

STATE OF NORTH DAKOTA

JOURNAL OF THE HOUSE

of the

SPECIAL SESSION

of the

TWENTIETH LEGISLATIVE ASSEMBLY

Begun and held at the Capitol at Bismarck
January 10th, to January 17, 1928
inclusive.

OFFICERS AND EMPLOYEES

OF THE
HOUSE OF NORTH DAKOTA
FOR THE
SPECIAL SESSION OF THE
TWENTIETH LEGISLATIVE ASSEMBLY
1928

OFFICERS AND EMPLOYEES

Name	Address	Position
John W. Carr	Jamestown, N. D.	Speaker
C. R. Verry	Minot, N. D.,	Chief Clerk
W. H. Pray	Valley City, N. D.	Asst. Chief Clerk
E. A. Anderson	Steele, N. D.	Sergeant-at-Arms
John P. Tucker	Devils Lake, N. D.	Enrol. and Eng. and Voucher Clerk
LaVerne Hansen	Grand Forks, N. D.	Desk Reporter
K. G. Gronhovd	Nekoma, N. D.	Doorkeeper and Asst. Sergeant-at-Arms
O. L. Mennes	Napoleon, N. D.	Gallery Doorkeeper
Helen Theurer,	Minot, N. D.	Stenographer
Katharyn Goddard	Bismarck, N. D.	Stenographer
Margaret Sheehan	Bismarck, N. D.	Stenographer
E. D. Skinner	Sawyer, N. D.	Postmaster
W. F. Reko	Mandan, N. D.	Mailing Clerk
A. C. Nedrud	Minot, N. D.	Asst. Mailing Clerk
H. P. Asseltine	Bismarck, N. D.	Asst. Mailing Clerk
C. A. Rust	Bismarck, N. D.	Asst. Mailing Clerk
Peter Schantz	Bismarck, N. D.	Janitor
Joyce Roberts	Tower City, N. D.	Page
John Ulsrud	Bismarck, N. D.	Page
Joe Goddard	Bismarck, N. D.	Page
Mike Halsey	Fort Yates, N. D.	Telephone Messenger
V. A. Corbett	Minot, N. D.	Proof Reader

BISMARCK CHAPLAINS

Rev. W. E. Vater	Methodist
Rev. Fred E. Klein	German Baptist
Rev. F. H. Davenport	Episcopal
Rev. Paul S. Wright	Presbyterian

HOUSE MEMBERS

COUNTY	NAME	ADDRESS
1. Pembina	John Halcrow	Bowesmont
	J. K. Olafson	Gardar
	G. W. Hoffman	Backoo
2. Pt. of Ward.....	J. H. Burkhardt	Berthold
3. Pt. of Walsh	Aron Levin	Park River
	M. T. Lillehaugen	Brocket
4. Pt. of Walsh	Andrew Johnston.....	Forest River
5. Pt. of Grand Forks.....	David Steedsman	Kempton
6. Pt. of Grand Forks.....	C. Vernon Freeman.....	Grand Fks.
7. Pt. of Grand Forks.....	E. E. Veitch	Emerado
8. Traill	Carl E. Johnson	Hatton
	Guy L. Elken	Mayville
	Philip J. Bohnsack	Hillsboro
9. Pt. of Cass.....	J. A. Jardine	Fargo
	A. W. Fowler	Fargo
	L. L. Twichell	Fargo
10. Pt. of Cass.....	John G. Plath	Davenport
	W. J. Bell	Casselton
11. Pt. of Cass.....	William Watt	Leonard
	Harry A. Roberts	Tower City
12. Pt. of Richland.....	George Worner	Great Bend
	J. D. Holthusen	Wahpeton
	O. C. Anderson	Rutland
13. Sargent	Anton N. Lavik.....	Milnor
14. Ransom	Albert Hauge	McLeod
	J. H. Hendrickson.....	Fort Ransom
	P. R. Trubshaw	Valley City
15. Pt. of Barnes	I. W. Standley	Hope
16. Steele and Griggs.....	C. F. Carlson	Hope
	E. E. Iverson	Binford
	Richard Lofthus	McVile
17. Nelson	Fred Ferris	Lakota
	Hugh McDowall.....	Langdon
18. Cavalier	A. N. Flom	Nekoma
	Joseph McGauvran.....	Osnabrock
	James McManus.....	St. John
19. Rolette	J. T. Tweten.....	Rolette
20. Benson	W. D. Conway	Leeds
	Minnie D. Craig.....	Esmond
21. Ramsey	S. W. Thompson	Devils Lake
	Edwin Traynor	Starkweather
	Lars Ellingson	Brinsmade
22. Towner	W. J. Gilchrist	Cando
	Theodore Hanson	Cando
23. Stutsman	John W. Carr	Jamestown
	Mary McGinnis	Jamestown
	Arthur J. Rulon	Jamestown
	F. M. Brown	Montpelier
24. LaMoure	F. G. Hildebrand	Kulm
	C. H. Opdahl	Marion
25. Dickey	Herman Wedel	Ellendale
	J. H. Frojen.....	Glover
	Carl Larvik	Temvik
26. Emmons and Kidder.....	Roy A. Yeater	Hazelton
	O. E. Erickson	Tappen
	Herbert F. Swett.....	Tuttle

27. Burleigh	J. M. Thompson	Wilton
	Lynn Sperry	Bismarck
	Gordon Cox	Bismarck
28. Bottineau	W. A. Thatcher	Bottineau
	C. O. Svingen	Bottineau
	Chas. F. Streich	Maxbass
	Fred J. Shurr	Lansford
29. Pt. of Ward	Einar Muus	Minot
	J. H. Burns	Surrey
	R. A. Johnson	Makoti
	John Ehr	Minot
30. Morton	Charles Keidel	Mandan
	E. R. Helbling	St. Anthony
	Joseph Renner	St. Anthony
31. Stark	John F. Zimmerman	Richardton
	Herman Rabe	Dickinson
	Walter Tester	Belfield
32. Eddy and Foster	Ernest F. Johnson	Grace City
	W. W. Treffry	New Rockford
33. Wells	R. C. Montgomery	Harvey
	George Aljets	Carrington
34. Pt. of McHenry	J. E. Westford	Upham
35. Sheridan	H. G. Kapfer	Anamoose
36. McIntosh and Logan	C. A. Miller	Gackle
	J. A. Meidinger	Ashley
	M. W. Kelly	Napoleon
37. Pt. of Richland	M. H. Lynch	Lidgerwood
	John C. Polfuss	Hankinson
38. Pt. of Barnes	Thomas Gudmestad	Litchville
39. Billings, Bowman, Golden Valley and Slope	Ira J. Wilson	New England
	John Quam	Rhame
	O. C. Martin	DeSart
40. Burke and Divide	O. F. Anderson	Ambrose
	Richard A. Owings	Lignite
	Albert VanBerkom	Powers Lake
41. Williams and McKenzie	Barney Iverson	Schafer
	R. J. Siverson	Wheelock
	Ben Fedje	Williston
	P. O. C. Johnson	Watford City
	R. O. Signalness	Berg
42. Pierce	J. T. Fettig	Orrin
	D. L. Peters	Wolford
43. Renville	C. D. Dickerson	Norma
44. Mountrail	R. E. Swendseid	Stanley
	Herman F. Butt	Parshall
45. Pt. of McHenry	T. E. Sleight	Drake
46. McLean	Oscar S. Oberg	Washburn
	J. A. Erickson	Blackwater
	Frank J. Lyon	Dogden
47. Grant	Peter Keierleber	Carson
	William Kamrath	Leith
48. Mercer, Oliver and Dunn	C. N. Lee	Dodge
	Richard Bubel	Center
	Peter Boeckel	Beulah
49. Adams, Hettinger and Sioux	Alfred O. Brown	Bucyrus
	L. O. Richardson	Bucyrus
	J. H. McCay	Selfridge

SENATE MEMBERS

COUNTY	NAME	ADDRESS
1. Pembina	Fred Van Camp	St. Thomas
2. Pt. of Ward	John E. Flecten	Niobe
3. Pt. of Walsh	Peder L. Hjelmstad	Edmore
4. Pt. of Walsh	P. J. Murphy	Grafton
5. Pt. of Grand Forks	J. E. Eastgate	Larimore
6. Pt. of Grand Forks	W. S. Whitman	Grand Forks
7. Pt. of Grand Forks	Walter Schlosser	Grand Forks
8. Traill	C. Norman Brunsdale	Mayville
9. Pt. of Cass	H. J. Rusch	Fargo
10. Pt. of Cass	John Van Arman	Kindred
11. Pt. of Cass	Peter McLachlin	Hunter
12. Pt. of Richland	Joseph G. Forbes	Wahpeton
13. Sargent	R. G. McCrory	Cogswell
14. Ransom	W. G. Crocker	Lisbon
15. Pt. of Barnes	Frank E. Ployhar	Valley City
16. Steele and Griggs	P. O. Sathre	Finley
17. Nelson	L. O. Fredrickson	Pekin
18. Cavalier	W. H. Porter	Calvin
19. Rolette	John W. Benson	Rolette
20. Benson	C. W. Fine	Shenoyenne
21. Ramsey	J. E. Stevens	Devils Lake
22. Towner	S. J. Atkins	Cando
23. Stutsman	Alfred Steel	Jamestown
24. LaMoure	W. D. Lynch	LaMoure
25. Dickey	A. S. Marshall	Forbes
26. Emmons and Kidder	E. H. Brant	Linton
27. Burleigh	Obert A. Olson	Bismarck
28. Bottineau	Nels Magnuson	Souris
29. Pt. of Ward	Walter Bond	Minot
30. Morton	W. E. Martin	Huff
31. Stark	L. R. Baird	Dickinson
32. Eddy and Foster	O. H. Olson	New Rockford
33. Wells	J. L. Hart	Chaseley
34. Pt. of McHenry	D. H. Hamilton	Eckman
35. Sheridan	C. G. Ritchie	McClusky
36. McIntosh and Logan	P. T. Kretschmar	Venturia
37. Pt. of Richland	C. W. Carey	Lidgerwood
38. Pt. of Barnes	C. J. Olson	Valley City
39. Billings, Bowman, Golden Valley and Slope	Gust Wog	Belfield
40. Burke and Divide	C. E. Erickson	Crosby
41. Williams and McKenzie	C. L. Bakken	Tioga
42. Pierce	O. T. Tofsrud	Rugby
43. Renville	G. Patterson	Donnybrook
44. Mountrail	R. W. Patton	Plaza
45. Pt. of McHenry	Ole Ettestad	Balfour
46. McLean	A. A. Peck	Underwood
47. Grant	Fred Pathman	Carson
48. Mercer, Oliver and Dunn	F. P. Conrath	Beulah
49. Adams, Hettinger and Sioux	Chas. A. Seamands	Hettinger

Journal of the House



Special Session of the Twentieth Legislative Assembly

FIRST DAY

House of Representatives,
Bismarck, North Dakota,
January 10, 1928.

At the hour of 12 o'clock, meridian, the 10th day of January, 1928, being the day and hour designated by the proclamation of the Governor, A. G. Sorlie, for the calling of an extraordinary session of the Legislative Assembly of the State of North Dakota. The Assembly was called to order by C. R. Verry, Chief Clerk of the House of Representatives.

The Session opened with prayer by the Rev. Vater of the Methodist church of Bismarck.

PROCLAMATION

SPECIAL SESSION

By virtue of the authority vested in the Governor by the Constitution and laws of the State of North Dakota, and in pursuance thereof:

I, A. G. Sorlie, Governor of the State of North Dakota, do hereby call the Legislative Assembly to convene in extraordinary session at the Capitol in the city of Bismarck, at twelve o'clock noon, Tuesday, the tenth day of January, 1928, to consider and act upon the following subjects of legislative business, to-wit :

FIRST: The report of the Senate Fact Finding Committee on the Mill and Elevator Association;

SECOND: The increasing seriousness of the problems of grain marketing;

THIRD: The Missouri River Diversion Project, in its relation to Federal flood control plans;

FOURTH: To enact such further legislation as may be deemed necessary.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of North Dakota to be hereunto affixed.

Dated at Bismarck, North Dakota, this 22nd day of November, 1927.

BY THE GOVERNOR:

Attest:

ROBERT BYRNE,
Secretary of State.
(Seal)

Department of State,
Bismarck, North Dakota,
January 10, 1928.

Chief Clerk, House of Representatives,
Twentieth Legislative Assembly,
Bismarck, North Dakota.

Dear Sir:

I hereby certify that according to the records of my office, the following is a true and correct list of the names and addresses of those duly qualified as Members of the House of Representatives of the Twentieth Legislative Assembly of the State of North Dakota to fill the unexpired terms of Hon. Jacob Bollinger, deceased, of the 30th and Hon. J. W. O'Neill, deceased, of the 43rd Legislative Districts respectively:

District 30—Charles Keidel, Mandan.

District 43—C. D. Dickerson, Norma.

In Witness Whereof, I have hereunto set my hand and affixed the Great Seal of the State of North Dakota, this 10th day of January, 1928.

(Seal)

ROBERT BYRNE,
Secretary of State.

Representative Carr moved that a committee of two be appointed to escort Chief Justice Nuessle to the rostrum, which motion prevailed.

The Chief Clerk appointed as such committee Representatives Watt and Levin, who escorted the Chief Justice to the platform.

Representatives-elect Charles Keidel and C. D. Dickerson were called to the rostrum and after a short talk by Chief Justice Nuessle on the meaning of an oath, the Justice administered the oath of office to the members-elect.

HOUSE ROLL CALL

Ayes, 112; absent and not voting, 1.

Those voting in the affirmative were:

Messrs.	Messrs.	Messrs.
Aljets	Hoffman	Polfuss
Anderson, Divide	Holthusen	Quam
Anderson, Sargent	Iverson, Griggs	Rabe
Bell	Iverson, McKenzie	Renner
Boeckel	Jardine	Richardson
Bohnsack	Johnson, Foster	Roberts
Brown, Adams	Johnson, McKenzie	Rulon
Brown, Stutsman	Johnson, Traill	Shurr
Bubel	Johnson, Ward	Signalness
Burkhart	Johnston	Siverson
Burns	Kapfer	Sleight
Butt	Keidel	Sperry
Carlson	Kierleber	Standley
Carr	Kelly	Steedsman
Conway	Larvick	Swendseid
Cox	Lavik	Streich
Craig	Lee	Swett
Dickerson	Levin	Svingen
Ehr	Lillehaugen	Tester
Ellingson	Lofthus	Thatcher
Elken	Lynch	Thompson, Burleigh
Erickson, Kidder	Lyon	Thompson, Ramsey
Erickson, McLean	McCay	Traynor
Fedje	McDowall	Treffry
Ferris	McGauvran	Trubshaw
Fettig	McGinnis	Tweten
Flom	McManus	Twichell
Fowler	Martin	Van Berkom
Freeman	Meidinger	Veitch
Frojen	Miller	Watt
Gilchrist	Montgomery	Wedel
Gudmestad	Muus	Westford
Halerow	Oberg	Wilson
Hanson	Olafson	Worner
Hauge	Opdahl	Yeater
Helbling	Owings	Zimmerman
Henrickson	Peters	
Hildebrand	Plath	

Absent and not voting:

Messrs.
Kamrath

There being 112 members present, the Chief Clerk declared a quorum present, and announced that the next order of business would be the election of a speaker to preside at this session.

Mr. Traynor of Ramsey county placed in nomination Representative John W. Carr of Stutsman county.

Representatives Rabe, Olafson and Ehr, seconded the nomination.

Representative Streich moved that the nominations for Speaker be closed, which motion prevailed.

HOUSE ROLL CALL

The question being on the election of John W. Carr, the roll was called, and there were ayes, 111, nays, 0; absent and not voting, 1; passed, 1.

Those voting in the affirmative were:

Messrs.	Messrs.	Messrs.
Aljets	Hoffman	Plath
Anderson, Divide	Holthusen	Polfuss
Anderson, Sargent	Iverson, Griggs	Quam
Bell	Iverson, McKenzie	Rabe
Boeckel	Jardine	Renner
Bohnsack	Johnson, Foster	Richardson
Brown, Adams	Johnson, McKenzie	Roberts
Brown, Stutsman	Johnson, Traill	Rulon
Bubel	Johnson, Ward	Shurr
Burkhart	Johnston	Signalness
Burns	Kapfer	Siverson
Butt	Keidel	Sleight
Carlson	Kierleber	Sperry
Conway	Kelly	Standley
Cox	Larvick	Steedsman
Craig	Lavik	Swendseid
Dickerson	Lee	Streich
Ehr	Levin	Swett
Ellingson	Lillehaugen	Svingen
Elken	Lofthus	Tester
Erickson, Kidder	Lynch	Thatcher
Erickson, McLean	Lyon	Thompson, Burleigh
Fedje	McCay	Thompson, Ramsay
Ferris	McDowall	Traynor
Fettig	McGauvran	Treffry
Flom	McGinnis	Trubshaw
Fowler	McManus	Tweten
Freeman	Martin	Twichell
Frojen	Meidinger	Van Berkum
Gilchrist	Miller	Veitch
Gudmestad	Montgomery	Watt
Halcrow	Muus	Wedel
Hanson	Oberg	Westford
Hauge	Olafson	Wilson
Helbling	Opdahl	Worner
Henrickson	Owings	Yeater
Hildebrand	Peters	Zimmerman

Absent and not voting:

Messrs.
Kamrath

Passed:

Messrs.
Carr

The Chief Clerk declared Representative Carr duly elected.

Representative Lynch moved that the two lady members be appointed as a committee to escort Speaker-elect John W.

Carr, to the platform, which motion prevailed, and the Chief Clerk appointed Mrs. Craig and Miss McGinnis.

The Oath of Office was administered to Speaker-Elect John W. Carr, by Chief Justice Nuessle.

Upon assuming the Speaker's chair, Representative Carr made the following remarks:

"Realizing the fact that the members of the House are desirous of completing the preliminaries, I feel that I should refrain from making any remarks, but I do want to say that I appreciate the trust and confidence placed in me by the entire membership of the House.

"I want your entire co-operation during the session and will try and give every member an equal opportunity and a square deal."

The Speaker announced the next order of business would be the election of a Chief Clerk.

Mr. Kelly placed in nomination C. R. Verry of Minot, N. D.

Mr. Trubshaw moved that the nominations be closed, which motion prevailed.

HOUSE ROLL CALL

The question being on the election of C. R. Verry as Chief Clerk, the roll was called, and there were ayes, 112, nays, 0; absent and not voting, 1.

Those voting in the affirmative were:

Messrs.	Messrs.	Messrs.
Aljets	Holthusen	Quam
Anderson, Divide	Iverson, Griggs	Rabe
Anderson, Sargent	Iverson, McKenzie	Renner
Bell	Jardine	Richardson
Boeckel	Johnson, Foster	Roberts
Bohnsack	Johnson, McKenzie	Rulon
Brown, Adams	Johnson, Traill	Shurr
Brown, Stutsman	Johnson, Ward	Signalness
Bubel	Johnston	Siverson
Burkhart	Kapfer	Sleight
Burns	Keidel	Sperry
Butt	Kierleber	Standley
Carlson	Kelly	Steedsman
Conway	Larvick	Swendseid
Cox	Lavik	Streich
Craig	Lee	Swett
Dickerson	Levin	Svingen
Ehr	Lillehaugen	Tester
Ellingson	Lofthus	Thatcher
Elken	Lynch	Thompson, Burleigh
Erickson, Kidder	Lyon	Thompson, Ramsey
Erickson, McLean	McCay	Traynor
Fedje	McDowall	Treffry
Ferris	McGauvran	Trubshaw
Fettig	McGinnis	Tweten
Flom	McManus	Twichell
Fowler	Martin	Van Berkom

Messrs.	Messrs.	Messrs.
Freeman	Meidinger	Veitch
Frojen	Miller	Watt
Gilchrist	Montgomery	Wedel
Gudmestad	Muus	Westford
Halcrow	Oberg	Wilson
Hanson	Olafson	Worner
Hauge	Opdahl	Yeater
Helbling	Owings	Zimmerman
Henrickson	Peters	Mr. Speaker
Hildebrand	Plath	
Hoffman	Polfuss	

Absent and not voting:

Messrs.
Kamrath

So Mr. Verry was declared elected.

The Oath of Office was administered to C. R. Verry, Chief Clerk.

Johnson of Traill moved that Mr. E. A. Anderson of Kidder county be elected Sergeant-at-Arms.

HOUSE ROLL CALL

The question being on the election of E. A. Anderson as sergeant-at-arms, the roll was called, and there were ayes, 112; absent and not voting, 1.

Those voting in the affirmative were:

Messrs.	Messrs.	Messrs.
Aljets	Holthusen	Quam
Anderson, Divide	Iverson, Griggs	Rabe
Anderson, Sargent	Iverson, McKenzie	Renner
Bell	Jardine	Richardson
Boeckel	Johnson, Foster	Roberts
Bohnsack	Johnson, McKenzie	Rulon
Brown, Adams	Johnson, Traill	Shurr
Brown, Stutsman	Johnson, Ward	Signalness.
Bubel	Johnston	Siverson
Burkhart	Kapfer	Sleight
Burns	Keidel	Sperry
Butt	Kierleber	Standley
Carlson	Kelly	Steedsman
Conway	Larvick	Swendseid
Cox	Lavik	Streich
Craig	Lee	Swett
Dickerson	Levin	Svingen
Ehr	Lillehaugen	Tester
Ellingson	Lofthus	Thatcher
Elken	Lynch	Thompson, Burleigh
Erickson, Kidder	Lyon	Thompson, Ramsey
Erickson, McLean	McCay	Traynor
Fedje	McDowall	Treffry
Ferris	McGauvran	Trubshaw
Fettig	McGinnis	Tweten
Flom	McManus	Twichell
Fowler	Martin	Van Berkom

Messrs.	Messrs.	Messrs.
Freeman	Meidinger	Veitch
Frojen	Miller	Watt
Gilchrist	Montgomery	Wedel
Gudmestad	Muus	Westford
Halcrow	Oberg	Wilson
Hanson	Olafson	Worner
Hauge	Opdahl	Yeater
Helbling	Owings	Zimmerman
Henrickson	Peters	Mr. Speaker
Hildebrand	Plath	
Hoffman	Polfuss	

Absent and not voting:

Messrs.
Kamrath

So Mr. Anderson was declared elected.

The Oath of Office was administered to E. A. Anderson.

Mr. Muus placed in nomination La Verne Hansen as desk reporter.

Mr. Ehr moved that the nominations be closed, which motion prevailed.

HOUSE ROLL CALL

The question being on the election of La Verne Hansen as desk reporter, the roll was called, and there were ayes, 112; nays, 0; absent and not voting, 1.

Those voting in the affirmative were:

Messrs.	Messrs.	Messrs.
Aljets	Holthusen	Quam
Anderson, Divide	Iverson, Griggs	Rabe
Anderson, Sargent	Iverson, McKenzie	Renner
Bell	Jardine	Richardson
Boeckel	Johnson, Foster	Roberts
Bohnsack	Johnson, McKenzie	Rulon
Brown, Adams	Johnson, Traill	Shurr
Brown, Stutsman	Johnson, Ward	Signalness
Bubel	Johnston	Siverson
Burkhart	Kapfer	Sleight
Burns	Keidel	Sperry
Butt	Kierleber	Standley
Carlson	Kelly	Steedsman
Conway	Larvick	Swendseid
Cox	Lavik	Streich
Craig	Lee	Swett
Dickerson	Levin	Svingen
Ehr	Lillehaugen	Tester
Ellingson	Lofthus	Thatcher
Elken	Lynch	Thompson, Burleigh
Erickson, Kidder	Lyon	Thompson, Ramsey
Erickson, McLean	McCay	Traynor
Fedje	McDowall	Treffry
Ferris	McGauvran	Trubshaw
Fettig	McGinnis	Tweten
Flom	McManus	Twichell

Messrs.	Messrs.	Messrs.
Fowler	Martin	Van Berkom
Freeman	Meidinger	Veitch
Frojen	Miller	Watt
Gilchrist	Montgomery	Wedel
Gudmestad	Muus	Westford
Halcrow	Oberg	Wilson
Hanson	Olafson	Worner
Hauge	Opdahl	Yeater
Helbling	Owings	Zimmerman
Henrickson	Peters	Mr. Speaker
Hildebrand	Plath	
Hoffman	Polfuss	

Absent and not voting:

Messrs.
Kamrath

So La Verne Hansen was declared elected.

The Oath of Office was administered to La Verne Hansen.

Mr. Trubshaw moved that Mr. W. H. Pray of Barnes county be elected assistant chief clerk.

HOUSE ROLL CALL

The question being on the election of W. H. Pray, the roll was called, and there were ayes, 110; nays, 0; absent and not voting, 3.

Those voting in the affirmative were:

Messrs.	Messrs.	Messrs.
Aljets	Hoffman	Polfuss
Anderson, Divide	Holthusen	Quam
Anderson, Sargent	Iverson, Griggs	Rabe
Bell	Iverson, McKenzie	Renner
Boeckel	Jardine	Richardson
Bohnsack	Johnson, Foster	Roberts
Brown, Adams	Johnson, McKenzie	Rulon
Brown, Stutsman	Johnson, Traill	Shurr
Bubel	Johnson, Ward	Signalness
Burkhart	Johnston	Siverson
Burns	Kapfer	Sleight
Butt	Keidel	Sperry
Carlson	Kierleber	Standley
Conway	Kelly	Steedsman
Cox	Larvick	Swendseid
Craig	Lavik	Streich
Dickerson	Lee	Swett
Ehr	Levin	Svingen
Ellingson	Lillehaugen	Tester
Elken	Lofthus	Thatcher
Erickson, Kidder	Lynch	Thompson, Burleigh
Erickson, McLean	Lyon	Thompson, Ramsey
Fedje	McDowall	Treffry
Ferris	McGauvran	Trubshaw
Fettig	McGinnis	Tweten
Flom	McManus	Twichell
Fowler	Martin	Van Berkom

Messrs.	Messrs.	Messrs.
Freeman	Meidinger	Veitch
Frojen	Miller	Watt
Gilchrist	Montgomery	Wedel
Gudmestad	Muus	Westford
Halcrow	Oberg	Wilson
Hanson	Olafson	Worner
Hauge	Opdahl	Yeater
Helbling	Owings	Zimmerman
Henrickson	Peters	Mr. Speaker
Hildebrand	Plath	

Absent and not voting:

Messrs.	Messrs.	Messrs.
Kamrath	McCay	Traynor

So Mr. Pray was declared elected.

The Oath of Office was administered to W. H. Pray.

J. A. Jardine moved that John P. Tucker of Ramsey county be nominated as enrolling and engrossing and voucher clerk.

Mr. Olafson moved that the nominations be closed, which motion prevailed.

HOUSE ROLL CALL

The question being on the election of John P. Tucker as engrossing and enrolling clerk and voucher clerk, the roll was called, and there were ayes, 111; nays, 0; absent and not voting, 2.

Those voting in the affirmative were:

Messrs.	Messrs.	Messrs.
Aljets	Hoffman	Polfuss
Anderson, Divide	Holthusen	Quam
Anderson, Sargent	Iverson, Griggs	Rabe
Bell	Iverson, McKenzie	Renner
Boeckel	Jardine	Richardson
Bohnsack	Johnson, Foster	Roberts
Brown, Adams	Johnson, McKenzie	Rulon
Brown, Stutsman	Johnson, Traill	Shurr
Bubel	Johnson, Ward	Signalness
Burkhart	Johnston	Siverson
Burns	Kapfer	Sleight
Butt	Keidel	Sperry
Carlson	Kierleber	Standley
Conway	Kelly	Steedsman
Cox	Larvick	Swendseid
Craig	Lavik	Streich
Dickerson	Lee	Swett
Ehr	Levin	Svingen
Ellingson	Lillehaugen	Tester
Elken	Lofthus	Thatcher
Erickson, Kidder	Lynch	Thompson, Burleigh
Erickson, McLean	McCay	Thompson, Ramsey
Fedje	McDowall	Traynor
Ferris	McGauvran	Treffry
Fettig	McGinnis	Trubshaw
Flom	McManus	Tweten

Messrs.	Messrs.	Messrs.
Fowler	Martin	Twichell
Freeman	Meidinger	Van Berkom
Frojen	Miller	Veitch
Gilchrist	Montgomery	Watt
Gudmestad	Muus	Wedel
Halcrow	Oberg	Westford
Hanson	Olafson	Wilson
Hauge	Opdahl	Worner
Helbling	Owings	Yeater
Henrickson	Peters	Zimmerman
Hildebrand	Plath	Mr. Speaker

Absent and not voting:

Messrs.	Messrs.
Kamrath	Lyon

So Mr. Tucker was declared elected.

The Oath of Office was administered to John P. Tucker.

