.00 to \$14.00 schedule, with shippers paying upward to \$14.50 to \$15.50.

The recent slump in the fresh pork trade, which by the way, was the lowest in the last few years, combined with liberal supplies at wholesale centers, had a depressing effect on live hogs during the close of the preceding week. However, a slight feeling of strength was apparent on opening days this week and better grades of butcher hogs made some small price gains, all other classes, however, remaining on about a steady basis. Recently most of the choice 180 to 200 pound choice 170 to 210 pound averages selling at \$8.40 to \$8.55, 230 to 310 pound weights clearing at \$8.20 to \$8.40. Heavier butchers sold at \$8.10 to \$8.15 according to weight and quality. Most of the desirable pigs sold at \$7.25 to \$7.75, with bulk of the packing sows at \$7.25 to \$7.50.

Contrary to past years marketings, large operators have made concerted efforts towards regulating the incoming supply of lambs since the first of the year and with the dressed market on lamb and mutton ruling little better than steady for the period under review, the aforementioned fact when taken into consideration with lighter receipts than the preceding week and the same week last year, undoubtedly was mainly responsible for a sharp rise in live costs. Slaughter lambs ruled mostly 50 to 60c or more higher for the week with sheep 50 to 75c up.

## SIoux CITY

Sioux City—A slow and weak to 15 to 25c lower market ruled in the cattle division so far this week. Shortfed

steers predominated, these selling mostly at \$10.75 to \$13.00, some few loads to \$13.50 and above. She stock cleared at \$7.50 to \$10.50 mainly, lightweight yearling heifers reaching \$11.85 to \$12.25. Cannerns and cutters cleared from \$5.25 to \$6.50, bulls mostly \$7.75 to \$8.25, with vealers \$12.00 to \$13.00. Stockers and feeders sold in line with the beef market, bulk going around \$9.00 to \$11.00.

A strong to 10c higher market featured in the hog house, desirable butchers selling mostly at \$7.75 to \$8.00, a few to \$8.10, with packing sows mostly \$7.00, pigs also going at the latter price.

A strong undertone ruled in the sheep house after a slow opening, top fed lambs being held at \$14.00, with best ewes around \$8.00.

## Northwest Cattle Fetch War Prices

The Northwestern National Bank Review in its January 15 issue, contains an excellent account of the South St. Paul livestock market. It mentions features of the cattle market to be the high prices, the smaller number of animals for sale, the lighter average weights, and the demand for feeders. As for prices, this is the one important northwestern farm product that is now on a war-time basis, although in quality, present receipts are not equal to those of ten years ago. Offerings indicate that cattle have been on feed from 60 to 80 days, whereas in seasons when average weights are normal, the animals have been on feed from 80 to 100 days. The reason for underweight shipments is the high prices, caused in part by the sharp demand for feeders from corn belt states.

On December 14, 1927, occurred the largest daily receipt of hogs ever recorded at South St. Paul, 47,964 head, this also being the largest on that day for any market in the country. Receipts of hogs for the year fell off however, 3,104,933 as against 3,450,677 the previous year. It quotes comment of the St. Paul Union Stockyards Company:

"We have had annual reduction in this class (hogs) since 1924; on the whole there was a slight increase in production in our territory for market in 1927, but the per cent which found outlet through this market has decreased for a number of reasons. The establishment of several local packing plants throughout our territory which have made a practice of obtaining supplies direct from the grower, is responsible for a part of our decrease, while the development of concentration points in various districts by other local packers is another reason for the reductions in receipts. Scattered selling has been making rapid headway in our territory during the past year."



# Securities of Stock Yards in Holding Company Deal

The General Stockyards Corporation has just been organized under the laws of Delaware for the purpose of holding and dealing in securities of stockyards and other companies. The Corporation will own substantial amounts (less than a majority in each case) of the capital stocks of the following stockyards companies—St. Paul Union Stock Yards Company, Fort Worth Stock Yards Company, Sioux City Stock Yards Company, St. Louis National Stock Yards, Union Stock Yards of Toronto, Ltd. and Bourbon Stock Yards Company of Louisville. The greater part of the corporation's initial investment is in securities of the St. Paul, Ft. Worth, Sioux City, and St. Louis companies, which are among the principal live stock markets in America.

The stockyards companies provide an open market where live stock may be bought and sold under government supervision, furnishing the seller a ready cash market with prices based on competitive bidding, and assuring the buyer immediate delivery of the live stock actually purchased, and at minimum expense. Stockyards companies neither buy nor sell live stock, but derive their income from services rendered on a cash basis and accord-

ingly do not participate in the risk of purchasing or packing. They furnish the facilities, equipment, and services necessary for the operation of a live stock market. They have an excellent record as regards stability and growth of earnings. Packing houses, which furnish an outlet for a considerable part of the live stock reaching the markets, are located near the principal stockyards and their large fixed plant investments contribute to permanence of stock yard earnings.

Upon completion of its financing, the capital of the new corporation will include 35,000 shares of \$6 dividend convertible preferred stock authorized and 27,500 outstanding, and 155,000 shares of common stock authorized and 64,000 outstanding.

The common stock to be outstanding upon completion of this financing represents a cash investment in excess of \$1,750,000. It is expected that dividends will shortly be inaugurated on the common stock at the rate of \$2 annually, payable quarterly.

The income of the General Stockyards Corporation will be derived principally from dividends on the stocks to be owned, all of which have paid dividends uninterruptedly for

many years. The cash dividends paid on these stocks for the past six calendar years have averaged \$382,200 per annum and for the year 1927 totaled \$411,246. The dividend requirement on the Preferred Stock to be outstanding is \$165,000 annually. The above dividends paid in 1927 on stocks to be owned by the corporation were equivalent to \$14.90 a share on this issue of preferred stock and after allowance for the Preferred dividend the balance remaining was equivalent to more than \$3.80 per share of common stock, into which this preferred stock is convertible.

Joseph A. Shoemaker, president of the new holding corporation states that the acquisition of the stocks to be owned will not change the management of the various operating stockyards companies. The board of Directors will include men of long experience with stockyards and the live stock industry and representatives of Stone & Webster and Blodget, Inc., and Bosworth, Chanute, Loughridge & Company.

### DINING CAR RATES

All railroads serving the Pacific northwest are putting in effect standardized dining car rates on trains west of Chicago. The roads are now charging 50 cents to \$1 for club breakfasts, \$1 for luncheon and \$1.50 for dinner. A la carte service is being continued in addition to the regular rate meals.

## The Chase National Bank

of the City of New York

57 BROADWAY

Capital . . . . . \$ 50,000,000.00  
 Surplus and Profits . . . . . 55,674,848.89  
 Deposits (Dec. 31, 1927) . . . . . 792,339,491.96

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## GENERAL STOCKYARDS CORPORATION

### \$6 Dividend Convertible Preferred Stock

The General Stockyards Corporation has been organized for the purpose of holding and dealing in securities of stockyard and other companies. The greater part of the Corporation's initial investment is in securities of the St. Paul, Fort Worth, Sioux City, and St. Louis stockyard companies which are among the principal live stock markets in America.

The dividends paid in 1927 on stocks to be owned by the Corporation were equivalent to \$14.90 a share on this issue of Preferred stock. Each share of Preferred stock is convertible into two shares of Common stock.

Complete information upon request.

## STONE & WEBSTER and BLODGET

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# The Book and The Play

By Gwyn Griffiths

## WINONA

A vast audience of nearly nine thousand people thronged the Minneapolis Auditorium last Friday evening. They came from far and near, throughout the Northwest, to listen to the first interpretation of the first purely American opera, Winona. The acoustic properties of the auditorium were perfect.

The libretto was written by a Minneapolis resident, Perry Williams. The music was composed by Alberto Bimboni, director of the Washington D. C. National Opera, and director of the Philadelphia Operatic Society.

Chatonska, Winona's lover, was sung by Ernest Davis of the Chicago Grand Opera Company. Miss Irene Williams, was Winona; she has one of the most beautiful voices, particularly in its high register, to which we have listened for a long time. She shone in the duets, the trio in the last act, and in the Lullaby song. The music for this Lullaby is so lilting and lovely that it should live, even though the Opera as a whole may not prove so popular as some of the older ones.

Although Mr. Williams has been faithful in his construction, both to Indian ways and legends, he did not give sufficient opportunity for the composer to bring in the laments of the death of a chieftain; there was nothing of the Indian's devotion of fatherhood; there was not enough action.

Mr. Bimboni failed to incorporate, except in his finale of the first act,—which is one of the finest parts of the opera,—the true spirit of Indian music the haunting tom-tom sounds with their monotonous musical chants, which so increasingly grip and stir an audience.

Weeko was beautifully interpreted by Agnes Rast Snyder. Her voice has a sweet roundness and she uses it with charm.

The feminine roles, and especially the women's chorus, stood out as being the best part of the whole production.

The orchestra, conducted by the composer, played magnificently throughout. Especially, are the violinists to be congratulated.

## COMMANDER BYRD

Commander E. Byrd, Charles Lindbergh, and William Beebe have many of the same fine qualities in common. Endowed with intense patriotism and a determination to explore for the benefit of their country, these heroes have a similar sense of leadership, of detailed organization, or responsibility, a keen sense of honor, and an innate modesty, which, while it grips the general population, is as inspiring to the emulation of the youth of this

country, as it is pleasing to their elders to listen to.

Commander Byrd is slight and athletic. Because of his strict Naval training, he gives his lectures with clearness and restraint, but with a delightful sense of humor. Many good stories intersperse his account of his serious and scientific work and his pride in his companion's bravery and endurance. He gave his Twin City audiences last week repeated thrills.

It is two years since he lectured in the Twin Cities. We are afraid it will be two years before we see him again, and we can only wish him all success in his long and dangerous expedition to the Antarctic continent.

The Art Institute of Minneapolis has several more concerts and lectures to be presented under the very capable and courteous direction of Miss Eleanor Poehler.

## THE NOOSE

The Bainbridge Players of the Shubert Theatre, Minneapolis, produced "The Noose" last week.

John Todd's performance as governor of the state was a particularly good one. Not only has he a fine control of his voice and a fine conception of his part, but he endowed the Governor with so kindly, so honest, and so fine principled a personality, that he shared with Anthony Stanford, who played Nickie Elkins, the weakling unknown son of his own wife, the entire sympathy of the audience.

"The Noose" is a really moving drama, showing so clearly, that no matter how low in the human scale any souls may sink, yet in their subconscious mind there lies so many golden veins of goodness that many are at times capable of extraordinary kindness and complete unselfishness.

It is rare that Jack Marvin is called upon to play the part of a bad man without one redeeming feature, yet he is artist enough to have given a faultless performance.

This week, "The Devil's Disciple" by Bernard Shaw is being shown. Next week starting February 5, we are looking forward to an amusing farce entitled, "Take My Advice." This will be followed on February 12 by "Crime." Later in February, we may expect to see "Twelve Miles Out."

## WEST POINT

William Haines appeared at the State Theatre, Minneapolis, in "West Point" during the last week. It is the most delightful play in which he has been seen.

There is not a scene in which the finest spirit of American youth does not appear. This is a movie that can-

not fail to delight all who see it. The keenness of the adulation of the brother cadets of their best football player is clearly illustrated. The insistence upon the true fidelity for the benefit of the whole corps is well brought out.

The beauty of the Hudson, the inspiring architecture of the West Point buildings, the splendid discipline, the sympathetic treatment that the superior officer gives to the youths in their charge, is emphasized by the actual scene of the superintendent himself in his own office.

That the Federal and Military officers themselves have lent so hearty a co-operation to the directors of this picture must bring home to the public of the United States, the close personal touch that they feel towards all that is best of the youth of the country. They are to be congratulated upon taking this popular method of Education for the finer feeling of the entire youth of this country. There is no better way to counteract the bad and loose influence that leads to banditry and crime of some of the other movie scenarios.

## THE BEGGAR'S OPERA

Benjamin Franklin, in 1728, started "The Saturday Evening Post," still our most famous American magazine, now under the direction of George M. Lorrimer. In that same year, John Gay amused all England with "The Beggar's Opera."

Two long centuries have passed since then, yet never for one year, has either failed to appear before the public.

The ribald and undeniable truths of humanity in "The Beggar's Opera," its tuneful melodies, its dashing good looking highwayman with his continual search for adventure, with his rapturous and promiscuous love making, has never failed to please the ladies, nor the men, because the women betray him.

George Baker has toured with this company from the Garrick Theatre in London around the world for the last four years. He has a very fine figure, a very tuneful voice, and a personality that is delightful. He is well supported by a splendid company.

Even though the two hundredth anniversary fell upon Eunday, and it was in Minneapolis, the company gave a gala performance which was much appreciated by the large audience.

## JOHN SEAMAN GARNES

Last Monday Evening, John Seaman Garnes gave the third of his series of lectures, which are supported by the Women's Club of Minneapolis, the Fifth District Federation, the University of Minnesota Faculty Women's Club and the Studio Players.

It is hoped that these series of lectures will lead to an organization to give Minneapolis a "Little Theatre," which has proven so successful in Boston, New York, Sydney, Australia, and all over the world.

Mrs. Estelle Holbrook is especially  
(Continued on page 45)

## When Transacting Chicago Business

CAPITAL, SURPLUS and  
UNDIVIDED PROFITS  
OVER \$10,000,000

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THE ample resources of this institution; its reputation for sound and progressive management; and the constant efforts to provide the best facilities for transacting out-of-town business are of advantage to correspondent banks who wish to amplify their services for the benefit of their customers.

## Chicago Bankers Pleased By Rediscount Rate Rise

(Special Correspondence of The Commercial West)

Chicago—An advance in the rediscount rate on all classes of paper of all maturities from 3½ to 4 per cent took the country by surprise and demonstrated that the constant pressure which has been exercised by leading Chicago bankers, led the Federal Reserve Board to acquiesce to the demands of the middle west for a restoration of the rate they contended should not have been lowered at the beginning of last September.

At that time the Kansas City Bank was utilized by New York banking interests to lower the rate to 3½ per cent "to enable farmers to finance their crop operations with greater facility," while in reality it was done to stimulate foreign exchange.

The present movement is regarded in the East as a political gesture, but Chicago bankers are a unit in declaring that the old rate should not have been disturbed and its restoration is a recognition of Chicago's right to establish its own basis for making loans and that uniformity of discount rates throughout the reserve system is no longer a fixed policy.

### May Check Speculation

Stock exchange houses believe that other reserve districts will follow in the wake of Chicago for the purpose of discouraging the growing wave of speculation in security markets and bringing about a marked reduction in loans to brokers on collateral security. On the day following the announcement of the upward revision stocks declined sharply under a flood of liquidation. The belief obtains among industrial and commercial borrowers that the call loan rate in New York will govern the course of the money market rather than the bank rediscount rate fixed, but in the meantime there was a note of hesitation visible in Chicago, and transactions in commercial paper lagged.

