

LUMBER BLACK SPOT

Profit in Operation Declared Not Proportionate.

FEDERAL REPORT IS MADE

Central Bank in San Francisco Finds Conditions Generally Indicative of Prosperity, With Alaska Promise Rich.

Conditions of the Northwest lumber trade form the basis of much discussion in the last report of the San Francisco bank of the Federal reserve system just issued through the Federal Reserve Bulletin. The report, which discusses the trade situation in the entire district, comprising California, part of Arizona, Nevada, Utah, Idaho, Washington, Alaska and Oregon, gives particular attention to lumbering.

"Conditions in this district," it says, "have not changed to any significant extent during the last 30 days. The lumbering business is very slow, but the trade in Alaska is proving of increased importance for the extreme Northwest."

"In the section just mentioned the wheat crop is unusual, but grain crops in the more southerly section of the district are not so good. Good prices are being received for the Washington and Oregon apple crop and for livestock, while credit conditions are easy.

"Decline in Lumber Values Cited. In Washington and Oregon 50 per cent of wage-earners are employed in lumbering. Within two years lumber prices have declined from \$13.50 base per 1000 feet to \$7.50, making a difference of \$6,000,000 to \$25,000,000 in the market value of the normal output. Wages constitute 75 per cent of the lumber cost and 40 per cent of the railroad transportation cost. The wage value in lumber far outweighs the timber value.

"An extreme illustration is a recent Puget Sound cargo sold at an average of \$3. The transportation cost, including insurance, was \$42. Delivered in Europe the cost will be \$51 per 1000, of which approximately \$22.25 constitutes the timber value. "Railroads normally consume 25 per cent, now are taking only about 5 per cent of the lumber output. Lack of shipping tonnage is a factor in the lumber buying obviously affect tremendously the lumbering section. In spite of the present low prices, perhaps partly because of them, the lumber cut has considerably increased of late, to meet steadily increasing taxes and other obligations, and strong concerns are not hesitating to accumulate stocks against an emergency demand which is expected to follow the close of the war."

"Grain Crop Moving Slowly. Eastern Washington, Oregon and Southern Idaho have harvested an unusually heavy crop of wheat, aggregating 70,000,000 bushels. From early prices around 95 cents a bushel, there has been a decline to about 70 cents, at which farmers are disinclined to sell, so that the crop is moving slowly from the first hands. "Grain crops in the great Sacramento and San Joaquin valleys of California have been disappointing and the fruit crops, while abundant, have not, in general, yielded satisfactory profits. Cattle, horses, mules, sheep and wool all are bringing remunerative prices."

"The development of Alaska is a trade factor of increasing importance, especially for Seattle. The beginning of construction of the Government railway marks the start of a new era. A common pack has been good this season, though that of Puget Sound has been disappointing. "The Washington and Oregon apple crops are large, due partly to increased acreage. Prices are excellent, approximately \$1 in the orchard run. "Copper mining in the district is exceedingly active and prosperous. "Credit conditions are easy throughout the 12th district, with no disturbing factors in prospect, except borrowing on unmarketed wheat, which seems unlikely to be important."

EXPORTS SHOW BIG GAIN

Increase for Year Ended June 30 Exceeds \$400,000,000.

Merchandise exports for the United States increased more than \$400,000,000 in the period ending June 30 last, according to statistics recently compiled by the National City Bank of New York.

The following table, showing how the shipments of the past year to the various foreign countries, compared with the shipments to the same countries during the previous year, is interesting:

Country	Year to June 30, 1915	Year to June 30, 1914
United Kingdom	\$913,200,000	\$804,212,000
France	\$890,397,000	\$859,819,000
Canada	\$483,500,000	\$444,900,000
Italy	\$384,800,000	\$423,200,000
Netherlands	\$183,200,000	\$172,000,000
Sweden	\$174,000,000	\$144,000,000
Cuba	\$150,000,000	\$8,884,000
Australia	\$149,000,000	\$14,000,000
Japan	\$141,000,000	\$1,206,000
Germany	\$137,000,000	\$3,007,000
Russia in Europe	\$137,000,000	\$6,200,000
Mexico	\$124,000,000	\$8,749,000
Argentina	\$122,000,000	\$4,119,000
Belgium	\$122,000,000	\$4,794,000
Spain	\$122,000,000	\$2,904,000
China	\$122,000,000	\$1,200,000
Austria-Hungary	\$122,000,000	\$2,718,000
Other countries	\$281,000,000	\$281,000,000
Totals	\$3,276,389,000	\$2,364,579,000

INVITATION GIVEN BANKERS

Marshfield Wants to Entertain State Association.

Marshfield is making a bid for the Oregon State Bankers' convention next year.