Mr. McGauvran moved that K. Gronhovd be elected door-keeper and assistant sergeant-at-arms, and that O. L. Mennes be elected gallery doorkeeper.

HOUSE ROLL CALL

The question being on the election of K. Gronhovd as door-keeper and assistant sergeant-at-arms and O. L. Mennes as gallery doorkeeper, the roll was called, and there were ayes, 111; nays, 0; absent and not voting, 2.

Those voting in the affirmative were:

Messrs.	Messrs.	Messrs.
Aljets	Hoffman	Polfuss
Anderson, Divide	Holthusen	Quam
Anderson, Sargent	Iverson, Griggs	Rabe
Bell	Iverson, McKenzie	Renner
Boeckel	Jardine	Richardson
Bohnsack	Johnson, Foster	Roberts
Brown, Adams	Johnson, McKenzie	Rulon
Brown, Stutsman	Johnson, Traill	Shurr
Bubel	Johnson, Ward	Signalness
Burkhart	Johnston	Siverson
Burns	Kapfer	Sleight
Butt	Keidel	Sperry
Carlson	Kierleber	Standley
Conway	Kelly	Steedsman
Cox	Larvick	Swendseid
Craig	Lavik	Streich
Dickerson	Lee	Swett
Ehr	Levin	Svingen
Ellingson	Lillehaugen	Tester
Elken	Lofthus	Thatcher
Erickson, Kidder	Lynch	Thompson, Burleigh
Erickson, McLean	Lyon	Thompson, Ramsey
Fedje	McDowall	Traynor
Ferris	McGauvran	Treffry
Fettig	McGinnis	Trubshaw
Flom	McManus	Tweten

Messrs.	Messrs.	Messrs.
Fowler	Martin	Twichell
Freeman	Meidinger	Van Berkom
Frojen	Miller	Veitch*
Gilchrist	Montgomery	Watt
Gudmestad	Muus	Wedel
Halcrow	Oberg	Westford
Hanson	Olafson	Wilson
Hauge	Opdahl	Worner
Helbling	Owings	Yeater
Henrickson	Peters	Zimmerman
Hildebrand	Plath	Mr. Speaker

Absent and not voting:

Messrs.	Messrs.
Kamrath	McCay

So Mr. Gronhovd and Mr. Mennes were declared duly elected.

Mr. Kelly moved that Helen Theurer, Katharyn Goddard and Margaret Sheehan be elected stenographers.

Mr. Burkhart moved that the nominations be closed, which motion prevailed.

HOUSE ROLL CALL

The question being on the election of Helen Theurer, Katharyn Goddard and Margaret Sheehan as stenographers, the roll was called, and there were ayes, 111; nays, 0; absent and not voting, 2.

Those voting in the affirmative were:

Messrs.	Messrs.	Messrs.
Aljets	Hoffman	Polfuss
Anderson, Divide	Holthusen	Quam
Anderson, Sargent	Iverson, Griggs	Rabe
Bell	Iverson, McKenzie	Renner
Boeckel	Johnson, Foster	Richardson
Bohnsack	Jardine	Roberts
Brown, Adams	Johnson, McKenzie	Rulon
Brown, Stutsman	Johnson, Traill	Shurr
Bubel	Johnson, Ward	Signalness
Burkhart	Johnston	Siverson
Burns	Kapfer	Sleight
Butt	Keidel	Sperry
Carlson	Kierleber	Standley
Conway	Kelly	Steedsman
Cox	Larvick	Swendseid
Craig	Lavik	Streich
Dickerson	Lee	Swett
Ehr	Levin	Svingen
Ellingson	Lillehaugen	Tester
Elken	Lofthus	Thatcher
Erickson, Kidder	Lynch	Thompson, Burleigh
Erickson, McLean	Lyon	Thompson, Ramsey
Fedje	McDowall	Traynor
Ferris	McGauvran	Treffry
Fettig	McGinnis	Trubshaw

Messrs.	Messrs.	Messrs.
Flom	McManus	Tweten
Fowler	Martin	Twichell
Freeman	Meidinger	Van Berkom
Frojen	Miller	Veitch
Gilchrist	Montgomery	Watt
Gudmestad	Muus	Wedel
Halcrow	Oberg	Westford
Hanson	Olafson	Wilson
Hauge	Opdahl	Worner
Helbling	Owings	Yeater
Henrickson	Peters	Zimmerman
Hildebrand	Plath	Mr. Speaker

Absent and not voting:

Messrs.	Messrs.
Kamrath	McCay

So Helen Theurer, Katharyn Goddard and Margaret Sheehan were declared elected.

Mr. Kelly moved that Joyce Roberts, John Ulsrud and Joe Goddard be nominated as pages.

HOUSE ROLL CALL

The question being on the election of Joyce Roberts, John Ulsrud and Joe Goddard as pages, the roll was called, and there were ayes, 110; nays, 0; absent and not voting, 3.

Those voting in the affirmative were:

Messrs.	Messrs.	Messrs.
Aljets	Hoffman	Polfuss
Anderson, Divide	Holthusen	Quam
Anderson, Sargent	Jardine	Rabe
Bell	Iverson, Griggs	Renner
Boeckel	Iverson, McKenzie	Richardson
Bohnsack	Johnson, Foster	Roberts
Brown, Adams	Johnson, McKenzie	Rulon
Brown, Stutsman	Johnson, Traill	Shurr
Bubel	Johnson, Ward	Signalness
Burkhart	Johnston	Siverson
Burns	Kapfer	Sleight
Butt	Keidel	Sperry
Carlson	Kierleber	Standley
Conway	Kelly	Steedsman
Cox	Larvick	Swendseid
Craig	Lavik	Streich
Dickerson	Lee	Swett
Ehr	Levin	Svingen
Ellingson	Lillehaugen	Tester
Elken	Lofthus	Thatcher
Erickson, Kidder	Lynch	Thompson, Burleigh
Erickson, McLean	Lyon	Thompson, Ramsey
Fedje	McDowall	Traynor
Ferris	McGauvran	Treffry
Fettig	McGinnis	Trubshaw
Flom	McManus	Tweten

Messrs.	Messrs.	Messrs.
Fowler	Martin	Van Berkom
Freeman	Meidinger	Veitch
Frojen	Miller	Watt
Gilchrist	Montgomery	Wedel
Gudmestad	Muus	Westford
Halcrow	Oberg	Wilson
Hanson	Olafson	Worner
Hauge	Opdahl	Yeater
Helbling	Owings	Zimmerman
Henrickson	Peters	Mr. Speaker
Hildebrand	Plath	

Absent and not voting:

Messrs.	Messrs.	Messrs.
Kamrath	McCay	Twichell

So Joyce Roberts, John Ulsrud and Joe Goddard were duly elected.

Mr. Cox moved that E. D. Skinner of Ward county be elected postmaster; W. F. Reko, chief mailing clerk; A. C. Nedrud, Ward county, assistant mailing clerk; H. P. Asseltine of Burleigh county, assistant mailing clerk, and C. A. Rust as assistant mailing clerk, and Peter Schantz as janitor.

HOUSE ROLL CALL

The question being on the election of E. D. Skinner of Ward County, postmaster; W. F. Reko, chief mailing clerk; A. C. Nedrud, Ward County, assistant mailing clerk; H. P. Asseltine, Burleigh County, assistant mailing clerk; C. A. Rust, assistant mailing clerk and Peter Schantz, janitor, the roll was called, and there were ayes, 111; nays, 0; absent and not voting, 2.

Those voting in the affirmative were:

Messrs.	Messrs.	Messrs.
Aljets	Hoffman	Polfuss
Anderson, Divide	Holthusen	Quam
Anderson, Sargent	Iverson, Griggs	Rabe
Bell	Iverson, McKenzie	Renner
Boeckel	Jardine	Richardson
Bohnsack	Johnson, Foster	Roberts
Brown, Adams	Johnson, McKenzie	Rulon
Brown, Stutsman	Johnson, Traill	Shurr
Bubel	Johnson, Ward	Signalness
Burkhart	Johnston	Siverson
Burns	Kapfer	Sleight
Butt	Keidel	Sperry
Carlson	Kierleber	Standley
Conway	Kelly	Steedsman
Cox	Larvick	Swendseid
Craig	Lavik	Streich
Dickerson	Lee	Swett
Ehr	Levin	Svingen
Ellingson	Lillehaugen	Tester
Elken	Lofthus	Thatcher
Erickson, Kidder	Lynch	Thompson, Burleigh
Erickson, McLean	Lyon	Thompson, Ramsey

Messrs.	Messrs.	Messrs.
Fedje	McDowall	Traynor
Ferris	McGauvran	Treffry
Fettig	McGinnis	Trubshaw
Flom	McManus	Tweten
Fowler	Martin	Twichell
Freeman	Meidinger	Van Berkomp
Frojen	Miller	Veitch
Gilchrist	Montgomery	Watt
Gudmestad	Muus	Wedel
Halcrow	Oberg	Westford
Hanson	Olafson	Wilson
Hauge	Opdahl	Worner
Helbling	Owings	Yeater
Henrickson	Peters	Zimmerman
Hildebrand	Plath	Mr. Speaker

Absent and not voting:

Messrs.	Messrs.
Kamrath	McCay

So the above named persons were duly elected.

The Oath of Office was administered to K. Gronhovd, O. L. Mennes, Helen Theurer, Margaret Sheehan, Joyce Roberts, John Ulsrud, Joe Goddard, E. D. Skinner, W. F. Reko, A. C. Nedrud C. A. Rust and Peter Schantz.

Mr. McGauvran moved that the committees appointed at the last Session be continued for this Session, which motion prevailed.

Mr. Traynor moved that the rules of last Session be the rules of this Special Session, which motion prevailed.

Mr. Jardine moved that a committee of three be appointed with a like committee of the Senate relative to the number of Journals that will be printed each day during this Session, which motion prevailed.

The speaker appointed as such committee, Johnson of Foster, Jardine and Westford.

MESSAGE TO THE SENATE

House Chamber,
Bismarck, North Dakota,
January 10, 1928.

Mr. President: I have the honor to inform you that the House has appointed the following as a committee to confer with a like committee of the Senate relative to the number of Journals to be printed each day: Representatives Johnson of Foster, Jardine and Westford.

Very respectfully,
C. R. VERRY,
Chief Clerk.

Mr. Watt moved that we do now recess until 2 o'clock, which motion prevailed.

Pursuant to recess, Speaker John W. Carr called the House to order.

Mr. Twichell moved that a committee of three be appointed to notify the Senate that we are ready to receive them in Joint Session and escort them to the House Chamber.

The Speaker appointed as such committee Twichell, Johnson of McKenzie and Hildebrand.

The Speaker at this time administered the oath of office to Katharyn Goddard and H. P. Asseltine.

MESSAGE FROM THE SENATE

Senate Chamber,
Bismarck, North Dakota,
January 10, 1928.

Mr. Speaker: I have the honor to inform you that the Senate has appointed Senators Carey, McLachlin and Marshall to confer with the house committee in regard to the number of Journals to be printed each day.

Very respectfully,
W. D. AUSTIN,
Secretary.

JOINT SESSION

The committee appointed to notify the Senate escorted the members of the Senate to the House Chamber, at which time Lieutenant Governor Maddock took the chair.

SENATE ROLL CALL

The roll was called, and there were 45 present, 4 absent.

Those present:

Messrs.

Atkins
Baird
Bakken
Benson
Bond
Brant
Brunsdale
Carey
Conrath
Crocker
Eastgate
Erickson
Ettestad
Fine
Fleckten

Messrs.

Forbes
Fredrickson
Hamilton
Hart
Hjelmstad
Kretschmar
Lynch
McCrary
McLachlin
Magnuson
Marshall
Olson, Barnes
Olson, Burleigh
Olson, Eddy
Pathman

Messrs.

Patten
Patterson
Peck
Ployhar
Porter
Ritchie
Sathre
Seamands
Steel
Stevens
Tofsrud
Van Arnam
Van Camp
Whitman
Wog

Those absent:

Messrs.

Martin
Murphy

Messrs.

Rusch
Schlosser

HOUSE ROLL CALL

The roll was called, and there were ayes, 112; nays, 0; absent and not voting, 1.

Those voting in the affirmative were:

Messrs.	Messrs.	Messrs.
Aljets	Holthusen	Quam
Anderson, Divide	Iverson, Griggs	Rabe
Anderson, Sargent	Iverson, McKenzie	Renner
Bell	Jardine	Richardson
Bogckel	Johnson, Foster	Roberts
Bohnsack	Johnson, McKenzie	Rulon
Brown, Adams	Johnson, Traill	Shurr
Brown, Stutsman	Johnson, Ward	Signalness
Bubel	Johnston	Siverson
Burkhart	Kamrath	Sleight
Burns	Kapfer	Sperry
Butt	Keidel	Standley
Carlson	Kierleber	Steedsman
Conway	Kelly	Swendseid
Cox	Larvick	Streich
Craig	Lavik	Swett
Dickerson	Levin	Svingen
Ehr	Lillehaugen	Tester
Ellingson	Lofthus	Thatcher
Elken	Lynch	Thompson, Burleigh
Erickson, Kidder	Lyon	Thompson, Ramsey
Erickson, McLean	McCay	Traynor
Fedje	McDowall	Treffry
Ferris	McGauvran	Trubshaw
Fettig	McGinnis	Tweten
Flom	McManus	Twichell
Fowler	Martin	Van Berkom
Freeman	Meidinger	Veitch
Frojen	Miller	Watt
Gilchrist	Montgomery	Wedel
Gudmestad	Muus	Westford
Halcrow	Oberg	Wilson
Hanson	Olafson	Worner
Hauge	Opdahl	Yeater
Helbling	Owings	Zimmerman
Henrickson	Peters	Mr. Speaker
Hildebrand	Plath	
Hoffman	Polfuss	

Absent and not voting:

Messrs.

Lee

Mr. Trubshaw moved that a Joint Committee be appointed to notify the Governor that we are ready to receive him and listen to his message, and escort the Governor to the House Chambers.

The President of the Senate appointed as such committee, Representative Trubshaw, Senator Patterson and Representative Ferris.

The committee reported, escorting the Governor to the rostrum, together with Secretary of State Robert Byrne.

The President of the Senate, Walter Maddock, introduced Governor A. G. Sorlie, who made the following remarks:

Mr. Chairman, Ladies and Gentlemen of the Senate and House, and Visitors:

This is a little bit extraordinary to have a special session, and I am not going to say much before the message is read. I want to say to you that in my opinion this is the most important session you have ever held in North Dakota. It is up to you to do something for the state. I hope all of you will devote your time while here to carry out what I have asked for in my message. We have two parties in this state, or rather two factions of one party, and what we want to find out is whether the factions are stronger than the state or whether the state is stronger than the factions. I have asked Mr. Byrne, Secretary of State, to read the message, as my throat is not in very good shape; and if I may have the privilege I wish to say a few words after the message is read.

Secretary of State Robert Byrne read the following message of the Governor:

MESSAGE OF A. G. SORLIE, GOVERNOR

Ladies and Gentlemen of the Legislative Assembly:

You have been called together in this special session in order that you may exercise the authority vested in you by the people through the Constitution of the State, for the purpose of protecting certain rights and properties of the people of North Dakota against deliberate, systematic and persistent raids made against them by selfish and unscrupulous politicians aided, apparently by outside predatory forces.

North Dakota is primarily an agricultural state, our principal product being hard spring wheat. For a number of years the people of this state have recognized the fact that if North Dakota is to survive as an agricultural state, our greatest industry must be made profitable, it must be given a chance at least equal to that of other enterprises and industries. There must be a readjustment of freight rates and more general solutions of marketing problems. As a step to force such readjustments, the voters of North Dakota adopted several constitutional amendments giving the state a right to engage in such enterprises as would likely promote agricultural interests and the interests of our people generally.

Out of this has grown the state owned terminal elevator and mill, the Bank of North Dakota, the State Bonding Law, Workmen's Compensation, Hail Insurance, and other measures.

More or less compulsory features in the acts creating these progressive institutions, with the exception of the State Mill and Elevator Association act, insured their success against unfair competition; but at every legislative session since the enactment of these measures, you have seen trained and paid lobbyists exercising all the skill and means at their command in order to influence legislation. Only eternal vigilance on the part of friends of these progressive measures, the

steadfastness of progressive thought in the state, and, in some cases, executive veto have stood between these persistent raids, and the people's interest.

The State Mill and Elevator, operating entirely on a competitive basis and confronted with the problem of marketing special brands of wheat and flour that long since had lost their special identities, have been still more exposed to repeated attempts at destruction. When we look back on all that has been said, written, and done during the five years since these state industries commenced operating, we can but wonder that the plotters and raiders have not completely succeeded in their attempts.

Two political factions have been at loggerheads on the issue of the State Mill and Elevator. The industrial program sponsored by the Nonpartisan League, and sanctioned by a popular adoption of the necessary constitutional amendments, has from the first been a subject of bitter political controversy with resulting bias and prejudice in judgment.

Political conventions and campaign spellbinders have made a political football of the State Mill and Elevator. Great daily newspapers have devoted space and influence to constant attacks on industrial enterprises owned by the people and built with the taxpayers' credit. A large majority of the weekly newspapers, moved by prejudiced influence and fooled by paid propagandists, have followed suit and lent their influence to the forces of destruction. This publicity, hurtful to these enterprises and damaging to the state as a whole, has been broadcast throughout the nation. It has at all times depressed business at home and beyond the state boundaries. It has come very close to wrecking the export market entirely.

Some of the adverse publicity has been brought about by the impossible audit situation. Besides the monthly reports issued by the mill and elevator auditor and the auditor employed by the Industrial Commission and paid by the mill department, there are three separate and complete semi-annual audits. I am delivering to you copies of these audit reports, as well as the report of the Fact Finding Committee appointed by your senate. A perusal of these will readily prove to any fair minded man and woman that broadcasting of such conflicting and diverging reports can but serve one purpose, —that of destroying the effectiveness of the mill and elevator organization.

There should be no secrecy in public business, but I urgently recommend that you enact legislation that will give these public enterprises at least a measure of the same protection that private capital enjoys, and will at the same time give the people full protection against dishonesty and the perpetuation of incompetency in management. To make an auditors' battle a part of our economic-political issues is unsound and altogether ridiculous.

To illustrate the auditing situation that the Terminal Elevator and State Mill must face in its operation, one concrete example may be given.

A leading daily newspaper of the state, on March 18th, 1926, carried front page headlines to the effect that the State Mill and Elevator had shown a record breaking loss for the month of February, 1926. It stated the loss to be \$50,312.54 for the month, on the authority of the Industrial Commission's auditor. The news not only gained wide publicity in this state, but was made a subject of publicity in other states. It could and did have no other effect than to injure the State Mill in the sale of its products. Again, on August 21st, 1926, leading newspapers of the state carried an Associated Press news item based on the semi-annual audits and repeating that the State Mill and Elevator had made this record loss of \$50,312.54 during the month of February, 1926. However, later, after the damaging effects of this publicity had been existent for some ten months, the report of the audit for the year 1926 by the auditor for the Industrial Commission, as published in the newspapers on January 21st, 1927, showed that in fact the loss of the State Mill and Elevator for the month of February, 1926, was not \$50,312.54, but only \$925.69, after deducting all charges for interest and depreciation. Even though a mere mistake was made in the February and July reports, which was later corrected, the State Mill and Elevator was made the subject of very damaging and detrimental news in its business operations.

For the construction of the State Mill and Terminal Elevator the state furnished, as you will recall, bonds in the sum of \$3,000,000, and for the operation of the plant additional bonds in the sum of \$1,500,000. The interest on these bonds has been paid regularly every year by the state. The interest charged on the construction bonds is $5\frac{1}{2}$ per cent, and on the operating bonds 5% per cent. The first installment on these bonds, \$250,000, becomes due July 1, 1928. The plant cost the state \$3,052,024.40. The excess over \$3,000,000 furnished by the bond issue, was paid by a loan made from the Bank of North Dakota, upon which the State Mill and Terminal Elevator has, out of its earnings, paid the interest. Although the State has paid the interest on the bonds mentioned each year, the Terminal Elevator and State Mill has had the interest upon such bonds charged to it each year, which amounted to \$990,215.16 on December 31, 1926.

The annual interest charge alone amounts to \$268,249.94. Accordingly, on December 31, 1927, the total amount of interest charged against the plant as shown by the auditors, is \$1,258,465.10. This means, on a production basis of 500,000 barrels of flour each year, an interest charge of about 50 cents per barrel for interest against every barrel of flour. In addition to this, the plant has been charged each year with depreciation at the rate of \$78,867.48. This means, on a production basis of 500,000 barrels of flour per year a depreciation charge of about 15 cents per barrel on every barrel of flour manufactured.

The total depreciation charged up to December 31, 1926 was \$287,482.92. Adding depreciation for the year 1927, the total depreciation charged up to December 31, 1927, amounts to \$366,350.40.

Although such depreciation has been charged by the auditors as if the plants were worth that much less, no deductions have been made in interest charges based upon the lesser value of the plant.

It is seen, therefore, that up to December 31, 1927 the plant has been charged by the auditors with a total for interest and depreciation amounting to \$1,625,815.50. This charge has been made against the plant and figures in the deficit charged by the auditors. You will note that it amounts to more than one-half of the entire cost of construction of the plant. I am wondering what plant, of similar character, location and size, whether state or privately owned, could be expected during the same period of operation to get its business going and pay more than half the cost of construction, over and above actual operating costs and expenses. I quote these figures so that you may have some idea of the large amount of interest and depreciation charges made against the plant.

During the past fall I have had the entire plant appraised by a firm of appraisers said to be experts, experienced and disinterested, The Lloyd-Thomas Company of Chicago, Illinois. This is a complete appraisal of the entire institution as to its value. These appraisers fix the net sound or depreciated value to be \$2,210,482.29, and the replacement value to be \$2,427,791.17, not including the donated land site, valued at \$5,985.00.

I wish to submit to you a statement of the actual gain or loss operations of the Terminal Elevator and State Mill from the day it commenced operations up to December 31, 1927, in accordance with available figures that I have at hand. The figures that I am about to give you do not include items for interest on bonds and depreciation charges, to which I have previously referred.

Up to January 1, 1925, the actual operating loss of the plant was	\$ 35,488.62
In the year 1925 the plant made an operating profit amounting to	151,058.15
In the year 1926 the operating loss of the plant amounted to	91,328.59
In the year 1927, just ended, up to December, 31 1927, the plant made an actual operating profit of	160,206.57
These figures mean that during the time of my administration and up to December 31, 1927, the operating profits of the plant amount to	217,632.84
That during the operation of the plant, from the beginning up to December 31, 1927, the actual operating profits amount to	182,144.22

These figures mean that the plant has that much more money or property in its possession than it had at the beginning, and that during my administration the plant has created an operating capital, or surplus, of more than \$188,000.

I am satisfied that now, with your cooperation and advice, a commencement may be made to pay out of the earnings of the plant something upon the bonds issued by the state and upon the excess debt created in the construction of the plant, over and above the amount of the construction bonds. I believe that \$160,206.57 can now be paid out of the earnings of the plant, without impairing the efficient working of the plant or needed working capital. I recommend that this legislative assembly confirm my suggestion. Section 9 of Chapter 153, Laws of 1919, and Section 5 of Chapter 291, Laws of 1923, seem to provide that the Industrial Commission shall, out of the earnings derived from the operation of the Mill and Elevator Association, pay to the State Treasurer such moneys as the Commission shall deem available to devote to the purpose of paying said bonds and interest (meaning the Mill and Elevator bonds), and further the law states that: "In making such payment the Commission shall file a statement with the State Treasurer specifying the purpose of such payment."

Since more than \$50,000 in excess of the amount of the construction bonds was spent in building the plant, I am of the opinion that the excess amount should first be paid and the balance out of the \$160,206.57 applied to payment upon the principal of the bonds maturing July 1, 1928. I have before me a check for \$160,206.57 issued by Mr. Spencer, the manager of the Terminal Elevator and State Mill, payable to the State Treasurer for the purpose of carrying out my suggestion. I request your concurrence in my recommendation.

At the last legislative assembly the Senate appointed a Fact Finding Committee to look into matters pertaining to the Terminal Elevator and Mill. This committee held various meetings during the course of the session and made various reports relative to the business of the plant during the year 1926, but made no reference to any other year. The report made to the Senate was adopted and published. Another report of the committee was also published, and the Senate voted to continue the committee for the purpose of having it report at the next session.

Last spring another report was made by this committee and communicated to me, and I was informed by the committee that the report was not for publication but was for constructive criticism. Upon the receipt of this report I made some investigation into the matters contained in the report and also made some administrative changes in the operation of the plant. Last August the committee made another report, after some investigation at Grand Forks, which was made public. This showed it to be the intent

of the committee to afford constructive criticism regarding the operation of the plant, and not any purpose of injuring the plant.

The two reports communicated to me, as well as the last report of the committee, which was published, have not as yet been considered or acted upon by the Senate or the Legislative Assembly.

These reports were published for no other purpose than to injure the plant in its operations, and, in addition, to afford a political background for criticizing my managers and my administration of the plant. The publication of these reports also became a basis for many charges to be made, either directly or indirectly stated, implying mismanagement of the plant, and even actual dishonesty. The publicity has, in a manner at least, affected not only the standing, honesty and integrity of persons in charge of operating the plant, but my administration as well.

The only courses open to me of responding to such publicity was either to become personally engaged in a newspaper controversy, or to bring subject matters before this Legislative Assembly which had created the Fact Finding Committee. I chose the latter course, and this Special Session has been called for the purpose of fully considering these reports.

In its report, the Fact Finding Committee touched upon three primary matters of criticism:

- (1) Purchases of wheat from commission houses at high prices,
- (2) Sale of flour into eastern territory, and
- (3) Feed Sales.

I have given attention to the investigation of these matters and am ready to submit to this honorable body reports of auditors and others covering each of the matters, as well as other matters affecting the operation of the plant.

The Terminal Elevator and State Mill is a large, modern institution that must handle our grain and the flour manufactured from our grain in competition with similar institutions, located in other states, handling the grain of our producers. Our institution is confronted with the same problems that similar institutions in other states find confronting them. This includes not only questions involving the ability to get the right kind of grain for milling, which is the big problem of others, but in addition, ours must solve the question of serving our producers by establishing a particular market for a particular high quality of grain that is produced in North Dakota, and also to secure for this grain in the markets of this country, the recognition to which it is entitled as a superior quality of hard spring wheat from which the best grade of bread making flour is made.

An investigation covering purchases of grain, or sales of the products manufactured from such grain, must necessarily include considerations of the business methods customarily practiced by similar institutions in the markets of

our country, in order to understand what are usually considered efficient and businesslike methods for the successful operation of a large plant like the State Mill and Terminal Elevator in order to operate the plant at anywhere near its capacity.

When the operation of the Terminal Elevator and State Mill was commenced, a condition was faced where producers of our grain in this state were handling or marketing it through well established channels. This was through the means of local elevators, farmers elevators, or so-termed "line-elevators," commission houses in a foreign state that financed these elevators in handling grain, and other commission houses in other states that purchased grain from these elevators, or sold it for them on foreign markets, such as Minneapolis or Duluth.

Prior to the establishment of the Terminal elevator and mill at Grand Forks our products were sold by our farmers on the basis of grade of the grain. Our purchasers then knew little about the value of high protein in their grain. Today we know that the grain of our producers, used in manufacturing flour, is bought and sold almost exclusively on the basis of protein content. We know, also, that in successfully manufacturing flour from our wheat it is not only necessary that wheat be purchased from various localities, in order to get the highest grade and best balanced wheat, but also that the wheat must be purchased with a view to the place of its origin, so that advantage may be taken in freight rates and transit values that apply in transporting the flour after it is manufactured.

If you will give your attention to the question of purchasing wheat by the State plant at Grand Forks from the beginning, you will find, I think, that when the plant was first started it was necessary for our plant to purchase practically all or most of its wheat from commission houses, or commission financing houses, outside the state, in order to secure sufficient wheat for its needs. This was necessary in many respects because these foreign commission houses, located in Minneapolis or Duluth, in a way controlled the handling and disposition of the wheat produced in North Dakota. It is also true that at the beginning there was no established market at Grand Forks, and no established organization through which our wheat could be secured. There was no assurance that such wheat could be secured in quantities sufficient to fill contracts that were made, or might be made, for flour sales.

In operating this plant it was my purpose from the beginning, realizing these conditions, to establish a terminal market within the borders of our state and at Grand Forks so that grain could be bought from our own producers as far as possible. It was necessary, also, so that the plant might render valuable service to the producers in our state, to so organize the plant that wheat, in all instances, could not only be tested for our producers but be bought and sold at Grand Forks, and be stored in the elevator at Grand Forks,

on the basis of its protein content. Realizing these conditions, it was my purpose from the very beginning of my administration to establish a terminal market within the borders of our state and at Grand Forks. In this connection, it was also my purpose to accumulate a supply of grain, furnished by our own producers, at our own market in this state, which would be available for purposes of purchase by our State Mill, and which could be sold, or cleaned, or stored, or mixed at a terminal market established for our producers within the borders of our State.