Choice names continued to sell freely at 3¾ per cent and other good names at 4 per cent, but over the counters of loop banks rates were marked up to a minimum of 4½ per cent to large borrowers and in general 4½ per cent was the going rate to the

most desirable clients and renewals were made on the basis of 4¾ to 5 per cent in many instances. At the same time conditions were easy and offerings of idle funds were plethoric.

### Employment Losses

According to the review of the Chicago Federal Reserve Bank issued this week there has been a decline in employment in this district except in the metal and rubber industries. Labor suffered an average loss of .7 per cent. In the vehicle and building groups the losses were the most prominent, and compared with last year, were 15 per cent.

There was, however, a small increase in savings in this district, the number of accounts gaining .2 per cent, average deposits increasing 1.1 per cent and total deposits rising 1.2 per cent.

Slaughtering establishments produced a slightly larger tonnage of edible products during December. Export business was improved and a somewhat heavier tonnage of packing house products was forwarded, but consignment inventories abroad and in transit to European countries showed a reduction for the month.

### NEW YORKER PROMOTED

New York—The National Park Bank has added two new directors in Thomas I. Parkinson, president of the Equitable Life Assurance Society of the United States; and H. C. Couch, president of the Southern Power and Light Company; Louisiana Power & Light Company; Mississippi Power & Light Company; Arkansas Power & Light Company; and a director of the Electric Power & Light Corporation.

Walter S. Jelliffe has been elected vice president. He was formerly assistant vice president. Mr. Jelliffe was born in Mansfield, Ohio, June 8, 1886, attended public schools there and graduated from Oberlin College in 1908. That year engaged in the lumber insurance business on the Pacific Coast with headquarters in Portland, Oregon. He came to the National Park Bank in June, 1918, elected assistant cashier in 1920; assistant

vice president, 1924. Married Jean Brownlie of Portland, Oregon, and has three children.

### HIS CONFIRMATION LIKELY

Washington — Polling the Senate Banking and Currency Committee on confirmation of Roy A. Young of Minneapolis as governor of the Federal Reserve Board, Senator Peter Norbeck of South Dakota, the chairman, found 13 of the 15 members favorable. He was unable to get in touch with two members. Senator Norbeck said the nomination of Mr. Young will be called up to the Senate at the first executive session.

## Archer Daniels Takes Over Big Linseed Oil Co.

The Archer Daniels Midland Company of Minneapolis, the world's largest manufacturer of linseed products completed this week the purchase of the W. O. Goodrich Company of Milwaukee, at a price in excess of \$2,000,000.

The Goodrich Company is a pioneer linseed oil and cake manufacturing concern, having been engaged actively in business for more than 50 years.

Manufacture will be continued in Milwaukee, but executive headquarters will be removed to Minneapolis. Shreve M. Archer is president of the Archer Daniels Midland Company; G. A. Archer and Samuel Mairs, vice presidents, and J. W. Daniels, is chairman of the board.

### S. D. NATIONAL LIFE HAS \$5,500,000 IN POLICIES

George J. Danforth was reelected president of the Policy Holders National Life Insurance Company at the annual meeting of the company at the home office at Sioux Falls, S.D.

Other officers reelected are S. H. Witmer, vice president; H. O. Chapman, secretary-treasurer and Dr. R. Reagan, medical director. The directors are: Holton Davenport, B. H. Millard and E. N. Berdahl.

Reports by the officers showed highly satisfactory development during 1927 with over \$5,500,000 of insurance in force. The company is operating in both North and South Dakota.

# Brisk Investment Demand Absorbs New Offerings

(Special Correspondence of The Commercial West)

Chicago—More favorable conditions surrounding the investment demand had a tendency to increase the volume of bond offerings in the Chicago market this week. A brisk demand prevailed in spite of the higher rate announced by the Chicago Federal Reserve Bank. The volume of business exceeded that of any of the three preceding weeks. Banking houses express the belief that in succeeding weeks there will be further substantial offerings.

Foreign issues came more prominently into view, but there was also an excellent variety of domestic offerings. Buying for reinvestment appeared to be on a larger scale than at any time during the current month.

In the immediate future Chicago & Western Indiana financing is expected to take the form of a stock issue rather than bonds as the first and re-funding 5½s maturing in 1962, which are redeemable on any interest date on 90 days' notice at 105, are expected to be called. The reported amount of the anticipated stock issue is variously estimated from \$20,000,000 to \$30,000,000.

#### Further Offerings Expected

An offering of \$35,000,000 National Dairy Products 5¼ per cent debentures is expected to be announced within two weeks. International Power & Paper, the International Paper Company's subsidiary which acquired the Newfoundland pulp and paper business formerly owned by the Armstrong-Whitworth interests in England, will be in the market at an early date with \$5,000,000 of 5 per cent

first mortgage bonds. The Second International Securities Corporation will appear as a borrower for the first time with an issue of \$10,000,000 debentures.

#### Bank Stocks Lower

The Chicago bank stock market was generally lower and trading was quiet. Continental National Bank & Trust sold down to 540, but later was wanted at 543 with offerings at 546. Illinois Merchants was inactive at 915 to 923. State Bank of Chicago sold between 626 and 618. National Bank of the Republic was steady at 465 to 469. Bank of America was unchanged at 332 to 336. Central Trust Company of Illinois, after selling at 420, sold up to 425. Union Trust Company was actively traded between 682 and 690. Chicago Trust was slightly lower at 461 to 465. First National Bank of Chicago was lower with offerings at 820. Among the outlying banks Home Bank & Trust Company advanced 7 points to sales at 362, and Reliance State Bank changed hands between 304 and 307.

#### GREATER MINNESOTA GROUP TO ADVERTISE THE STATE

The Greater Minnesota Association, comprising a group of state boosters, has completed its organization and will raise \$100,000 for the purpose of advertising Minnesota, under the direction of J. E. Tatam, its executive secretary, formerly an assistant secretary of the Minneapolis Civic and Commerce Association. Officers of the new association are: O. C. Neuman of Wheaton, president; R. H. Thomssen,

St. Paul, and John F. Nichols, Minneapolis, vice presidents, and Julius A. Schmahl, St. Paul, treasurer. The officers will also serve as members of the board of directors, which includes B. B. Gislason, Marshall; O. E. Ashton, Pipestone; W. A. Streater, Mankato; A. E. Piffner, Argyle; J. H. Martin, Little Falls; H. B. Waite, Rufus R. Rand, and A. E. Zonne, Minneapolis; Whitney Wall, Duluth, and E. C. Warner and C. W. Gordon, St. Paul.

The Greater North Dakota Association aided in the organization of the Minnesota group and gave it the benefit of its experience.

#### INVESTMENT MEN ENTHUSED

(Continued from page 16)

\$15,000,000,000 in the electric power and light, gas and electric railway enterprises of the country. It would be a very serious thing to have the credit of this, one of the nation's greatest and most essential enterprises, disturbed, even slightly and with wholly laudable intentions. If the proposed investigation is made, we desire it to be complete and thorough. To that end we will willingly give every possible aid. But we should not like to see that investigation result in an inconclusive, non-representative survey of a small and isolated part of the public utility industry.

"It is not generally realized, unfortunately, that our world-famous public utility development and its part in the industrial development of this country is inextricably interwoven into our present general prosperity and economic welfare. All the rest of the world cannot match that development. A thorough investigation, we believe, will show it to be in greater part, sound and wholesome."

Mr. Hayes, whose full name is Henry Reed Hayes, in addition to being president of the I. B. A., is vice president of the investment banking house of Stone & Webster and Blodgett, Inc., of New York. He is an international figure in banking and an authority on investment banking matters.


#### N. DAK. RURAL CREDIT BONDS SELL WITH 4.2 PER CENT YIELD

Bismarck—Delivery of \$1,500,000 of state rural credit bonds, purchased by the Bank of North Dakota from the state industrial commission, is being completed.

The bank had advanced the money for the real estate mortgages which, in addition to the state's credit, form the security behind the bonds.

Although sold at par to the Bank of North Dakota, the bonds bring a premium on the open market. They bear 4½ per cent interest and are being sold to private investors to yield a return of 4.2 per cent.

The reason that girls don't cry more is that they are afraid the tears might wash away that school girl complexion.



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## Officers Serve Many Years in Montana Bank

The Union Bank & Trust Company of Helena, Mont., celebrated the beginning of its 31st year in business on January 17. In the 30 years of its banking history the institution has paid out \$880,500 in dividends, each original share, with a par value of \$100, having earned \$880.50, an average of 29.35 per cent each year. The book value of the stock now is \$201.

Of the original 47 founders, 11 are still living. At the close of business in 1927 the bank had capital, surplus and undivided profits of \$527,663.

During all these years the bank has been in the hands and under the management of practically the same men who are directing its affairs today. President S. McKennan went to the bank 27 years ago when it was just emerging from its organization period, full of promise for the future, Frank Bogart, vice president has been with the bank 28 years; A. P. Curtin has been a vice president and director for 28 years; R. O. Kaufman, vice president and cashier has been with the institution 21 years; C. B. Pfeiffer, assistant cashier, 21 years; Joseph W. Chivers, assistant cashier, 30 years; C. S. McGuinness, auditor, 14 years; H. C. Schuyler, manager of the bond department, 21 years. Among the directors who have long terms of service to their credit are: R. C. Wallace, 30 years; Joseph K. Toole, 19 years; M. S. Dunn, 20 years; W. J. Bradshaw, 7 years and W. J. McHaffie, 5 years.

A few years ago the bank completely remodeled its building and today occupies one of the most modern banking plants in the state, having made room for its various departments, including the usual commercial and savings departments; its trust and safety deposit divisions and a bond department which handles transactions for its customers running into millions of dollars annually.

### BIG DRIVE FOR BUSINESS

Montgomery Ward & Co., has instituted an extensive radio broadcasting program in order to bring its wares before the nation east of the Rocky Mountains. Sears, Roebuck & Co., is credited in La Salle street with having made preparations for an invasion of the downtown shopping district with a retail store of huge dimensions.

The Ward broadcasting will include eighteen stations extending from New York northwest to Minneapolis, south to Memphis and west to Kansas City, and an orchestra under the direction of Isham Jones will provide vocal, dance and group selections between commercial announcements. The success attending the opening of retail stores and exhibits in various cities last year has been indicated by the annual statements issued by Ward and

Sears, and they are going ahead with plans to extend this service in other cities. The Ward company is the largest distributor of automobile tires in the United States and the Sears company has been doing a large and growing business in tires and other automobile supplies.

## Scribner's Letter Urges Conservative Attitude on Stocks

Except for marked strength in specialties, the stock market continues in a narrow trading range, says W. F. Scribner, manager of the Minneapolis office of Paine, Webber & Co., in his weekly letter on the stock market situation.

Public utilities are showing accumulation, and evidently this class of securities is in a strong position, the survey states. The speculative public does not feel that congressional investigation into public utility companies is going to affect them to any great extent.

Aside from special moves in Illinois Central, Nickel Plate and a few other railroads, the majority of the carriers are holding well at about the same levels as have been maintained for the last few weeks. On good authority it is stated that New Haven is due for a dividend at the coming meeting the first part of next month. The best information is that this dividend will be at the rate of 4 per cent.

There is not much change in the oil stocks, and there has been a little profit taking on the recent rise. It still appears, however, that this class of stocks is under accumulation.

Taking the market as a whole, the best attitude is a conservative one. Selling on the strong spots for trading turns seems the most logical course.

## Mortgage Loans

in principal cities of the Northwest. Inquiries invited from Bankers and Realtors interested in a loan correspondent affiliation.

## Guaranteed Mortgage Co.

Minneapolis

Baker Bldg.

### NOTICE OF ADVERTISEMENT FOR BIDS

The City of Platteville will receive sealed bids up to 1:00 o'clock, in the afternoon, on the 16th day of February, 1928, on the sale of its issue of \$175,000.00 City of Platteville Municipal Building Bonds, approved by the voters of the City of Platteville, at a Special Election called for the purpose, the same being 4½% coupon bonds, in denominations of \$1,000.00 each, dated May 1, 1927, due serially, commencing May 1, 1928, with interest payable annually, at the City of Platteville, said bonds being numbered serially and consecutively from number 1 to number 175, inclusive, and becoming due consecutively under the plan of amortization adopted, the same being a direct obligation of the said City of Platteville, all due in twenty years, for which payment, both of principal and interest, a direct, annual, irrevocable tax has been levied and assessed upon all of the taxable property of said City for each of the years while said bonds, or any of them, are outstanding, sufficient for such purpose.

The legality of the proceedings and of said bonds has been passed upon, and approved by Chapman, Cutler & Parker, attorneys, 111 West Monroe Street, Chicago, Illinois.

The successful bidder to furnish the bonds in proper form and substance.

Certified check for 2% of the amount of the bid to accompany the bid, and the sealed proposal or bid to be addressed to or delivered to the undersigned, J. J. Stephenson, City Clerk, Platteville, Wisconsin.

The bids so received will be opened and considered at a special meeting of the Common Council on February 16th, 1928, at 1:00 o'clock P. M.

The right to reject any or all bids is hereby reserved.

Dated at Platteville, Grant County, Wisconsin, this 30th day of January, 1928.

J. J. STEPHENSON,

City Clerk,

City of Platteville, Wis.

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W. P. Hemenway, Representative

# Wheat Inactive But Shows Stability Despite Bearish World's Statistics

Another week of inaction and irregular moves was chalked up by the wheat market, with prices hanging in the low fringe of the monotonous back and forth range of recent months. At low point—\$1.25 $\frac{7}{8}$ —May wheat was within 1 $\frac{1}{2}$ c of the season's low for that delivery, set a little more than a month ago. The market was subjected to no great pressure, but support from current cash wheat and flour business continued moderate and there was no incentive for active speculative buying. The fact that prices yielded little in spite of general dullness and the bearish showing made by statistics, however, was regarded as a hopeful sign.

Export business throughout the week was quiet. European buyers had no trouble filling their nearby needs with the southern hemisphere movement gaining rapid headway. Disappointing flour business was a weight on sentiment.

More attention was being paid to the southwestern crop outlook, which held out possibilities of a genuine crop scare unless generous rain or snow are received in the near future. A statement issued by a leading Chicago house said that while it was too early to accept at face value claims of severe losses, the western part of Kansas, Nebraska and Oklahoma have experienced a protracted drought for four months, and reports of apparent winterkilling are on the increase from sections east of the Missouri river. Although not yet willing to take a definite stand in the market, the trade was keeping in close touch with this situation.