Although the Oregon bankers, when they met in San Francisco last Spring, tentatively decided to accept the invitation of Portland to entertain the convention in 1916, the Portland bankers believe that Portland is ready to waive its claim on the honor and join in the proposed trip to Marshfield.

It is pointed out that the Southern Pacific rail line will be completed to Coos Bay by the time the convention is to be held and that this will afford the bankers of the state an excellent opportunity of visiting and becoming acquainted with that growing and important district.

The banks of Marshfield have joined together in an invitation to J. M. Poorman, of Woodsburg, state president, and J. L. Hartman, of Portland, state secretary, who are communicating the proposal to the other bankers of the state.

Condon Bank Adds Official.

Increase in business, says the Condon Times, has necessitated the election of an assistant at the First National Bank in the person of Hugh E. Bran, formerly assistant cashier of the Hartman & Thompson Bank in Portland. Mr. Bran already has commenced the performance of his new duties.

NEWLY ELECTED OFFICERS OF WASHINGTON STATE BANKERS' ASSOCIATION.



H. C. Lucas, President; W. H. Martin, Secretary; Ralph S. Stacy, Vice-President; J. P. Swallow, Member Executive Committee; Frank H. Luce, Member Executive Committee.

NEW OFFICIALS IN HEADS OF WASHINGTON BANKERS' ASSOCIATION SCATTERED.

Representative bankers from various parts of the state were elected to the various official positions of the Washington Bankers' Association at the recent convention in Seattle.

MEETING WELL ATTENDED

Grant County State Bank, Ephrata. Executive council, for three-year term: J. A. Swallow, vice-president National Bank of Commerce, Seattle; C. W. Johnstone, cashier Washington National Bank, Ellensburg. For two-year term: O. M. Greene, vice-president Exchange National Bank, Spokane; F. H. Luce, vice-president Fidelity Trust Company, Tacoma. For one-year term: L. W. Homan, cashier Pacific State Bank, South Bend.

Legislative Committee Recommends That Formulation of New Banking Code Be Delayed Until Reserve System Is Familiar.

The complete list of new officers is as follows: President, H. C. Lucas, president Yakima Trust Company, North Yakima. Vice-president, Ralph S. Stacy, president Pacific National Bank, Tacoma. Secretary, W. H. Martin, cashier Pioneer National Bank, Ritzville. Treasurer, C. E. Davis, president Grant County State Bank, Ephrata.

Responsible Is Seen

Under most favoring circumstances it will require years to develop on an important and world-wide scale. But with the restoration of our international exchange rates there will be less incentive for foreign interests to avoid the American market when purchasing their supplies of food and of clothing and all other necessities. This is of great value to our agricultural sections, especially to the West, where the large crops have been successfully raised and are now for practical purposes ready for our home and foreign markets. Had the loan not been arranged there would have been strong encouragement for foreign buyers, where they could not entirely delay purchases to obtain their supplies from other countries, leaving the United States last upon the list as a source of supply. This quite naturally would have been a source of depression on the prices of American grains and provisions. Beyond this it would have placed American grain products on the list of those that would be subject to the competition of Russian wheat if the allied armies and navies are successful in opening the Dardanelles.

MR. MACDOOD IS INVITED

Invitations have been extended to William G. McAdoo, Secretary of the Treasury, who now is on the Coast, to visit Portland before he returns to Washington and it is believed probable that he will accept.

Foremost in Railroad Equipment Buying Is the New York Central order for 120,000 tons of rails for 1916, and it is

BANK CHANGE URGED

Collection of Checks Without Exchange Advocated.

FEDERAL BANKER IS HEARD

Theodore Wold, of Minneapolis, Declares Specific Provision in Reserve System Is Demand of Business Men at Large.

A check on a National bank should be cashed at par anywhere in the country, says Theodore Wold, Governor of the Ninth District Federal Reserve bank at Minneapolis, who recently visited the Northwest. Mr. Wold gave forcible expression to those views at the recent convention of the Montana State Bankers' Association at Glacier Park, Mont. Which he spoke with particular reference to banks of Montana his opinions have equal reference to Oregon and other parts of the Northwest. He urged the bankers to cease their opposition to the provision in the Federal reserve law which permits the reserve banks to clear all checks of the member banks without exchange charges.

"I believe," said Mr. Wold, "that that provision was written into the act through pressure brought up on Congress by the business men of the country who have been bearing the expense incidental to the collection of checks."