It has required a great deal of work and time to attempt to build a terminal market within our state. At the beginning it was not so easy to stop a carload of grain sent out by a local elevator and consigned to a commission house in Minneapolis. It could only be done by communication with the commission house in Minneapolis, and by purchase from such commission house in Minneapolis or Duluth.

Upon investigation you will find, I believe, that gradually the state plant has pursued a policy of attempting to buy more and more of its grain directly from our producers, or from representatives of our producers located in this state. You will also find that there is now established a real terminal market within this state where the grain of our own producers may be bought and sold on a basis of its protein content, and that this terminal market handles from five to eight million bushels of grain each year. You will find also that through this terminal market there now exists an available supply of grain that is sent directly to our terminal and not first billed to terminals outside the state, or to commission houses outside this state.

It is only during the past year that local elevators within our state have commenced to do business with our terminal in a sufficiently large volume to furnish practically all of the wheat needed by our State Mill, excepting such wheat as the Mill must necessarily purchase from Montana in order to get particularly high protein, or, on account of freight rates, to take advantage of freight rates.

I am prepared to submit to you a report from our present wheat buyer showing the amount of grain purchased this year from our producers, farmers' elevators and other elevators in this state, or outside the state.

In the matter of sales of flour made in eastern territory, I am prepared to furnish information that such sales were not only made at going market prices then prevailing in the east, but in many instances at a higher market price than then prevailed. In this respect I ask that you give consideration to eastern flour sales of former years as well as eastern sales made in 1926 and 1927.

In this connection I invite your attention to the fact that in the east, State Mill flour, manufactured exclusively from hard spring wheat, is now receiving the recognition which is its due for its superior worth, and because of this it com-

mands a particularly higher price as compared with patent flour made from mixed wheat.

It has taken much initial work and considerable money to establish the worth of State Mill flour made from North Dakota hard spring wheat.

Concerning the matter of feed sales I am prepared to furnish evidence showing that the feed sales as made, and as criticized, were made on the usual basis followed by other mills at the going market prices then prevailing. I am also prepared to furnish explanation of the feed sales made in 1926, and ask you to direct particular consideration to feed sales made in 1927 as well as other years.

Concerning purchases of wheat made in 1926 by the former wheat buyer, I am prepared to furnish an explanation of such purchases under contract conditions existing in 1926 relative to flour. I invite your attention at the same time to wheat purchases made in former years, as well as in the year 1927.

I make no criticism of the Fact Finding Committee. The members of this committee acted in good faith and for the purpose of honestly affording constructive criticism. Their means of investigation were necessarily limited, because they had little time and were furnished no expense moneys by the Legislative Assembly. They received most of their information from what might be termed "a one-sided source."

The Terminal Elevator and State Mill is a state institution of tremendous importance to the people of this state.

The most important problem facing our people as well as the people of the entire nation, is the present position of Agriculture in its relation to other industries. Congress has spoken through its enactment of the Hoch-Smith resolution, in which mention is made of the depressed condition of agriculture, and the need of the lowest possible freight rates to be applied in transporting farm products. The Interstate Commerce Commission is now conducting a general investigation of freight rates upon agricultural products. As Governor of this state I have taken part in this investigation. I have proposed to the Interstate Commerce Commission, and am seeking to secure lower freight rates for our farmers on their grain from their fields of production to the markets and fields of consumption. I am also trying to secure transit privileges on this grain, just as the markets and other mills outside our state enjoy, so that on our North Dakota grain our markets and mills can compete with markets and mills outside the state, on a basis of equality. I am also seeking to secure for our grain privileges of being dried, cleaned, or stored in our state without paying a penalty for so doing.

We have already shown in this hearing before the Interstate Commerce Commission that our people are shipping out of this state every year about five million bushels of dockage, upon which our producers have to pay the freight

to outside markets and upon which they receive no pay. The freight alone on this dockage amounts to more than \$50,000 annually, and its value as feed is about \$500,000 annually.

We ought to save freight charges; we ought to keep such dockage within our state for its feed value to our stock, hogs and dairy cows.

In this investigation I have asked for a break in freight rates within our state, and for proportional rates within our state for our grain, the same as Minneapolis and Duluth enjoy on the grain from this state. There is no reason why the people of our state should not have at least a chance, on the basis of equality, to handle our own products. I think we are entitled to lower and better freight rates. I think that the Commission, in the investigation now pending, will recognize that we are entitled to have them.

There is no reason why this great state should not build up within its borders industries capable of handling, marketing and manufacturing our own products. There is no reason why markets and industries outside our state should always continue to handle, and market and manufacture practically all of our products.

All of our citizens should stand united in the demand that our producers, our citizens, and our cities be given at least opportunities equal to those possessed by those without our state, to handle our own products.

Mr. William Watt, a member of this Assembly, presented a valuable illustration in this same investigation before the Interstate Commerce Commission, concerning conditions affecting the producers. I would like to have every member of the Legislative Assembly read Mr. Watt's testimony.

Again, as I have repeatedly stated, I emphasize that our grain stands in a class by itself, particularly our wheat of the regular spring variety. It is of particularly high quality and entitled to a higher price wherever it may be marketed.

It makes no difference whether it be our regular hard spring wheat, durum wheat, barley, oats, or flax, all are of high quality and worth more because of such quality.

It is our business and our concern in this state to see that our grain is so marketed and receives such treatment in transportation that it will receive its full worth for its quality. Our sister state of Montana also produces high quality grain from the eastern part of the state; but our active competitor in export is the Canadian grain from the three prairie provinces to the north of us. They produce high quality wheat. We are accustomed to believe that we are dependent upon the foreign prices for our surplus. The Canadian provinces have been giving serious attention to the marketing of their grain and to the freight rates on it for several years. They have built, or fostered the building, of large terminals at home. They have fought for and secured lower freight rates on their grain. For several years it has

cost producers in these Canadian provinces less to transport their grain to Buffalo to export it, or to the east coast, or the west coast, considerably less than the producer in North Dakota situated the same distance from the same market.

The Canadian government has not hesitated to aid the producer either in building terminals, or in securing lower freight rates. Just last September another reduction was made in freight rates on grain from these Canadian provinces. Can you understand why the Canadian producer has received more per bushel this fall for his wheat than the North Dakota producer?

An interesting exhibit was introduced by the North Dakota Railroad Commission in the investigation of freight rates mentioned. Mr. Larkin, chief elevator accountant, and Mr. Lund, federal grain inspector, last fall visited elevators buying grain in North Dakota right across the line from Canada. They took samples of grain from farmers' wagons then in the elevator, just hauled in. They had the samples graded by the elevator. They noted the price then being paid at such elevator for such grade of wheat; then they took the same sample over into Canada and there had it graded under the Canadian law, and found out the price then being paid at that elevator in Canada for such grade of wheat.

For instance, a sample of wheat on September 30, 1927, was taken from a farmer's wagon at the International Elevator at Antler, North Dakota. It was graded No. 1 Dark Northern Spring, and the price then being paid at such elevator was \$1.09. Then the same sample was taken across the line on the same day to the Patterson Elevator at Lyleton, Manitoba. The sample was graded No. 2, and the price being then paid for such grade of wheat was \$1.19, or ten cents more than the North Dakota price. More than thirty different samples were thus handled at different points along the border line in North Dakota and Canada. The average result of these tests showed that the Canadian Elevators were paying on an average of 4.2 cents per bushel more than North Dakota Elevators and that the average difference in freight rates was 2½ cents per bushel in favor of the Canadian farmers, and this, I understand, was before the lower Canadian freight rates had had a chance to become effective.

You are familiar with the efforts that Congress has made recently, and are still under way, to aid agriculture, such as the McNary-Haugen Bill and similar measures. You know about the Federal aid that has been given and is now being given towards building up Grain Water Terminals at Minneapolis and St. Paul and barge lines to handle and transport grain over the Mississippi river and lower rates that have been given by water routes to New Orleans and intermediate markets. The Federal Government has not hesitated either to give its aid or of its revenues. All of these things show the vital necessity of our giving attention to our marketing problems and to do it at once. No State is more vitally concerned, interested and affected than we are. It is now time for us to cooperate in a united manner, not only with Federal Agencies, but with all agencies that will aid our producers and the citizens of our State in our farm problems.

As a result of testimony we have given in cases before the Interstate Commerce Commission and before our own Railroad Commission, it has been shown that our State produces a large percentage of the grain produced in the United States. Our elevator capacity in the local elevators of the state is limited as well as storage capacity upon our farms. The result is that over 50% of our grain production must be carried at once by the railways as soon as threshing time occurs. As soon as threshing time comes, strings of cars are assembled by the railways so that shipping of wheat can start at once and the grain be carried to outside terminals, almost always with dirt and dockage in it, and this in order that the local elevators can keep on functioning and remain open for business. The consequence is that a tremendous quantity of grain goes in a short time to outside terminals, creating conditions of congestion not only on the railways but also at these outside terminals. This can serve to have no other effect than to tend to lower the price of the grain on account of such congestion. Not only that, but grain that the farmer stores in local elevators as well as grain that he sells, all is shipped out, the great majority of it, all thus increasing the actual load of actual wheat at outside terminals.

The Terminal Elevator of the state at Grand Forks and the market there has aided as it could in this movement. A fully equipped terminal and market there exists. Our producer or shipper can have his grain graded, tested for protein, dried, cleaned, or stored; he can offer it for sale there, of course, if it be unloaded there, the producer or shipper must pay a transit penalty or charge that he does not have to pay at Minneapolis or Duluth. This penalty we expect to have removed in the case now pending. Our producer or shipper, however, if he sells his grain at our Terminal is not penalized. If he does not sell it there and wants to ship it forward either to Minneapolis or Duluth, he may do so by diversion without extra charge. The territory that our Terminal may serve, of course, is limited. It reaches backwards west into the north half of the state for the major part. Yet this fall has witnessed a tremendous patronage given our Terminal. There was congestion not only at our Terminal, but also at Minneapolis and Duluth.

Our Terminal has handled as much as 1500 car loads of grain in one month. Its capacity, of course, is limited. At one time this fall there were 500 to 600 carloads of grain on the railways back in North Dakota awaiting transportation to our Terminal. We have no trouble in taking care of the grain at the Terminal. We can unload 144 carloads per day, but our storage capacity is limited for private storage. To the capacity of our Federal warehouse which is about one million bushels, another million bushels is required for the mill. Farmers' elevators are now using to considerable extent the storage capacity at our Terminal; the amount available is altogether inadequate to take care of the demands, and this has happened even though the shipper is penalized for storing his grain at our Terminal because we absorb part of this penalty if such shipper stores his grain with us any given length of time. The point of all this is, that there is already a valuable terminal market for our producer at home

and near to the source of production. It not only serves the producer by giving to him an additional market at home, but it gives to him at home a knowledge of the grade and protein of his grain and gives to him a chance to market his grain at home or at other markets without additional cost or a chance to store the actual grain at home on the basis of its protein content. The terminal has already demonstrated its value to the producer. Railway handicaps in rates and privileges penalize its activities; lack of more storage capacity limit the extent of its operations. But the need and value of terminal facilities within the State has already been established. Already statements and promises have been made that if railway handicaps be removed on the handling of grain within our state, additional terminal elevators will be built by private capital within our state. Mr. Helm, President of the Russell-Miller Milling Company, stated in his testimony before the Interstate Commerce Commission in the hearing that I have mentioned, that if certain railway handicaps which I have asked to be removed, be removed, that he would make a promise to open up again Flour Mills in the state that have been closed.

I have gone into this matter at some length for the purpose of showing the necessity of additional terminal storage in this state and the necessity of storing our grain at home instead of in other states and the propriety now of recommending to your earnest consideration the erection of a terminal elevator at Fargo that will serve and can serve the balance of our state not now served by the Terminal at Grand Forks.

Before the Interstate Commerce Commission it was shown that if there were facilities at Fargo to create a terminal market there, that the state was entitled to it. If we can provide facilities, a market could be established there and the rates on grain adjusted the same as they will be at Grand Forks.

The first question to be asked after this statement is: How much would this add to taxation on North Dakota farms? In a statement submitted by the State Tax Commissioner, it is shown that the average assessed net valuation of a quarter section farm in North Dakota is \$2,382.00. This statement shows also that the Mill and Elevator at Grand Forks cost four and one-half million dollars. This has cost the owner of a quarter section farm in this state for the six year period since the construction of the State Mill and Elevator, fifty-two cents each year, or about one-half cent per bushel on a hundred bushel load. This covers the Mill and Elevator at Grand Forks. The project at Fargo would cost not to exceed one-fourth of the present Mill and Elevator. The people in the southern half of the state are entitled to just as good marketing facilities as the people in the northern half, and unquestionably, with such a market established at Fargo, the people in the grain business would themselves build storage with capacity ample to take care of everything coming in over the Northern Pacific Railroad.

With the new methods and machinery, such as the combines used in harvesting it has become necessary to have terminal marketing facilities closer to the producer. The grain harvest-

ed by this method is very often wet and damp and will not stand shipping for any distance nor storing for any length of time without being properly dried. The terminal facilities at Grand Forks and Fargo would be sufficient to take care of all such grain, and with the grain people building their own storage facilities, we would be in a position to market our grain in an orderly way. We have elevator capacity back in the state for about thirty-seven million bushels of grain, and the farmers have grain room for about fifty million bushels. With the added facilities at Grand Forks and Fargo, we could be assured of putting our grain on the market in an orderly way so that it could be absorbed by the millers, and so that the millers could be sure of getting our hard spring wheat, and also assure us of getting the premium on our wheat to which we are rightfully entitled.

We must bear in mind that it is only within very recent years that we in North Dakota have had anything to say about marketing our own grain. There are organizations and individuals outside our state who have most energetically opposed the so-called industrial program adopted by the people of North Dakota in recent years. The publicity campaign which has been carried on this year and in prior years, brings to mind another attempt by the farmers of the northwest to establish their own terminal marketing facilities, in order that they might obtain fair and reasonable prices for their products. I call your attention to the establishment of the Equity Co-operative Exchange at St. Paul a few years ago. In the matter of the investigation made by the Federal Trade Commission at Washington in 1923, upon complaint of the farmers of the northwest against the Chamber of Commerce of Minneapolis, I am presenting a brief statement of the findings of the Federal Trade Commission, as reported in Volume 7 of the Federal Trade Commission decisions.

The Trade Commission, in its investigation, found that the Chamber of Commerce of Minneapolis, between May, 1912, and May, 1917, with the plan and purpose of injuring and destroying the business of the Equity Co-operative Exchange and the St. Paul Grain Exchange, published in trade and daily newspapers, false and misleading statements concerning their financial responsibility and the methods used by the said Equity Co-operative Exchange, and their officers and members; in transacting business in grain. Among these trade and daily newspapers were the "Co-operative Manager and Farmer," the "National Grain Grower and Equity Farm News," the "Fargo Forum," and the "Fargo Daily Courier News." These publications and the Chamber of Commerce circulated and distributed to and among customers and prospective customers of the members of the said exchange. They likewise distributed said articles in reprints, pamphlets and official correspondence, and through traveling grain solicitors in the employ of the Chamber of Commerce. In these articles the Chamber of Commerce vigorously attacked the Equity Co-operative Exchange and the St. Paul Grain Exchange.

The Trade Commission found that all of the propaganda published against the Equity Co-operative Exchange was false, and published with the evident intent to destroy the

farmers' cooperative marketing agency. The Commission further found that in order to induce the daily papers of the city of Fargo to publish some of these articles, the Chamber of Commerce would place an order with such newspapers for 1,000 extra copies, on condition that the newspaper should print certain articles, and that in the event such articles were not printed, the order for extra copies would be canceled.

It was further found that the Chamber of Commerce in less than one year collected more than \$57,000 for what they termed "educational purposes," which money was used to send out information and articles against the Equity Co-operative Exchange and the St. Paul Grain Exchange.

The Federal Trade Commission further found that to eliminate competition of those engaged in cooperative methods of marketing grain in Minneapolis and surrounding territory, the Chamber of Commerce of Minneapolis combined and conspired to destroy the Equity Co-operative Exchange and to destroy the business of the St. Paul Grain Exchange. As a part of their plan to carry out this purpose, the Chamber of Commerce of Minneapolis persuaded Fred Schmidt, J. Emerson Greenfield, and Samuel Crumpton, holders of one share each of the capital stock of the said Equity Co-operative Exchange to bring in their own names as Plaintiffs against the president and secretary of said exchange, a proceeding by mandamus to obtain data from the books of the said Equity Co-operative Exchange upon which to base another subsequent action to have the said Equity Co-operative Exchange declared insolvent, adjudicated a bankrupt, to have a receiver appointed and its charter annulled. That, accordingly, commencing in 1914 three lawsuits were instituted by these plaintiffs, that the Chamber of Commerce induced these plaintiffs to bring these actions and that the Chamber of Commerce not only paid the expenses of the litigation but hired the attorneys to bring this action for and on behalf of these plaintiffs, that the Chamber of Commerce hired Judge Edward Engerud of the firm of Engerud, Holt & Frame of Fargo to bring this action on behalf of these plaintiffs and that the Chamber of Commerce paid these attorneys for their work in bringing such action. The Federal Trade Commission further found that the Chamber of Commerce succeeded in having their own specially appointed auditing firm to audit the books of the said Equity Co-operative Exchange and the St. Paul Grain Exchange, that as a result of such action in the District Court, the attorney general of the state of North Dakota, Henry J. Linde, was persuaded by the Chamber of Commerce to bring action to cancel and annul the charter of the said Equity Co-operative Exchange and that the said attorney general for the state of North Dakota engaged the said Judge Engerud to prosecute the said case on behalf of the state, when as a matter of fact, the said Engerud was at that time in the employ of the Chamber of Commerce of Minneapolis. The Federal Trade Commission found that all costs and disbursements of these suits, including the expenses of Edward Engerud, attorney for the Chamber of Commerce, plus the expenses attendant upon the examination of the said books were paid by the said Chamber of Commerce of Minneapolis.

The Federal Trade Commission further found that the Chamber of Commerce hired people to go out among the banks and customers with which said Equity Co-operative Exchange did business to spread false information and to ask questions which would lead such banks and other supporters of the said Equity Co-operative Exchange to become worried and lose confidence in the management of the Equity Co-operative Exchange.

Knowing these things to have happened in the past, being the findings of a disinterested and unbiased commission, a part of the Federal Government, we cannot but wonder and ask whether or not there is any connection at this time between the persistent onslaught against the industrial program enacted by the people of North Dakota and the attempt by the people of North Dakota to establish their own terminal marketing facilities.

Would it not be well also to appoint a committee to investigate and find out from what source the money comes that is being supplied and has for the past three years been supplied to pay for all the propaganda and publicity used not only against our state industries, but, indirectly, against our state as well?

In connection with the report of the Fact Finding Committee, I ask that you call in all the men connected with the State Mill and Elevator and ascertain from them if there has been any dishonest dealing going on, as some of the newspapers have intimated. Mr. Webster, the grain buyer, and Mr. Spencer, the manager, have both been placed under suspicion, and I think that in fairness to them, and to me as general manager, this cloud of suspicion should be cleared away, or else have us proven guilty of some wrongdoing.

I have the report of the Fact Finding Committee to submit to you, and in connection therewith I am submitting the report of the audit made by Poole & Schantz relative to the deals with Josephs & Co. and Midland Grain Company.

Our marketing facilities in North Dakota are too vitally important to us to permit them to be used for a political football. We should at all times try to keep them on a basis where they will serve as markets for our products, and eliminate the politicians who so enjoy playing with them.

The State Mill and Elevator, as a marketing agency for our grain, is the best investment North Dakota has ever made, and if politicians would leave it alone it could be made to function a great deal better than it is functioning now. The Bank of North Dakota has not been used as a political football in the last three years, consequently that institution has made a direct profit of 16 per cent during the last year. The Mill and Elevator has shown a great deal larger profit than this, but it is indirect profit upon the premiums we have been getting on our wheat, and the saving on flour consumed in North Dakota.

Let me ask you why it is that potato growers in McKenzie County get three times more money for their potatoes than

growers in Cass County? The answer is that McKenzie County people have sold the people on the superior quality of their potatoes, and because they stand behind the quality of their product they are able to market them to advantage.

Why is it that North Dakota Rural Credit Bonds are today selling on a 4½ per cent basis at a premium, being eagerly sought by bond buyers, and rated as the best bonds on the American market, whereas in 1923 our bonds were begging for buyers at 5½ per cent? The reason is that we have created a market for our bonds among our own bankers in our own state, and as soon as the bond people found that we had a market for them, they became very keen to buy our bonds and have been offering premiums to get them and want to handle them.

The people of North Dakota were not the first to discover and put into practice municipal and state owned projects. Let me cite you a few instances. The city of Norfolk, Virginia, invested \$5,000,000 in a grain elevator and docks which have been in operation since 1921. This industry has paid an operating profit of \$80,000, but has paid nothing on interest on the investment and depreciation, and yet the city of Norfolk feels that it has made a good investment.

The city of Los Angeles invested about \$24,000,000 in municipal harbors. They have made a small operating profit, but have paid nothing on interest or depreciation. This city, too, feels that it has made a good investment .

Seattle, Washington, New Orleans, La., and many other cities too numerous to mention, have made similar investments for the express purpose of marketing their products. If such investments are good for these cities, why are they not good for our state?

I want to say to you bankers, merchants and professional people that you will become prosperous to the extent that you help to make the farmers of this state prosperous.

To give you an idea of what politics and politicians can do to the marketing of our wheat and flour I cite the following facts: In 1925 there was a "closed season" on politics and politicians during all twelve months of that year. The profits shown by the Mill and Elevator were as follows: \$151,058.15, operating profit.

1926 was an "open season" for politics and politicians. During the early spring of that year, at a political convention held in Devils Lake, a platform was adopted in which the politicians declared that our state industries should be scrapped and thrown into the Missouri River. The people of our state did not take this platform seriously, but because our wheat and flour are marketed all through the east, the people in the eastern section of the country did take it seriously, so the figures for 1926 on the State Mill and Elevator are as follows: \$91,328.59, operating loss.

1927 was supposed to be a "closed season" on politics, but in the month of August the politicians disregarded the

closed season and opened fire. It was too late to do much damage to our marketing, and the following statement shows the profits made by the State Mill and Elevator in 1927 — up to December 31st: \$160,206.57, operating profit.

I beg of you to become serious minded. Haven't we played the other fellow's game long enough — doesn't it appear to you that we should begin to look after our own interests in North Dakota — isn't it time that we are looking after our own affairs and managing our own business in a business way, and not a political? Politics has no place in North Dakota as far as the operation of our industries and institutions are concerned and you will find that the more you help the producer solve his problem, the more you will help solve the problem of all agriculture.

I want now to call your attention to the Missouri Diversion Project in connection with the Missouri River Flood control proposals. A resolution has recently been introduced by Senator Frazier in the U. S. Senate which reads as follows:

"Whereas whatever may be the ultimate decision of Congress as to the plans which will be adopted for flood control and utilization of the waters of the Mississippi and Missouri Rivers and ramifications, it is evident that from the many plans that have been and will be advanced for consideration, much time will be consumed before any ultimate decision covering the entire subject can be arrived at; and

"Whereas in the Riker spillway project for control and utilization of the waters of the Mississippi and Missouri Rivers and ramifications, or in any other practicable plan which may be formulated for that purpose, the control of the floods which annually proceed from the headwaters of the Missouri River is an essential factor; and

"Whereas in considering the value of this essential factor in flood control from this source to the Gulf, it becomes essential that Congress at this time ascertain from the Legislature of the State of North Dakota, which has been called in special session for January 10, 1928, if that State will provide the land and premises which would be necessary and used in connection therewith, excepting Indian lands and lands owned by the United States; and

"Whereas to that end it is essential that a dam be constructed across the Missouri River at a point about eighty miles northwest of Bismarck, North Dakota, which will provide a storage reservoir by the backing up of the waters of this river for about one hundred and thirty miles and have a capacity of about one thousand billion cubic feet, and which would be amply sufficient to control floods equivalent to any which has ever passed that point; such a restraint of these flood waters, and their liberation uniformly when desired, would prevent such flood waters meeting the flood waters of the Mississippi in the future as they have in the past, and prevent the ravages that have been caused by this annual spring flood in the Missouri River below Montana, and where

practicable by similar control of floods in most of its lower tributaries would permit the Missouri River to be made navigable from the Missouri to the Montana line because of the lesser inclination of the uniform flow of these waters to form bars and cause snags in the river: Now, therefore, be it

"RESOLVED, That it shall be ascertained from the State of North Dakota if the State of North Dakota will provide the lands and premises, excepting public domain, lands belonging to the United States, and Indian lands, which will be utilized, covered, submerged, inundated, and necessary for the construction and maintenance of a dam about two hundred feet high on the Missouri River, in the State of North Dakota, at a point about eighty miles northwest of the city of Bismarck."

In general you have heard about the proposals to divert the Missouri river so as to lessen flood waters and better control and conserve the waters of the Missouri. I will not pretend to state with any definiteness the specific program, but in general it contemplates diverting waters from the Missouri river somewhere between Washburn and Sanish and taking them into Devils Lake and thence through a chain of lakes into the Shyenne river and thence into the Red River of the North.

This program involves not only retaining flood waters, restoring lakes in our State and stabilizing the flow of the Missouri river, but it has within it the possibilities fully capable of realization that both the Missouri River and the Red River of the North may again become navigable streams capable of being used as arteries of commerce for the transportation of our native products.

Not only from a viewpoint of conservation and of flood control but as a matter of marketing transportation, the whole scheme is of tremendous importance to our state, affecting every part and portion of the entire state. It is no idle dream to view the Missouri river as a navigable stream transporting our grain southward in the line of trade like the barge line service now from Minneapolis and St. Paul and for the Red River of the North again to be navigable as once it was to transport the grain of our fields tributary for Terminals on our eastern border northward into the Hudson Bay, through the ocean waterway now being constructed by the Canadian Government from the Red River of the North and Lake Winnipeg via the Nelson river north. When we come to think that these potential waterways are so much more adequate than the Erie Canal and other similar governmental enterprises, we ought to have no hesitancy in devoting our serious consideration to the problem, and right now is the proper and appropriate time and not at some later date.

I do not desire to speak at further length upon this topic. I recommend your fullest cooperation with the Federal Gov-

ernment in the entire Missouri River project with particular devotion to rendering the Missouri river and the Red River of the North both available and able to be considered as arteries of commerce for our products with the considerations involved of our State becoming entitled to cheap water transportation and lesser freight rates in consequence.

I want to call your attention to the fact that in view of the National attention now being devoted to railroad rates on farm products and the present position of agriculture, I recommend the adoption of a Joint Resolution by the Legislature to the fact that the North Dakota Board of Railway Commissioners make investigation and prescribe intrastate the lowest possible rates for grain and grain products, consistent with a fair return to the carriers with a view to building up marketing facilities and terminals within our state and industrial operations on such grain to keep dockage, manufactured feed, and to foster milling industry within our State.

I want to recommend to this session that they provide a law by which cities can acquire ground on which to establish airports for commercial purposes as well as passenger purposes. We are entering into a new field of transportation and should have facilities to take care of such transportation.

For some time I have been working with the three railroads that pass through our State with the idea of having them cooperate with us in marketing our State, and have finally come to an understanding with them that we put on a North Dakota train sometime during the middle summer and go into the sections that we would like to have people come from to live with us — this section being Iowa, Illinois, Wisconsin, Indiana, Southern Minnesota and South Dakota. They have agreed to put in \$25,000 apiece, or \$75,000 if the State will put in \$25,000, making \$100,000 for a North Dakota train, showing North Dakota products and the possibilities in North Dakota for new settlers. I want to sincerely recommend to you this kind of a project and want to ask you to make an appropriation out of the General Fund of \$25,000 to make up this \$100,000 investment for the purpose of increasing our population. We have room for a million more people here that we can make happy and contented and it will make us more happy and prosperous to have them with us.

I want to ask you Senators and Representatives at this Special Session to forget about political factions and about politics and devote your time sincerely to what I have recommended in my message, to the end, that something can be

done for our people. Our State is one of the important agricultural states and we should try to help solve our agricultural problems at home.

Governor A. G. Sorlie gave the following address:
Senators and Representatives:

You have heard my message and printed copies will be delivered to your desks very soon; the janitors will deliver them. Now I'll tell you, you are here to do something, and I have tried to bring out in my message some of the things that are necessary. The message is quite long and I hope you will give earnest consideration to everything I have brought out. I believe that you will have attended the most important session ever held in North Dakota if you will give attention to my message and carry it out. Forget about your political factions and for once get out and let North Dakota stand out as the main thing in your mind. Every business man and farmer in North Dakota needs your help. We need your help—every one. You are in position to help them if you will give your time and attention to the marketing problems in North Dakota. I hope when you get my message you will consider these things.