#### World's Visible Increases

Decrease in the domestic visible supply was smaller than expected at 1,070,000 bu., compared with 1,720,000 bu. decrease last year. Stocks were 78,445,000 bu., compared with 55,728,000 bu. a year ago.

Further gain was shown in Canadian stocks, the amount on passage increased sharply and statistics in general tended to have a sedative effect on the nerves of foreign buyers who saw imperative needs ahead, but plentiful supplies at hand. Cables in-

dicated that in spite of failure of European stocks to increase as a result of recent heavy movement toward importing countries, importers merely were buying to supply immediate needs.

The Canadian visible supply increased 2,354,000 bu. for the week and stocks including winter storage cargoes afloat in United States and Dominion ports were 118,057,000 bu., against 86,607,000 bu. last year. Congestion in Fort William and Port Arthur elevators was reported, with stocks of all grains more than 63,000,000 bu., including 54,000,000 bu. wheat.

As a result of growing Canadian and afloat stocks Bradstreet's world's visible statement showed 3,337,000 bu. increase, compared with 4,282,000 bu. decrease last year. Available supplies were reported at 303,031,000 bu., against 242,230,000 bu. a year ago. The Bradstreet's total was more than 40,000,000 bu. larger than at any time in the early months of 1927, and the largest total of the last calendar year was 291,695,000 bu. late in December.

World's shipments fell off 1,000,000 bu. last week, but the total at 18,606,000 bu. was well above estimated weekly requirements and compared with 18,545,000 bu. last year. North America shipped 8,295,000 bu., against 9,818,000 bu. the week before and 9,501,000 bu. last year.

#### Fancy Wheat Less Strong

There was less edge to the demand for fancy spring wheat this week, mills and mixers competing less actively for the high protein offerings. The proportion of wheat showing 14 per cent protein, however, was small and little change was noted in the premiums for anything above the ordinary types. Occasional fancy cars, however, still made big premiums. No. 1 hard spring was 4@25c over May, No. 1 dark northern May price to 25c over and No. 1 northern 1c under to 20c over, with high protein 30 to 48c over and a car now and then still higher. Country offerings showed slight decrease. Shipping demand was quiet.

Large country deliveries continued to be made in western Canada, running more than double last year's total and around 1,000 cars a day were loaded at country points.

Domestic primary receipts were ahead of last year and it was pointed out by a Chicago statistician that for the season to date arrivals have been 79,000,000 bu. larger than for the like period in the previous year, while the last crop was only 40,000,000 bu. larger.

Minneapolis wheat stocks continued to increase, gaining 325,000 bu. this week and totaling 19,420,000 bu., against 10,575,000 last year.

#### World Needs Revised

Revised estimates of world export supplies and import needs made by Broomhall in the Corn Trade News showed an estimated increase in the world's available surplus of 48,000,000 bu. the import requirements were raised 24,000,000 bu. The estimates line up as follows (in millions):

	Total Avail. Surp.	Prelim. Estimate to 7-21-28	Est. Ship.
United States	248	216	216
Canada	320	320	272
Argentine	192	144	160
Australia	76	96	60
Russia	8	32	8
Balkans	36	32	36
N. Africa-Chile	8	8	8
India	12	4	12
Total	900	852	772

Import requirements for the season ending July 31 were estimated at 772,000,000 bu., of which 632,000,000 bu. was needed by Europe, which according to his preliminary estimate required 608,000,000 bu. The earlier estimate of world needs was 748,000,000 bu.

#### Coarse Grains In Demand

Corn showed surprising firmness in the face of much larger receipts. Export demand held good and reported sales in the last 10 days have been fully 2,000,000 bu., largely via the gulf. Chicago futures turned higher after the first flush of hedging against liberal receipts. Minneapolis arrivals were on an increasing scale, but eleva-

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tor demand was good. No. 3 yellow held at 5@7c under Chicago May, No. 4 yellow at 9@10c under and No. 5 yellow 12@14c under, with other grades also steady compared with the future.

Movement of oats continued moderate and visible stocks showed only slight change. Local receipts were small and met a good demand, chiefly from elevators as shippers showed little interest. There was little speculative interest in the market, but firmness in corn resulted in small gains in prices of futures. No. 3 white oats were largely 1c under May to 1c over, fancy 2c over.

Rye prices were irregular within a small range. The market dimly mirrored moves in wheat and Chicago rye futures. A scattered, small export business was reported. Movement from the country continued light. The visible supply increased 241,000 bu., but stocks were less than one third as large as last year. No. 2 rye was 1/2@1 1/2c over May.

Barley continued in fair to good demand and receipts were moderate. Prices showed little change and that was for the better. Export demand

was less a factor, but a little business was passing. Domestic demand was good, chiefly from elevators and the malting trade, and choice barley was higher.

Flaxseed futures did little and cash demand blew hot and cold, but the late tone was good with premiums for desirable quality strong. Buyers held back for a time early, but No. 1 spot recovered and was largely 4@8c over May later, fancy 10c over and very poor at even May price. Linseed oil demand continued quiet, while meal production was lighter and demand good, with carlot sales up to \$49.50 per ton. Argentine shipments to America were increasing.

**METALS FROM MONTANA**

The value of gold, silver, copper, lead, and zinc produced from Montana mines in 1927, according to estimates made by C. N. Gerry, of the United States Bureau of Mines, Department of Commerce, was \$48,078,000, a decrease from \$59,410,453 in 1926. The curtailment of operations at Butte together with the decrease in metal prices resulted in a general decrease in the quantity and value of the five metals.

A decrease of about 12 per cent was shown in the output of copper, and there was a corresponding decrease in the associated gold and silver.

**BIG GOLF TOURNAMENT TO FEATURE S. D. CONVENTION**

Sioux Falls—A state-wide bankers golf tournament is being planned as a feature of the annual convention of the South Dakota Bankers Association to be held here June 6 and 7. It is to be held on the opening day. More than 100 entrants are expected to participate in the meet.

Ira A. Moore of the Minnehaha National Bank has been elected chairman of the local arrangements committee for the entire convention.

**SEATTLE TREBLING ELEVATORS**

Seattle—The port of Seattle plans to treble if not quadruple its elevator facilities, according to Col. George B. Lamping, secretary of the port commission, who predicts a total export for the current year of more than 10,000,000 bushels from port facilities alone without taking into account the heavy tonnage that moves from private elevators.

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## Corn is in Limelight at Chicago, as Bulls Give Good Support; Wheat Sags

(Special Correspondence of The Commercial West)

Chicago—Interest in grain futures on the Chicago Board of Trade is centralized in corn since it became known that several of the biggest traders are playing the long side for the long pull and have been adding to their lines on all setbacks. On Monday, with more than 1,150 cars on track as the accumulation of Saturday and Sunday arrivals, corn prices moved upward and the market displayed a broad tone which was lacking in wheat, oats and rye.

One group of longs took advantages of the bulge to lighten the load, following the same tactics which have been familiar to observers during the past month, feeding the May delivery to bears who were covering their lines. But in the main there was little selling by the biggest holders. The cash demand has improved enormously and shippers and industries have been competing for offerings. No. 3 grades ranged 3@4c under May, No. 4 sold at a discount of 4@8c, No. 5 at 8@13c, No. 6 at 11½@16c and sample grade at 14@34c, and at these discounts under the May delivery the buying was broad.

There was an increase of 857,000 bu. in the visible supply, but Chicago stocks decreased 172,000 bu., world's shipments were 2,000,000 bu. smaller than last week and 3,400,000 bu. under a year ago, and the amount afloat for Europe fell off 2,491,000 bu. and was 3,560,000 bu. smaller than last year.

Although spot wheat held firmly, No. 2 red commanding a premium of 13@14c over May, there was an insufficiency of export buying and speculative demand to create the appearance of activity. Crop news in general was bullish and it is believed that reports which are due this week will disclose a lowered condition incident to lack of snow covering and low temperatures.

The wheat market was a small backing and filling affair, although the week's transactions were 7,000,000 bu. larger that the week preceding, but they were 88,000,000 bu. less than a year ago for the same week. Some influential people talk bullish, but they are not long enough to make an impression on the market.

### Foreigners Buy Rye Futures

Exports of rye for the past six months totaled 19,550,000 bu. compared with 5,523,000 bu. in the same time last year. The European crop

is 50,000,000 bu. more this year than last, but 142,000,000 bu. smaller than in 1925, and the current crop is of poor quality. So far on the crop year Russia has shipped only 1,300,000 bu. compared with 4,000,000 bu. the year before. In the past week there has been a larger volume of business transacted here for eastern houses and foreign buying of deferred futures has been deferred futures has been on a fairly large scale because of reported damage to fields on the continent where bare ground is unprotected from freezing weather.

Provisions have been irregular, but bellies have reached a higher level for the current season. Exports of lard for the week totaled 19,039,000 lbs. compared with 8,924,000 lbs. On the other hand shipments of meats have been smaller and the domestic demand increased only slightly although cold weather usually stimulates consumption. So far this season Chicago packers have killed 1,747,000 hogs compared with 1,455,000 last year and 1,687,000 in 1926.

Professional traders were friendly to the long side of oats and supplied ample support to the market on all declines. Texas reported winter sown seriously damaged by freezing weather Premiums for choice heavy grain were firmly sustained owing to the smallness of supplies. Primary receipts for the week were 522,000 bu. smaller, but 62,000 bu. in excess of last year.

### Retires From Service

James J. Fones, for 38 years a member of the Board of Trade and more recently its secretary, will leave soon for California to take up his residence as the representative of E. A. Pierce & Co., New York Stock Exchange and Board of Trade members. Mr. Fones declined reelection as secretary in order to take advantage of the offer from Pierce & Co., and enjoy the fine California atmosphere at Pasadena. He has been an efficient executive and a favorite with the membership because of his genial temperament and high ability. There are several applications on file for the vacancy, but their identity is not available.

James B. Miley and R. F. Hyman will be the Chicago representatives of the New York Stock Exchange house of Morrison & Townsend on February 1. Mr. Miley has been with S. B. Chapin & Co., for more than a quarter of a century and Mr. Hyman was for-

merly a partner of J. J. Townsend. The offices will be on the 10th floor of the Continental Bank Building.

### Cotton Futures Weak

Cotton futures exhibited a weak undertone throughout the week on the Chicago Board of Trade under bearish trade reports. Spots were heavy and southern markets weak, and Liverpool continued to display a declining tendency. The government forecast was favorable, spinners continued to cut wages and production and ginnings for the month to January 16 were 430,096 bales against 1,076,271 last year for the corresponding period, making the total for six months 12,501,845 bales compared with 16,616,075 bales last year.

### 4,736 More Cars Needed for Northwest Freight

The northwestern states, in the first quarter of 1928, will need 278,495 rail-road cars to take care of business, the car service division of the American Railway association estimates.

In the first quarter last year the actual loadings were 273,759 cars.

That 4,736 more will be needed is remarkable because grain is so large a part of tonnage in this part of the country, and the movement of grain to market, in the last four months of 1927 was enormous, a more than normal percentage of the crop being loaded from country points before the year closed.

The estimate nevertheless is that 45,000 cars will be needed for grain during the first quarter this year compared with 43,424 actually loaded in the like period last year. Twelve thousand cars will be needed for potatoes against 9,839 loaded a year ago and 2,901 for agricultural implements and machinery compared with 2,330.

### YEAST SALES INCREASE

The Fleischmann Company in 1927 after the deduction of preferred dividends, earned \$4.38 on 4,500,000 shares of no par value common stock. The year's net earnings approximated \$19,800,000 compared with \$18,464,578 in 1926, when there remained \$4.08 a share for the junior issue. Sales were approximately 3 per cent greater than in the preceding year. Yeast sales in the past 20 years have increased from 13,729,728 pounds to 159,000,000 pounds.



## St. Paul Men in Control of Tri-State Phone Co.

Business interests of St. Paul, co-operating with George W. Robinson, its president, have obtained control of the Tri-State Telephone Company, involving a purchase price of approximately \$10,000,000, from Pittsburgh, Pa., capitalists.

The company was organized and established originally by St. Paul capital, and was sold several years ago to interests said to have been allied with the Bell Telephone Company.

Under the reorganization plan 100,000 shares of no par value common stock will be issued and 35,000 of these shares will be sold through Spencer, Trask & Co., of New York, at \$104.50 a share. The total value of the company is fixed at \$20,000,000. In addition to serving exclusively the people of St. Paul the company has exchanges in 38 counties of Southern Minnesota. Mr. Robinson will continue as president and it is announced that there will be no executive changes of note in the staff.

### JOINT SELLING AGENCIES

The Remington Rand Business Service, Inc., has opened distributing offices in the Twin Cities; in St. Paul

at 134 East Fifth street, in Minneapolis at 719 Marquette avenue. W. J. Mills will be manager at St. Paul, and P. J. Koughan manager at Minneapolis. The new organization brings together in joint representation, several different companies selling office equipment and appliances.

### Personals

Mrs. Roy A. Young and two daughters, comprising the family of Roy A. Young, of the Federal Reserve Board, left this week for Washington where the governor's permanent home will be established.

P. A. Reinertsen has been elected vice president of Bartlett & Gordon, Inc., of Chicago. He has been associated with Paine, Webber & Co. for many years.

Lloyd Lilygren, president of the East Side State Bank, and Thomas J. McGrath, president of the Security State Bank, and prominent in affairs of the Riverview district in St. Paul, have been appointed on the committee to judge the Pioneer Press and Dispatch contest in St. Paul in which women of the city have been asked to submit plans detailing how they can assist in promoting a greater St. Paul. A total of \$250 in awards will be given the women of the city who are the most successful in outlining a plan to be followed.

Hallgarten & Co., investment bankers, announce the appointment of Arthur Lazarus as a specialist for the development and investigation of industrial financing.

C. B. Brombach, assistant cashier, First National Bank, Minneapolis, is minus the end of a finger on his right hand. He was trying to tune up the family washing machine.

James MacRae, Jr., who has represented Lane, Piper & Jaffray in Rochester, Minn., for the last three years, is now affiliated with the firm's home office in Minneapolis.

W. E. Brockman and C. S. Yarnell, Jr., advertising directors of the Minnesota Loan & Trust Co. and Lane, Piper & Jaffray, are in Chicago this week attending the meeting of the research committee of the Financial Advertisers Association.

### BOND CLUB DATES

The annual banquet of the Twin City Bond Club will be held February 24 at the Minneapolis Club.

The Club also has arranged another series of Study Smokers. They will be held alternately in St. Paul and Minneapolis. The first will be in St. Paul February 21 with Julian Baird, vice president, Merchants Trust Co., St. Paul, as the speaker.