"Businessmen's Hand Noted. Ten cents upon a item means very little. Take the district as a whole or the country as a whole, and the cost to the business interests of the country of the matter of collecting checks has been enormous. They have protested but to no avail. Therefore it was quite natural, when the new banking bill was being framed, that they should use their influence and they used it to such an effect that two paragraphs placed in section 14 provide that every Federal Reserve bank shall receive on deposit at par from member banks or from Federal Reserve banks checks and drafts drawn upon any of its depositories. "While I am not going to bore you with an argument upon the collection of checks by the Federal Reserve banks, nevertheless I feel that it is necessary and advisable that I should state my position upon this question. Personally I believe that the question of collecting checks is a function which should be performed by the commercial banks. I am quite satisfied that the Federal Reserve bank would have set along very well, indeed, if its functions had been confined to a bank of reserve and bank of issue. The facts are that of this Federal Reserve bank there still remain 15,000 to 20,000 cars are under negotiation, including 10,000 for an important trunk line. "Though current demand for pig iron is not heavy, sellers are asking higher prices for next year's deliveries, and quotations of coke are stiffening, several large contracts having developed for the first quarter of 1916.

Responsibility Is Seen

"As everyone knows," says Mr. Clews, "in discussing the recent loan to the allies, 'dollar exchange, while rapidly attaining world-wide popularity, is still in its infancy. "Under most favoring circumstances it will require years to develop on an important and world-wide scale. But with the restoration of our international exchange rates there will be less incentive for foreign interests to avoid the American market when purchasing their supplies of food and of clothing and all other necessities. This is of great value to our agricultural sections, especially to the West, where the large crops have been successfully raised and are now for practical purposes ready for our home and foreign markets. Had the loan not been arranged there would have been strong encouragement for foreign buyers, where they could not entirely delay purchases to obtain their supplies from other countries, leaving the United States last upon the list as a source of supply. This quite naturally would have been a source of depression on the prices of American grains and provisions. Beyond this it would have placed American grain products on the list of those that would be subject to the competition of Russian wheat if the allied armies and navies are successful in opening the Dardanelles."

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LUMBER OUTLOOK BETTER

Merchants National Bank Letter Says Improvement Due Soon.

Early improvement in the lumber trade and a corresponding advance in many other industries of the Northwest are predicted in the current trade letter of the Merchants' National Bank of Portland. "One report as to the condition of the lumber business," says the report, "is that the general situation is not improved, but that increased activity along building lines soon should be felt in a greater demand for lumber. "In the Northwest the situation has been quickened by the demand for spruce and fir for England, knocked-down box cars for Russia, the spectacular Baltimore, which was filled by a larva rising in value of \$400,000 from Hoquiam mill in 12 days from the receipt of order. Shipments offshore from Washington and Oregon were one-third heavier in August than in July. "Movement of grain to either East or West coast is unusually active for this time of year. East of the Rocky Mountains the cause is given as wet weather and a late harvest. The reason assigned for small receipts at Pacific Coast ports is unwillingness of the farmer to sell because of faith in higher prices. Authorities are divided as to prospects for the future. It is contended by some that present prices are all the miller and exporter can stand, in view of high rates for freight, goes weak European demand and instability of foreign exchange. It is also contended that it will be months before conditions will justify a rise. It is believed the Northwest wheat growers occupy a most favored position, as their grain is of a better quality and has not been exposed to the wet conditions of the Eastern districts. Barley and oats in the Pacific Northwest are fairly active, with prices firm."

PROSPERITY IS PREDICTED

Swiss Bankers Say America Can Regard Future With Confidence.

BERNE, Oct. 7, via Paris, Oct. 10.—(Delayed in transmission.)—The Swiss Bankverein, the most important banking institution in Switzerland, makes this comment on American conditions in a pamphlet just issued: "The United States has recovered rapidly from the financial and economic crisis caused by the outbreak of the war. Obviously the country is approaching a period of great prosperity, owing to her rich harvests and uncommonly large exports—a degree of prosperity which has not, perhaps, been equaled in the economic annals of America. "The United States can regard the future with confidence, as neither external nor internal policies cause anxiety or apprehension. It was really fortunate for Europe that the economic and financial resources of the United States have so well related all shattering events."

W. J. Burns to Speak Here.

William J. Burns, the famous detective, is due in Portland before the end of the present month to address the local chapter of the American Institute of Banking.

The date of his visit depends entirely upon the progress of the trial of the alleged dynamiter at Los Angeles. Mr. Burns was responsible for the arrest of the men—Caplan and Schmidt—and is aiding in their prosecution. When he stopped in Portland four weeks ago on his way to California from the Seattle convention of the American Bankers' Association, he promised the local chapter to return this month and deliver an address. The Seattle convention granted Mr. Burns' agency a three-year extension to his contract for protecting the member banks from theft and fraud.

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Yoncalla Improvements Are Pushed

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