I have spent thirty years in the marketing game in North Dakota and I don't know half of it yet. You may think something else but I don't believe anyone here has had any longer experience, and with thirty years experience I ought to know something that North Dakota needs for markets. Some people bring out arguments that North Dakota products are not better than other state's. I have been in a lot of games but I have been in the grain business for thirty years and I know that our grain is just a little bit better than any other state in the union. Canada has better hard wheat, but outside of Montana we have no competition in our wheat, none anywhere in our flax or rye or durum. We have something here if we can get out and sell it.

Senator Patterson moved that the Joint Assembly do now dissolve.

Mr. Thompson of Ramsey moved that a committee, consisting of 17 members, be appointed to confer with a Senate committee to consider the message of the Governor, which motion was seconded by Mr. Worner, which motion prevailed.

The Speaker announced that he would appoint this committee at a later date.

Mr. Twichell moves that the report of the Fact Finding Committee and the Audit Report of T. H. Poole and William H. Schantz, Public Accountants, as made to the Governor and Chief Clerk, be printed in the Journal.

REPORT OF SELECT COMMITTEE RELATIVE TO
NUMBER OF JOURNALS TO BE PRINTED
EACH DAY

Mr. Jardine moved that there be printed 5000 copies of the House Journal, containing the above named reports, and that other days there be only 3,500 printed, which motion prevailed.

AUDIT REPORT
OF NORTH DAKOTA MILL & ELEVATOR ASSOCIATION
WHEAT PURCHASES & MILL FEED SALES
FOR THE PERIOD BEGINNING
AUGUST 1, 1926,
AND ENDING AT THE CLOSE OF BUSINESS
JULY 31, 1927.

Hon. A. G. Sorlie, Governor,
Manager N. D. Mill & Elevator Association,
Bismarck, North Dakota.
Sir:

Pursuant to your instructions, we have made an examination and investigation of the books and records of the Midland Grain Company, Minneapolis, Minn., relating to wheat purchases made by the North Dakota Mill & Elevator Association, during the fiscal year commencing on July 1, 1926, and ending on June 30, 1927.

We have also made an examination and investigation of the books and records of the I. S. Joseph Company, Minneapolis, Minn., relating to certain feed contracts entered into by and between the said I. S. Joseph Company and the North Dakota Mill & Elevator Association, verifying these transactions from the books and records of the North Dakota Mill & Elevator Association at Grand Forks, North Dakota.

We hereby respectfully submit a report of our findings and WE HEREBY CERTIFY that, in our opinion, this report correctly presents the true condition and situation with reference to the transactions covered by this report, subject to qualifications and comments contained therein.

T. H. POOLE,
Certified Public Accountant.

WILLIAM M. SCHANTZ,
Certified Public Accountant.

Bismarck, North Dakota,
November 14, 1927.

SCOPE OF ENGAGEMENT

The scope of our engagement called for an examination and investigation of the books and records of certain private industries, relating to transactions entered into with the North Dakota Mill and Elevator Association. Acting in accordance with specific instructions, each of the signers of this report made an investigation and examination of the books and records of the Midland Grain Company of Minneapolis, Minn., and the books and records of the I. S. Joseph Company, Minneapolis, Minn. We did not make an examination or audit of

the books and records of the North Dakota Mill and Elevator Association, other than to verify certain findings disclosed by the books and records of the above-named companies.

We had before us the Press Report of the "Fact-finding Committee" appointed by the North Dakota Senate. The original report of such Fact-finding Committee was not available for our inspection. We also had before us a copy of the original audit report of the North Dakota Mill and Elevator Association submitted by O. B. Lund, accountant for the North Dakota Board of Auditors.

All of the records, books and files of the Midland Grain Company and of the I. S. Joseph Company were at our disposal and no attempt was made by any of the officers of either company to conceal anything pertaining to the transactions under investigation. We received courteous treatment and willing assistance from all of the officers and employees of such companies during the course of examination of the records at Minneapolis.

Our report deals with transactions with the Midland Grain Company, a Minneapolis Grain Dealer, and with the I. S. Joseph Company, a Minneapolis Feed Dealer. The report is presented in two parts; the first part relating to and dealing with wheat purchases and the second part with mill feed sales.

Viewing the result of operations in retrospection, it is comparatively simple now to show "what should have been done"—In this report, however, we attempt to analyze certain transactions and to determine whether or not the procedure taken at the time such transactions arose was founded on good business practice. We realize that the economic functions of the various branches of the grain and milling industries present many complications, generally little understood by the casual observer, and complete analyses of many transactions will disclose findings contrary to hastily formed conclusions.

We endeavor briefly to sketch the practices generally followed by millers and submit evidence to show whether or not the management of the North Dakota Mill and Elevator Association made a radical departure from good and sound policies followed by industries engaged in a similar line of business.

WHEAT PURCHASES—MIDLAND GRAIN COMPANY

Mr. O. B. Lund, accountant, in his report to the Members of the State Board of Auditors—page 3, paragraph 2—stated that the Midland Grain Company of Minneapolis received an average profit of \$117.38 per car of wheat sold to the North Dakota Mill and Elevator Association. On an academic conclusion, he stated that the total profit inuring to the benefit of this company amounted to \$37,326.84 on 318 cars of wheat delivered. Our examination of the books and records of the Midland Grain Company disproves this conclusion and the certified report of Hendrickson & Wilson, public accountants

of St. Paul, Minn., bears out our report, in which it is maintained that the alleged middlemen's profit of \$37,326.84 was arbitrarily determined and not founded on actual facts and conditions.

The books and records of the Midland Grain Company indicated that this corporation was organized under the Laws of the State of Minnesota on May 3, 1923. Its outstanding capital stock amounts to \$25,100.00, all of which was subscribed and paid for by the following named stockholders:

I. S. Joseph, president.
David S. Levin, vice-president and secretary.
Morris Kantar, treasurer.

There is no record of any changes in stock ownership since the date of subscription therefor. The company maintains a general office at 504 Flour Exchange, Minneapolis, Minn. Mr. David S. Levin is the general manager.

The corporation was formed for the purpose of carrying on a general grain merchandising business, buying its grain from country elevators, independent elevators, line houses, or any others offering grain for sale and selling such grain to millers, mixers and exporters.

THE GRAIN DEALER'S FUNCTION

Millers, mixers and exporters, when in need of certain grain for particular purposes, call on dealers and others having such grain for sale, or having knowledge of available supplies, and arranging through them for the purchase of their specific needs. It appears to be uneconomical for millers and mixers to maintain direct buying organizations, and our examination disclosed that millers, as a general rule, buy their wheat through grain dealers. The grain dealer fills a definite need in the economic scheme of the milling and grain industries by maintaining this contact between the producer and the manufacturer. To do this, he must have representatives and buyers in the producing territories in touch with market offerings, reviewing samples and generally relieving millers of the problem of getting the grain required for their particular purposes.

The business of a flour mill is to manufacture flour, and a flour mill is generally dependent for its net income on the profits arising from flour and feed contracts. Flour contracts are usually made with brokerage firms for a stated number of barrels of a specific quality. Deliveries of the manufactured products are often made several months after the date of the contracts; the selling price, however, is based on the prevailing cash or futures price of wheat as of date of contract. The mill is assured of its revenue as of date of contract if the mill has available the wheat necessary to manufacture the flour. This condition seldom, if ever, exists and the mill must go into the market for the purpose of buying wheat necessary to fill its flour contracts. It is not only necessary to secure a given number of bushels of wheat, but wheat must be had of a specific quality. It is not, and never

can be, feasible to engage a force of buyers to go out into the producing territories and promiscuously to accept the offerings of such sources without regard to the mill's specific requirements. On the contrary, conservative milling methods prove that it is sound policy to contract with reputable grain dealers for the delivery of specified qualities, kinds and grades of wheat needed to fill the flour contracts entered into. In this connection the "Fact Finding Committee" stated in its report:

"It is our recommendation, however, that the mill purchase wheat on the basis of its actual milling value without any discrimination as to who the seller may be."

The management of the North Dakota Mill and Elevator Association apparently is being censured mostly for doing the very thing the Fact-Finding Committee endorsed in its report.

THE MIDDLEMEN'S PROFITS

In the reports of the auditor for the State Board of Auditors and in the report filed by the Fact Finding Committee considerable stress is laid on the payments of alleged excessive middlemen's profits, chiefly objecting to transactions with the Midland Grain Company. It is our contention that since the grain dealer assumes the risk incidental to furnishing of wheat necessary in the manufacture of flour, he is entitled to a reasonable profit on the deal. It must be borne in mind that the grain dealer is in business to buy and sell grain for profit, and so long as he receives a reasonable return on his investment, he is surely entitled to the same. This profit should be absorbed in the flour contract and the competent miller provides for the grain dealer's profit as a part of the cost of production of the flour he sells.

RESULT OF OPERATIONS — THE MIDLAND GRAIN COMPANY

The question here arises as to whether or not the profits inuring to the benefit of the Midland Grain Company were reasonable and in line with those usually obtained in the milling industry. It is our opinion that such profits were not excessive. In support of this contention and for the purpose of disproving the arbitrary conclusions formed by the auditor for the State Board of Auditors, we submit, under Exhibit "A" of this report, a Trading and Profit and Loss Statement of the Midland Grain Company for the fiscal year beginning on August 1, 1926, and ending July 31, 1927. This statement reflects a net profit of \$7,358.68 from operations from all sources.

The analysis of the Trading and Profit and Loss Statement will disclose that a gross profit of \$21,835.36 was realized from wheat trading, \$5,379.21 resulted from isolated transactions such as dealing in coarse grain and \$472.30 represented miscellaneous income. Of the \$21,835.36 gross trading profit realized from wheat trading, a large percentage thereof resulted from sources outside of dealings with the

North Dakota Mill and Elevator Association. Also included in this gross profit of \$21,835.36, is the speculative profit earned as a result of being "in step with the grain market." As a grain dealer, the Midland Grain Company's chief concern lies in the daily condition of its "Cash Grain Account" determining whether or not the management is in step with the market. Under Exhibit "B" of this report, we submit a copy of the company's Cash Grain Account, clearly proving that the company was always in step with the market during the period under review, therefore, no loss in market speculation resulted; on the contrary, a considerable profit was realized.

In view of the fact that the Midland Grain Company handled in excess of 550,000 bushels of grain during the period under review and since the company's gross profit from wheat trading was definitely determined to be \$21,835.36, hence it follows that an average of less than four cents (4c) per bushel gross profit was realized on the grain handled and not over eight cents (8c) as alleged in the report compiled by the auditor for the State Board of Auditors. For total wheat purchases see Exhibit "B" — Cash Grain Account.)

The operating costs for the period under review, consisting of administrative and office salaries, office rent, advertising, travel expenses, telephone and telegraph expense, and other ordinary and necessary business expenses amounted to \$20,238.19. This amount represents the cost to the Midland Grain Company of doing business. It is an outlay of expense on behalf of the millers and was taken out of the four cents per bushel margin allowed. After deducting the operating costs from the gross profit, the Midland Grain Company realized less than one and one-half cents per bushel net profit on the grain sold to the North Dakota Mill and Elevator Association and, in our opinion, this is not at all excessive.

In arriving at the foregoing computations, we did not haphazardly examine just some of the records of the Midland Grain Company, but made a thorough analysis of the profit and loss account and of the subsidiary records governing all of the operations during the period under review. The results shown are not based on arbitrary conclusions but reflect our findings after making a detailed examination.

EXHIBIT "A"

TRADING AND PROFIT AND LOSS STATEMENT

Midland Grain Company — Minneapolis, Minn.

For Period from July 31, 1926, to August 1, 1927

Sales and Income:

Terminal Purchase Sales	\$ 15,394.08	
Williston Branch Wheat Sales	11,095.63	
Great Falls Branch Wheat Sales	451.51	\$ 26,941.22
Less Loss on Protection Sales		5,105.86
Total Gross Profit on Wheat Sales		\$ 21,835.36

Other Trading Income:		
Coarse Grain Sales	\$ 3,806.54	
Consignment Sales	384.27	
Shipping Sales	537.15	5,105.86
<hr/>		
Sundry Income:		
Commissions Earned	\$ 276.44	
Bad Debts Collected	172.52	
Adjustments on Claims	23.34	472.30
<hr/>		
Total Gross Income from Operations		\$ 27,686.87

OPERATING COSTS AND DEDUCTIONS

*Administrative Salaries	\$ 5,200.00	
Office Salaries	5,394.72	
Interest and Discount	1,135.11	
Advertising Expense	289.95	
Telephone and Telegraph	3,309.47	
Rent and Light	979.80	
Bonds, Licenses and Insurance	631.36	
Traveling Expense	1,358.71	
Stamps and Stationery	739.86	
Sampling and Testing	207.78	
Bad Debts Charged Off	65.83	
Donations and Contributions	65.11	
Misc. Office and General Expense	950.49	
<hr/>		
Total Operating Costs		\$ 20,328.19

Net Profit from Operations for Fiscal Year

\$ 7,358.68

Note: *Under Administrative Salaries the following amounts were paid:

I. S. Joseph	\$ 1,400.00	
M. L. Kantar	1,400.00	
D. S. Levin	2,400.00	\$ 5,200.00

Mr. Levin devotes his entire time to the business.

EXHIBIT "B"

CASH WHEAT RECORD — MIDLAND GRAIN CO.

Date	Bought	Sold	Long	Short	Top Close	Fut.	Prem. Sept.
1926							
7-31	9000	7600	1400				
8- 1		6650		5250	1.68	1.49	.19
8-10	6700		1450		1.68	1.52	.16
8-12	2880	7560		3230	1.61	1.47	.14
8-16	3000	35000		35230	1.56	1.45	.11
8-18	2860			32370	1.58	1.45	.13
8-20		1450		33820	1.63	1.47	.16
8-22		23000		56820	1.59	1.45	.14
8-24	21150	2680		38350	1.57	1.43	.14
8-26	1400			36950	1.57	1.42	.15
8-27	10710	1740		27980	1.57	1.40	.17
8-28	8530	36000		55450	1.53	1.39	.14
8-29	2890			52560	1.53	1.39	.14

Date	Bought	Sold	Long	Short	Top Close	Fut.	Prem.
1926						Sept.	
8-30	2790	1340		51110	1.52	1.39	.13
8-31	21910	35000		64200	1.51	1.38	.13
9- 1	14560			49640	1.53	1.39	.14
9- 2	13980			35660	1.52	1.38	.14
9- 3	1330			34330	1.50	1.38	.12
9- 4	3210	35000		66120	1.48	1.36	.12
9- 6	5150			60970	1.48	1.36	.12
9- 7	9720			51250	1.48	1.36	.12
9- 8	3850			47400	1.49	1.36	.13
9- 9	2760			44640	1.49	1.36	.13
9-10	8130	7280		36510	1.50	1.38	.12
9-11	15650			28140	1.50	1.38	.12
9-13	4610			23730	1.49	1.37	.12
9-14	7030			16500	1.53	1.41	.12
9-15	11480	1250		6270	1.52	1.39	.13
9-16	2740			3530	1.54	1.41	.13
9-17	1580			1950	1.52	1.39	.13
						Dec.	
9-20	4420		2470		1.52	1.41	.11
9-21		1260	1210		1.54	1.43	.11
9-22	1040		2250		1.55	1.43	.12
9-23	1130	4530		1150	1.56	1.43	.13
9-24		5610		6760	1.55	1.42	.13
9-25		26625		33385	1.53	1.41	.12
9-27	2770	14530		38385	1.53	1.41	.12
9-28				44235	1.54	1.42	.12
9-29	5620			38615	1.56	1.44	.12
9-30		4330		42945	1.56	1.44	.12
10- 1	2860			40085	1.58	1.45	.13
10- 2	1430	1420		40075	1.57	1.44	.13
10- 4	5790			34285	1.56	1.43	.13
10- 5	4250	1500		31535	1.55	1.42	.13
10- 6	4470			27065	1.54	1.41	.13
10- 7	1470			25595	1.55	1.42	.13
10- 8	1420			24175	1.54	1.41	.13
10-10	1370			22805	1.56	1.43	.13
10-11	5700	1020		18125	1.56	1.44	.12
10-12	9750			8375	1.53	1.41	.12
10-13	2510	71000		76865	1.54	1.43	.11
10-14	14140	970		63695	1.54	1.43	.11
10-15	19510			44185	1.54	1.43	.10
10-16	2930			41255	1.53	1.44	.09
10-17	1470			39785	1.53	1.44	.09
10-18	11380			28405	1.53	1.45	.08
10-19	7290			21115	1.54	1.45	.09
10-20	4610			16505	1.54	1.44	.10
10-25	2780			13725	1.54	1.45	.09
10-26	1450			12275	1.53	1.45	.08
10-27	5780	2900		9395	1.53	1.45	.08
10-28	1480			7915	1.52	1.45	.07
10-29	1100			6815	1.52	1.45	.07
11- 1	4050			2765	1.50	1.43	.07
11- 3	4610		1845		1.50	1.43	.07
11- 4	4350		6195		1.51	1.44	.07
11- 5	4150		10345		1.51	1.44	.07

Date	Bought	Sold	Long	Short	Top Close	Fut.	Prem.
11- 6	3060	71000		57595	1.50	1.43	.07
10- 9	8180			49415	1.51	1.44	.07
11-10	2800			46615	1.49	1.42	.07
11-12		3120		49735	1.46	1.40	.06
11-13	2950	1500		48285	1.45	1.39	.06
11-14	3000			45285	1.45	1.39	.06
11-16	9920			35365	1.44	1.38	.06
11-17	7680			27685	1.43	1.37	.06
11-18	8540	1060		20205	1.44	1.38	.06
11-19	6620	72000		85585	1.42	1.36	.06
11-20	5770			79815	1.42	1.36	.06
11-22	14430			65385	1.43	1.37	.06
11-23	4370			61015	1.42	1.36	.06
11-24	5840	1460		56635	1.43	1.37	.06
11-26		1470		58105	1.45	1.38	.07
11-27	2750			55355	1.44	1.38	.06
11-29	4230	1480		52605	1.44	1.37	.07
11-30	5810			46795	1.44	1.37	.07
12- 1	6000			40795	1.47	1.39	.08
12- 3	4230			36565	1.50	1.42	.08
12- 4	4380			32185	1.49	1.41	.08
12- 6	2920	1460		30725	1.48	1.40	.08
12- 7	1450			29275	1.48	1.40	.08
12- 8		2890		32165	1.46	1.38	.08
12- 9	8500	1560		25225	1.45	1.38	.07
12-13		1440		26665	1.46	1.39	.07
12-14	1430			25235	1.45	1.38	.07
12-15	1490	1550		25295	1.46	1.39	.07
12-16	4320			20975	1.46	1.39	.07
12-17	1460	2920		22435	1.47	1.41	May.06
12-20	2870			19565	1.47	1.41	.06
12-21	8670			10895	1.49	1.43	.06
12-22	7160			3735	1.48	1.42	.06
12-24	2500			1235	1.48	1.42	.06
12-27	1410		175		1.49	1.43	.06
12-29	1440	990	625		1.46	1.40	.06
12-30	1450	1420	655		1.47	1.41	.06
1-14		1040		385	1.49	1.40	.09
1-15	1530		1145		1.50	1.41	.09
1-18	1420		2565		1.50	1.41	.09
1-19	1490		4055		1.50	1.41	.09
1-27	1440		5495		1.51	1.42	.09
1-29	1040	1420	5115		1.50	1.41	.09
1-31	1480		6595		1.49	1.40	.09
2- 2		1490	5105		1.50	1.41	.09
2- 7		1440	4665		1.50	1.41	.09
2- 8		2480	2185		1.50	1.41	.09
2-14	2840		5025		1.48	1.39	.09
2-15		1450	3575		1.49	1.39	.10
2-16	2960		6535		1.49	1.39	.10
2-19		4365	2175		1.51	1.40	.11
3-22	1000	1000	2175		1.38	1.29	.09
3-24	1330		3505		1.40	1.30	.10
3-26	1470		4975		1.44	1.33	.11

Date	Bought	Sold	Long	Short	Top Close	Fut.	Prem.
4- 5		2800	2175		1.43	1.32	.11
4- 7	1420		3595		1.44	1.33	.11
4-11	1450		5045		1.42	1.31	.11
4-13	1440		6485		1.43	1.32	.11
4-14	2890		9375		1.43	1.32	.11
4-15	1440	2890	7925		1.42	1.32	.10
4-18	1480		9405		1.45	1.33	.12
4-20		1420	7985		1.45	1.33	.12
4-23		2890	5095		1.45	1.33	.12
4-27		1440	3655		1.47	1.33	.14
4-28	1370		5025		1.47	1.33	.14
4-30	2790		7815		1.47	1.33	.14
5- 2	1480	2960	6335		1.49	1.35	.14
5- 7	1370	2740	4965		1.53	1.39	.14
5-13		1440	3525		1.54	1.39	.15
5-17	1300		4825		1.55	1.39	.16
5-20		1350	3475		1.58	1.42	.16
6- 1	1390		4865		1.67	1.50	July .17
6- 9	4360		9225		1.62	1.45	.17
6-11	1070		10295		1.64	1.44	.20
6-14	1440	1390	10345		1.64	1.44	.20
6-18		1470	8875		1.64	1.44	.20
6-20	1530		10405		1.64	1.44	.20
6-21		1480	8925		1.65	1.44	.21
6-25		1070	7855		1.60	1.39	.21
6-30		2850	5005		1.64	1.43	.21

(Auditor's Note: In the compilation of the foregoing exhibit, fractional parts of cents have been omitted. Cash grain and futures prices were verified from daily market reports and were found correct.)

MILL FEED SALES

On page No. 8, of his report to the State Board of Auditors, Mr. Lund expressed the following:

"During the months of July and September, 1926, sales contracts were entered into by the State Mill to deliver to I. S. Joseph Co., of Minneapolis, eleven thousand three hundred tons of mill feed at \$21.00 per ton f. o. b. Minneapolis

"The local conditions existing at the dates of these feed sales was that the State of North Dakota was going into the fall and winter of 1926 and 1927 with one of the shortest feed crops in history.

"In the face of this condition the mill owned by the State, contracted to deliver their mill feed products for the next six months to eastern markets at \$21.00 per ton in such large quantities that they were unable to make delivery on all of the sales made and were obliged to cancel a part of these contracts at a cost of \$7.00 per ton. A cash payment of \$10,654.00 was made to I. S. Joseph Co. of Minneapolis for cancellation of 1,522 tons of feed on this basis, which was a direct cash loss to the State Mill that can be accurately set up."

Contained in the report submitted by the Fact-Finding Committee is the following statement:

"These feed sales to the I. S. Joseph Company, in the approximate amount of 12,000 tons, are made mostly at 50 cents per ton less for pure bran than the Minneapolis quotations on the same date, and \$1 per ton cheaper for standard middlings as compared to Minneapolis. . . ."

With the foregoing statements before us, we proceeded with the examination of the books and records of the I. S. Joseph Company, verifying our findings from the records of the North Dakota Mill and Elevator Association, Grand Forks, North Dakota.

I. S. JOSEPH COMPANY

The records of the above-named company indicated that the corporation was organized during November, 1916, taking over the business of I. S. Joseph Company, organized during May, 1912. The company deals in mill products and holds the patronage of the Russell-Miller Milling Company, the Washburn-Crosby Company, the Pillsbury Company, and other national milling concerns. The corporation has capital stock of 100 shares, represented by original subscriptions, outstanding as follows:

- I. S. Joseph, president and manager, 90 shares.
- B. Silverman, vice-president, 3 shares.
- M. Kantar, secretary, 7 shares.

THE FEED DEALER'S FUNCTION

In the milling industry the proper disposing of the feed by-products plays an important part. When a miller undertakes a flour contract he considers cost of wheat plus cost of manufacture versus selling price of flour and selling price of feed. The miller can ascertain with a fair degree of accuracy the price of material and manufacturing costs. The selling price of the flour is set forth in the flour contract. There remains, however, the feed to be disposed of. Few flour brokers are in the market for feed and the practice of millers is to dispose of the feed at the same time the flour is sold. The mill sells the feed, resulting from the flour contract, for delivery as produced. The cost of the feed is already fixed in the price of the wheat purchased to fill the flour contract. All of the elements of costs of the flour and feed are considered at the time the contract is made and the market fluctuations, as of date of delivery, have no bearing whatever on the price of flour or feed when delivered. The mill can no more afford to speculate on the price of feed than it can on the price of flour, therefore, if it enters into a flour contract it must also enter into a contract for the disposing of the feed which is the by-product of the flour contract. The natural outlet for the mill feed is the feed dealer and it is through such dealer that the bulk of the feed produced by mills is handled.

RECORD OF MILL FEED SALES

Under Exhibit "C" of this report is shown a statement of feed sales made by the North Dakota Mill and Elevator Association, during July and September, 1926, to I. S. Joseph at \$21.00 per ton f. o. b. Minneapolis, Duluth or Superior. The statement is taken from the records of the North Dakota Mill and Elevator Association.

Under Exhibit "D" of this report is shown a statement of feed purchases made by the I. S. Joseph Company from several national milling concerns. These purchases were made during the months of July, August, and September, 1926. It will be seen that 7,175 tons of feed were contracted for during July, August and September at an average price of \$21.10 per ton on the Minneapolis market. Attention is called to the fact that these contracts generally provided for "immediate" or thirty day delivery. The information was obtained from the records of the I. S. Joseph Company and verified from duly signed confirmations of the selling companies.

Under Exhibit "E" of this report is shown a statement reflecting cancellation of contracts with I. S. Joseph Company by the North Dakota Mill and Elevator Association. We also show the average price per ton received by the State Mill for feed sold during the months of February, March and April, 1927, all of such feed sold during such months being available for delivery against unfilled contracts. Basing our computations on the average selling price of feed during the months of February, March and April, 1927, we show that the North Dakota Mill and Elevator Association received \$13,939.92 in excess of the contract price of \$21.00 per ton on the 1,522 tons of feed cancelled and that by defaulting on the contracts the State Mill realized \$3,285.92 in excess of the penalty of \$10,654.00 paid to the I. S. Joseph Company.

Under Exhibits "F", "G" and "H", we show feed sales made by the North Dakota Mill and Elevator Association during the months of February, March and April, 1927, respectively, showing total sales, number of tons sold and average selling price per ton.

Under Exhibit "I" is shown a record of all of the feed sales made by the State Mill during the period from December, 1926, to June, 1927, inclusive. These exhibits were prepared from the records of the North Dakota Mill and Elevator Association.

After a careful study of the exhibits above referred to the following facts are evident:

(a) The per ton price received by the North Dakota Mill and Elevator Association on feed sales made to the I. S.

Joseph Company was \$21.00 per ton. During the same months the mill made these sales, the I. S. Joseph Company purchased in excess of 7,000 tons of feed from national milling concerns at an average price of \$21.10 per ton and, it will be noted, the delivery dates on these purchases were more favorable to the Joseph Company than were the dates shown in the State Mill contracts.

(b) The mill manufactured sufficient feed to fill all of its feed contracts. Default, where made, was not due to not having available the feed necessary to fill the contracts but was due to the selling of feed to other consumers AT A HIGHER PRICE and deliberately failing to fill the contracts.

(c) That the mill, by defaulting in the delivery of 1,522 tons of feed, realized a clear profit of \$3,285.92 in excess of the penalty of \$10,654.00 paid to the I. S. Joseph Company.

(d) That the statement made by the auditor for the State Board of Auditors that the mill contracted to deliver its mill feed products for a period of six months at \$21.00 per ton is not in accordance with the records, in fact, the statement is without any foundation.

The foregoing facts disprove the allegation made by the auditor for the State Board of Auditors that the cash payment of \$10,654.00 made to the I. S. Joseph Company for cancellation of 1,522 tons of feed was a direct cash loss to the State Mill that can be accurately set up. As pointed out the State Mill received \$13,939.92 in excess of the \$21.00 per ton on the feed sold and, by paying the penalty of \$10,654.00, a clear profit of \$3,285.92 was realized on the cancelled contracts.

The auditor for the State Board of Auditors infers that there was a decided lack of business prudence because the mill management failed to speculate on the feed manufactured; his principal objection being based on the July and September feed contracts. The storing of feed against an anticipated upward market trend would have been nothing other than speculation and, in our opinion, not to be condoned. At the time the contracts were made the feed situation in North Dakota was not a stringent one and it would have required somewhat of a super-intelligence to predict, six months in advance, the decidedly unusual rise in feed prices during the fall and winter of 1926 and 1927. That sort of intelligence could perhaps show a lack of business acumen on the part of other millers that failed to fill their feed contracts and were obliged to pay penalties similar to those paid by the North Dakota Mill and Elevator Association. To illustrate this point we submit a copy of Invoice Number 23569, Russell-Miller Milling Company:

RUSSELL-MILLER MILLING CO.
of North Dakota
MERCHANT MILLERS
Minneapolis, Minn.