When you drive keep your eyes open. You can never tell when you will meet a fool.

## Donnacona Paper Company, Ltd.

**5½% Mortgage Gold Bonds, "A"**  
Due February 1, 1948

Principal and semi-annual interest February 1 and August 1, payable in U. S. Gold at the Agency of the Bank of Montreal, New York. Interest payable without deduction for normal Federal Income Tax up to 2%

Donnacona Paper Company, Ltd., has been successfully engaged in the manufacture of newsprint paper for 14 years. Plant and property is located west of Quebec, on the St. Lawrence River, and on the Canadian National Railways. Total value of assets are in excess of \$15,600,000, or more than two times the amount of this first mortgage bond issue. Earnings have averaged 2.8 times annual interest charges during the past three years.

A majority of the common stock of the company is owned by Price Brothers & Co., Ltd., one of the oldest and largest manufacturers of newsprint paper in Canada. The Price Brothers are interested financially also in Duke-Price Power Company and the Abitibi Power & Paper Company.

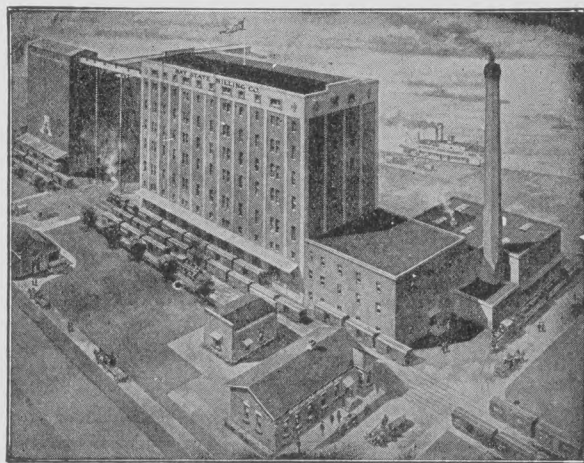
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## News of Banks and Bankers

The Commercial West welcomes the co-operation of readers in obtaining items of bank news, especially in connection with promotions amongst bank personnel.—Editor.

### BANKS REPORTED CLOSED

Bank of Udell, Udell, Iowa.  
State Bank of Glyndon, Minn.  
Low Moor Savings Bank, Low Moor, Iowa.

### CLOSED BANK DIVIDENDS

First State Bank of Walcott, N. D. First payment of 15 per cent.  
First National Bank, Abercrombie, N. D. Second payment of 10 per cent. First payment was 40 per cent.  
Towner State Bank, N. D. Ten per cent payment making a total of 65 per cent.  
Security State Bank, Oberon, N. D. Ten per cent payment making a total of 30 per cent.  
Farmers State Bank, Hesper, N. D. Ten per cent payment making a total of 35 per cent.  
Security Bank of Sheyenne, Sheyenne, N. D. Ten per cent payment.  
State Bank of Doland, Doland, S. D. Second payment of 10 per cent.

### MINNESOTA

#### Rosemount Bank Destroyed

Rosemount—The Farmers State Bank was recently destroyed by fire, which, fanned by a high wind, threatened to sweep the downtown section.

#### New Directors at Winona

Winona—The Merchants Bank added three new directors to its board: A. L. Roberts, Morris J. Owen, and Fred Schaffer, and transferred \$50,000 from earnings to surplus, which becomes \$100,000.

#### Good Year at Balaton

Balaton—The Farmers & Merchants State Bank shows an increase of \$63,000 in deposits for the year 1927. The institution paid a 10 per cent dividend and also increased its surplus \$3,000, making a total of \$10,000, and left \$3,000 in the undivided profit account.

#### Plan Bank at Morristown

Morristown — Business men held a meeting recently to plan a new bank for Morristown. It is expected that a charter will be applied for at once.

#### Improves Crosby Bank

Crosby—A customers' vault and business room 20 by 25 feet, large enough to contain a storage vault, and safety deposit vault for the use of customers, has been completed by the First National Bank of Crosby. New boxes, vault doors and fixtures also were installed.

#### Owatonna Surplus Increased

Owatonna—At the thirty-second annual meeting of stockholders of the Security State Bank of Owatonna, its surplus was increased from \$50,000 to

\$100,000. The bank now has a paid-up capital, surplus and undivided profits of \$223,539.56 and \$112,000 in good assets to pay back every \$100 deposited with it and over 66 per cent of the total deposits is in cash and bonds.

#### Hanska Banker Rewarded

Hanska—Albert O. Amundson, who has served on the board of the State Bank of Hanska for 25 years, the last few years as president, was presented with a gold watch in recognition of his service. Presentation was made at the annual meeting.

#### New Directors at Faribault

Faribault — Three new directors were added to the board of the Security National Bank at the recent annual meeting. They are Geo. H. Eigenbrodt, Dwight F. Bangs and John Derham. The bank's deposits gained \$200,000 last year.

#### Reorganization Planned at Montrose

Montrose—At a meeting of 150 depositors of the closed State Bank of Montrose recently it was decided to re-organize. Reorganization will be on the terms set down by the State Banking Department, depositors to take 50 per cent loss and the new institution to open with \$20,000 capital and \$4,000 surplus. A percentage of 50 per cent loss will be paid to the depositors later as the new organization liquidates the paper held.

#### New President at Adams

Adams—Wm. W. Dean has been elected president of the First National Bank to succeed Mrs. S. Dean, who died recently. Mr. Dean is also president of the Farmers State Bank of Elkton.

#### New Rose Creek Director

Rose Creek—At the annual meeting of the stockholders of the State Bank of Rose Creek, C. H. Hanson was elected member of the board.

#### Baldwin Goes to Litchfield

Litchfield—H. A. Baldwin, who was receiver for the Farmers & Merchants Bank at Cokato, has been transferred here to take charge of the closed Citizens State Bank. J. C. Kitt, formerly of St. Charles, succeeds Mr Baldwin at Cokato

#### New Directors at Richmond

Richmond — The American State Bank of Richmond has increased its board of directors from three to five. N. T. Ahmann and Nick Straus are the new members. Officers of the bank are Theo. Albrecht, president; N. T. Ahmann, vice president; Anton B. Rieland, cashier; and Henry Flint, assistant cashier.

#### Minneapolis Board Increased

Minneapolis—The Fidelity State Bank has just added three new directors to its board. They are Nels Swan-

son, president of the Swanson Fuel & Transfer Company, Lewis Duemke, president and manager of the Argus Publishing Company, and James McDonald, vice president of the Twenty-sixth Street State Bank. The bank enjoyed an increase of 35 per cent in deposits during 1927.

#### Kellogg State Absorbs Weaver State

Kellogg—The Kellogg State Bank on January 31 took over the assets of the Weaver State Bank of Weaver. C. G. Knowles, former cashier of the Weaver Bank, joins the Kellogg State as assistant cashier.

#### Director Becomes Vice President

Albert Lea—The Albert Lea State Bank has elected as its new vice president, H. C. Hanson, president of the American Gas Machine Co., who became a member of the board last year. W. J. Sorlie of the Jefferson Motor Company succeeded Fred McKee, resigned, as a member of the board.

#### Pays 12 Per Cent Dividend

Wegdahl—The Farmers State Bank earned net in 1927 35 per cent. A dividend of 12 per cent on the par value of the capital stock was declared and ordered paid. The balance of the net earnings were credited to the undivided profits account.

#### Changes at St. Charles

St. Charles — Two new directors have been elected to the First National: Dr. F. H. Clay and Carl Benedt.

#### Erickson Succeeds Berge

Erskine—A. F. Berge, assistant cashier of the State Bank, has resigned and his position was filled by the appointment of Magnus Erickson.

#### H. C. H. Kuehn Dead

Minneapolis—Henry C. H. Kuehn, one of the oldest employes in point of service of the Northwestern National Bank organization, is dead after an illness of less than a week. He was 71 years old. He was employed in the accounting department of the bank for 39 years. He came from Germany when a young man and made his home in Minneapolis in 1883.

#### Adopts New Coin Machine

Duluth—The Minnesota National Bank is using a new automatic coin machine which sorts and counts mixed coins with absolute accuracy and great speed. Nine-tenths of the time formerly used in assorting and counting coins is saved by the new machine, according to bank officials.

#### Bemidji Banks Merge

Bemidji—Consolidation of the Bemidji State Bank with the Northern National Bank became effective February 1. Increased operating costs was given as the reason. J. L. Elwell, president of the Bemidji State Bank

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since its organization 10 years ago, becomes second vice president of the Northern National.

**Guests of the Bank**

Minneapolis—The Farmers and Mechanics Savings Bank of Minneapolis, especially received and showed around the bank, 58 pupils of the Washington High School, who had made bank deposits every week during the school year.

**New Director at Deer Creek**

Deer Creek—A. J. Noreen of Compton has been elected a new director of the First National Bank.

**Woman Gets Position**

Buffalo Lake—Agnes Koenick has been made assistant cashier of the State Bank.

**Amboy Bank's Good Year**

Amboy—The First National reports a good year in 1927, with prospects still better for 1928. A 6 per cent dividend was declared.

**Good Dividend at Fairmont**

Fairmont—The Martin County National has declared a 15 per cent dividend.

**NORTH DAKOTA**

**New Teller at Landa**

Landa—Viola M. Kinley has been made teller of the First International Bank here.

**Buys Interest at Parshall**

Parshall—P. M. Shefelvand of the Farmers State Bank of Van Hook has purchased an interest in the Peoples State Bank of Parshall and has been elected a director.

**New President at Jamestown**

Jamestown—C. W. Spaulding, Jr., formerly of Fargo, has been elected president of the Citizens National Bank of Jamestown, succeeding D. C. Rand. Mr. Spaulding will also serve as cashier.

**Merger at Valley City**

Valley City—Consolidation of the First National and the Security National Banks became effective January 30, giving the merged bank resources of more than \$1,600,000. Under the merger, made to reduce expenses and increase banking efficiency in the city, James Grady, president of the Security National, will act as president, with H. C. Aamoth as first vice president and E. L. Fouks as cashier. The new bank will be known as the First and Security National Bank. While no formal announcement was made as to which of the two buildings would be occupied by the combined bank, it is believed that the First National bank building will be utilized.

**SOUTH DAKOTA**

**Dell Rapids Bank Pays Dividend**

Dell Rapids—The New First National Bank paid a dividend of 6 per cent to stockholders. Officers, all of whom were reelected, reported a profitable year with excellent business.

**Four Counties Organize**

Woonsocket—The banks of Buffalo, Jerauld and Sanborn counties have formed an organization with the fol-

lowing officers: President, T. M. Brisbine, Woonsocket; vice president, L. M. Larson, Wessington Springs, and secretary-treasurer, K. T. Aisenbrey, Alpena. The committees are: Public Relations, C. E. Adams of Artesian, W. R. Jamison of Woonsocket, and T. M. Brisbine of Woonsocket; Banking Practice, W. A. Anderson of Letcher, A. J. Aisenbrey of Alpena, and H. F. Jansen of Wessington Springs; Legislative, Wendell Lane of Gann Valley, F. H. Winsor of Letcher, and L. M. Larsen of Wessington Springs. It was voted to call the association the "Buffalo-Jerauld-Sanborn County Bankers Association." The by-laws provide for quarterly meetings on the second Tuesday each of February, May, August and November.

**MONTANA**

**More Surplus at Baker**

Baker—The Baker National Bank voted an increase of \$2,500 to its surplus at the annual meeting of the stockholders. A dividend of 5 per cent was also paid.

**Froid Banker to California**

Froid—Senator J. W. Schnitzler, president of the First State Bank of Froid, has left for California where he will join his family for the remainder of the winter.

**Columbus Banker Resigns**

Columbus—J. L. Fraser, president of the First National Bank for more than 20 years, has resigned because of poor health. William Witt, cashier and vice president, has been elected to fill the vacancy.

**Great Falls Bank Boosts Surplus**

Great Falls—The First National Bank recently increased its surplus to \$100,000 bringing the total to \$300,000.

**Roosevelt County Deposits Large**

Wolf Point—Six banks in Roosevelt County had deposits of over two and three quarters million dollars at the close of 1927. The First National Bank here had deposits totalling \$1,002,791.44, and the First State Bank here had deposits of \$91,503.28. Deposits for the other banks in the county are: First State Bank, Froid, \$921,108.69; Traders State Bank, Poplar, \$295,298.84; Farmers State Bank, Bainville, \$315,259.08; Culbertson State Bank, Culbertson, \$218,562.72. The combined resources of the six banks are \$3,137,390.88.

**Joliet Banker Resigns**

Joliet—E. L. Marvin, for many years cashier of the Joliet State Bank, has resigned and is succeeded by Mack Anderson, of late years active head of the bank at Boyd. Mr. Anderson is succeeded by a Mr. Ferguson of Kirby.

**Changes in Miles City Bank**

Miles City—At the annual meeting of the stockholders of the First National Bank C. D. Terrett, Brandenburg, was elected to the board of directors and Oscar Ball was elected vice president to fill the vacancy left by the death of S. Fred Cale. W. C. Henderson was also added to the directorate.

Senator Henderson and Art Schnad were also named assistant cashiers.

**WISCONSIN**

**Almena Banker Dies**

Almena—Henry Peterson, 56, cashier of the Almena National Bank for the past 20 years, died at his home after an attack of rheumatism which affected his heart. Mr. Peterson was with the bank since its organization.

**President at Ashland**

Ashland—Roy Prince has been elected president of the Northern National Bank, succeeding L. K. Baker of Chicago. Mr. Price has been with the bank 40 years, starting as messenger boy.

**Sturgeon Bay Banker Resigns**

Sturgeon Bay—Horace E. Stedman, president of the Door County State Bank, has resigned. He has organized the Horace E. Stedman Co., which will handle local business financing, car financing, real estate, mortgages, bonds, and insurance.

**Milwaukee Dividend Increased**

Milwaukee—The Milwaukee Commercial Bank has increased its annual dividend rate from 8 to 9 per cent.

**Horicon Banker Dies**

Horicon—Miles J. Pluck, 62 years old, died at his home following a paralytic stroke. Mr. Pluck has been president of the First National Bank ever since its organization in 1917.

**Minocqua Bank Director Resigns**

Minocqua—B. O. Bassett has resigned as director of the Security State Bank.

**Plan Bank for Bruce**

Bruce—A new bank, which will be known as the Peoples State Bank, is being organized by several New Richmond business men.

**Trust Department Organized**

Baraboo—The Bank of Baraboo has organized a trust department.

**La Crosse Clearing House Elects**

La Crosse—At the annual meeting of the La Crosse Clearing House Association the following officers were elected: John A. Bayer, president of the Batavian National Bank, president; H. K. Holley, vice president of the La Crosse Trust Company, vice president; R. J. Ray, cashier, State Bank of La Crosse, secretary-treasurer; P. L. Cilley, assistant cashier National Bank of La Crosse, manager; Geo. W. Burton, president National Bank of La Crosse, chairman clearing house committee.

**MICHIGAN**

**Calumet Banker Resigns**

Calumet—Peter Talantino, assistant cashier of the Merchants & Miners Bank, has resigned his position and accepted another as state bank examiner and has gone to Lansing to assume his new duties.

**IOWA**

**Bank Renews Charter**

Princeton—The Farmers Savings Bank recently renewed its articles of

## Looking Ahead

Here—while all about are the glories of the snow and the beauty of a Northern winter—building operations and business go uninterruptedly on, and as new plans are made to meet the requirements of business growth, your attention is directed to the advantages of connection with this strong bank at the head of the nation's great water-way.

# THE FIRST NATIONAL BANK of DULUTH

Capital, Surplus and Profits, \$4,300,000

Resources, \$25,955,000

incorporation for another 20 years. The bank retains its original capital of \$20,000. Officers are: J. D. Dennis, president; A. H. Schmanlz, vice president, and Z. H. Suiter, cashier, and H. D. Gault is assistant cashier.

### New President at Keystone

Keystone—F. F. Weiben has been elected president of the Farmers Savings Bank to succeed Fred Hamann.

### Promotions at Des Moines

Des Moines—Edward A. Sliniger, cashier of the Peoples Savings Bank, has been elected to vice presidency to succeed Frank P. Flynn, retired, Carl W. Mesmer was promoted to cashier.

### New Director at Lacona

Lacona—R. E. Rogers was elected to the board of directors of the Peoples State Bank to succeed Dr. Loosbrock.

### New Director at Ellsworth

Ellsworth—Chas. Caruth has been elected a director of the Farmers State Bank of Ellsworth to succeed Peter Bly, Sr., who has gone to Radcliffe.

### Promotions at Algona

Algona—Jos. W. Wadsworth has been elected chairman of the board of directors of the Kossuth County State Bank to succeed Lewis H. Smith. H. E. Rist succeeds Mr. Wadsworth as president and T. H. Wadsworth was made vice president.

### Cashier of Rock Island

Rock Island—Robert P. Gilloley was elected cashier of the newly organized Manufacturers Trust & Savings Bank which has taken over the affairs of the First Trust & Savings Bank of which Mr. Gilloley was cashier.

### Change at Hedrick

Hedrick—J. M. Brady has resigned his position as assistant cashier of the Hedrick National Bank and S. R. Stroud has been elected to the position. J. A. Caldwell is in charge of the Mid-Continent oil station.

### New Bank for Randall

Randall—A meeting has been called for organizing a new bank.

### Becomes Bank Cashier

Rockford—Charles W. Knoop, for two years city treasurer of Waterloo, has accepted the position of cashier of the First State Bank of Rockford on the provision that he be permitted to devote a part of his time until April 1 to the office of city treasurer of Waterloo. He succeeds F. P. Jorgenson, who until the annual meeting in January, was cashier of the bank.

### Anderson Elected President

Ottumwa—J. H. Anderson was elected president of the Ottumwa National bank to succeed J. F. Webber.

### Profitable Luxemburg Bank

Luxemburg—The Luxemburg Savings Bank has paid the usual 6 per

cent dividend to the stockholders and an additional 10 per cent was added to the surplus, making that account \$17,000.00. The bank now has a surplus and profits of over \$20,000.00.

### Lansing Banker Promoted

Lansing—Carl F. Bechtel, assistant cashier of the State Bank of Lansing, was elected cashier to fill the vacancy left by the resignation of Julius Boeckh, who resigned. Mr. Boeckh remains as vice president of the bank.

### Storm Lake Banker Resigns

Storm Lake—The Citizens First National Bank recently enlarged the

trust, bond and abstract department. Ralph E. Sheffield, assistant cashier, was placed in charge.

### Changes in Davenport Bank

Davenport—John J. Brandt, teller of the American and Commercial Savings Bank, was promoted to assistant cashier, and H. P. Oetzmann, director and vice president, was named vice president of the American Trust Company.

### Closes Bank Receivership

Thornton—The receiver of the Farmers Savings Bank of Thornton recently sold the remaining assets, including the building, for a total of \$3,666.65. A dividend of 30 per cent will be paid soon, bringing the total payments up to 75 per cent.

### Dinner and Ten Per Cent Dividend

Vancleve—Dinner and a musical program accompanied the annual meeting of the Vancleve Savings Bank. All officers and directors were re-elected and a 10 per cent dividend declared.

### \$800 Per Capita

Primghar—Deposits in this town's two banks aggregate \$800,000 which is equivalent to \$800 for every man, woman and child here. The sum of \$313,262 is in savings accounts.

### First Annual Meeting

Hartwick—The new Hartwick State Bank, opened last September 15 to take the place of the Farmers Savings Bank which closed in February, 1927, held its first annual meeting last week. Officers are B. Roudabush, president; C. C. Gay, vicepresident and M. E. Boatman, cashier.

### Rathke Elected President

Glenwood—W. C. Rathke has been elected president of the Mills County National Bank to succeed H. H. Cheney, who retired to become chairman of the board of directors.

### EXCHEQUER CLUB HOLDS RATHBUN AND LALONE

R. B. Rathbun, executive vice president of the Produce State Bank, and G. W. LaLone, vice president of the Minnehaha and Bloomington-Lake National Banks, will continue as president and vice president respectively of the Exchequer Club of Minneapolis, that organization having declined to accept their resignations at the regular meeting January 30. Arvid A. Lund of the Minnehaha National Bank is secretary-treasurer of the Club.

It's rather dampening on the public mind when an undertaker boasts about the prospects of a bumper crop.



D. B. Fuller

Mr. Fuller has just become associated with Kalman & Company, investment bankers of St. Paul and Minneapolis and will represent them in the Duluth and Iron Range area. He has had many years' banking experience. He served eight years in Minnesota's State Department of Banking as an examiner. He has many friends in the Range country and looks forward with pleasure to the opportunity to be of service to them.

Mr. Fuller started his banking career with the St. Anthony Falls and the East Side State Bank, Minneapolis, serving 11 years with these institutions. For the last six years he has been cashier of the Hibbing National Bank, which recently consolidated with the First National Bank there.

## 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.

**Business Want Department**

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

**FOR SALE**

Brandt Automatic Cashier for sale cheap. Address Box 116, care Commercial West.

**BANK EQUIPMENT FOR SALE**

FOR SALE—Splendid Mahogany circular type bank fixtures, \$225, also McClintock electrical clock \$125. Write the First National Bank, Hecla, South Dakota.

**SITUATION WANTED**

Wanted assistant cashiership in a country bank. Five years bank experience. Age 26, Married. Address Box 110, care Commercial West.

Wanted, assistant cashiership in a country bank. Five years' bank experience, age 26. Married. Will invest \$2,000. Address Box 118, care Commercial West.

**THE BOOK AND THE PLAY**

(Continued from page 34)

active in promoting this very necessary amelioration to the intellectual life of the Twin Cities, and to their enormous University. Just as it took several years with the great and enthusiastic generosity of Mr. Carpenter to convince Minneapolis that she needed a Symphony Orchestra;—an orchestra now led by Henri Verbruggen of which Minnesota is so proud—so does Minneapolis need a "Little Theatre." so that talented people can give the public drama which professional producers cannot undertake on account of the lesser profits that might be gained therefrom.

Mr. Garns has a great deal of culture and experience. His lectures show much research and thought, and a sound knowledge of psychology. All this, with his keen dramatic sense, should make him a good leader for such an enterprise as the "Little Theatre" would be.

**MIDLAND NATIONAL ON**

**"GOOD TASTE IN THE HOME"**

The Midland National Bank has just published an attractive booklet on "Good Taste in the Home," which it will furnish free to all interested. In the forepart are interesting paragraphs on home furnishing, arrangements of living, dining and bed rooms, portieres, drapes, rugs and carpets, decorations and harmonizing and the care and cleaning of furniture. The latter part contains forms for keeping insurance records and all household expenses.

**THE FEDERAL RESERVE BANK**

(Continued from page 18)

securities in the market to prevent sudden tightening of money rates, and conversely, as gold came into this country, has sold back to the market such securities to offset the incoming gold and prevent the consequent lower-

**SITUATIONS WANTED**

Wanted: Experienced banker, 32 years old, married, 15 years banking experience, desires position as cashier. Very capable on credits, possessing personality, initiative and honesty. Available upon thirty days' notice; sooner, if necessary. No million dollar qualities, but above average. Address Box 117, care Commercial West.

Wanted—Assistant Cashiership by young married man, nine years' commercial and trust experience. References. Address Box 100, care Commercial West.

Cashier, young, married, desires position with future, new or city bank, office or field. Ten years' experience, A No. 1 references. Address Box 107, Commercial West Company.

Wanted assistant or cashiership. Young man, 27 years of age, married. Now employed. Can invest. Address Box 112, care Commercial West.

Young man with business college education desires position in bank as bookkeeper or clerk. Has had no previous banking experience, but will work very reasonable. Has command of Scandinavian as well as English language. Never tasted tobacco or liquor. Age 29. Can furnish best of references. Immediately available. Address Box 108, Care Commercial West.

**SITUATION WANTED**

Wanted—Assistant cashiership in a country bank. Five years' experience, age 24 single. Address box 122, care Commercial West.

Cashier or assistant cashier, 40 years of age, married, speak German, Lutheran, 13 years country bank experience in South Dakota, understands banking from all angles, can invest. A No. 1 references. Address Box 120, care Commercial West.

Position wanted town of 500 or over with bank or business organization. Married man age 36, 14 years experience cashier of bank. Will invest \$2,500. Address Box 123, care Commercial West.

**HELP WANTED**

Position in town of thousand or over. Twenty-five years' experience in Iowa and Dakota. Available first of year. Address Box 6, Care Commercial West.

Wanted, competent experienced man to become interested in an old established bank in live Montana town. To right party will sell minority or controlling interest. State all particulars in first letter. Address Box 119, care Commercial West.

ing of interest rates and rise of prices. Fifteen minutes or an hour would not be sufficient to go over this function alone. Many are the arguments both for and against this work of the System. I merely want to say in concluding, that if there are any of you who have any questions to ask regarding any of the operations of the Federal Reserve System, write your questions to the American Institute of Banking in care of station WCCO and we shall be delighted to tell you what you want to know."

**BANK BACKING FOR TURKEYS**

(Continued from page 20)

helps to carry the farmer over the winter."

**Turkeys in Minnesota**

W. A. Billings, extension veterinarian of the University of Minnesota farm at St. Paul writes:

"Off-hand I would say that turkey growing in Minnesota is on the increase generally, but the crop the last year probably was about 10 per cent below normal.

"Turkey growing has always been a financial benefit to the farmers and for the past 10 years very few seasons have come around where the prices were not 35 cents or better. Lately the price was 45 to 55 cents a pound, depending upon the quality.

"We have been very much interested in promoting turkey growing, especially along artificial lines, and I have also advocated confinement of the farm flock of turkeys. In the main we are not especially interested in increasing the number of farms on which turkeys are grown but rather to take away the hazardous part of the undertaking and to put the growing of turkeys on a more stable basis."

**Turkeys in Alberta**

Turkey raising is a coming industry in Alberta as a number of successes at various fairs would indicate. A recent move in this connection is the formation of the Alberta Bronze Turkey Breeders' Association, which is now active in promoting and extending the turkey breeding industry.

Alberta claims to have the world's champion woman raiser of turkeys. She is Mrs. M. A. Freeman, of the Beau Desire ranch, at Ardenode. Mrs. Freeman won five turkeys in a raffle eight years ago and entered upon turkey raising as a commercial enterprise. Today she has more than 800 bronze turkeys. Of these she is selling 500 for the table and another 200 as breeders, retaining 100 for her own ranch. Mrs. Freeman expects to clean up \$3,000 on her venture this year and will raise as many more next year. She has no trouble in marketing her birds.

**F. A. A. MEETING FEBRUARY 2**

The western division of the investment research committee of the Financial Advertisers Association held a meeting in Chicago February 2 at the Union League Club. A. E. Bryson, vice president of Halsey, Stuart & Company, is chairman of this committee and the following are members:

Eugene Bashore, Blyth Witter & Co., San Francisco; Paul Bollinger, Harris, Small & Co., Detroit; W. E. Brockman, Minnesota Loan & Trust Co., Minneapolis; Charles J. Eastman, Taylor, Ewart & Co., Chicago; R. G. Fields, Caldwell & Co., Nashville; W. H. Hodge, H. M. Byllesby & Co., Chicago; Joseph Levin, A. G. Becker & Co., Chicago; Paul Jenkins, Utility Securities Co., Chicago; Samuel O. Rice, Investment Bankers Association, Chicago; Ethel B. Scully, Morris F. Fox & Co., Milwaukee; Horace Towner, Lawrence Stern & Co., Chicago; John Watson Wilder, Thompson Ross & Co., Chicago; C. S. Yarnell, Lane, Piper & Jaffray, Minneapolis.

**HER LATEST**

"What was Mrs. Timkin's name before she was married?"

"Mrs. Demster, Mrs. Johnson and Mrs. Murray."—Judge

## Western Municipal Bonds

### FUTURE BOND ELECTIONS

**Feb. 4**—Navajo County, Ariz., Sch. Dist. No. 1 (P. O. Winslow)—\$170,000 bonds.

**Feb. 11**—Sheridan County, Neb., Lakeside Sch. Dist. (P. O. Lakeside)—\$6,000 bonds.

**Feb. 25**—Ferndale, Mich.—Fire and police station bonds between the amounts of \$100,000 and \$150,000; garbage disposal plant bonds between the amounts of \$30,000 and \$40,000; \$30,000 water works bonds; \$30,000 fire alarm system bonds; \$30,000 sidewalks bonds.

**Feb. 28**—Klamath Falls, Ore.—\$300,000 sewer bonds.

**March 10**—Moorehead, Minn.—\$35,000 water and light plant bonds.

### FUTURE BOND SALES

**Feb. 4**—King County, Wash., Sch. Dist. No. 170 (P. O. Seattle)—\$50,000 bonds not exceeding 6 per cent; 12 years average; C. C. 5 per cent. W. W. Shields, county treasurer.

**Feb. 6**—Corvallis, Ore.—\$5,043.92 improvement bonds; denomination \$500; 6 per cent; 10 years; C. C. \$500. J. M. Conner, city judge.

**Feb 6**—Detroit Lakes, Minn.—\$12,000 fire fighting apparatus bonds; denomination \$1,000; not exceeding 6 per cent; 8 years average. E. J. Bestick, city clerk.