Sold to I S. JOSEPH CO INC	Invoice
MPLS MINN	Number 23569
Date Shipped	DEC 13 1926
Car Number	
Salesman	Terms A/C
Consigned to	Draft Drawn Thru
Order of	Amount 1320 00
Destination	Date of Sale
Notify	F. O. B.
Route	
Bought of you 12-13-26 220 Tons Bran@27.00	5940.00
Sold to You 9-2-26 220 Tons Bran@21.00	4620.00
CHECK ATTACHED	1320.00

CANCELS BOOKING OF SEPT 2 1926
220 TONS BRAN

PAID
DEC 14 '26

The Russell-Miller Milling Company cancelled out on December 13, 1926, and paid a penalty of \$6.00 per ton as of that date. In addition to the cancellation indicated by the above invoice, the Russell-Miller Milling Company cancelled out, on November 29, 1926, 250 tons of Occident Bran at \$25.00 per ton, paying \$4.00 per ton penalty or \$1,000.00. Also cancelled on the same date 500 tons of mixed feed at \$24.50 per ton, paying a penalty of \$750.00 on such contract. This company has mills located in various parts of the State of North Dakota and is in excellent position to keep in touch with feed conditions. Other illustrative transactions could be given, however, it appears that the ones indicated above should establish that there was nothing irregular in the business transactions between the State Mill and the I. S. Joseph Company.

In his report on the examination of the books of the I. S. Joseph Company, the auditor for the State Board of Auditors made the following rather inconsistent statement:

"Considerable stress has been placed upon the fact that the I. S. Joseph Company has been very lenient with the State

Mill in permitting the State Mill to fill some of its contracts long after they had matured, or at the convenience of the Mill. This action on the part of the I. S. Joseph Co. was due to the fact that State Mill Contracts Nos. 10, 158 and 10, 159, respectively, calling for 500 tons of pure bran and 500 tons of standard middlings, provided that no cancellation penalty should be imposed on these two contracts, and they might be filled at the convenience of the State Mill. . . . "

By referring to Exhibit "C" of this report or to page 104 of Mr. Lund's report, it will be noted that the contracts referred to were filled and no penalty accrued thereon, and the facts prove the foregoing argument to be very lame. The I. S. Joseph Company had a full and legal right to collect a penalty of \$1.00 per ton on the 1,522 tons cancelled in addition to the \$7.00 per ton rise in the market. According to the terms of all of the contracts, with the exception of contracts 10,158 and 10,159 which were filled, specifically on contracts calling for delivery of 10,300 tons of feed, there was nothing to preclude the I. S. Joseph Company from collecting \$1.00 per ton in the event delivery was not made on the date called for in the contract. The fact that contracts for 1,000 tons of feed did not contain a penalty clause in case of default, surely would not afford relief on contracts for 10,300 tons, such contracts specifically setting forth a penalty of \$1.00 per ton in the event default is made thereon. The records of the State Mill show that the mill was generally in arrears in the filling of its feed contracts and if the Joseph Company did not avail itself of its legal rights it was entirely due to its fair dealings and not due to the absurd alibi contained in Mr. Lund's report.

EXHIBIT "C"

FEED SALES—I. S. JOSEPH COMPANY

Contracts July 6, 1926, to Sept. 20, 1926

Mill Contract Number	Date of Contract	Tons Sold	Kind of Feed	Date of Delivery	Contract Price Per Ton	F. O. B. Point of Delivery
9490	July 6	150	Pure Bran	July	\$21.00	Duluth or Superior
9490	July 6	150	Std Mdds	July	21.00	Duluth or Superior
9491	July 6	300	Pure Bran	Aug.	21.00	Duluth or Superior
9492	July 6	300	Std Mdds	Aug.	21.00	Duluth or Superior
9499	July 9	300	Pure Bran	Sept.	21.00	Duluth or Superior
9499	July 9	300	Std Mdds	Sept.	21.00	Duluth or Superior
9500	July 9	300	Pure Bran	Oct.	21.00	Duluth or Superior
9500	July 9	300	Std Mdds	Oct.	21.00	Duluth or Superior
9901	July 9	300	Pure Bran	Nov.	21.00	Duluth or Superior
9901	July 9	300	Std Mdds	Nov.	21.00	Duluth or Superior
9944	July 13	500	Std Mdds	Sept.	21.00	Duluth, Superior or Minneapolis
9943	July 13	500	Pure Bran	Sept.	21.00	Duluth, Superior or Minneapolis
9945	July 13	500	Pure Bran	Oct.	21.00	Duluth, Superior or Minneapolis

EXHIBIT "C"—Continued

9946	July 13	500	Std Mdds	Oct.	21.00	Duluth, Superior or Minneapolis
9947	July 13	500	Pure Bran	Nov.	21.00	Duluth, Superior or Minneapolis
9948	July 13	500	Std Mdds	Nov.	21.00	Duluth, Superior or Minneapolis
9950	July 13	500	Std Mdds	Dec.	21.00	Duluth, Superior or Minneapolis
9949	July 13	500	Pure Bran	Dec.	21.00	Duluth, Superior or Minneapolis
10155	Sept 20	700	Std Mdds	Sept.	21.00	Duluth, Superior or Minneapolis
10156	Sept 20	500	Pure Bran	Sept.	21.00	Duluth, Superior or Minneapolis
10160	Sept 20	700	Std Mdds	Oct.	21.00	Duluth, Superior or Minneapolis
10161	Sept 20	500	Pure Bran	Oct.	21.00	Duluth, Superior or Minneapolis
10162	Sept 20	700	Std Mdds	Nov.	21.00	Duluth, Superior or Minneapolis
10163	Sept 20	500	Pure Bran	Nov.	21.00	Duluth, Superior or Minneapolis
*10158	Sept 20	500	Pure Bran	Dec.	21.00	Duluth, Superior or Minneapolis
*10159	Sept 20	500	Std Mdds	Dec.	21.00	Duluth, Superior or Minneapolis

Total Tons Sold 11300

* All contracts with exception of Nos. 10158 and 10159 provide for a penalty of \$1.00 per ton for delay in shipment or cancellation of contract.

EXHIBIT "D"

COMPARATIVE STATEMENT OF MILL FEED PURCHASES

By I. S. Joseph Company, Minneapolis, showing prices contracted for with other millers during period from July 6, to Sept. 20, 1926.

Date of Contract	Name of Company	Tons of Feed Sold	Date of Delivery	Kind of Feed	Price Per Ton	F. O. B. Point of Delivery
July 1	Commander Mill Co.,	100	Quick	Std Midds	\$23.00	Chicago
July 1	Mpls. Milling Co.,	50	Quick	Std Midds	23.00	Chicago
July 1	King Midas Mill Co.,	50	Immediate	Std Midds	23.00	Chicago
July 1	Hubbard Milling Co.,	25	Quick	Std Midds	23.00	Chicago
July 3	King Midas Mill Co.,	50	Immediate	Std Midds	23.00	Chicago
July 7	N. W. Cons. Milling Co.,	400	Sept.-Oct.			
			Nov.-Dec	Bran	21.50	Minneapolis
July 7	N. W. Cons. Milling Co.,	400	Nov.-Dec.	Std Midds	21.50	Minneapolis
July 7	Washburn Crosby,	500	July & Aug	Bran	20.00	Minneapolis
July 7	Washburn Crosby,	500	July & Aug.	Std Midds	21.00	Minneapolis
Aug. 11	Pillsbury Flour Mills	500	August	Dur Bran	20.00	Minneapolis
Aug. 11	Pillsbury Flour Mills	500	September	Dur Bran	20.00	Minneapolis
Aug. 24	Universal Mill Feed Co.,	50	Immediate	Bran	21.00	Minneapolis
Aug. 24	Universal Mill Feed Co.,	50	Immediate	Pure Bran	21.25	Minneapolis

EXHIBIT "D"—Continued

Sept. 2	Pillsbury Flour Mills	300	October	Dur Bran	20.00	Minneapolis
Sept. 2	Russell Miller Milling Co.,	250	September	Occ Bran	21.00	Minneapolis
Sept. 2	Russell Miller Milling Co.,	250	September	Alta Midds	23.00	Minneapolis
Sept. 2	Russell Miller Milling Co.,	250	October	Occ Bran	21.00	Minneapolis
Sept. 2	Russell Miller Milling Co.,	250	October	Alta Midds	23.00	Minneapolis
Sept. 2	Russell Miller Milling Co.,	250	November	Occ. Bran	21.00	Minneapolis
Sept. 2	Russell Miller Milling Co.,	250	November	Alta Midds	23.00	Minneapolis
Sept. 2	Russell Miller Milling Co.,	250	December	Occ. Bran	21.00	Minneapolis
Sept. 2	Russell Miller Milling Co.,	250	December	Alta Midds	23.00	Minneapolis
Sept. 11	Pillsbury Flour Mills	1500	30 days	Bran	21.00	Minneapolis
Sept. 20	Pillsbury Flour Mills	200	October	Bran	20.50	Minneapolis
Oct. 22	Pillsbury Flour Mills	300	Prompt	Bran	20.50	Minneapolis
Oct. 25	Washburn Crosby Co.,	200	Prompt	Bran	23.00	Minneapolis
Oct. 26	Washburn Crosby Co.,	100	This week	Bran	23.00	Minneapolis
Total Tons Sold		<u>7775</u>				

NOTE: \$23.00 Per Ton F. O. B. Chicago is equal to \$20.40 Per Ton F. O. B. Minneapolis, Grand Forks or Duluth.

EXHIBIT "E"

MILL AND FEED SALES STATEMENT

Showing actual benefit received by the North Dakota Mill and Elevator Association, from cancellation of contract during February and May, 1927

Cont. No.	Date Cont. For	Kind of Feed	Tons Cancelled	Date of Cancellation	Average Selling Price Per Ton, Feb. Mar. and April, 1927 Sales	Profit Sales Over Contract Price Per Ton	Amt. of Profit on Tons Cancelled	Net Profit Made by Cancelling at \$28.00 Per Ton
9499	July 9	Bran	89	May 3	\$29.81	\$8.81	\$ 784.09	\$ 161.09
9947	July 13	Bran	500	Feb. 28	30.30	9.30	4,650.00	1,150.00
9948	July 13	Midds	9	Feb. 28	29.81	8.81	79.29	16.29
9949	July 13	Bran	137	May 3	29.81	8.81	1,206.97	247.97
9950	July 13	Midds	100	May 3	29.93	8.93	893.00	193.00
10160	Sept 20	Midds	169	May 3	29.93	8.93	1,509.17	326.17

EXHIBIT "E"—Continued

10161	Sept 20	Bran	500	Feb. 28	30.30	9.30	4,650.00	1,150.00
10163	Sept 20	Bran	18	Feb. 28	30.30	9.30	167.40	41.40
			<u>1522</u>				<u>\$13,939.92</u>	<u>\$3,285.92</u>

Note: Average price per ton Bran and Midds on cancellations of Feb'y 28, 1927, based on average price of feed sold during February, 1927.

Average price per ton of Bran and Midds on cancellations of May 3, 1927, based on average price of feed sold during March and April, 1927.

The contract price was \$21.00 per ton on all contracts cancelled and the total penalty paid on cancelled contracts for 1522 tons of feed amounted to \$10,654.00 or \$7.00 per ton. The feed available to fill the above contracts sold for \$13,939.92 or \$3,285.92 over the penalty paid.

EXHIBIT "F"

FEED SALES FOR MONTH OF FEBRUARY, 1927

Made by N. D. Mill and Elevator Ass'n showing tonnage sold and average price received per ton.

Date of Sale	To Whom Sold	Bran	Selling Price Per Ton	Amount	Midds	Selling Price Per Ton	Amount
Feb. 2	Farmers Coop Ass'n., Glasston	100	\$24.00	\$ 2,400.00	140	\$24.00	\$ 3,360.00
Feb. 2	Patrons Merc., Black Earth, Wis.	204	31.50	6,426.00			
Feb. 3	Farmers Imp. Co., Eureka, S. D.	100	32.00	3,200.00	100	31.50	3,150.00
Feb. 3	Anderson Brothers, Bock, Minn.	120	28.50	3,420.00	160	29.00	4,640.00
Feb. 3	Sebeka Co-op., Sebeka, Minn.	60	29.50	1,770.00	155	29.50	4,572.50
Feb. 4	Ulrich Merc. Co., Van Hook, N. D.	50	33.00	1,650.00	75	33.00	2,475.00
Feb. 4	Farmers Union Prod. Co., Irene, S. D.	65	29.50	1,917.50	65	29.50	1,917.50
Feb. 4	Farmers Union Prod. Co.	40	30.00	1,200.00	80	29.00	2,320.00
Feb. 7	F. W. Wichern, McIntosh, Minn.	100	30.00	3,000.00	35	30.00	1,050.00
Feb. 7	J. G. Crites, Lisbon, N. D.	145	31.00	4,495.00			
Feb. 8	Farmers Elevator Co., Vining, Minn.	140	30.00	4,200.00	120	30.00	3,600.00
Feb. 8	Co-operative Co., Reedsburg, Wis.				130	31.00	4,030.00
Feb. 14	Farmers Co-op. Prod. Assn., Clear Brook	120	31.00	3,720.00	80	31.00	2,480.00
Feb. 14	W. H. Koch, Owatonna, Minn.	60	29.20	1,752.00			
Feb. 15	Ole Olness, Ryder, N. D.	120	33.00	3,960.00	120	33.00	3,960.00
Feb. 14	Nor. Farmers Prod., Baudette, Minn.	145	31.00	4,495.00	100	31.00	3,100.00

EXHIBIT "F"—Continued

Feb. 15	C. Spreckles, Hankinson, N. D.	60	32.50	1,950.00	40	32.50	1,300.00
Feb. 16	Merchants Wholesale, Hibbing, Minn.				300	29.00	8,700.00
Feb. 17	Willow City Farmers Elev., Willow City	60	31.00	1,860.00			
Feb. 17	Farmers Co-op. Co., Willmar, Minn.	100	30.00	3,000.00	110	30.00	3,300.00
Feb. 18	Eagle Valley Co-op., Clarissa, Minn.	62	28.00	1,736.00	60	28.00	1,680.00
Feb. 18	Lancaster Merc. Co., Lancaster, Minn.	60	31.50	1,890.00	40	31.50	1,260.00
Feb. 18	Winger Farmers Elev. Co., Winger, Minn.	100	31.00	3,100.00	100	31.00	3,100.00
Feb. 18	Schwartz Bros., New Rockford, N. D.				20	31.00	620.00
Feb. 19	A. W. Elver, Middleton, Wis.	150	28.50	4,275.00	140	28.50	3,990.00
Feb. 21	Co-op. Elevator Co., Maple Plain	175	29.90	5,232.50			
Feb. 23	A. H. Lee, Walhalla, N. D.	40	30.00	1,200.00	20	30.00	600.00
Feb. 23	Detroit Grain & Fuel Co., Detroit, Minn.	100	29.00	2,900.00	200	29.00	5,800.00
Feb. 23	Bagley Co-op. Co., Bagley, Minn.	60	30.00	1,800.00	150	30.00	4,500.00
Feb. 23	A. H. Lee & Son, Walhalla, N. D.	20	30.50	710.00	40	30.50	1,220.00
Feb. 24	J. A. Forster, Akeley, Minn.	90	30.00	2,700.00	115	30.00	3,450.00
Feb. 26	Brownsdale Cr. Ass'n., Brownsdale, Minn.	180	31.00	5,580.00	40	31.50	1,260.00
Feb. 26	Farmers Elev. Co., Gwinner, N. D.	100	31.25	3,125.00	80	31.25	2,500.00
		2926		\$ 88,664.00	2815		\$ 83,935.00
	Average Price Received Per Ton			\$ 30.30			\$ 29.81

TUESDAY, JANUARY 10, 1928

EXHIBIT "G"

FEED SALES FOR MONTH OF MARCH, 1927

Made by N. D. Mill and Elevator Ass'n showing tonnage sold and average price received per ton.

Date of Sale	To Whom Sold	Bran	Selling Price Per Ton	Amount	Midds	Selling Price Per Ton	Amount
March 1	E. A. Schmuder, Sanish, N. D.	20	\$33.70	\$ 674.00	20	\$33.95	\$ 679.00
March 1	Co-op. Shipping Ass'n., Columbus, Wis.	80	28.50	2,280.00	240	33.00	7,920.00
March 1	Goodridge Far. Co., Goodridge, Minn.	80	31.00	2,480.00			
March 3	Farmers Elev. Co., Hanley Falls, Minn.....	60	29.50	1,770.00	20	29.00	580.00
March 3	Green Isle, Minn.	100	29.50	2,950.00			
March 7	F. W. Schroeder, DePere, Wis.	100	31.00	3,100.00	50	31.25	1,562.50
March 7	Equity Exchange, Lemmon, S. D.	60	30.00	1,800.00	160	31.00	4,960.00
March 8	Jenny Elev. Co., Oakes, N. D.	40	31.50	1,260.00	105	32.00	3,360.00
March 14	Eagle Valley Co-op., Clarissa, Minn.	120	28.00	3,360.00	180	30.00	5,400.00
March 15	Harmony Feed & Fuel, Harmony, Minn.....	20	30.50	710.00	20	31.00	620.00
March 16	Warroad Co-op., Warroad, Minn.	130	31.00	4,030.00	155	31.00	4,805.00
March 17	N. Y. Mills Fars. Elev., N. Y. Mills, Minn.	60	30.00	1,800.00	60	30.25	1,815.00
					140	30.50	4,270.00
March 17	A. D. M. Co., Spring Green, Minn.	260	28.50	7,410.00	100	33.00	3,300.00
March 18	Grain & Fuel Co., Detroit, Minn.	120	29.00	3,480.00	186	29.00	5,394.00

EXHIBIT "G"—Continued

March 18	White Grain Co., Duluth, Minn.	100	28.00	2,800.00	200	29.00	5,800.00
March 21	Equity Coop. Elev., River Falls, Wisc.	240	29.25	7,620.00	100	29.75	2,975.00
March 21	Winger Farmers Elev., Winger, Minn.	40	29.25	1,170.00	60	29.75	1,785.00
March 22	Ball Bluff Merc., Swan River, Minn.	100	29.50	2,950.00	230	30.50	6,715.00
March 23	Cameron and K., Robinson, N. Dak.	100	31.50	3,150.00	200	31.50	6,300.00
March 23	Parshall Far. Elev. Co., Parshall, N. Dak.	20	30.50	610.00	20	30.50	610.00
March 23	So. End Shipping Ass'n, Hope, N. Dak.	20	30.50	610.00	20	30.50	610.00
March 24	Parshall Coop. Elev., Parshall, N. Dak.	30	33.50	1,005.00	30	33.50	1,005.00
March 24	Osborne Merc., Baker, So. Dak.	20	32.00	640.00	10	32.50	325.00
March 25	Spring Gv. Stock Co., Spring Grove, Minn.	60	32.00	1,920.00	84	32.00	2,688.00
March 25	Eagle Valley Coop., Clarissa, Minn.	158	28.00	4,424.00	85	30.00	2,550.00
March 26	Whitelaw Coop. Exchange, Whitelaw.	200	31.00	6,200.00			
March 26	J. G. Crites,				40	30.50	1,220.00
March 28	Anton Bodahl, Maxbass, N. Dak.	50	31.50	1,575.00	110	31.50	3,465.00
March 30	Farmers Exchange, Benson, Minn.	60	29.00	1,740.00			
March 30	Delano Elev., Delano, Minn.	50	27.50	1,375.00			
		2498		\$ 74,893.00	2625		\$ 80,713.50

TUESDAY, JANUARY 10, 1908

HISTORICAL SOCIETY
OF MONTANA
ELENA

THE HISTORICAL SOCIETY
OF MONTANA
ELENA

THE HISTORICAL SOCIETY
 OF MONTANA
 HELPER, MONTANA

EXHIBIT "H"

FEED SALES FOR MONTH OF APRIL, 1927

Made by the Mill and Elevator Ass'n showing tonnage sold and average price received per ton.

Date of Sale	To Whom Sold	Bran	Selling Price Per Ton	Amount	Midds	Selling Price Per Ton	Amount
April 1	White Grain Co., Duluth, Minn.	100	\$28.00	\$ 2,800.00	300	\$27.00	\$ 8,100.00
April 6	Whitelaw Coop. Exchange, Whitelaw, Wisc.				300	30.50	9,150.00
April 7	A. H. Lee, Walhalla, N. Dak.	40	29.50	1,180.00			
April 7	New London, Wh's'e, Virginia, Minn.				310	29.50	9,145.00
April 8	Farmers Union, Mission Hill, S. Dak.	60	29.50	1,770.00	100	29.00	2,900.00
April 9	Detroit Grain and Fuel, Detroit, Minn.	140	29.00	4,060.00	60	29.00	1,740.00
April 11	Goldberg, Moorhead, Minn.	160	27.50	4,400.00	120	27.50	3,300.00
April 13	Cloquet Coop. Exchange, Cloquet, Minn.	350	29.00	10,150.00			
April 13	Patrons Merc., Blackearth, Wisc.	203	30.00	6,090.00			
April 13	Merchants Whse. Co., Hibbing, Minn.	60	29.50	1,770.00	240	29.50	7,080.00
April 13	N. Y. Mills Elevator Co., N. Y. Mills, Minn.	20	29.50	590.00	240	29.50	7,080.00
April 15	Goldberg, Moorhead, Minn.	80	27.50	2,200.00	80	27.50	2,200.00
April 18	Goldberg, Moorhead, Minn.	65	27.50	1,787.50	65	27.50	1,787.50
April 21	Larson Engh, Osnabrock, N. Dak.	20	30.00	600.00	5	30.50	152.50
April 21	Brocket Merc., Brocket, N. Dak.	10	30.00	300.00	30	30.50	915.00

EXHIBIT "H"—Continued

April 21	Detroit Grain and Fuel, Detroit, Minn.	100	28.50	2,850.00	100	28.50	2,850.00
April 22	H. Vehle, Twin Valley, Minn.	100	30.00	3,000.00	80	30.00	2,400.00
April 22	Farmers Elevator Co., Vining, Minn.	80	31.00	2,480.00	150	31.00	4,650.00
April 23	Holman Coop. Co., Midway, Wisc.	100	30.00	3,000.00	145	30.50	4,422.50
April 25	Sundberg Roller Feed Mill, Kirkhover, Minn.	5	29.50	1,475.00			
April 25	F. Goldberg Feed, Fargo, N. Dak.	120	27.50	3,300.00	120	27.50	3,300.00
April 25	Spring Grove Merc., Spring Grove, Minn.	80	30.50	2,440.00	60	30.50	1,830.00
April 25	Goldberg Feed Co., Fargo, N. Dak.	100	28.00	2,800.00	100	28.00	2,800.00
April 26	Halstad Merc., Halstad, Minn.	100	29.50	2,950.00	20	29.50	590.00
April 26	Quinlin & Co., Pelican Rapids, Minn.				60	29.50	1,770.00
April 27	B. T. San Smoak, Claire City, S. Dak.	20	28.00	560.00	60	29.50	1,770.00
April 27	Kiger & Co., Alexandria, Minn.	140	29.00	4,060.00	140	29.00	4,060.00
April 29	Wm. Durrin, Northome, Minn.	80	31.50	2,520.00	120	31.50	3,780.00
April 29	Farmers Elevator Co., Leonard, N. Dak.				60	31.00	1,860.00
April, 1927 Sales		2333		\$ 69,132.50	3065		\$ 89,632.50
March, 1927 Sales		2498		74,893.00	2625		80,713.50
Total Sales for March and April, 1927		4831		\$144,025.50	5690		\$170,346.00
Average Price Received Per Ton			\$29.81			\$	29.93

TUESDAY, JANUARY 10, 1928

EXHIBIT "T"

FEED SALES, DECEMBER, 1926 TO JUNE, 1927

Date Billed	Name and Address	Date Sold	Quantity	Price
1926				
12- 1	Equity Elevator, Hillsboro, N. D.		40 M	\$ 26.36
		9- 4-26	60 B	25.50
12- 1	Farmers Coop. Corp., Wasson, Minn.	7-15-26	160	23.50
			140 M	24.00
			240 MF	24.00
			20 FM	29.50
12- 1	Askoo Coop. Ass'n, Askoo, Minn.	11-11	240 B	24.00
			80 M	25.00
12- 1	Campbellsport Coop. Ass'n. Campbellsport, Wis.....	10- 4	20 FM	32.50
			200 B	25.50
12- 1	Martillas, W. H., Virginia, Minn.	10-22	200 B	24.80
			200 M	25.80
12- 1	Middle River Coop., Middle River, Minn.	10- 7	80 M	26.00
			40 B	25.00
12- 2	Warroad Coop. Corp., Warroad, Minn.	11-30	354 B	28.00
			266 M	29.00
12- 2	Alfred W. Elver, Middleton, Wis.	9-13	220 B	25.25
			140 M	26.00
12- 3	N. E. Coop. Store, Greenbay, Wis.	8-31	240 B	24.50
			100 M	25.00
12- 3	Sauk Farm, B., Sauk City, Wis.	9-13	500 B	25.25
		9-24		

EXHIBIT "I"—(Continued)

12- 3	Aug. Peterson, Glenflora, Wis.	10- 6	340	B	25.60
			40	M	26.50
12- 3	Lemmon Equity Exc., Lemmon, S. D.	10-20	240	M	28.00
			60	FM	34.00
12- 3	Spring Grove S. & Grain Co., Spring Grove, Minn.....	9-23	160	B	28.50
			40	M	29.00
12- 3	Mellen Prod. Co., Mellen, Wis.	8-29	105	B	25.00
			100	M	25.50
12- 3	Quinland & S., Pelican Rapids	12- 1	40	B	28.00
			20	M	28.50
12- 4	Oscar Carlson, Litchville, N. D.	7-21	20	B	28.50
			20	M	29.50
			20	MF	29.00
12- 4	Frederick, G., Frederick Coop. M. Co.	12- 2	40	B	29.00
			310	M	30.00
12- 4	F. Goldberg Co., Fargo, N. D.	7-12	100	M	21.00
		8-24	100	B	21.00
12- 4	Becker Coop. Co., Becker, Minn.	7- 7	300	B	24.00
			200	MF	25.00
			200	M	23.00
12- 6	Merchants, W. H., So. Hibbing	9- 8	400	M	25.00
12- 6	Farmers Coop. Ass'n, Moose Lake, Minn.	8-26	180	B	24.50
			80	M	25.50
			40	FM	30.00
12- 7	Clear Lake Elev. Co., Clear Lake, Minn.	10- 5	100	B	24.00
			250	FM	30.00
			2	B	26.50

TUESDAY, JANUARY 10, 1928

EXHIBIT "I"—(Continued)

Date Billed	Name and Address	Date Sold	Quantity	Price
1926				
12- 7	Brownsdale Corp. Co., Brownsdale	11-10	280 B	25.00
			120 M	31.00
12- 7	Farmers Union Prod. Co., Irene, S. D.	11- 4	40 B	24.00
			80 FM	30.50
			35 B	25.00
12- 7	New London WH., Virginia	8-12	B	24.00
			360 M	25.10
			M	24.50
			FM	31.00
12- 8	Clem F. Hoelzel, Nichols	11-26	220 B	28.00
			140 M	29.00
			20 FM	32.00
12- 8	Spring Grove Farmers B., Spring Grove, Wis.	9-13	300 B	25.25
			60 M	31.00
12- 8	J. W. Nelson, Hutchinson, Minn.	8-12	100 M	25.50
			100 FM	29.50
			100 MF	23.50
			200 B	24.00
12- 8	Waconia Coop. Elev., Waconia, Minn.	8-10	360 B	25.50
			60 M	26.00
			40 FM	30.50
12- 8	Goldberg Feed, Fargo, N. D.	8-24	100 B	21.00
			100 M	21.00

EXHIBIT "I"—(Continued)

12- 8	Speltz Cr. & F. Co., Hope, Minn.	8-31 & 11-9	300 B	26.00
			60 FM	31.00
			40 M	28.50
12- 9	Farmers Union Brokerage, Sioux City, Ia.	8-27	120 B	24.00
			100 M	25.00
			120 FM	30.00
12- 9	Weganwega Union, Weganwega, Wis.	8-31 & 11-26	302 B	28.10
12- 9	Marinette F & G Co., Daggett, Mich.	9- 1	280 M	25.25
			120 B	24.25
			80 FM	30.25
12-10	Lancaster Merc. Co., Lancaster, Minn.	9- 1	100 B	29.00
			60 M	29.50
12-10	Farmers Coop. Elev. Co., Lidgerwood, N. D.	9-10	20 M	28.00
12-10	Equity Elev. & Ldg. Co., Berlin, N. D.	6-10	190 M	29.00
			60 B	29.00
12-10	Farmers Coop. Corp., Foreston, Minn.	9-26	200 M	25.00
			200 B	24.00
12-11	Goldberg Feed Co., Fargo, N. Dak.	8-24	140 B	21.00
		7-12	140 M	21.00
12-11	Farmers & Merc. Nat'l Bank, Jamestown, N. D.	12- 9	200 B	29.00
12-11	Eward Incorporated, New Leipzig, N. D.	2- 4	200 B	consigned
			200 M	spot stock
12-11	N. Y. Mills Farm. Elev. Co., New York Mills, Minn.	7-14	160 B	27.00
			160 M	28.00
12-13	Barnum Coop. Co., Barnum, Minn.	8- 2	400 B	25.50
12-13	Merchants WH, So. Hibbing		400 M	25.00

TUESDAY, JANUARY 10, 1928

EXHIBIT "I"—(Continued)

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Date Billed	Name and Address	Date Sold	Quantity	Price
1926				
12-13	Leith Equity Exc., Leith, N. D.	7- 7	100 B	33.00
			100 M	33.50
12-14	Kathryn Frs. Elev. Co., Kathryn, N. D.	10-14	80 B	28.50
			80 MF	28.75
			140 M	29.00
12-14	Harmony Feed & F. Co., Harmony, Minn.	9-16	106 MF	30.25
12-14	Moska South WH, Valley City		120 MF	
			100 M	
			80 B	Spot Stock
12-15	Detroit Grain & F. Co., Detroit, Minn.	9-22	250 B	23.00
			150 M	24.00
12-15	Larson Engh, Wales, N. D.	11- 3	10 B	28.50
			10 M	29.00
12-16	Dahlke Giesse & Walker, Watoma, Wis.	10- 7	500 B	24.75
12-16	Farmers Equity Elev., Powers Lake	7-15	20 B	32.00
			20 M	32.50
12-17	New London WH, Virginia		250 BM	25.00
			110 BM	24.00
12-17	Wm. Levitzon, Pine River	8-27 & 9-25	115 M	25.50
			80 M	31.50
12-17	Kiger C. Moore, Alexandria		320 B	22.00
			40 FM	28.50
			40 M	25.00

EXHIBIT "I"—(Continued)

12-17	NGN Farmers Elev., New York Mills		160	M	29.00
			140	B	28.50
12-17	Farmers Coop. Prod. Co., Marshfield	9-15	240	B	24.50
			160	M	24.50
12-18	Fuller Elev. Co., Aberdeen	7-19 & 10-22	20	B	23.00
			300	M	24.00
			20	FM	30.00
12-20	Barnevold Coop., Barnevold, Wis.	9-26 & 12-11	300	B	31.00
			100	M	31.00
12-20	Langlade Frs. Coop., Antigo, Wis.	9-14	400	B	24.75
12-21	Frs. Grain & Grdg. Co., Westby, Mont.	10-20	100	M	31.50
12-20	Wis. Frs. Ser. Buro, Madison, Wis.	9-13 & 9-24	100	B	25.75
			20	M	25.75
			80	M	25.75
12-21	Frs. Coop. Corp., Grusseon, Minn.	10-27	140	MF	24.00
			160	B	24.00
			100	M	24.00
12-22	New London WH, Virginia, Minn.	8-12 & 9-26	170	M	25.00
			40	B	24.00
			20	FM	32.00
12-22	J. Mallett, Pollock, S. D.	8-14	200	M	27.50
12-23	Marionette Flour & F., Marionette, Wis.	9- 1	200	M	25.25
			200	B	24.25
12-23	Goodhur Elev. Co., Goodhur, Minn.	12- 8	400	B	30.00
12-23	Itasca Co. Farm Bureau, Grand Rapids Mich.....	8-18	200	B	25.00
			200	M	26.00

TUESDAY, JANUARY 10, 1928

EXHIBIT "I"—(Continued)

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Date Billed	Name and Address	* Date Sold	Quantity	Price
1926				
12-23	Ableman Farmers Co., Ableman, Wis.	9-11 & 11-19	260 B	26.00
			20 M	26.50
			20 FM	31.50
12-23	Gardenor Bros., Sioux Falls, S. D.	8- 7	200 B	24.00
		8-16	40 M	24.75
			80 FM	29.50
12-27	J. G. Crites, Lisbon, N. D.	7- 1	20 FM	28.00
			70 B	30.00
			80 M	30.50
12-28	Goldberg Feed, Fargo, N. D.	7-12	30 B	21.00
		8-24	40 M	21.00
12-31	Merchants WH, So. Hibbing		100 M	25.00
			125 B	24.50
12-31	Goldberg Feed, Fargo, N. Dak.	7-12 & 8-24	70 B	21.00
			120 M	21.00
1927				
1- 4	Far. Elev. & Merc., Hayfield, Minn.	12-14-26	160 Bran	29.70
			95 FM	34.20
1- 4	So. End Fars. Shipping, Hope, N. D.	12-31-26	20 Bran	30.00
1- 5	Ellendale Equity Union, Ellendale, N. D.	1- 4-27	20 Bran	30.00
			20 Std.	30.00
1- 7	Cando Mill & Elev., Cando, N. D.	1- 3-27	40 Std.	28.00
			40 Bran	27.00

EXHIBIT "I"—(Continued)

1- 8	Jos. A. Forster, Akeley, Minn.	1- 8-27	200 Bran	27.50
			100 Std.	29.00
1-10	T. K. Berge, Erskine, Minn.	1- 7-27	40 Bran.	29.00
			40 Std.	29.50
1-11	Eagle Bend Prod. Co., Eagle Bend, Minn.	11-19-27	40 FM	32.00
			320 Std.	26.00
1-11	Kathryn Far. Elev., Kathryn, N. D.	1- 4-27	60 Bran	30.00
			60 Mix	30.50
			140 Std.	30.50
1-12	Becker Coop. Ass'n, Becker, Minn.	11-26-26	140 Bran	26.50
			100 Std.	24.50
			60 FM	28.50
1-12	Far. Coop., Milaca, Minn.	11-24-26	110 Bran	26.50
			200 Std.	26.50
1-13	Warroad Coop., Warroad, Minn.	1- 3-27	200 Bran	29.00
			160 Std.	29.50
1-13	O. C. Temple, Bemidji, Minn.	1- 4-27	200 Mix	28.50
			100 Bran	28.00
1-14	Marion Equity Elev., Marion, N. Dak.	1- 4-27	60 Bran	30.00
			140 Std.	30.50
1-15	Merchants Whse. Co., So. Hibbing, Minn.	1- 6-27	20 FM	32.50
			63 Bran	28.50
			200 Std.	29.00
1-17	Speltz Grain, Albert Lea, Minn.	11- 9-26	60 FM	34.00
			.300 Bran	26.00
1-17	Henry Vehle, Twin Valley, Minn.	1-10-27	200 Bran	29.50
			100 Std.	29.00

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EXHIBIT "I"—(Continued)

Date Billed	Name and Address	Date Sold	Quantity	Price
1927				
1-18	Far. Coop. Elev., Iowa Falls, Iowa	10-14-27	70 FM	35.50
			80 Bran	26.00
1-20	Spring Grove Stock & Gr., Spring Grove, Minn.....	1-15-27	110 Bran	31.00
			100 Std.	30.50
1-20	Holmsville Prod. Co., Holmsville, Wis.	12-31-26	20 FM	31.50
			80 Std.	26.50
			200 Bran	26.00
1-20	Parshall Far. Coop. Elev., Parshall, N. D.	1-13-27	20 Std.	33.00
			20 Bran	33.50
1-21	Detroit Grain & Fuel, Detroit, Minn.	8-31-26	200 Bran	23.00
			200 Std.	23.00
1-21	Tracy & Karon, Green Isle, Minn.	11-30-26	200 Bran	27.65
			100 FM	31.65
1-21	Fuller Elev. Co., Aberdeen, S. Dak.	10-22-26	330 Std.	24.00
1-22	Lee & Son, Walhalla, N. Dak.	1-20-27	20 Std.	29.50
			180 Bran	30.00
1-24	Eagle Valley Coop., Clarissa, Minn.	1-21-27	200 Bran	28.00
1-24	Denhoff Cash Store, Denhoff, N. D.	1-22-27	50 Bran	31.50
1-24	Flasher Equity Ex., Flasher, N. D.	1-20-27	100 Bran	33.50
			100 Std.	33.00
1-25	Far. Coop. Ass'n, Ruthton, Minn.	12- 8-26	100 FM	32.00
			240 Bran	28.00
1-25	J. A. Crawford, Langdon, N. Dak.	1-10-27	60 Bran	30.00

EXHIBIT "I"—(Continued)

1-26	Bagley Coop., Bagley, Minn.	1-11-27	80 Bran	29.00
			125 Std.	29.50
1-27	S. Van Rockel, Perkins, Iowa	1-17-27	40 FM	33.00
			80 Std.	28.75
			120 Mix	29.00
1-27	S. T. Rickansrud, Fosston, Minn.	1-10-27	70 Std.	28.50
			140 Bran.	29.00
1-27	Lemmon Equity Ex., Lemmon, So. Dak.	1-20-27	80 FM	37.00
			40 Bran	28.00
			240 Std.	31.00
1-30	Eagle Bend Prod., Eagle Bend, Minn.	11-19-27	203 Bran	25.00
1-30	Fars. Coop. Grain, Gonvick, Minn.	1-30-27	100 Bran	30.50
			100 Std.	30.00
2- 1	Talboys-Schubmehl Co., Aurora, Minn.	1-12-27	35 Bran	28.30
			165 Std.	
2- 1	Detroit Grain & Fuel, Detroit, Minn.	1-26-27	200 Bran	29.50
			200 Std.	28.50
2- 2	Coop. Grain Co., Cogswell, N. Dak.	1-21-27	80 Bran	32.50
			124 Std.	32.00
2- 5	Ulrich Merc. Co., Van Hook, N. D.	2- 4-27	50 Bran	33.00
			75 Std.	33.00
2- 5	Summit Merc., Blackduck, Minn.	1-21-27	60 Bran	30.00
			100 Std.	30.00
2- 7	Farmers Elev., Bisbee, N. Dak.	1-27-27	80 Bran	31.00
			40 Std.	31.00
2- 8	Western Lbr. & Grain, Shields, N. D.	1- 3-27	60 Bran	33.50
			60 Std.	33.50

TUESDAY, JANUARY 10, 1928

EXHIBIT "I"—(Continued)

Date Billed	Name and Address	Date Sold	Quantity	Price
1927				
2- 8	Medford Coop. Merc., Medford, Wis.	1-26-27	40 FM	31.00
			40 Std.	26.00
			160 Bran	25.50
2- 9	Farm. Imp. Co., Eureka, So. Dak.	2- 3-27	100 Bran	32.00
			100 Std.	31.50
2-10	Fars. Gr. & Trading, Grove City, Minn.	12-27-26	100 Bran	25.50
			100 Std.	25.50
2-10	Merchants Whse., So. Hibbing, Minn.	1-14-27	150 Bran	28.00
			150 Std.	29.00
2-10	Merchants Whse., Chisholm, Minn.	1-29-27	100 Bran	30.00
			200 Std.	30.00
2-11	F. W. Wichern, McIntosh, Minn.	2- 7-27	35 Std.	30.00
			100 Bran	30.00
2-11	J. G. Crites, Lisbon, N. Dak.	2- 7-27	60 FM	35.50
			145 Bran	31.00
2-15	Far. Coop. Ass'n, Holland, Minn.	1- 7-27	20 FM	33.50
			80 Std.	29.00
			100 Mix.	28.75
			100 Bran	28.50
2-15	Anderson Brs., Bock, Minn.	2- 3-27	20 FM	33.50
			160 Std.	29.00
			120 Bran	28.50

EXHIBIT "I"—(Continued)

2-15	Fars. Elev., Vining, Minn.	2- 8-27	120	Std.	30.00
			140	Bran	30.00
2-17	Ole Olness, Ryder, N. Dak.	2-15-27	120	Std.	33.00
			120	Bran	33.00
2-17	Fars. Elev., Garfield, Minn.	12- 2-26	40	FM	32.00
			100	Std.	28.00
			170	Bran	27.00
2-17	Fars. Coop. Pro. Ass'n, Clearbrook	2-14-27	80	Std.	31.00
			120	Bran	31.00
2-17	Fars. Union Pro., Irene, So. Dak.	2- 4-27	80	FM	33.50
			80	Std.	29.00
			40	Bran	30.00
2-18	Willow City Far. Elev., Willow City, N. D.	2-17-27	60	Bran	31.00
2-19	Northern Far. Pro., Baudette, Minn.	2-14-27	100	Std.	31.00
			145	Bran.	31.00
2-19	Eagle Valley Coop., Clarissa, Minn.	2-18-27	60	Std.	28.00
			62	Bran	28.00
2-21	Merchants Whse., Hibbing, Minn.	2-16-27	300	Std.	29.00
2-21	Lancaster Merc., Lancaster, Minn.	2-18-27	40	Std.	31.50
			60	Bran	31.50
2-12	Patrons Merc., Black Earth, Wis.	2- 2-27	204	Bran	31.50
2-21	Winger Fars. Elev., Winger, Minn.	2-18-27	100	Bran	31.00
			100	Std.	31.00
2-24	A. H. Lee, Walhalla, N. Dak.	2-23-27	20	Std	\$ 30.00
			40	Bran	30.00

TUESDAY, JANUARY 10, 1928

EXHIBIT "I"—(Continued)

Date Billed	Name and Address	Date Sold	Quantity	Price
1927.				
2-24	Merrimac Farm Bureau, Merrimac, Wisc.....	1-18-27	130 Bran	28.50
			20 FM	29.00
			30 M	29.50
			140 FM	32.00
2-24	J. A. Forster, Akeley, Minn.....	2-24-27	90 Bran	30.00
			115 Std	30.00
2-24	N. Y. Mills, Frs. Elev., N. Y. Mills, Minn.....	1-26-27	80 Mix	30.00
			140 Std	30.00
			80 Bran	30.00
2-25	Fars. Advancement Ass'n, Brillion, Wis.	12-30-27	60 Std	24.10
			120 Mix	24.10
			120 Bran	24.10
2-25	Detroit Gr. & Fuel, Detroit, Minn.	2-23-27	200 Std	29.00
			100 Bran	29.00
2-25	Sebeka Coop., Sebeka, Minn.....	3- 3-27	60 Bran	29.50
			155 Std	29.50
2-26	Brownsdale Cr. Assn., Brownsdale, Minn.....	2- 3-27	40 Std	31.50
			80 FM	35.00
			180 Bran	31.00
2-28	C. Spreckles, Hankinson, N. D.....	2-15-27	40 Std	32.50
			60 Bran	32.50
2-28	Olson Bros., Ironwood, Mich.....	10-15-26	100 Bran	25.90
			250 Std	25.90

EXHIBIT "I"—(Continued)

3- 1	Farmers Elev., Gurnner, No. Dak.....	2-26-27	100	Bran	31.25
			80	M	31.25
3- 3	Kiger & Moore, Alexandria, Minn.....	11-31-26	100	M	23.50
			200	Bran	25.00
3- 3	E. A. Schmuder, Sanish, N. Dak.....	3- 1-27	20	Bran	33.70
			20	M	33.95
3- 7	Farmers Elev. Co., Hanley Falls, Minn.....	3- 3-27	400	FM	33.50
			60	Bran	29.50
			20	M	29.00
3-11	Elstad Bros., Kindred, N. D.	3- 9-27	40	FM	35.50
3-11	Jenney Elev. Co., Oakes, N. D.....	3- 8-27	40	FM	35.50
			105	M	32.00
			40	Bran	31.50
3-11	F. W. Schroder, Depers, Wisc.....	3- 7-27	100	Bran	31.00
			120	MF	31.00
			50	M	31.25
3-14	Equity Exchange, Lemmon, S. D.....	3- 7-27	60	Bran	30.00
			160	M	31.00
			80	FM	37.00
3-17	Coop. Shipping Assn., Columbus, Wis.....	3- 1-27	80	Bran	28.50
			240	M	33.00
3-18	Coop. Co., Reedsburg, Wisc.....	2- 8-27	130	M	31.00
			80	FM	33.00
3-19	Fars. Coop Co., Wilmar, Minn.....	2-17-27	100	Bran	30.00
			110	M	30.00
3-21	Olsons Mkt., Cambridge, Minn.....	10-27-26	40	FM	29.00
			160	M	24.00

TUESDAY, JANUARY 10, 1928

EXHIBIT "I"—(Continued)

Date Billed	Name and Address	Date Sold	Quantity	Price
1927				
3-22	Grain & Fuel Co., Detroit, Minn.....	3-18-27	240 Bran	23.50
			120 Bran	29.00
			186 M	29.00
3-23	White Grain Co., Duluth, Minn.....	3-18-27	100 Bran	28.00
			200 M	29.00
3-26	Whitelaw Coop. Exch., Whitelaw	3-26-27	200 Bran	31.00
3-26	Parshall Frs. Coop. Elev. Parshall, N. D.....	3-24-27	30 Bran	33.50
			30 M	33.50
3-26	Spg. Grve Stock Grain, Spg. Grve, Minn.	3-25-27	60 Bran	32.00
			60 FM	35.00
			84 M	32.00
3-28	Goodridge Frs. Co., Goodridge, Minn.	3- 1-27	80 Bran	31.00
3-30	Cameron & K., Robinson, N. D.	3-23-27	100 Bran	31.50
			200 M	31.50
3-30	Farmers Exch., Benson, Minn.	3-30-27	60 Bran	29.00
			50 FM	33.00
3-30	Bagley Coop. Co., Bagley, Minn.	2-23-27	60 Bran	30.00
			150 M	30.00
			30 FM	34.00
3-31	Anton Bodahl, Maxbass, N. D.	3-28-27	50 Bran	31.50
			110 M	31.50
4- 1	Eagle Valley Coop., Clarissa, Minn.	3-14-27	180 Std.	30.00
			120 Bran	28.00

EXHIBIT "I"—(Continued)

4- 4	J. G. Crites, Lisbon, N. Dak.	3-26-27	40	Std.	30.50
4- 4	N. Y. Mills Fars. Elev., N. Y. Mills, Minn.	3-17-27	60	Bran	30.00
			60	M	30.25
			140	Std.	30.50
4- 5	Harmony Feed & Fuel, Harmony, Minn.	3-15-27	50	FM	35.00
			20	Std.	31.00
			160	FM	34.50
			20	Mix.	30.50
4- 5	Western Lbr. & Gr., Selfridge, N. D.	1- 3-27	40	Std.	33.50
6- 27	Whitelaw Coop. Exc., Whitelaw, Wis.	4- 6-27	20	FM	34.50
			300	Std.	30.50
4-27	A. H. Lee, Walhalla, N. Dak.	4- 7-27	40	Bran	29.50
4- 9	Eagle Valley Coop. Clarissa, Minn.	3-25-27	85	Std.	30.00
			158	Bran	28.00
4- 9	Ball Bluff Merc., Swan River, Minn.	3-22-27	100	Bran	29.50
			230	Std.	30.50
4-11	A. W. Elver, Middleton, Wis.	2-19-27	140	Std.	28.50
			60	Mix.	28.50
			150	Bran	28.50
4-12	Equity Coop. Elev., River Falls, Wis.	3-21-27	240	Bran	29.25
			100	Std.	29.75
4-12	Winger Fars. Elev., Winger, Minn.	3-21-27	40	Bran	29.25
			60	Std.	29.75
4-13	Delano Elev., Delano, Minn.	3-30-27	50	Bran	27.50
			300	FM	31.50
4-13	Eagle Bend Prod., Eagle Bend, Minn.	1-24-27	100	Std.	30.50
			135	Bran	29.50

TUESDAY, JANUARY 10, 1928

EXHIBIT "I"—(Continued)

Date Billed	Name and Address	Date Sold	Quantity	Price
1927				
4-15	Green Isle, Minn.	3- 3-27	100 Bran	29.50
			400 FM	34.00
4-15	Detroit Gr. & Fuel Co., Detroit, Minn.	4- 9-27	140 Bran	29.00
			50 Std.	29.00
4-26	Farmers Union, Mission Hill, S. D.	4- 8-27	140 FM	33.50
			100 Std.	29.00
			.60 Bran	29.50
4-27	Sundberg Roller Feed Mill, Kirkhover, Minn.	4-25-27	5 Bran	29.50
			135 FM	33.50
4-27	F. Goldberg Feed, Fargo, N. Dak.	4-25-27	120 Std.	27.50
			120 Bran	27.50
4-27	Halstad Merc., Halstad, Minn.	4-26-27	10 Bran	29.50
			10 FM	33.50
			20 Std.	29.50
4-29	Wm. Durrin, Northome, Minn.	4-29-27	60 FM	35.00
			80 Bran	31.50
			120 Std.	31.50
4-28	Merchants Whse., So. Hibbing, Minn.	4-13-27	60 Bran	29.50
			20 FM	33.00
			240 Std.	29.50
5- 3	Farmers Elev. Co., Lenard, N. D.	4-29-27	60 M	31.00
			200 FM	34.00

EXHIBIT "I"—(Continued)

5- 3	Gardner Bros., Sioux Falls	7-18-27	40	FM	30.00
			244	Bran	24.50
5- 3	Spring Grove Mr., Spring Grove, Minn.	4-25-27	80	Bran	30.50
			60	M	30.50
			60	FM	35.00
5- 4	H. Vehle, Twin Valley	4-22-27	100	Bran	30.00
			80	M	30.00
			20	FM	34.00
5- 4	Goldberg Feed Co., Fargo, N. Dak.	4-25-27	100	Bran	28.00
			100	M	28.00
5- 5	Goldberg Feed Co., Fargo, N. Dak.	4- 5-27	110	M	28.00
			100	Bran	28.00
5- 5	Northern Farm Prod., Baudette, Minn.	5- 2-27	50	Bran	30.00
			80	M	30.00
5- 5	Equity Milling Co., Wadena, Minn.	12-16-27	160	Bran	23.00
			160	M	23.00
5- 5	Quinilin & Co., Pelican Rapids	4-26-27	60	M	29.50
			40	Bran	29.50
4-15	Robert Hanson, Elliott, N. Dak	1-12-27	60	Bran	34.50
			60	Std.	30.00
4-16	Kathryn Fars. Elev., Kathryn, N. Dak.	1-19-27	160	Std.	30.00
			40	Mix.	30.00
			40	Bran	30.00
4-16	White Grain Co., Duluth, Minn.	4- 1-27	300	Std.	27.00
			100	Bran	28.00
4-16	Goldberg, Moorhead, Minn.	4-11-27	120	Std.	27.50
			160	Bran	27.50

EXHIBIT "I"—(Continued)

Date Billed	Name and Address	Date Sold	Quantity	Price
1927				
4-19	Sheltz Grain, Albert Lea, Minn.	4-16-27	100 FM	34.50
4-18	Warroad Coop., Warroad, Minn.	3-16-27	155 Std.	31.00
			130 Bran	31.00
4-20	New London Whse., Virginia, Minn.	4-7-27	310 Std.	29.50
4-20	Clouquet Coop., Cloquet, Minn.	4-13-27	350 Bran	29.00
4-20	O. C. Temple, Bemidji, Minn.	4-16-27	205 MF	29.50
4-20	Goldberg, Moorhead, Minn.	4-18-27	65 Bran	27.50
			65 Std.	27.50
4-20	Osborne Merc., Baker, N. Dak.	3-24-27	10 Std.	32.50
			20 Bran	32.00
4-21	Patrons Merc., Blackstone, Wis.	4-13-27	203 Bran	30.00
4-22	Larson Engh, Osnabrock, N. D.	4-21-27	5 Std.	30.50
			20 Bran	30.00
4-22	Brocket Merc., Brocket	4-21-27	10 Bran	30.00
			30 Std.	30.50
4-22	Goldberg, Moorhead, Minn.	4-15-27	80 Bran	27.50
			80 Std.	27.50
4-25	Sauk Farm Bureau, Sauk City, Wis.	12-13-26	80 Std.	26.00
			40 Std.	26.00
			240 Bran	26.00
4-25	Schwartz Bros., New Rockford, N. D.	2-18-27	20 Std.	31.00
4-26	Detroit Gr. & Fuel, Detroit, Minn.	4-21-27	100 Std.	28.50
			100 Bran	28.50

EXHIBIT "I"—(Continued)

4-26	P. J. Heggen, Mable, Minn.	3-21-27	30 Bran	30.00
			60 Std.	30.00
			160 FM	34.00
5- 5	B. T. San Smoak, Claire City, S. D.	4-27-27	60 M	29.50
			20 Bran	28.00
5- 7	Jacob Hub, Marion Jct., S. D.	5- 6-27	40 Bran	31.40
			40 M	34.90
5-10	Progressive Frs. of America, Francis Creek, W.	5- 7-27	40 Bran	29.75
			40 FM	32.50
			6 MF	29.50
5-11	Farmers Elev. Co., Vining, Minn.	4-22-27	80 Bran	31.00
			150 M	31.00
5-11	A. H. Lee & Son, Walhalla, N. D.	2-23-27	20 Bran	30.50
			40 M	30.50
5-11	A. D. M. Co., Spg. Green Fr., Spg. Green	3-17-27	260 Bran	28.50
			100 M	33.00
5-11	Eaglebend Prod. Co., Eagle Bend	1-24-27	110 Bran	29.50
			93 M	29.50
5-12	N. Y. Mills Elev. Co., N. Y. Mills, Minn.	4-13-27	80 Bran	29.50
			240 M	29.50
5-12	Frs. Equity Ass'n, Ashley, N. D.	5- 9-27	80 FM	34.00
			60 M	29.00
			60 Bran	29.50
5-12	C. Roe Gr. Co., St. Hilaire	5- 5-27	100 M	28.00
			40 Bran	29.00
			20 FM	33.00

TUESDAY, JANUARY 10, 1928

EXHIBIT "I"—(Continued)

Date Billed	Name and Address	Date Sold	Quantity	Price
1927				
5-12	C. Roe Gr. Co., Crookston, Minn.	5- 5-27	120 M	28.00
			60 Bran	29.00
			20 FM	33.00
5-13	Kiger & M., Alexandria, Minn.	4-27-27	140 Bran	29.00
			140 M	29.00
			40 FM	33.00
5-13	Coop. Elev. Co., Maple Plain	2-21-27	80 FM	34.40
			175 Bran	29.90
5-14	Far. Union Prod. Co., Irene, So. Dak.	2- 4-27	65 Bran	29.50
			65 M	29.50
			120 FM	33.50
5-16	Frs. Coop. Ass'n, Grasston	2- 2-27	100 Bran	24.00
			140 MF	24.00
			20 FM	29.50
5-16	New London Whse., Virginia, Minn.	5- 3-27	300 M	29.50
5-17	Schwartz Bros., New Rockford	5-10-27	20 M	30.50
5-17	Goldberg Feed, Moorhead, Minn.	5-16-27	40 Bran	29.00
			50 M	29.00
			50 FM	32.50
5-17	Merchants Whse., Chisholm	5-17-27	240 M	29.50
			60 Bran	29.50
5-18	Eagle Valley Coop., Clarissa, Minn.	5-17-27	60 Bran	29.50
			40 M	29.50

EXHIBIT "I"—(Continued)

5-18	Pidgeon Gr. Co., White Hill, Wis.	5-17-27	340	M	25.00
			20	FM	31.00
5-19	White Grain Co., Duluth, Minn.	5-19-27	300	M	30.00
			200	B	29.50
5-20	Frs. Coop. Prod. Co., Clearbrook, Minn.	5- 6-27	160	M	30.00
			40	Bran	31.00
			20	FM	35.00
5-20	Itasca, Co. Farm Bureau, Grand Rapids	5-20-27	80	Bran	29.00
			120	Bran	28.50
			40	Bran	29.00
			40	M	28.50
5-20	Merchants Whse., So. Hibbing	5-20-27	200	Bran	29.50
			100	M	30.00
5-21	Wausau Frs. Prod. Co., Wausau, Wis.	4-29-27	60	FM	33.50
			90	MF	31.00
5-21	Goldberg Feed, Fargo, N. Dak.	5-17-27	120	M	29.00
			40	Bran	28.50
5-23	W. H. Koch, Owatonna, Minn.	2-14-27	300	FM	32.70
			60	Bran	29.50
5-24	Farmers Exch., Benson, Minn.	4- 8-27	310	MF	21.00
5-25	J. G. Crites, Lisbon, N. Dak.	5-24-27	120	FM	36.00
			80	M	31.00
5-25	Holman Coop. Co., Midway, Wis.	4-23-27	100	Bran	30.00
			145	MF	30.50
5-25	Parshall Frs. Elev. Co., Parshall, N. D.	5-23-27	20	Bran	30.50
			20	M	30.50

TUESDAY, JANUARY 10, 1928

EXHIBIT "I"—(Continued)

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Date Billed	Name and Address	Date Sold	Quantity	Price
1927				
5-25	So. End Shipping Ass'n, Hope, N. Dak.	3-23-27	20 Bran	30.50
			20 M	30.50
5-26	Goldberg Feed, Fargo, N. D.	5-26-27	100 M	29.50
5-27	Frs. Coop. Co., Cloquet, Minn.	5- 2-27	400 M	29.00
5-28	Ball Bluff Merc. Co., Swan River, Minn.	5-28-27	360 M	29.50
5-28	Kiger & M., Alexandria, Minn.	5-23-27	160 M	29.50
			60 Bran	29.00
			40 FM	33.50
5-31	Detroit Grain & Feed, Detroit, Minn.	5-21-27	40 Bran	29.00
5-31	Alsen Frs. Elev. Co., Alsen	5-25-27	10 Bran	32.00
			10 M.	32.50
5-31	Goldberg Feed, Fargo, N. Dak.	5-27-27	60 M	29.50
			60 Bran	29.00
			40 FM	34.00
5-31	Goodridge Far. Elev. Co., Goodridge	5-28-27	50 M	31.00
			100 Bran	30.50
5-31	Brownsdale Cr. Ass'n, Brownsdale	5-31-27	140 FM	36.50
			80 M	32.00
			40 Bran	31.50
5-31	New London Whse., Virginia, Minn.	5-23-27	40 M	30.60
			220 M	30.00
			89 Bran	29.50

July 1, 1927.