**Feb. 6**—Omaha, Neb.—\$500,000 sewer bonds; 4½ per cent 20 years; \$100,000 park bonds; 4½ per cent; 20 years; C. C. \$12,000. John Hopkins, sup. dept. of accounts and finance.

**Feb. 6**—Alameda County, Cal., Sch. Dists. (P. O. Oakland)—\$935,000 Oakland High Sch. Dist. bonds; denomination \$1,000; 5 per cent; 33½ years average. \$633,000 Oakland Sch. Dist. bonds; 5 per cent; 35 years average. C. C. 2 per cent of the amount of bid. Geo. E. Gross, county clerk.

**Feb 7**—Imperial County, Cal., Heber Sch. Dist. (P. O. El Centro)—\$25,000 bonds; 6 per cent. County clerk.

**Feb. 7**—Monterey, Cal.—\$30,000 municipal improvement, first issue bonds; 5 per cent; 11-25 years serial; denomination \$1,000. C. C. 10 per cent. Clyde A. Dorsey, city clerk.

**Feb. 8**—Dearborn, Mich.—\$500,000 trunk sewer series No. 6 bonds; not exceeding 4¼ per cent 18 1/6 years average; C. C. \$5,000. Myron A. Stevens, city clerk.

**Feb. 9**—California (P. O. Sacramento)—\$4,000,000 veterans' welfare bonds; 4 per cent; 13½ years average. Charles G. Johnson, state treasurer.

**Feb. 11**—White Pigeon Tp., Mich., Sch. Dist. No. 1 (P. O. White Pigeon)—\$100,000 bonds; 4½ per cent; 18¾ years average; C. C. 2 per cent. C. H. Rachor, secretary board of education.

**Feb. 13**—Klamath Falls, Ore.—\$94,996.97 street imp. bonds; not exceeding 6 per cent; 1-10 years; C. C. 5 per cent. Lem L. Gaghagen, police judge.

**Feb. 17**—Seattle, Wash.—\$900,000 general improvement bonds; denomination \$1,000; 6 per cent 30 years; C. C. 5 per cent. City comptroller.

**Feb. 18**—Harlem, Mont.—\$22,800 refunding bonds; not exceeding 6 per cent; C. C. \$500. R. J. Gwaltney, town clerk.

### BOND NOTES

Washington Co., Ore., Union High Sch. Dist. (P. O. Hillsboro)—The election held on Jan. 18 resulted by a vote of 452 to 71 in favor of issuing \$175,000 bonds.

Tyrone, Ark.—An election will be held in the near future to vote a \$20,000 water works bond issue.

Los Angeles County, Cal., Huntington Park Sch. Dist. (P. O. Los Angeles)—An election will be held in Feb. to vote a \$245,000 bond issue.

Lincoln County, Wyo. (P. O. Kemmerer)—The county board of commissioners has decided to issue \$20,000 county indebtedness bonds.

Vinton, Ia.—The town will issue \$5,000 firetruck bonds.

Yuma County, Ariz., Yuma Union High Sch. Dist. (P. O. Yuma)—The \$200,000 bonds were defeated at the election held on Jan. 14.

Scottsbluff County, Neb., Sch. Dist. No. 20 (P. O. Gering)—An election will be held soon to vote a school bond issue.

Adair County, Ia. (P. O. Greenfield)—The election held on Jan 4 resulted in favor of issuing \$800,000 road bonds.

Alliance, Neb.—The city officials are preparing to hold an election to vote a \$175,000 storm sewer bond issue.

Minidoka County, Ida., Ind. Sch. Dist. No. 1 (P. O. Rupert)—The \$600,000 bonds voted on Jan. 12 were defeated by a vote of 310 to 251.

Shelby, Mont.—Petitions are being circulated asking for an issue of \$35,000 city bonds.

Montezuma, Ia., Sch. Dist.—The election held on Jan. 18 resulted in favor of issuing \$115,000 bonds, by a vote of 389 to 324.

Mt. Lake, Minn.—An election was held on Jan. 24 to vote a \$25,000 electric light system bond issue.

Navajo County, Ariz., High Sch. Dist. (P. O. Holbrook)—An election will be held in the near future to vote a \$75,000 bond issue.

Salem, Ore.—The city will place on the market in about 30 or 60 days a

\$100,000 sewer bond issue. This is part of the \$500,000 issue voted on June 28.

North Platte, Neb.—An ordinance has been published providing for a \$70,000 refunding bond issue.

Alliance, Neb.—An election is being planned to vote a \$175,000 sewage disposal plant bond issue.

Flint, Mich.—A \$1,561,000 public improvement bond issue will be voted on in April.

Duluth, Minn.—The city council has voted to issue \$900,000 water and light refunding bonds.

Falls City, Neb.—An ordinance has been published providing for a \$20,800 paving bond issue.

Springfield, Ore.—An ordinance has been passed authorizing a \$13,000 sidewalk, street and sewer bond issue.

Lakeview, Mich.—The election scheduled for Jan. 16 to vote a \$20,000 municipal light and power plant bond issue has been withheld until further notice.

Reasnor, Ia.—The election held on Jan. 5 resulted in favor of issuing \$2,000 electric light bonds.

Roseville, Mich.—The election held on Jan. 14 resulted by a vote of 472 to 222 in favor of issuing \$360,000 water system bonds. At the same time the \$50,000 city hall bond issue failed to carry.

Lawrence, Neb.—The \$27,000 water works bonds were authorized at the election held on Jan. 10.

Decatur County, Ia. (P. O. Leon)—The \$500,000 road bonds were authorized on Dec. 23.

Traverse City, Mich.—Plans will be made by the city commission to vote an issue of sewage disposal bonds at the election to be held in the spring.

### BONDS SOLD

Lincoln, Neb., Sch. Dist.—The \$250,000 4 per cent bonds to the Harris Trust and Savings Bank of Chicago at a premium of \$611-100.244.

Rochester, Minn.—The \$10,000 4 per cent 5¼ years average permanent improvement revolving fund bonds to the First State Bank and Trust Co. of Rochester, at par. \$7,000 4 per cent 4¼ years average permanent improvement revolving fund bonds to the Sinking Fund, at par.

Ottumwa, Ia.—The \$40,792.29 4 per cent improvement bonds to the Geo. M. Bechtel & Co. of Davenport.

Kossuth County, Ia. (P. O. Algona)—The \$100,000 4 per cent 15 years primary road bonds to the First National Co. of Mason City at a premium of \$1.00-11.001, a basis of 3.99 per cent.

O'Brien County, Ia. (P. O. Pringhar)—The \$200,000 4 per cent 5 1/6-8½ years primary road bonds to the Geo. M. Bechtel & Co. of Davenport at a premium of \$230-100.115, a basis of 3.98 per cent.

Brea, Cal.—The \$60,000 5 per cent 1-40 years serial park and city hall bonds to the William R. Staats Co. of Los Angeles at a premium of \$4,827-108.045, a basis of 4.34 per cent.

**COUNTY — CITY — SCHOOL BONDS**  
BOUGHT AND SOLD      CORRESPONDENCE SOLICITED

*The Hanchett Bond Co.*  
39 South La Salle Street, Chicago

Established 1885

**H. C. SPEER & SONS CO.**  
MUNICIPAL,  
COUNTY AND SCHOOL BONDS  
First National Bank Building - CHICAGO

Jackson County, Ore., Sch. Dist. No. 100 (P. O. Jacksonville)—The \$2,500 4¼ per cent 3¾ years average refunding bonds and the \$11,500 4¼ per cent 9½ years average building and equipment bonds to the Lumbérmens Trust Co. of Portland at 103, a basis of 3.82 per cent.

Weesaw Tp., Mich., Sch. Dist. No. 3 (P. O. New Troy)—The \$75,000 4½ per cent 15½ years average bonds to the Morris Mather & Co. of Chicago at a premium of \$966-101.288, a basis of 4.37 per cent.

Nogales, Ariz.—The \$150,000 4¾ per cent 5-29 years serial street improvement bonds the \$50,000 4½ per cent 5-29 years serial water works improvement bonds and the \$20,000 4½ per cent 5-24 years serial sewage disposal bonds to the Valley Bank of Phoenix at a premium of \$2,100-100.90, a basis of 4.59 per cent.

Contra Costa County, Cal., Vinehall Sch. Dist. (P. O. Martinex)—The \$11,000 5 per cent bonds to the Neale, Kely & Supple of San Francisco at a premium of \$550-105.

Hancock County, Ia. (P. O. Garner)—The \$100,000 4¼ per cent 5-10¼ years primary road bonds to the Geo. M. Bechtel & Co. of Davenport at a premium of \$1,035-101.035, a basis of 4.02 per cent.

Tama County, Ia. (P. O. Toledo)—The \$150,000 4 per cent road bonds to the Carleton D. Beh Co. of Des Moines at a premium of \$565-100.37.

Fremont County, Wyo., Sch. Dist. No. 42 (P. O. Crowheart)—The \$4,000 5 per cent bonds to the State, at par.

Boulder, Colo.—The \$31,000 4 per cent 10-15 years bridge bonds and the \$50,000 4 per cent 10-15 years water works bonds to the James H. Causey & Co. of Denver at 101.047, a basis of 3.87 per cent.

Jackson County, Mich. P. O. Jackson)—The \$50,000 5 per cent 1-5 years serial road bonds to the Continental National Co. of Chicago at a premium of \$1,065-102.13, a basis of 4.23 per cent.

Greeley, Colo.—The \$6,500 4½ per cent storm sewer dist. No. 1 bonds to the Henry Wilcox & Son of Denver at a premium of \$7,00-11.10.

**BANK OF NORTH DAKOTA  
MAKES ANNUAL REPORT  
OF ITS CONDITION**

Bismarck, N. D.—Resources of the Bank of North Dakota balanced at \$52,947,560.14 at the close of business December 31, according to the statement of the institution's condition.

Of its resources, however, \$502,819.04 consists of loans to closed banks and \$683,667.70 of receivers' proofs of claim against closed banks. Certificates of indebtedness from the depositors' guaranty fund total \$677,448.95.

The bank's bills receivable total \$898,192.22, including \$108,606.17 due from banks which are still open. Most of the resources are contained in the bank's holding of bonds, state and federal, which total \$12,678,585.12. It also had \$7,588,316.48 in cash and items due from other banks. The only other major items relate to the farm loan business and show that the bank has loans totaling \$26,858,500 pledged to cover outstanding bonds and other loans totaling \$1,616,400.11 assigned to the state

treasurer in anticipation of bond issues.

The side of the ledger devoted to liabilities shows that the bank is carrying on its books a profit of \$127,487.01. In addition to the \$2,000,000 capital it lists \$26,858,500 due on outstanding bonds and cash items totalling \$23,222,717.40. Of the latter,

certificates of deposits account for \$9,766,087.36; county treasurers have \$3,507,456.72 on deposit; school treasurers have \$1,815,681.68; the state treasurer has \$4,048,610.35 and state institutions have \$2,359,302.35.

Alimony doesn't represent broken hearts as much as broken homes.

**D**URING recent months we have originated and carried out the public financing of a number of Corporations in the Water Works, Electric Power and Light, and Natural Gas fields.

Among the issues which we have distributed throughout the country either alone or with associates are the following:

**WATER COMPANY BONDS**

	<i>To Yield About</i>
PENNSYLVANIA WATER SERVICE CO. <i>First &amp; Ref. 5% Bonds, due 1967</i> .....	4.90%
NEW YORK WATER SERVICE CORP. <i>First Mtge. 5% Bonds, due 1951</i> .....	5.00%
CALIFORNIA WATER SERVICE CO. <i>5% Gold Notes, due 1928</i> .....	5.00%
ALABAMA WATER SERVICE CO. <i>First Mtge. 5% Bonds, due 1957</i> .....	5.12%
ILLINOIS WATER SERVICE CO. <i>First Mtge. 5% Bonds, due 1952</i> .....	5.20%
WEST VIRGINIA WATER SERVICE CORP. <i>First Mtge. 5% Bonds, due 1951</i> .....	5.25%
OREGON-WASHINGTON WATER SERVICE CO. <i>5% Bonds, due 1957</i> .....	5.37%
FEDERAL WATER SERVICE CORP. <i>5½% Debentures, due 1957</i> .....	5.60%

**POWER and LIGHT BONDS**

WISCONSIN HYDRO-ELECTRIC CO. <i>First 5% Bonds, due 1947</i> .....	5.20%
ARIZONA EDISON COMPANY <i>First Mtge. 5% Bonds, due 1958</i> .....	5.25%
PEOPLES LIGHT & POWER CORP. <i>6% Debentures, due 1962</i> .....	5.75%

**GAS COMPANY BONDS**

AMERICAN NATURAL GAS CO. <i>6½% Debentures, due 1942</i> .....	6.55%
*SOUTHERN KANSAS GAS CO. <i>First Mtge. 6½% Bonds, due 1937</i> .....	6.70%

\*Called for redemption as of Feb. 1, 1928.

*We offer the above bonds subject to prior sale  
or change in price.*

**G. L. OHRSTROM & Co.**

INCORPORATED

231 South La Salle St. CHICAGO	425 East Water St. MILWAUKEE	44 Wall Street NEW YORK
PHILADELPHIA	BOSTON	TOLEDO
MINNEAPOLIS	SAN FRANCISCO	LOS ANGELES

# Stock and Bond Quotations

## MINNEAPOLIS BANK STOCKS

	Div. rate	Bid	Asked
Camden Park State Bank	8	125	...
Central State Bank	10	250	...
East Hennepin State Bank	...	...	...
First National Bank	12*	410	420
Gateway State Bank	...	...	...
Marquette National Bank & Trust Co.	...	200	...
Metropolitan National Bank	6	145	155
Midland National Bank & Trust Co.	10	160	180
Millers & Trades State Bank	...	...	150
Northwestern National Bank	12	320	...

\*3 per cent extra dividend.

## ST. PAUL BANK STOCKS

	Div. rate	Bid	Asked
American National Bank	8	225	...
Merchants National Bank	12	260	...
Mound Park State Bank	20	250	...
Payne Avenue State Bank	10	...	225
St. Paul State Bank	10	250	...
First National Bank	...	360	370
Commercial State Bank	...	600	...

## DULUTH BANK STOCKS

	Div. rate	Bid	Asked
American Exchange National Bank	10	200	...
City National Bank	10	210	...
Duluth National Bank	...	150	...
First National Bank of Duluth	15	275	...
Minnesota National Bank	...	135	...
Northern National Bank	12	210	...
St. Louis County State Bank	...	200	...
Western State Bank, West Duluth	...	200	...