Hon. A. G. Sorlie,
Governor,
Bismarck, N. D.

Dear Sir:

Pursuant to the call of the Chairman of the Senate Fact Finding Committee appointed by the Lieutenant Governor in the 20th Legislative Assembly, the committee met at Grand Forks, North Dakota on Monday, April 18th and Tuesday, April 19th, 1927, for a conference with the Governor, Mr. O. L. Spencer, Manager of the State Mill & Elevator Association, Mr. H. M. Webster, the wheat buyer, and Hon. H. A. Bronson, Counsel for the Mill & Elevator Association. The committee was represented by Sen. L. O. Fredrickson, Sen. Walter H. Schlosser, and assisted by C. U. Somers of the Equity Cooperative Exchange.

Supplementing the committee's confidential report made to the Governor during the closing days of the legislative session, we submit the following findings as facts which cause the operating losses to the Mill & Elevator Association.

1. The cost of wheat milled, as compared to average prices of wheat purchased in any other large market, is too high to permit the Mill to reasonably compete with other large mills on a cost milled basis.

2. The policy of selling flour in large quantities for less than the cost of the bare materials and transportation to sale destination, without any manufacturing cost added, is indefensible.

3. Utter lack of co-ordination between the buying and sales departments.

These statements will be enlarged upon later in this report.

The supplement to the 1913 compiled laws of North Dakota, section 368-c-6 of chapter 5, provide in part: Article A.— IT IS HEREBY DECLARED TO BE THE PURPOSE AND INTENTION OF THIS ACT, TO MAKE AND CONSTITUTE THE GOVERNOR OF THE STATE OF NORTH DAKOTA, THE ABSOLUTE AND SOLE MANAGER AND DIRECTOR OF THE BUSINESS AFFAIRS OF THE SAID MILL & ELEVATOR ASSOCIATION, AS FAR AS RELATES TO THE MANAGEMENT, OPERATION AND CONDUCT OF THE BUSINESS OF THE MILL AND ELEVATOR AT GRAND FORKS, WITH ALL THE POWER AND AUTHORITY OF BOTH THE BOARD OF DIRECTORS AND THE GENERAL MANAGING OFFICER OF A BUSINESS CORPORATION, AND THIS ACT SHALL BE LIBERALLY CONSTRUED TO EFFECTUATE THAT PURPOSE."

In view of the above section we feel that immediate steps should be taken by the Governor to correct the matters referred to.

It should be borne in mind that our findings are made from figures submitted by the auditors, and not from the records

of the institution, Mr. K. C. Nelson and Mr. O. B. Lund, the auditors, have willingly and promptly supplied the committee with all figures at their disposal.

The report of F. F. Burchard & Co., addressed to the Governor February 21st, 1927, makes the following observation which is interesting as well as significant, "The outstanding increase in cost is represented in the cost of wheat milled account. Exhibit "A" shows that wheat milled cost \$3,890,585.51 in 1925 as against flour and feed sales of \$4,942,816.79, and \$4,359,589.38 in 1926 as against flour and feed sales of \$5,195,024.77. It can readily be observed that wheat costs during 1926 are considerably out of line with such costs in 1925. Inasmuch as sales of flour and feed in 1926 were more in 1926 than in the previous year, wheat costs should be more to be sure, but the proportion of increase is far too great." The difference is later illustrated by the Governor's auditor showing the cost of wheat milled was 78 per cent of the flour and feed sales in 1925, as against a cost of 84 per cent in 1926, or a comparative increase in wheat cost of six per cent.

In submitting the comparative figures, cost of wheat at the mill is based on Minneapolis. The average prices for the calendar year 1926 of No. 1 Dark Northern at Minneapolis by months, and for the first half, the second half and the full year, are as follows:

	High	Low	Average
January	1.70½	1.51¼	1.60%
February	1.78½	1.64½	1.71½
March	1.70½	1.51¼	1.60%
April	1.69¾	1.60	1.64%
May	1.65	1.57¼	1.61%
June	1.67¼	1.59¼	1.63¼
July	1.77¼	1.67¼	1.72¼
August	1.65½	1.50	1.57%
September	1.51¼	1.39¼	1.45¼
October	1.52¼	1.43	1.47%
November	1.44¼	1.40	1.42¼
December	1.46½	1.42½	1.44½
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Average first 6 months	1.70¾	1.57%	1.63%
Average second 6 months	1.65%	1.47	1.51%
Average for year	1.63¼	1.52¼	1.57%

The average purchase cost of wheat milled to the Grand Forks Mill for the first 6 months was \$1.66¼; for the second 6 months, \$1.67¾; for the year, \$1.67%.

It will be noted that the average cost for all wheat at Grand Forks for the period January 1st to June 30th, 1926, was 2½ cents per bushel higher than the average No. 1 Dark Northern price at Minneapolis; that the period July 1st to December 31st, 1926, was 16¼ cents higher than the average No. 1 Dark Northern Minneapolis price, and that for the entire year the average cost of all wheat milled at Grand Forks was 9% cents higher than the average No. 1 Dark Northern price at Minneapolis.

While the comparison of cost of wheat milled with Minneapolis prices is for all grades at Grand Forks, only the No. 1 Dark Northern grade is taken at Minneapolis. It should be noted that among the purchases at Grand Forks are large quantities of No. 2, No. 3, No. 4, No. 5, some Sample Grade, and some Red Spring. These off grades, obviously, purchased at prices lower than the No. 1 Dark grade, should materially decrease the cost of wheat milled at Grand Forks below the average No. 1 Dark price at Minneapolis.

Another manner of expressing the same thing would be to say that in the first half of 1926 all Grand Forks wheat cost $1\frac{1}{2}$ per cent more than the No. 1 Dark Northern at Minneapolis; that in the second half of 1926 the cost was 10 6-10 per cent higher than No. 1 Dark Northern at Minneapolis, and for the calendar year the cost of all wheat was 6 1-10 per cent higher than No. 1 Dark Northern at Minneapolis.

It might be argued that it is the policy of the State Mill & Elevator Association to pay more for grain at Grand Forks than is paid in Minneapolis in order to build up a real farmers market. This would be feasible if a large percentage of the purchases were made from North Dakota farmers, but out of the total of 2,603,790 bushels of wheat purchased by the Mill and Elevator Association, only 105,073 bushels were purchased from individual farmers. This means nearly 96 per cent purchased from commission companies as against about 4 per cent from farmers. If the policy contemplated the opposite ratio, it would be most commendable.

It is most interesting to analyze the distribution of prices paid to individuals as compared to prices paid to dealers. The following tables by months are illustrative and clearly indicate that preference was at all times given to one firm, the Midland Grain Co.

The fact that individual shippers received materially less at Grand Forks than the value of their wheat at Minneapolis probably accounts for the small number of individual shipments. This policy would naturally destroy the confidence of North Dakota farmers in the integrity of the State Mill.

AVERAGE PURCHASES OF WHEAT FOR AUGUST, 1926

From Whom Bought	Grade	Protein Av.	Paid Av.	Mpls. Av.	% of Mpls. Av.
Midland Grain Co.	1 Do	13.62	1.59 5/8	1.52 1/8	104 9/10%
Benson-Quinn	1 Do	11.74	1.47	1.44 1/8	101 9/10%
Country Elevators	1 Do	11.81	1.45 1/4	1.44 1/8	100 7/10%
Individuals	1 Do	12.08	1.42 3/4	1.47 1/8	97 %

AVERAGE PURCHASES OF WHEAT FOR SEPTEMBER, 1926

From Whom Bought	Grade	Protein Av.	Paid Av.	Mpls. Av.	% of Mpls. Av.
Midland Grain Co.	1 Do	14.13	1.58 3/4	1.51 1/4	104 9/10%
Benson-Quinn	1 Do	12.78	1.49 1/2	1.46 3/4	101 8/10%
Country Elevators	1 Do	11.90	1.45 3/8	1.43 1/4	101 4/10%
Individuals	1 Do	12.40	1.42 1/8	1.45 1/4	97 8/10%

AVERAGE PURCHASES OF WHEAT FOR OCTOBER, 1926

From Whom Bought	Grade	Protein Av.	Paid Av.	Mpls. Av.	% of Mpls. Av.
Midland Grain Co.	1 Do	14.42	1.58 3/4	1.53 3/4	103 2/10%
Benson-Quinn	1 Do	11.99	1.49 1/4	1.46	102 2/10%
Country Elevators	1 Do	12.50	1.50 7/8	1.48	101 9/10%
Individuals	1 Do	12.94	1.47 1/4	1.49	98 8/10%

AVERAGE PURCHASES OF WHEAT FOR NOVEMBER, 1926

From Whom Bought	Grade	Protein Av.	Paid Av.	Mpls. Av.	% of Mpls. Av.
Midland Grain Co.	1 Do	14.28	1.54 5/8	1.45 3/4	106 %
Benson-Quinn	1 Do	12.43	1.45 1/8	1.42	102 2/10%
Country Elevators	1 Do	12.45	1.47 5/8	1.42	103 9/10%
Individuals	1 Do	11.60	1.46 1/2	1.41	103 9/10%

We find contracts for the purchase of large quantities of wheat from the Midland Grain Co. were entered into by the Mill at prices relatively 4 cents per bushel higher, according to the contracts, than the price paid to any other elevator or commission company for the same grade and protein content on the same date, and that these prices were nearly always far in excess of the highest priced car of the same grade sold on the Minneapolis market on the same day, and it should be borne in mind that over a half million bushels, or approximately 27 per cent of the entire amount milled, was purchased from the Midland Grain Co., in some instances costing the Mill $7\frac{1}{2}$ cents per bushel above the highest priced car of any kind of wheat sold on the Minneapolis market on the same date.

It is not disputed that the Midland Co. were favored in that the highest premiums were paid to them. It is argued that the Midland Co. had agreed to defer shipment on this grain to some future date and that this was the reason for the increased premium, but the contracts do not so indicate. Some half million bushels were purchased from the Midland, and in this entire quantity we find no record that any of the shipments were actually delayed. On the contrary, continual purchases were being made from the Midland, as well as other companies, before the preceding contracts had been fulfilled, and in some instances even partially fulfilled.

At the same time that these contracts were being entered into the sales department was selling flour at less than the cost of wheat and transportation because of anticipated lower premiums.

As far as we can determine, the practice of paying premiums above the highest market price, to Minneapolis commission companies is not good public policy and is unnecessary in connection with the State Mill. The contention that the payment of high premiums to the Midland and other companies is beneficial to growers seems to lack force, for the reason that the Midland purchased a large portion of grain sold to the Mill from line elevator companies. The Midland Company made profits as high as $9\frac{3}{8}$ cents per bushel on wheat bought from line companies and sold to the Mill. The average profit to the Midland on wheat bought from line companies and sold to the Mill is approximately $4\frac{1}{2}$ cents per bushel.

The wheat inventories at the Mill as of March 28, 1927, including the wheat hypothecated with the Bank of North Dakota, amount to approximately 675,000 bushels, and the warehouses of the Mill department are loaded with flour and feed of a value in excess of a quarter million dollars. At the rate at which flour was manufactured through the month of March, 1927, there was enough wheat and flour on hand to last the Mill for approximately five months. In spite of the large inventories, we are informed that the wheat buying department was, at the date of the meeting, contemplating large additional purchases of wheat, even though the making of profitable flour contracts at that time was difficult if not impossible.

An analysis of the distribution of purchases for the first half and last half of 1926 is as follows:

	1-1-26 to 6-30-26	6-30-26 to 12-31-26
	Per Cent	Per Cent
Commission Companies	53 8-10%	78 2-10%
Farmers & Independent Elevators	32 4-10%	15 8-10%
N. D. Grain Growers	9 7-10%	2-10%
Individuals	3 3-10%	4 3-10%
Local Elevator	8-10%	1 5-10%
	<hr/>	<hr/>
	100 %	100 %

Your attention is directed to the schedule of "Average" prices of No. 1 Dark Northern at Minneapolis. The average general price for No. 1 Dark Northern for the six months ending June 30th was \$1.63¼. The average cost of all wheat milled at Grand Forks during this same period was \$1.66¼. The prices during these six months, while possibly a little high, are consistent. During the second six months the average Minneapolis price of No. 1 Dark Northern was \$1.51¼. However, the average cost of all wheat milled at Grand Forks this period was \$1.67½, or 15¢ cents per bushel more than the average cost for the first six months, and in spite of a decrease in the Minneapolis price for the last six months of 12 cents per bushel.

Why the cost of wheat milled during the last six months should show an increase is rather hard to understand. Inasmuch as, the flour was sold for less money during the second period it is obvious that the bulk of the flour contracts could not have been made at the peak of the market. During the last half of the year 1926, there was an option loss reported of \$142,341.42. This indicates, of course, that flour contracts were entered into and these contracts were protected by purchases of futures. Just what volume of future trading was done we do not know, as there is no data available. But there is one thing peculiar about this option loss, and that is that it does not seem to reflect itself in the average purchases of the wheat. To sustain a loss of \$142,341.42, approximately 700,000 bushels of futures would have to be carried from the peak of the December option to the lowest point during the last six months of the year.

We find that the apparent policy is for the wheat purchasing department to buy wheat without consulting the mill management, and if losses accrue because too much grain is purchased at too high a price, the loss must be absorbed by the Mill department by the sale of flour at less than the cost of the materials.

We recommend that a change be made in the policy under which wheat is purchased and believe this can only be brought about by a change in the personnel of the wheat buying department.

Your committee made a survey of the elevator department and its equipment. We find that the elevator department is

equipped with modern cleaners and driers which apparently have been used but very little. We are informed that some of the cleaners 5 years old have not handled to exceed 20 carloads. We believe that a policy of merchandising could be established which would be of decided advantage to North Dakota growers. This could be brought about by cleaning, processing, mixing and merchandising wheat to mills between Grand Forks and the Minnesota terminals, as well as to many eastern interior mills.

The building of a terminal market at Grand Forks where our growers would have an outlet, particularly for off grade grains, was one of the primary, if not the most important, reasons for the establishment of a terminal elevator and mill within our state. The physical and financial facilities for a great terminal market have been provided and should be used in such manner as to be beneficial not alone to the Mill & Elevator Association, but to those farmers who have so loyally and ardently supported the movement responsible for this Mill, and who have made untold sacrifices in the movement which made this great institution possible.

A casual survey of those who sell direct to the Mill clearly indicates that if benefits are derived they are not going to farmers, but to preferred private corporations, mostly from foreign states.

Regarding the sales and sale policy in general, what is true of wheat purchases with respect to indirect benefits to the citizens of North Dakota seems to be true in flour sales. It is true that, generally speaking, flour sold in North Dakota and the neighboring territory is sold at a profit of approximately 50c a barrel, whereas flour sold to the eastern seaboard nets a loss of \$1.00 or more per barrel.

A list of quotations for North Dakota territory, based on price of Dakota Pride Flour, f. o. b. Mill, as compared with contract prices for the same brand and grade of flour delivered to Eastern Seaboard, indicates that the Eastern market was favored as against North Dakota in many instances over \$1.50 per barrel.

In June, 1926, a single contract of 7000 barrels was entered into at a price of \$7.40 delivered, while the cost of the material alone was \$7.77. This material cost does not include manufacturing cost, overhead, interest or depreciation. The loss, therefore, on materials alone is 37c per barrel. An explanation of this sale by Mr. Spencer is that the Mill, at that time, had on hand approximately 383,000 bushels of wheat bought at a high premium and that the sale was made because of anticipated drops in premiums from which losses might accrue.

Another contract was entered into for the same given reason, on August 21, 1926. This sale was 10,000 barrels at a loss of 18c per barrel based on the bare materials, while the loss, including manufacturing costs, is \$1.38 per barrel.

As stated before, the reason given for these sales is the large inventory of high priced wheat and the sales depart-

ment were endeavoring to minimize anticipated losses by making flour sales. Even in the face of these losses, additional purchases were made in this period of over 300,000 bushels, or considerably more than the total sales.

One firm, the Seaboard Flour Corporation, purchased approximately 40 per cent of the entire output of flour during the year 1926, and in no single contract reported by Mr. Lund was there an operating profit shown to the Mill, after allowing \$1.00 per barrel operating cost. Some contracts show as high as 57c per barrel gross loss on materials and delivery cost alone. Practically all of this flour is packed and sold under the private brand of the Seaboard Flour Corporation; naturally, therefore, state flour is not being advertised, nor is the brand owned by the State Mill being built up.

Otto Briske, the head of the Seaboard Flour Corporation, is formerly a Minneapolis man and a former associate of I. S. Joseph, president of the preferred Midland Grain Co.

Reports of sales to Dundas Bros., Philadelphia, Jules Junkers, Inc., Philadelphia, Jos. Binstock, Philadelphia, the Seaboard Flour Corporation, Boston, show an invariable operating loss to the Mill; in other words, in no single instance is a profitable eastern sale reported.

The contrary is true with respect to sales in the natural territory, in North Dakota and Minnesota. These sales, almost invariably show a profit, except certain sales made to the Goldberg Feed Co. of Moorhead, Minn., which leads us to wonder if Henry Ford is right.

In analyzing the feed sales we find that approximately half of all the feed manufactured during the calendar year 1926, was sold to the I. S. Joseph Co. of Minneapolis. I. S. Joseph, incidentally, is president of the Midland Grain Co. These feed sales to the I. S. Joseph Co. in the approximate amount of 12,000 tons, are made mostly at 50c per ton less for pure bran than the Minneapolis quotations on the same date, and \$1.00 per ton cheaper for Standard Middlings, as compared to Minneapolis. We are informed that a large quantity of these feed contracts are unfilled at the time of our meeting and that penalties as high as \$7.00 a ton have accrued on the unfilled contracts. We note also that these large feed contracts to the Joseph Company are invariably made at week ends, mostly on Friday and Monday. The prices of feed sold to the Joseph Company are relatively lower in all instances than those charged to customers in North Dakota, Minnesota and Wisconsin.

An examination of the reports submitted to the Board of Audits discloses discrepancies in wheat statements which are unaccounted for. We call your attention to the following:

WHEAT PURCHASED AND MILLED

PERIOD JAN. 1, 1926 to JUNE 30, 1926

Inventory, Jan. 1-26, net bushels	695,840.55
Purchases, Jan. 1-26 to June 30-26, net bushels	670,792.30
Total	1,366,633.25

Ground to flour, Jan. 1-26 to 6-30-26	869,110.00	
Inventory, net bushels	487,561.35	1,356,671.35
Shortage, net bushels		9,961.50
PERIOD JULY 1, 1926 TO DEC. 31, 1926		
Inventory, June 30-26, net bushels		487,561.35
Purchases, June 30-26 to Dec. 31-26		1,932,997.50
Total		2,420,559.25
Ground to flour July 1-26 to Dec. 31-26	1,737,027.00	
Inventory, Dec. 31-26, net bushels....	731,036.29	2,468,063.29
Long, net bushels		47,504.04
SUMMARY		
Wheat net short, 1st period	9,961.50	
Wheat net long, 2nd period		47,504.04
Wheat net sold		9,560.35
Difference in figures submitted:		
Auditor's purchases	2,603,790.20	
Mill records	2,602,468.45	1,321.35
Total net overage for year		48,424.24

After crediting a shrinkage of 13,124 bushels in the first six months and 17,115 bushels in the second six months of the calendar year, there remains a net overage of wheat for the year amounting to 48,424.24 bushels of a value of approximately \$72,000.00.

It would be quite reasonable in handling over 2,600,000 bushels of wheat, to have an overage or shortage of this amount, but in view of the fact that this is an overage it should materially reflect itself in the balance sheet.

In submitting statements to the Board of Audits, interest, depreciation and operating expense are divided on a monthly or semi-annual basis. Consideration should be given to the fact that one-third of the flour is manufactured in the first half of the year and two-thirds manufactured in the last half of the year; hence, overhead and interest should be figured proportionately.

The cause of the losses is readily apparent by an examination of the gross income and the operating costs for the first half and the last half of the year.

The following table shows the cost of wheat, the amount of wheat used per barrel, the material cost per barrel average, and the selling price per barrel average, and the gross profit:

AVERAGE COST OF WHEAT MILLED AND AVERAGE SALE PRICE OF FLOUR					
	Cost of Wheat	Wheat Used	Cost per Bbbl.	Selling Price	Gross Wheat Profit
1st 6 mo.	1.66 1/4	4.37	7.68	8.66 7/8	.98 5/8
2nd 6 mo.	1.67 7/8	4.34	7.65	7.98 1/8	.33 1/8

The comparative operating costs are as follows:

COMPARATIVE OPERATING COSTS

	Jan. 1st, 1926 June 30, 1926	June 30, 1926 Dec. 31, 1926
Operating Expense .....	.505	.363
Selling Expense .....	.32	.232
General Expense .....	.147	.087
	<u>.972</u>	<u>.682</u>

This discloses that without considering interest or depreciation and with the outlet for the first six months period only one-third of the total for the year, there was a profit over and above material and operating costs of 1 3/10c per barrel. During the last half of the year when the abnormally high prices were paid for wheat, and when flour was sold for less than material cost, there was a loss of 35 1/10 cents per barrel after taking into consideration the operating costs.

CO-ORDINATION. It appears to the committee that there is an utter lack of co-ordination between the buying and selling departments at the Mill. We believe that this should be corrected by placing one man in sole charge as the Governor's personal representative, making all departments responsible to this one man and he in turn responsible to the Governor. As stated earlier in this report, the buying department makes purchases without consulting the manufacturing or sales end. It is obvious that this method is detrimental to the State's interest.

Your committee has given much careful thought and consideration and study to this report. We believe that corrections of the matters referred to in this report will enable the Mill & Elevator Association to take its proper place as a great beneficial institution to the producers in our state.

It is within your power, Mr. Governor, as the Chief Executive and managing officer of this institution, to make it a market such as it was originally intended to be by its sponsors. Our state is properly referred to as the bread basket of America. No one will gainsay that from the standpoint of production of new wealth, taken from the soil each year by our people, that North Dakota stands without a peer in this Union.

The primary purpose in the erection of the State Mill & Elevator was the establishment of an open market for the benefit of the man behind the plow. You can, by efficient management, make this institution not only a financial success, but a boon to the harrassed farmers of our state.

The co-operation and advice of this committee is at your disposal. We would take pride in assisting you to make this institution the success its sponsors hoped it would be.

We sincerely hope and trust that this report will be given

careful consideration and that proper action will be taken without delay.

Yours very truly,
SENATE FACT FINDING COMMITTEE.

D. H. Hamilton,
Walter H. Schlosser,
L. O. Fredrickson.

C. W. Somers,
Special Assistant.

FIRST REPORT MADE TO GOVERNOR SORLIE

March 2, 1927.

To The Governor:

In analyzing the situation with respect to wheat purchases it must be borne in mind that all data is not available to this committee. Our conclusions are based upon information furnished from the audits of O. B. Lund, a detailed statement of wheat purchases by K. C. Nelson, and some contracts of purchase and confirmations of purchase with various grain companies and individuals.

We will first cover wheat purchases made on Aug. 30, 1926, from four different grain companies. On the above date 25, 80,000 pound capacity cars of Dark Northern were purchased from the Midland Grain company of Minneapolis. (See confirmation No. 1005.) This purchase comprised about 35,000 bushels and was specified as No. 1 Dark Northern, 12 protein, and bought at a premium of 14 cents over the Minneapolis September wheat option, with an additional premium of two cents for each additional one per cent of protein up to 15 per cent, and additional premium of one cent for each pound over 58 and under 60. Obviously on this basis No. 1 Dark Northern 14 percent protein would be 18 cents over September.

On the same date 10 cars or approximately 14,000 bushels of No. 1 Dark Northern 14 protein were purchased from McCaull-Dinsmore of Minneapolis (see contract of purchase No. 1037) at 14 cents over September, and 25,000 bushels of No. 1 Dark Northern 14 protein at 14 cents over September, from the Cargill Elevator Company, of Minneapolis (see contract of purchase 1035). Also 25,000 bushels of No. 1 Dark Northern 14 percent protein at 14 cents over September from McCabe Brothers of Minneapolis, (see contract 1039). It is our opinion from the best information available to us that the latter three contracts are about at the market while it is obvious that the first is made at four cents per bushel above the market.

On August 16, 1926, five 80,000 capacity cars were purchased from Patten & KJose of Great Falls, Mont., at 13 cents over September for 13 protein with 1 cent premium or discount for each additional percent protein. On the same date the Midland Grain Company of Minneapolis sold 25 cars of No. 1 Dark Northern 12 protein at 13 cents over Minne-

apolis September option with an additional premium of two cents for each one percent of protein above 12. The cost of this wheat on equal basis was two cents per bushel over the purchase made from Patten & KJose. (See contracts No. 916 and 197.)

On Sept. 7, 1926, 15,000 bushels of 1 Dark Northern 12 percent protein was purchased from the Farmers Elevator company of Noonan, N. D., at 11 cents over the September option, (see contract 1094) and on the following day 15 80,000 capacity cars of 1 Dark Northern 12 protein were purchased from the Levant Elevator company of Grand Forks at 12 cents over the September option. Any number of comparisons similar to the above are available in an analysis of wheat purchases. It is significant that where a comparison can be made of like grade and protein on any even date, invariably the figures indicate that wheat purchased from the Midland Grain company of Minneapolis cost the state mill and elevator association more than wheat purchased from other grain companies; while it appears that almost invariably when individual farmers, farmers co-operative or independent elevators consigned to the state mill they would receive less than was paid to commission companies on the same date, and apparently less than the market. To illustrate further we will set forth a few contracts of purchase made on even dates as tersely as possible:

Date	Bought from	Grade	Protein	Cost	Diff.
Aug. 16—	Midland Grain company, 1391 bu.	1 H	12.28	1.60½	.....
Aug. 16—	Patten & KJose, 1556 bu.	1 H	13.16	1.58½	.02%
Aug. 16—	Patten & KJose, 1 car	1 H	12.64	1.57%	.02%
Aug. 16—	Patten & KJose, 1 car	1 DN	14.00	1.59½	.01%
Aug. 16—	Patten & KJose, 1 car	1 DN	12.80	1.58¾	.01%
Aug. 25—	Midland Grain company, 1437 bu.	1 D	13.44	1.60½	.....
Aug. 25—	Benson-Quinn company, 1 car	1 D	13.52	1.56½	.04
Aug. 30—	Midland Grain company, 1450 bu.	1 H	12.48	1.56%	.....
Aug. 30—	McCabe Brothers, 1 car	1 H	12.48	1.53½	.....
Aug. 30—	McCabe Brothers, 1 car	1 H	12.68	1.53½	.....
Note—On Sept. 2, two cars from Lorraine bought from the Benson-Quinn company are right in line with the above mentioned purchase from McCabe Brothers.					
Aug. 30—	Midland Grain company, 1 car	1 DN	13.18	1.56%	.....
Aug. 30—	Malvor Everson, 1 car	1 H	13.64	1.53%	.02½
Aug. 31—	Charles Ryan, 1 car	1 D	11.36	1.38	.....
Aug. 31—	Quinn-Shepardson, 1 car	1 N	10.40	1.49%	.11%
Aug. 31—	Quinn-Shepardson, 1 car	1 N	11.96	1.50%	.12%
Sept. 7—	Midland Grain Company, 1407 bu.	3 DN	15.90	1.54%	.....
Sept. 6—	A. C. Erb, 1421 bu.	3 DN	17.12	1.49½	.05¼
Sept. 30—	Midland Grain company, 1447 bu.	1 DN	14.88	1.58%	.....
Sept. 30—	McCabe Brothers, 1393 bu.	1 DN	14.80	1.53½	.05%
Sept. 30—	Midland Grain company, 1450 bu.	1 DN	13.56	1.56%	.....