## ST. PAUL CORPORATIONS

	Rate	Bid	Asked
Foote, Schultz & Co., pfd.	7	87½	90
St. Paul Fire & Mar. Ins. (par 25)	14	215	225
St. Paul Union Stockyards	8	130	140
Tri-State Tel. & Tel. pfd.	6	10.40	...
Union Public Service, pfd.	7	100	102

## MINNEAPOLIS CORPORATIONS

Quotations by The Minnesota Loan & Trust Co., Minneapolis.

	Rate	Bid	Asked
Archer-Daniels-Midland, com.	3	57	60
Archer-Daniels-Midland, pfd.	7	112	...
W. H. Barber Company, pfd.	7	99	101
Leader Mercantile Corp., com.	1	17	20
Leader Mercantile Corp., pfd.	7	98	100
Miller Publishing Co., pfd.	7	100	101
Minneapolis Thresh. Mach., com.	7	100	...
Minneapolis Thresh. Mach., pfd.	7	101	...
Mpls. Honeywell Reg., com.	...	31½	32¼
Mpls. Honeywell Reg., pfd.	...	99	100
Munsingwear Corporation, pfd.	7	109	110
Northwestern Bell Telephone, pfd.	6½	108	108½
Ottetail Power Co., com.	7½	150	...
Ottetail Power Co., pfd.	6	98	100
Pillsbury Flour Mills, com., new.	1.60	35	36
Pillsbury Flour Mills, pfd., new.	6½	113½	114½
Russell Grader Mfg., com.	2½	60	70
Russell Grader Mfg., pfd.	8	103	105
Russell Miller Milling, pfd.	6½	103	105
Vassar Swiss Underwear, pfd.	7	102½	104½
Washburn-Crosby Co., pfd.	7	106	110

## LOCAL BONDS

Quotations by The Minnesota Loan & Trust Co., Minneapolis.

	Rate	Bid	Asked
Baker Building Garage, 1st 1928/40	6½	101	103
Bole Grain, 1st 1930/33	6½	100	5.50 B
Carleton Corp., 1st 1931/46	5	99	100
Carstens Packing, 1st 1932/41	6	99	100
Clarkson Coal & Dock, 1st 1932/39	6	99	100
Collis Products, 1st 1927/30	6½	100	5.75 B
Commander Larrabee, 1st 1941	6	99	94
Commander Larrabee, Notes 1936	7	99	102
Continental Telephone 1932	5½	100	101
Curtis Hotel, 1st 1932/41	6	99½	101½
Dakota Central Telephone, 1st 1935	6	107	108
Jacob E. Decker, 1st 1928/40	6	99	101
Dispatch Pioneer Press 1942	6	100	101
Dispatch Pioneer Press, pfd.	7	100	101
Duluth Street Ry., 1st 1930	5	96	98
Duluth Street Ry., Gen. 1930	5	90	93
Eastern Minnesota Power, 1st 1945	5½	99½	101
Emporium, Inc., Notes 1930/3	6	99½	5.75 B
Emporium, Inc., Notes 1934/7	6	99½	5.75 B
1st Nat.-Soo Line Bldg., 1st 1930-5	5	99½	4.90 B
Franklin Co-op. Crm., 1st 1930/31	6½	100½	5.75 B
Franklin Co-op. Crm., 1st 1932/3	6½	101	6.00 B
Griggs Cooper Co., 1st Col. 1929/31	5	99	5.25 B
Griggs Cooper Co., 1st 1931/9	5½	99¼	5.375 B
Great Northern Power, 1st 1935	5	100	101
Hughes Electric, 1st 1946	5½	101½	...
Island Warehouse, 1st 1943	6	103½	...
Itasca Pa. & Pr. Ri. Pr., 1st 1929/38	5½	100½	...
Itasca Pa. & Pr. Ri. Pr., 1st 1934/38	6	103½	...
Kalman Steel, 1st 1932/9	6	101	5.50 B
Marshall Wells Bldg., 1st 1932/7	6½	101	5.50 B
McMichael Investment, 1st 1930/33	6½	100½	6.00 B
Minneapolis Gas Light, 1st 1930	5	99¾	4.90 B
Minneapolis Gas Lt., 1st Col. 1930	6	101¾	4.875 B
Minneapolis General Elec., 1st 1924	5	103¼	103½
Mpls. St. & St. P. City Ry., Jt. 1928	5	100	100¾
Mpls. St. & St. P. City Ry., 1st 1928	5½	100½	101
Minneapolis Theatre, 1st 1941	6	98½	100
Minn. & Ont. Paper, 1st 1930/5	6	99	101
Minn. & Ont. Paper, 1st 1945-48-50	6	99	100½
Minn. Fr. & Lt., 1st & ref. 1955	5	102¾	103½
Minn. Fr. & Lt., 1st & ref. 1950	6	105¾	106
Minnesota Transfer, 1st 1946	5	101½	103
Minnesota Tribune, 1st 1942	6½	104	105
Montana Dakota Pr., 1st 1929	5½	100	100½
National Pole & Treat., Notes 1931	5½	98	100
Nicollet Hotel, Inc., 1930/38	6½	100	102
Northern Electric, 1st 1929	6	99¾	100½
Northern States Power, Notes 1940	5½	100½	101¾
Nor. Sts. Pr., 1st Lien & Gen. 1950	5½	103½	104½
Nor. Sts. Pr., 1st Lien & Gen. 1948	6	104¾	105½
Northeast Ia. Pr. 1st 1928	6	100½	...
Northeast Ia. Pr., 1st & ref. 1929	6	100½	...
Northwestern Elevator, 1st 1931/2	6½	102	5.60 B
Northwestern Terminal, 1st 1931/5	6	98	100
Ottetail Power, 1st 1946	5	99½	100
Ottetail Power, 1st 1945	5½	102¼	103
Ottetail Power, 1st 1939	6½	104½	106½
Omaha Orpheum, 1st 1931/41	6	99	100
Pillsbury Flour Mills, 1st 1943	6	105	106
Powell River, Notes 1930/3	5	99	100
Purity Baking, 1st 1931/5	6	101	5.375 B
Putnam Lumber, Notes 1931/7	5½	99¼	5.375 B
Eliz. C. Quinlan Realty, 1st 1931/45	5	99	100
Red River Lumber, Notes 1928/9	5	100	100½
Red River Lumber, Notes 1928	5½	100½	101
Red Riv. Lbr. Co., 1st mtg. 1932/37	5½	100	101
St. Cloud Public Service, 1st 1934	6	102¾	103
St. Croix Power, 1st 1929	5	100	101
St. Paul City Ry., Cable Cons. 1937	5	97½	99
St. Paul Gas, 1st 1944	5	102½	103½
St. Paul Gas, Gen. 1954	5½	103¾	104½
St. Paul Gas, Gen. 1952	6	107½	108½
Sheridan Holding, 1st 1932/7	6½	98	101
St. Paul Union Stockyds., 1st 1946	5	100½	102½
Sioux Falls Gas, 1st 1944	6	102½	103½
G. Somers & Co., 1st 1931/4	6	101¾	5.375 B
Tri-State Tel. & Tel., 1st 1942	5½	107¾	107½
T. C. Rpd. Tr., 1st & Ref. Ser. A 1952	5½	97¾	98
Union Public Service, 1st 1930/6	6	100	102
Watab Paper Co., 1st 1942	6½	103½	105
Western Timber Co., 1928/9	5½	99½	100½

## CHICAGO BANK STOCKS

Reported by Babcock, Rushton & Co.

	Bid	Asked	Book Value
Continental Natl. Bank & Trust Co.	542	546	212
Drovers National Bank	275	...	161
First National Bank of Chicago	810	820	370
Foreman National Bank	655	660	323
Bank of America	332	336	185
Central Trust Co.	420	425	193
Chicago Trust Co., new.	460	465	198
Citizens State Bank	400	...	214
Drover Trust & Savings Bank	475	New	283
Fidelity Trust	217	222	135
Harris Trust & Savings Bank	700	...	243
Illinois Merchants Trust Co.	912	920	306
Lawndale State Bank	425	...	256
Irving Park National Bank	305	312	205
National Bank of the Republic	464	468	197
Stock Yards National Bank	350	355	208
Northern Trust Company	765	772	398
North-Western Trust & Savings Bk.	485	495	185
Security State Bank	410	...	292
Sheridan Trust & Savings Bank	323	327	147
State Bank of Chicago, new.	614	620	261
Union Bank of Chicago	375	380	228
Union Trust Company	682	688	259

## CHICAGO INDUSTRIAL STOCKS

Reported by Babcock, Rushton & Co.

	Div. Rate	Bid	Asked
American Furniture Mart (com.)	...	3½	4
Am. Fork & Hoe (com.)	6	106	...
Am. Fork & Hoe (pfd.)	7	110	...
American Stove Co.	10	133	136
Barnhart Bros. & Spindler, 2nd pfd.	7	106	108
Barnhart Bros. & Spindler, 1st pfd.	7	105	107
Beatrice Creamery (com.)	5	68	69½
Beatrice Creamery (pfd.)	7	107	...
Benjamin Electric (pfd.), 1st	8	105	107
Brennan Packing (Class A)	4	53	...
Brunswick-Balke-Collender Co. (pfd.)	7	106	...
Bunte Bros. (pfd.)	7	101	103
By-Products Coke (pfd.)	9	110	...
Central Cold Storage (com.)	1.60	20¾	21½
Chicago Cold Storage (pfd.)	7	92½	94½
Chicago Cold Storage Co. (com.)	...	49½	51
Chicago Daily News (pfd.)	7	100	101½
Chicago Daily News (com.)	...	42	43½
Chicago Mill & Lumber (com.)	4	70	75
Chicago Mill & Lumber (pfd.)	7	95	98
Chicago Railway Equip. (\$25 par)	3	14	16
Chicago Railway Equip., pfd. \$25 par	1.75	18	19
Creamery Package	2	31	32
Creamery Package (pfd.)	6	101	104
Congress Hotel (com.)	6	195	202
Dolese and Shepard (capital)	6	104	107
Drake Hotel (com.)	6	60	65



Drake Hotel Co. (pfd.)	6	68
Elgin National Watch (\$25 par)	10	60
Fansteel Products (com., new)	6	22
Federal Electric (com.)	6	17
Federal Electric (pfd.)	7	73
First State Pawnors' Society	7	135
W. C. Foster (com.)	7	13
W. C. Foster (pfd.)	7	70
Fulton Market Cold Storage (units)	510	520
Godschaux Sugar (pfd.)	22	24
Goodman Mfg. Co. (\$50 par)	6	50 1/2
H. W. Gossard (pfd.)	7	106
Great Lakes Transit (pfd.)	7	85
Great Lakes Transit (com.)	3	24
W. F. Hall Printing (com.)	1	29
Holland-St. Louis Sugar, com., \$10 par	12	100
Hotel Sherman (com.)	7	109
Hotel Sherman (pfd.)	7	109
Hydrox Corp. (pfd.)	7	109
Interstate Iron & Steel (pfd.)	7	98 1/2
Interstate Iron & Steel (com.)	7	75
Kellogg Company (pfd.)	7	110
Kellogg Company (com.)	4	167
La Salle Extension Univ. (pfd.)	7	54
McCord Mfg. Co. (com., no par)	7	7 1/2
McCord Mfg. Co. ("A" pfd.)	7	63
Michigan Sugar Co. (pfd., \$10 par)	6°	1 1/4
Michigan Sugar Co. (pfd., \$10 par)	6°	6
Moir Hotel Co., Units	7	92
National Gypsum Co. (com.) "A"	7	23
National Gypsum (pfd.)	7	70
National Tea Co. (pfd.)	6 1/2	104
National Grocer (com.)	8	1 1/2
National Grocer (pfd.)	6	75
Northwestern Yeast Co.	12	200
O'cedar Corp., Class "A"	6	4 1/4
O'cedar Corp., Class "B"	6	2
Palmolive Co. (new com.)	2	95
Palmolive Co. (pfd.)	7	108
Albert Pick & Co. (pfd.), ex. wts.	7	89
Pyle National Co.	4	46
Pyle National Co. (pfd., 8%)	8	106
Schulze Baking Co. (7% pfd.)	7	90 1/2
Sifton Mfg. Co. (pfd.)	7	97
John M. Smyth & Co. (pfd.)	7	105
St. Joseph Stock Yards (com.)	6	83
St. Louis Stock Yards (com.)	8	91
Standard Cap and Seal (com.)	5	44
Stover Mfg. & Engine (pfd.)	7	70
Stover Mfg. & Engine (com.)	4	4
Sullivan Machinery (no par)	4	50
Union Stock Yards of Omaha	8	95
Universal Gypsum Co. (free com.)	7	26
Universal Gypsum Co. (pfd.)	7	26
Utah-Idaho Sugar Co. (\$6 par)	1	1 1/4
Vellie Motor Co. (pfd.)	7	80
Vesta Battery (pfd.)	7	80
Wahl Co. (pfd.)	7	78
Whitestone Co. (units)	7	50

**PUBLIC UTILITY STOCKS**

	Div. rate	Bid	Asked
Am. Public Utilities (com.)	6	63	66
Am. Public Utilities (part pfd.)	6	92	94
Amer. Pub. Util. (prior pfd.)	6	95	96 1/2
Central States Elec. (com.)	1°*	125	101
Central Illinois Light (pfd.)	6°	103	103 1/2
Chicago Rapid Transit (com.)	7.8	15 1/2	16 1/2
Chicago Rapid Transit, prior lien pfd.	7.8	103	105
Cities Service (pfd.)	6	93	94
Commonwealth Pr. Corp. (pfd.)	6	104	105
Consumers Power Company (pfd.)	6°	104	106
Consumers Power Company (pfd.)	6.60	106	106
Consumers Power Company (pfd.)	7°	106	107
Continental Gas & Elec. (pfd.) prior	7	107	108 1/2
Continental Gas & Elec. (com.)	4.40	250	250
Ill. Power & Light (pfd.)	7°xDiv.	103 1/4	104 1/4
Interstate Public Service P. L.	7	103	103
Iowa Railway & Light Corp. (pfd.)	7	101	102 1/2
Iowa Railway & Light Corp.	8	102	102
Iowa Electric (com.)	7	350	350
Iowa Electric (pfd.)	7	97	97
Iowa Southern Util. (pfd.)	7°	100 1/2	100
Kentucky Utilities (pfd.)	6°	101	114
Northern Indiana Pub. Svs. (pfd.)	7°	112	114
Southern Indiana Gas & Elec. (pfd.)	6°	96 1/2	98
Southern Indiana Gas & Elec. (pfd.)	7	98	102
Tri-City Railway & Light (pfd.)	6	100	102
Wis.-Minn. Light & Power (pfd.)	7	100	100

\*Extra Dividend. °Dollars per Share.

**UNITED STATES GOVERNMENT BONDS**

Price range as of February 1, 1928, reported by C. F. Childs & Co., 1202 Baker Building, Minneapolis. Quotations on Liberties are in 32nds, in accordance with the practice on the New York Stock Exchange. The Treasury Certificates and Treasury Notes, for convenience, are also quoted in fractions of 1/32nd.

**U. S. Liberty and Treasury Bonds**

Issues	High	Low	Last
1st Liberty Loan 3 1/2s, 1932/47	101-24	101-22	101-23
1st Liberty Loan 4 1/2s, 1932/47	103-1	102-31	102-31
3rd Liberty Loan 4 1/2s, 1928	100-13	100-13	100-13
4th Liberty Loan 4 1/2s, 1933/38	103-25	103-23	103-24
Treasury 4 1/2s, 1947/52	115	115	115
Treasury 4s, 1944/54	110	110	110
Treasury 3 3/4s, 1946/56	107-5	107-4	107-4
Treasury 3 3/8s, 1943/47	102-17	102-15	102-17

**U. S. Treasury Certificates and Notes**

Issues	Bid	Asked
TM-3 1/4s—March, 1928	99-31	100
TM-2-3s—March 15, 1928	99-30	99-31
TJ-3 1/2s—June 15, 1928	99-26	99-28
TD-3 1/4s—December 15, 1928	99-26	99-28
A-3 1/2s—March 15, 1930/32	99-27	99-29
B-3 1/2s—September 15, 1930/32	99-27	99-29
C-3 1/2s—December 15, 1930/32	99-27	99-29

**Federal Land Bank Bonds**

Rate	Maturity	Bid	Asked
4s	November 1, 1937/57	101 1/4	101 1/2
4 1/4s	January 1, 1936/56	101 3/4	102 1/4
4 1/4s	January 1, 1937/57	101 1/2	102 1/4
4 1/4s	May 1, 1937/57	101 1/2	102 1/4
4 1/2s	January 1, 1932/42	101 3/4	102

Established 1912  
**NORTHERN FINANCE CORPORATION**  
 Automobile Finance  
 Desirable short-term self-liquidating investments  
 MINNEAPOLIS, MINN.

**Investment Securities**  
**Commercial Paper and Bonds**  
**LANE · PIPER & JAFFRAY · INC.**  
 MINNEAPOLIS  
 ST. PAUL ROCHESTER MANKATO FARGO, N. D.

**CHURCH BONDS**  
*Ample Physical Security*  
*Strong Moral Integrity*  
*Attractive Interest Yield*  
**John C. Kuck & Company**  
 INCORPORATED  
 301-303 Lewis Bldg., Minneapolis

**WALTER H. WHEELER**  
 Mem. Am. Soc. C. E., Mem. A. S. T. M., Mem. A. C. I.  
**ENGINEER AND ARCHITECT**  
 1112 METROPOLITAN LIFE BUILDING, MINNEAPOLIS, MINN.  
*Reports, Plans, Specifications, Supervision for*  
*Buildings -- Bridges -- Dams -- Mfg. Plants -- Pavements*

Chas. H. F. Smith Wharton C. Smith  
**CHAS. H. F. SMITH & SON**  
*Investment Securities*  
 5th and Jackson Sts. SAINT PAUL CEDAR 4603

**STAMPS**  
*For Impressions*  
**NORTHWESTERN STAMP WORKS**  
 ST. PAUL

  
**Northland Securities Corporation**  
*Investment Bonds*  
 Security Bldg., Minneapolis Minn.

**Mountain Producers Corporation**  
*Descriptive circular upon request*  
**CARL H. PFORZHEIMER & CO.**  
 SPECIALISTS IN STANDARD OIL SECURITIES  
 25 Broad Street New York  
 Phone: Hanover 5484



# Always the Same

Whether you operate one truck or a hundred, it's the gasoline in the tank that, to a large extent, determines the cost of operating your equipment.

One of the most important considerations when selecting a gasoline for motor truck operation is to determine whether or not the fuel always is uniform in quality, no matter when or where it is purchased.

To approach anything like satisfactory performance with a gasoline of varying quality, necessitates frequently adjusting the carburetor. And the average motor truck driver is not skilled enough to make a satisfactory adjustment.

When the carburetor is not correctly set for the fuel in the tank, loss of power, rapid carbon formation and excessive dilution of the crankcase oil may result.

## RED CROWN GASOLINE

is refined with extreme care to insure its uniform quality at all times. No matter when or where you purchase this famous motor fuel, you are assured that the gasoline entering the tank is exactly of the same quality and dependability as that which has been driving your trucks since the last fill.

Just as it is poor economy to buy gasoline everywhere and of every kind, so is it true economy to standardize on Red Crown gasoline.

Change to Red Crown today and satisfy yourself that the claims we make for this superior motor fuel are true. You will notice a decided improvement in the operation of your trucks when you begin using this gasoline. And at the end of a year's time, you will observe that your motor fuel is costing you considerably less than heretofore.

**STANDARD OIL COMPANY**  
(INDIANA)  
910 S. Michigan Ave. Chicago, Ill.



4 1/2 s	January 1, 1933/43	101 3/4	102
4 1/2 s	January and July 1, 1933/53	101 3/4	102 1/2
4 1/2 s	January and July 1, 1935/55	102 1/2	102 7/8
4 1/2 s	January 1, 1936/56	103	103 3/8
4 3/4 s	July 1, 1933/53	103 1/4	103 5/8
4 3/4 s	January and July 1, 1934/54	103 3/8	103 7/8
5 s	November 1, 1931/41	102 3/8	102 7/8
5 s	November 1, 1931/41	102 3/8	103 3/8

### FOREIGN GOVERNMENT BONDS

Reported January 18, by Solomon Bros. & Hutzler.

Security	Rate	Due	Bid	Offer	Yld.
Argentine Nation, Govt. of, 6s, Sept. 1, 1957	100 1/4	100 3/4	5.94		
Argentine Nation, Govt. of, 6s, Dec. 1, 1958	99 7/8	100 1/4	5.98		
Argentine Nation, Govt. of, 6s, June, Oct. 1, 1959	99 7/8	100 1/4	5.98		
Argentine Nation, Govt. of, 6s, Sept. 1, 1960	99 7/8	100 1/4	5.98		
Argentine Nation, Govt. of, 6s, May, Oct. 1, 1960	99 7/8	100 1/4	5.98		
Argentine Nation, Govt. of, 6s, Feb., May 1, 1961	99 7/8	100 1/4	5.98		
Australia, Commonwealth of, 5s, July 15, 1955	97 3/4	98 1/2	5.11		
Australia, Commonwealth of, 5s, Sept. 1, 1957	98	98 3/8	5.10		
Belgium, Kingdom of, 8s, February 1, 1941	109 1/2	110	7.15		
Belgium, Kingdom of, 7 1/2 s, June 1, 1945	115	115	6.50		
Belgium, Kingdom of, 6 1/2 s, September 1, 1949	104 5/8	105 1/8	6.04		
Belgium, Kingdom of, 6s, January 1, 1955	99 5/8	100	6.00		
Belgium, Kingdom of, 7s, June 1, 1935	107 1/2	107 3/4	6.41		
Belgium, Kingdom of, 7s, November 1, 1956	105 1/2	106	6.53		
Canada, Govt. Dom. of, 5 1/2 s, Aug. 1, 1929	101 3/4	102	4.10		
Canada, Govt. Dom. of, 5s, April 1, 1931	102	102 1/2	4.15		
Canada, Govt. Dom. of, 4 1/2 s, Feb. 1, 1936	101 3/8	101 3/4	4.25		
Canada, Govt. Dom. of, 5s, May 1, 1958	107 3/8	107 7/8	4.49		
France, Republic of, 7 1/2 s, June 1, 1941	116 3/8	116 3/8	5.73		
France, Republic of, 8s, Sept. 15, 1945	110 1/4	110 1/8	4.00		
France, Republic of, 7s, Dec. 1, 1949	107 1/8	107 1/2	6.35		
French Cities (Bdx. Mss. Lyons), 6s, Nov. 1, 1934	101	101 1/4	5.78		
German Government, 7s, Oct. 15, 1949	107	107 1/2	6.30		
German Renten Bank, 7s, Sept. 15, 1950	100 1/2	100 3/4	6.93		
Italy, Kingdom of, 7s, Dec. 1, 1951	98 1/4	98 1/2	7.14		
Japanese Government, 6 1/2 s, Feb. 1, 1954	102 1/8	102 1/2	6.30		
Japanese Govt., Sterling (2d), 4s, Jan. 1, 1931	92 3/4	93	5.67		
Milan, City of, 6 1/2 s, April 1, 1952	91 7/8	92 1/8	7.18		
Rome, City of, 6 1/2 s, April 1, 1952	92 1/4	92 1/2	7.15		
Switzerland, Govt. of, 5 1/2 s, August 1, 1929	102	102 1/4	4.20		
Switzerland, Govt. of, 5 1/2 s, April 1, 1946	104 1/2	105	5.05		
Un. King. of Gt. Bri. & Ire., 5 1/2 s, Aug. 1, 1929	117	118 1/2			
Un. King. of Gt. Bri. & Ire., 5 1/2 s, Feb. 1, 1937	105 7/8	106 3/8	4.66		

### BANK TRANSACTIONS

Debits to individual accounts, as reported to the Federal Reserve Board by banks in leading cities for the week ending January 25, 1927, aggregated \$13,938,000,000, or 8.8 per cent below the total of \$15,275,000,000 reported for the preceding week.

Debits for the week under review are \$1,538,000,000 or 12.4 per cent above those for the week ending January 26, 1927. New York City reported an increase of \$1,176,000,000, Chicago \$145,000,000, San Francisco \$83,000,000 and Boston \$48,000,000.

Aggregate debits for 141 centers for which figures have been published weekly since January 1919 amounted to \$13,209,520,000, as compared with \$14,440,591,000 for the preceding week and \$11,685,374,000 for the week ending January 26, 1927.

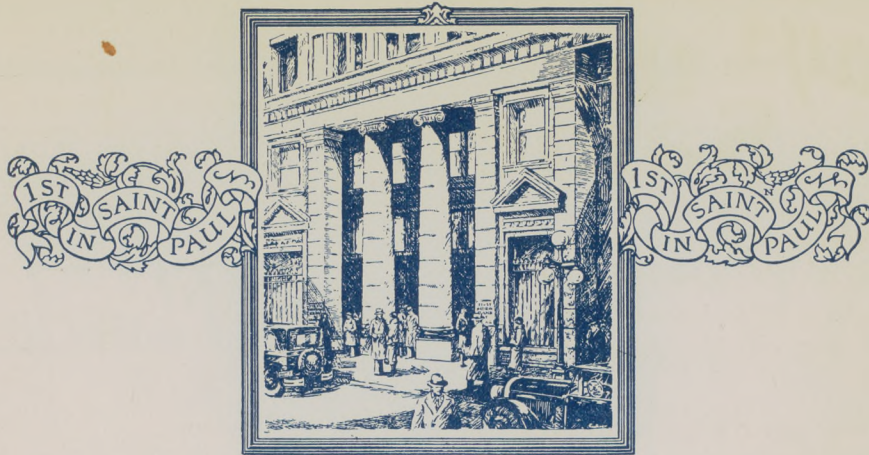
Cities	Week ending		
	Jan. 25, 1928	Jan. 18, 1928	Jan. 26, 1927
New York	\$7,873,087,000	\$8,518,638,000	\$6,697,368,000
Chicago	914,894,000	913,578,000	770,273,000
Philadelphia	431,216,000	491,621,000	413,920,000
Boston	482,289,000	582,738,000	433,852,000
<b>Twin Cities</b>	<b>383,289,000</b>	<b>138,651,000</b>	<b>112,739,000</b>
San Francisco	314,429,000	362,532,000	231,322,000
Pittsburgh	226,917,000	220,875,000	213,890,000
Los Angeles	217,902,000	241,942,000	218,742,000
Detroit	217,018,000	219,629,000	200,655,000
Cleveland	172,695,000	190,034,000	170,176,000
St. Louis	167,500,000	197,000,000	157,400,000
Baltimore	92,193,000	99,900,000	83,902,000
Kansas City	88,769,000	108,031,000	77,241,000
Buffalo	82,813,000	94,075,000	73,860,000
New Orleans	75,220,000	87,228,000	73,259,000
Minneapolis	74,902,000	95,384,000	79,896,000
Milwaukee	62,802,000	78,571,000	65,352,000
Washington	52,255,000	59,357,000	54,242,000
Dallas	48,201,000	56,080,000	46,218,000
Seattle	46,499,000	60,012,000	41,536,000
Omaha	46,176,000	50,284,000	45,188,000
Denver	39,922,000	40,291,000	38,459,000
St. Paul	38,387,000	43,267,000	32,843,000
Portland	31,797,000	39,018,000	33,863,000
Des Moines	18,122,000	20,305,000	16,681,000
Duluth	14,107,000	14,816,000	14,448,000
San Diego	14,565,000	15,374,000	15,840,000
Sioux City	13,886,000	14,569,000	18,454,000
Spokane	11,796,000	13,780,000	12,309,000
So. St. Paul	8,559,000	9,868,000	8,658,000
Sioux Falls	4,047,000	4,302,000	3,947,000
Fargo	3,322,000	3,331,000	2,877,000
La Crosse	2,315,000	2,917,000	2,543,000
Superior	1,774,000	1,898,000	1,647,000
Helena	1,702,000	1,729,000	1,607,000
Billings	1,526,000	1,876,000	1,623,000
Grand Forks	1,517,000	1,772,000	1,455,000
Minot	1,417,000	1,409,000	935,000
Winona	1,385,000	1,784,000	1,173,000



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*"I have just seen the State and noticed the conditions down there, and now my sympathy is getting back to the old envy again!"*

**F**LORIDA'S greatest asset may be put in one word—CLIMATE.

It has the only semi-tropical climate in this hemisphere which is convenient to the great centers of population.

This asset is of inestimable value because a great many people have invested millions in permanent homes and estates in order to enjoy the climate. It is of value also because this same climate grows garden truck and fruits in profusion which are available at the time they are of the most value. Close proximity to the market makes this possible.

All of which has long been obvious. So obvious in fact that its value was over rated. The boom came and collapsed. *But the climate is still there.*

And because of the boom and the fear it has engendered, Florida securities are on the bargain table.

That is, some of them are bargains.

Others only look like bargains.

We believe we know which are really bargains and which aren't. We believe we know this because we have watched the progress of the Florida field from its very start, through all of its ups and downs. We are constantly investigating. And we are convinced that from time to time we find a true *investment opportunity*. We have one now.

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