TUESDAY, JANUARY 10, 1928

Date	Bought from	Grade	Protein	Cost	Diff.
Sept. 30—	McCabe Brothers, 1411 bu.	1 DN	14.92	1.54	.02%
We will illustrate further by showing a few contracts in which prices are based on the Minneapolis option for December wheat.					
Aug. 30—	Midland Grain company, 25 cars	1 DN	12.00		14c over Mpls. Dec.
Aug. 30—	Levant Grain company, 20 cars	1 DN	12.50		12c over Mpls. Dec.
Note—On the above date, Benson-Quinn sold two cars of like grade and protein at 7c over, while the Farmers elevator sold one car of the same grade and protein at 6c over. (See contract 10013.)					
Sept. 1—	Levant Grain company, 1 car	1 DN	12.32		10c over Mpls. Dec.
Sept. 1—	Individual, 1 car	1 DN	12.28		8c over Mpls. Dec.
Sept. 1—	Individual, 1 car	1 DN	12.32		8c over Mpls. Dec.
Sept. 1—	Midland Grain company, 25 cars	1 DN	12.00		14c over Mpls. Dec.
Sept. 1—	Noonan Farmers Elevator company, 20 cars	1 DN	13.00		13c over Mpls. Dec.

The report of F. F. Burchard and company, addressed to the governor, dated Feb. 21, 1927, makes the following observation which is interesting as well as significant.

"The outstanding increase in cost is represented in the cost of wheat milled account. Exhibit A shows that wheat milled cost \$3,890,585.51 in 1925 as against flour and feed sales of \$4,942,816.79 and \$4,359,589.38 in 1926 as against flour and feed sales of \$5,195,024.77 It can readily be observed that wheat costs during 1926 are considerably out of line with such costs in 1925. Inasmuch as sales of flour and feed in 1926 were more in 1926 than in the previous year wheat costs should be more to be sure, but the proportion of increase is far too great."

The difference is later illustrated by the governor's auditor showing that the cost of wheat milled was 78 percent of the flour and feed sales in 1925 as against a cost of 84 percent in 1926, or a comparative increase in wheat cost of six percent.

We believe that a complete analysis of the wheat purchased from the Midland company would show that the Midland's wheat cost from two to four cents per bushel more than the market value thereof, or at least the cost as compared to other purchases. During 1926, the Midland company sold the mill over 500,000 bushels of wheat, indicating that this source of loss would have some bearing on the increased cost of wheat milled.

It is true that our observations indicate that farmers as well as farmer-owned and independent elevator companies seem to have received less than other companies for wheat and this probably offsets in some degree the losses sustained through purchases from the Midland company.

It is well to bear in mind that of approximately 2,500,000 bushels purchased for the mill about 20 per cent was bought from the Midland company, about 20 per cent from farmer-owned and independent elevators, about four per cent from individuals and the balance from commission houses.

Much public stress has been laid upon the claim that large indirect profits have accrued to North Dakota farmers through wheat sales made direct to the mill. Your committee does not find any single instance where any individual farmer or any farmer-owned or independent elevator company received comparatively as good a price as was paid to grain commission firms. The indirect benefits of increased prices, if any, have gone to grain dealers outside of the state rather than to North Dakota farmers.

The Midland company sold almost twice as much as any other individual commission firm and approximately as much as all farmer-owned or independent elevators combined. In passing we might note that the Midland is a small company operating none, or very few, elevators at most. They usually buy grain on track from line companies, farmers' elevators and individuals, ostensibly for the purpose of taking a profit.

SUMMARY OF WHEAT PURCHASES BY MILL DEPARTMENT

Jan. 1, 1926, to Dec. 31, 1926

Commission Companies	Bushels purchased in N. Dak.	Bushels purchased outside N. Dak.	Total bushels purchased	Value
Midland Grain company	208,062.40	305,115.35	513,178.15	826,669.89
Hallet & Cary	5,761.45	4,412.00	10,173.45	16,412.76
Van Dusen Harrington company .....	.....	1,384.05	1,384.05	2,307.95
G. P. Wymn	1,432.10	.....	1,432.10	2,391.72
W. C. Mitchell company .....	.....	38,271.10	38,271.10	59,966.25
Atwood Larson company	2,832.50	.....	2,832.50	4,925.54
Smith Tyner .....	.....	43,952.20	43,952.20	74,691.79
Cargill Commission company	233,497.25	45,124.20	278,621.45	436,286.60
Levant Elevator company	141,595.30	52,865.25	194,460.55	301,572.85
McCabe Brothers company	36,835.40	61,956.35	98,792.15	161,112.46
Quinn-Shepardson company	81,058.30	170,325.20	251,383.50	404,221.87
Dalrymple company	4,636.20	.....	4,636.20	8,339.34
Benson-Quinn company	167,182.50	25,659.05	192,841.55	293,718.63
McCaull-Dinsmore company	31,019.30	11,551.20	42,570.50	67,531.41
Winter-Truesdale-Diercks	2,865.55	23,256.15	26,122.10	43,172.33
Northern Grain company .....	.....	18,413.25	18,413.25	30,428.17
Beecher-Barrett-Lockerby	2,823.35	5,542.20	8,365.55	13,315.39

TUESDAY, JANUARY 10, 1928

SUMMARY OF WHEAT PURCHASES BY MILL DEPARTMENT—Continued

Salyards Grain company	9,463.30	8,680.40	18,144.10	27,439.12
The Tenney company	1,535.30	1,535.30	2,439.53
Patten-Kjose company	125,034.25	125,034.25	195,242.70
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Total purchases from commission companies	930,603.40	941,544.20	1,872,148.00	2,972,186.30
Farmers and independent elevator companies	508,846.20	14,069.05	522,915.25	823,491.32
North Dakota grain growers	67,132.45	1,453.50	68,586.35	113,554.05
Individuals	88,697.05	16,376.00	105,073.05	158,009.92
Local "B" elevator	35,067.15	35,067.15	50,284.83
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Total wheat purchases	630,347.05	973,443.15	2,603,790.20	4,117,526.42

Bushels purchased from commission companies is 72.2 per cent of total bushels purchased.

Dollars paid for wheat to commission companies is 71.9 per cent of total dollars paid for wheat.

Total bushels purchased outside North Dakota is 37% per cent of total bushels purchased.

Bushels purchased from commission companies from outside of North Dakota is 50.3 per cent of total bushels purchased from commission companies.

What is true of wheat purchases with respect to indirect benefits appears to be true in flour sales. It should be added, however, that in the sale of flour in eastern markets, many contributing factors must be taken into account. The competition of eastern and southern mills grinding large quantities of southwestern winter wheat, the more favorable freight rate structure under which these mills operate and their presumably lower overhead cost are all factors. We find, however, in contracts examined, that in general flour sold within the State of North Dakota is sold at a price profitable to the mill including material cost, operative expense and interest on bonds. In some instances, flour has been sold to eastern dealers at less than material and transportation cost, exclusive of any operating cost.

One firm, the Seaboard Flour corporation, has purchased approximately 40 per cent of the entire mill output of flour during the year 1926, largely at a loss to the mill. Practically all of this flour is packed and sold under their private brand. Naturally, therefore, state flour is not being advertised nor is the brand owned by the state mill being built up.

A list of the quotations for North Dakota territory based on price on Dakota Pride flour C. O. B. mill, as compared with the contract prices for the same brand and grade of flour delivered to Boston, indicates that the Boston market was favored as against North Dakota in many instances over \$1.50 a barrel.

It appears that generally speaking, flour sold in North Dakota and the neighboring territory is sold at a profit of approximately 50 cents a barrel, whereas flour sold to the eastern seaboard nets a loss of \$1 or more per barrel.

We are advised that the Durum unit in the Grand Forks mill was converted this year into a spring wheat unit while it appears from available information that Durum milling in 1926 was exceptionally profitable to Durum millers.

In view of the fact that the experience of the mill seems to prove that the greater the volume the greater the loss it would appear that increasing spring wheat milling facilities would tend to increase losses.

The natural territory of the Grand Forks mill produces large quantities of excellent milling Durum. Therefore, Semolina should be manufactured at Grand Forks profitably. The diversion of products should tend to profits rather than losses and increase the value of the mill property by giving greater service to our producers.

It is our impression that greater efficiency in wheat purchasing, flour sales and mill management could be obtained by centralizing complete authority in one efficient individual as general manager and making him alone responsible for successful operation.

FACT FINDING COMMITTEE,
Frederickson,
Schlosser,
Hamilton.

Bismarck, North Dakota, March 2, 1927.

FACTS FINDING COMMITTEE'S COMMENTS

On August 24th, 1927, the Facts Finding Committee, gave out the following comments thereon, following a two days' meeting at Grand Forks:

"This committee was appointed in the last days of the last legislative session, and its purpose as outlined at that time, was that this committee should function as an interim committee and study the problems of the mill and elevator, and recommend to the next session of the legislature, a future policy for the conduct of its affairs.

"Since the publishing of the committee report in the senate journal during the session, the members have continued their work in connection with the mill and elevator and have submitted two separate reports to the governor and each of these reports have contained recommendations relative to the manner in which the business of the mill should be conducted.

"It is our purpose in this report which we are giving to the press of the state, to outline these recommendations and to state the manner in which these suggestions have been received and acted on by the mill management.

"Our findings have been based upon the audits of the state mill and elevator for 1926 which was the most disastrous from a financial standpoint in the institution's history. In fairness, it must be admitted that conditions over which the management had no control were responsible for a measure of this showing, because in 1925 the plant was comparatively successful, showing an operating profit; however, the committee found this showing was further augmented by the following facts:

"1. The cost of wheat milled, as compared to average prices of wheat purchased in other large markets, is too high to permit the mill to reasonably compete with other large mills on a cost milled basis.

"Had these higher prices been paid to the farmers of North Dakota, there would be little cause for complaint. But, it was shown to our satisfaction that the individual shipper and the country elevator received less for similar grades of grain than did the large commission houses.

"Our committee has at no time, taken the stand that the mill should refrain from doing business with the Minneapolis commission house, but it does object to anyone of these commission firms and grain companies receiving more than the market value of the grain sold. It was also a recommendation to our committee that as far as possible the mill should purchase their grain direct from North Dakota elevators and from individual shippers and farmers' associations.

"This point has been met by the mill management by a change in the personnel of the wheat buying department, and the adoption of a different policy on the part of that department. In the future, we are told, it will be the policy of said department, to purchase, as far as it is possible, all their grain from the North Dakota elevators direct, and from grain companies that are represented on the local terminal exchange.

"It is our recommendation however, that the mill purchase wheat on the basis of its actual milling value without any discrimination as to whom the sellers may be. We commend the efforts and expressed policy of the state mill and terminal management to establish at Grand Forks pursuant to constitutional and statutory provisions a grain marketing terminal and center for producers and shippers of North Dakota grain.

"2. 'The policy of selling flour in large quantities for less than the cost of the bare materials and transportation, without any manufacturing cost added, is indefensible.'

"During 1926, large losses were sustained by large volume sales of flour in eastern markets. This is not disputed by the management but is defended on the ground that the increased volume resulting from these sales resulted in a lower overhead cost per barrel on all the grain milled.

"Our committee appreciates the value of a large volume of production in keeping costs down, but it has been pointed out that the advantage gained by this increased volume during 1926 was in no way sufficient to off-set the losses sustained in making these sales.

"The record of the mill thus far in 1927 indicates that a healthier condition exists in reference to eastern sales.

"The volume has been materially reduced and the sales, we are informed, have been made on a much better basis. As a result a profit is shown on these sales, and furthermore, flour milled for eastern consumption, has enabled the mill to keep one unit of the mill in operation during the first seven months of the year.

"3. 'Lack of co-ordination between the buying and sales departments. We find that the apparent policy is for the wheat purchasing department to buy wheat without consulting the mill management, and if losses accrue because too much grain is purchased at too high a price, the loss must be absorbed by the mill department by the sale of flour at less than the cost of the materials.'

"It is evident to the most casual observer that an organization of this kind would show the best results with a centralized management.

"There necessarily must be departments with their own work to perform, but these departments should not work at cross purposes, and it is the function of the manager to bring these departments together so that the best co-ordination possible will prevail.

"It is our opinion that this lack of co-ordination was responsible for some of the mistakes made in 1926.

"The recommendation of our committee that some one man be given sole charge of the active management of the mill and elevator has been carried out by the governor. Mr. Spencer, we are informed, is now the active head of the entire plant, and the heads of the other departments are answerable to him.

"The success or failure of this plan will rest entirely upon Mr. Spencer and in our opinion, will result in a marked improvement. Failure to show improvement, can only result in

the event that Mr. Spencer fails to measure up to the demands of his new responsibilities.

"This, in brief, constitutes the three parts covered in our report and also gives an outline relative to the manner in which our recommendations have been received.

"Our contact with the mill and elevator affairs has given us an appreciation of the difficulties with which the management has to contend. And it has not been the purpose of this committee to tear down, but to offer such constructive criticism as would enable the mill and elevator to better function to the advantage of the North Dakota farmer.

"We have been and will be assisted in our work by C. U. Somers, of the Equity Co-operative exchange. He has provided the committee with a technical knowledge of the grain trade and his services have been extremely valuable.

"In our contact with the affairs of the mill and elevator, we have been impressed by the results obtained by Mr. Bronson, who has been assisted by Mr. Durant of the Grand Forks Commercial club in obtaining more favorable freight rates and tariffs for the mill. Progress in this work is necessarily slow, but much has been accomplished by the hard work of these men. One cannot come in contact with Mr. Bronson without being impressed by his sincerity of purpose.

"The auditor's report for the first seven months of 1927 indicates an operating profit of \$39,000. This is the first time in the history of the mill that an operating profit has been shown during the first seven months of the year. It is true that an analysis of these profits shows that it is in part represented by an increased value in grain and mill products on hand, due to increased premiums on wheat. However, credit must be given for an improvement in the manner in which operations have been conducted during the past seven months.

"This committee wishes to thank all connected with the mill and elevator for the courteous treatment it received and the facilities placed at its disposal.

"It is the expectation of the committee that a further report will be presented to the next session of the state legislature covering the situation at the mill and elevator as it may develop up to that time.

"The points made in the foregoing report are the recommendations which were more completely covered in previous confidential reports to the governor. These reports have not been given to the public because it was the opinion of the committee that the interests of the mill and elevator as an institution capable of giving service to the people of the state could be best served by having the management correct such faults as might exist within the organization.

"These reports to the governor were based on the record of the past year and it is not difficult to find fault with the way things have been handled after the work has been done. We have not felt that it was the function of the committee to find fault with past methods but that we should determine from the records of the past, policies which would operate to better conditions in the future. And it is our opinion that the management should be given a fair opportunity to test out the changes that have been made."

AUDIT REPORT
of
STATE MILL AND ELEVATOR
GRAND FORKS, NORTH DAKOTA

From
JANUARY 1, 1927

to

JUNE 30, 1927

O. B. LUND
Auditor and Accountant
Bismarck, North Dakota

Hon. Geo. F. Shafer,
Hon. John Steen,
Hon. Robert Byrne,
Members State Board of Auditors,
Bismarck, N. Dak.

Gentlemen:

In compliance with your instructions we have made the semi-annual audit of the records and vouchers, and taken an account of the Assets and Liabilities of the State Mill and Elevator, at Grand Forks, North Dakota, covering the period from January 1, 1927, date of our previous audit, to June 30, 1927, and respectfully submit herewith the report of our examination, consisting of Balance Sheets, Operating Statements and supporting schedules in detail, covering the Assets and Liabilities of the institution as the same appeared at close of business June 30, 1927, which, in my opinion, reflect the true financial condition of the institution on that date, using the cost value of the plant and equipment as carried on the books of the State Mill and Elevator.

In co-operation with the auditor appointed by the State Industrial Commission and the assistance of the employees of the State Mill and Elevator we took physical inventory of all grain on hand by actual weighing of same. Representative samples were gathered of all wheat on hand, this was graded, and certificates of grade issued under the U. S. Grain Standards Act by the grain inspector in charge at the Mill. Samples of all mill wheat on hand were tested by the chemist in charge of the mill laboratory for its gluten content, and the findings of his analysis reported to us. The wheat is priced in our inventories on basis of Minneapolis July option close on June 30 with the average cash premiums prevailing on that date added.

The mill products and packages on hand at the mill warehouses were inventoried by us by actual count, and priced at cost in Grand Forks. The flour and feed stocks belonging to

the Mill that are stored outside of Grand Forks were not counted by us, but were taken as appearing on the mill records, as verified by the employees of the Mill.

The Mill operated only 31% time on the basis of 300 twenty-four hour days during the six months covered, manufacturing 185,231 barrels of flour.

We find the total net loss of the plant for the six months ending June 30, 1927, exclusive of Construction Bond Interest to be \$25,719.38, or a per barrel loss of thirteen and eighty-eight hundredths cents per barrel. The loss including the interest on the Construction Bonds amounts to \$111,719.38, or sixty and thirty-one hundredths cents per barrel flour manufactured.

The losses per barrel, even with less volume output, show a reduction over the year 1926. This is due partly to confining their sales more to the State of North Dakota and nearby territory, and partly to the increased cash premium on mill wheat over the prevailing prices at date of our previous audit, Dec. 31, 1926.

The Mill hedges all purchases and sales of wheat and flour and is protected against the future wheat option price, but has no way of hedging or protecting against the fluctuation of the cash wheat premiums, therefore the rise or fall of cash premiums is reflected in the financial statements of the Mill in the pricing of the wheat on hand at date of audit.

Our audit report of the State Mill and Elevator of Dec. 31, 1926, was set up in the customary way showing the Profit and Loss Statements for the year and Balance Sheets of Assets and Liabilities, with the detail schedules of liabilities and assets, as they appeared at close of the year 1926, showing a loss including interest on the bonded indebtedness for the year 1926 of \$429,147.51, compared with \$188,403.05 for the year 1925, and \$230,959.81 for the year 1924, each year's operation computed on the same basis.

The Legislative Committees appointed to investigate the affairs of the Mill and Elevator were not content with the information as set up in the audit report for 1926 but wanted more detailed information as to what brought about a condition that made the loss for the year 1926 appear so much greater than for the previous years, with the statements computed on the same basis for each year's operations.

After closing our report of Dec. 31, 1926, we co-operated with the Legislative Committee in analysing the cause for the increased loss appearing in our statements. It was found that to obtain complete necessary information to get to the bottom of all the activities of the institution would involve more expense and time than was available before the close of the Legislative Session. Sufficient information was gathered however to determine that the largest losses were due to the purchase of wheat from Commission firms at prices above market, and the sale of mill products in the eastern markets below costs of production.

In our examination of June 30 we have made some further investigation of the details of the purchase of wheat and sale of mill products, and are listing some of the larger items in detail in this report.

WHEAT PURCHASES

The Midland Grain Company of Minneapolis appeared to be the most favored in the wheat purchases.

Contracts for the purchase of 318-80,000 lb. capacity car loads of wheat were entered into between the wheat buyer at the Mill and the Midland Grain Co. of Minneapolis. Contracts entered into will be found listed on page following 62.

After securing these contracts the Midland Company purchased this wheat from local grain elevators and wheat shippers in western North Dakota and Montana, to be shipped to the State Mill to fill said contracts.

In order to get at the price received for the wheat by the local elevator, and the margin of profit between them and the State Mill, I personally visited a part of these shippers in Northwestern North Dakota and examined their books and the original account sales, giving the net proceeds to them and the market at date of sale. Beginning on page 62 of this report will be found a detail list of 87 cars of wheat purchased by the Mill from the Midland Grain Company, shipped from Farmers and Independent Elevators at Williston, Stanley, and points between, and from the Great Northern Railway Branch from Stanley to Grenora. There were a few cars shipped from line elevators at these points that are not included in the list for the reason that their records are kept in Minneapolis and were not available to us. Otherwise this list covers all wheat purchased from the Midland Company by the Mill that was shipped from that territory from the 1926 wheat crop.

Funds are not available for the expense of a complete examination of records at shipping points of all wheat purchased by the Mill. I am of the belief, however, that the 87 cars listed are a fair sample of the 318 cars of wheat purchased by the Mill from the company in question, in determining the spread or middleman's profits between the local country elevator and the State Mill.

In making a comparison of the amount paid by the State Mill and the amount received by the local shipper I have adjusted the fluctuation of markets between date bought by the Mill and date sold by the shipper so that the spread between the two as shown is the net profit after allowing for the difference in markets between the trades.

There were 37 cars shipped from Williston, N. Dak. with an average spread, or middleman's profit, of \$132.56 per car, or 9 17-100c per bushel between the Williston grain dealers from whom the wheat was purchased and the State Mill at Grand Forks.

Twenty-five cars were shipped from Stanley with an average middleman's profit of \$99.62 per car, or 6 85-100c per bushel.

Twenty-eight cars were shipped from miscellaneous points between Williston and Stanley at an average spread of \$114.61 per car or 7½c per bushel.

The average middleman's profit between the State Mill and the local country elevator on the total 87 cars listed is found to be \$117.38 per car, or 8 4-100c per bushel.

On this basis the middleman's profits on the whole 318 cars purchased from the Midland Company alone would amount to \$37,326.84. In some cases these sales were made to the Midland Grain Company by the local shipper through another commission firm.

The defense advanced by the Mill management for this method of purchasing their wheat has been that the Commission Companies finance the local country elevators and that local elevators were not in position to sell their grain without passing same through the company that advanced the funds for their operations. I made inquiry at all local elevators visited as to how much financial aid had been advanced them by the Midland Grain Co. and found no local elevator obligated to the Midland Grain Co. financially or otherwise; that the shippers only reason for selling to the Midland Grain Co. was that they were the highest bidders on the wheat sold them. In many cases I was informed by the shipper that an effort had been made to sell direct to the State Mill and that they could not get as good an offer from the Mill direct as the prices offered by the Midland Grain Company.

The wheat purchases from the Midland Grain Co. cover only about twenty per cent of the total mill wheat purchased by the Mill in 1926. Other Minneapolis Grain firms sold large quantities of wheat to the Mill and some wheat was purchased direct from local shippers and individuals at what appears to have been very near the market price. It is very evident, however, that the methods employed in purchasing wheat have contributed to the excessive losses sustained by the State Mill during the year 1926.

During the fall of 1926 all the available funds of the Mill were invested in wheat. All the funds that could be legitimately borrowed from the Bank of North Dakota were invested in wheat, and in addition 97,458 bushels of wheat were purchased in the name of the Bank of North Dakota, with funds advanced by the bank, and held in Federal Storage in

the name of the bank until the mill loans were reduced to an amount authorized as a direct loan.

In our inventory of Dec. 31, 1926, we found the mill to have over 730,000 bushels of wheat on hand, a large part of which had been bought at fancy prices of from 10c to 25c premium. The prevailing premium on Dec. 31, 1926, was found to be from 3c to 9c with the result that the adjustment of wheat

premiums to market price resulted in considerable loss to the Mill on Dec. 31, 1926, on the pricing of wheat on hand at prevailing market on that date.

During May and June of this year the cash premium on high class wheat advanced in price 8 to 12 cents over the Dec. 31, 1926, values, with the result that the high classed wheat at the Mill could be sold for nearly as much as had been paid for it in the fall on a lower market.

During this audit period 174,137½ bushels of the mill wheat were sold. Included in this sale was the wheat shown in our Dec. 31, 1926, inventory listed in our report of that date on page 54 as follows:

Elevator Tank Number	Net Bushels	Grade	Average Protein
204	40,723	1 Hard 60 lb.	13.72%
206	38,031	1 Dark 58.8 lb.	15.20%
208	41,080	1 Dark 58.5 lb.	14.98%
TOTAL.....			119,834

The wheat from these three tanks was sold to Cargill Elevator Co. of Mpls. The wheat in tank 208 sold on May 14, 1927, at 15cs premium, and the wheat in tanks 204 and 206 sold June 14, at 19c premium.

These three tanks of wheat were of finest quality ever owned by the State Mill. While this wheat was sold at what appears to have been the prevailing market price on the dates sold, the sale has proved to be a serious handicap to the operation of the mill at this time. On August 31 the mill records of wheat on hand showed 245,201 bushels with an average protein content of 11.40% and no high protein wheat on the market, such as was sold from the three tanks mentioned, to bring the old wheat left over up to a mill mix of 12.50% protein. The Mill at this time is paying up to 28c for new wheat with 1½ to 2% less protein than the old wheat that was sold. While this loss does not reflect in our present statements it is bound to show up in the statements to follow.

LOSS ON FLOUR SALES

On page 63 we list local flour and feed price quotations as they have been sent out from the Mill Sales Office for points in North Dakota and the local territory around Grand Forks, with all changes from Jan. 1, 1926 to June 30, 1927.

These prices have been followed very closely in the sale of mill products in North Dakota, with the exception of the State Institutions, which are allowed a discount of 25c per barrel on the prices as quoted.

On the basis of North Dakota flour price quotations of the State Mill as listed, the mill manufactures and sells the flour and realizes material costs, manufacturing, selling, and

overhead costs, which we figure at \$1.00 per barrel for 1926, interest on construction bonds of 30c per barrel based on 1926 operations, and a small profit over all costs.

Had the State Mill confined its sales exclusively to North Dakota and territory adjacent to Grand Forks during 1926 and 1927 it appears that the profits would have been sufficient to have met the operating expense, overhead charges, and interest on bonded indebtedness for the period.

The losses as set up in our statements appear to be due to trading outside of this territory both in their buying and selling.

During the year 1926 two hundred forty-two thousand barrels of flour were sold to the Seaboard Flour Corporation of Boston, Mass. These flour sales are listed in detail on page 64 of this report as shown by the records of the Mill, giving date of sale, contract number, wheat market at date contract was closed, sale price per barrel of each lot of flour F. O. B. Boston, Mass., and discounts and commissions per barrel allowed the Seaboard Flour Corporation. We also show the loss to the State Mill on each sale based on the volume operations as they appeared during the year 1926.

A summary of the cost, and net proceeds of this lot of 242,000 barrels of flour is as follows:

MATERIAL COSTS

Cost of 1,089,000 bu. wheat at Minneapolis Market including prevailing premium at date flour sales were closed.....	1,754,291.39	
Cost of 98 lb Cotton Sacks required	65,470.00	
	<u>1,819,761.39</u>	
Less: Value of Mill Feed extracted from wheat on the basis of \$24.00 per ton	214,710.00	
Less: Feed Sacks required at \$2.50 per ton	22,385.00	192,325.00
Net Material Cost at Minneapolis.....		<u>1,627,436.39</u>
Gross sale price of 242,000 barrels flour F. O. B. Boston, Mass.	1,827,725.00	
Differential of 80c per bbl. allowed on 1st clear to adjust to straight flour prices	26,000.00	
	<u>1,853,725.00</u>	

Less: Freight Mpls. to Boston at 90c per bbl. on 242,000 bar- rels	217,800.00	
Less: 15c per bbl Com- mission allowed Sea- board Flour Co.....	36,300.00	
Less: 5c per bbl. cash discount allowed.....	12,100.00	266,200.00
Net proceeds on Sale of 242,000 Barrels.....		1,587,525.00
Net Loss on Material Costs.....		39,911.39
Operating and Overhead Cost at \$1.00 per bbl.....		242,000.00
Interest on Const. Bonds at 30c per bbl.....		72,600.00
Total Loss Including Operating Expense, Over- head Costs, and Bond Interest.....		354,511.39

It will be noticed that the net sale price of the 242,000 barrels of flour falls short \$39,911.39 of equaling the cost of materials used in the manufacturing of same on the basis of our computations. This is figured on the basis of wheat premium value as used in the closing inventories at the Mill from month to month and not at the fancy prices paid for the wheat by the Mill. A fair market price is also allowed for the mill feed extracted from the wheat, which averages \$24.00 per ton, instead of \$21.00 per ton, which was the actual sale price of their feed during the time the flour was manufactured.

The freight from Grand Forks to Minneapolis amounts to 32c per barrel which is covered in the wheat cost, wheat prices used being on the basis of Minneapolis. The freight from Minneapolis to Boston amounts to 90c per barrel. In comparing prices between the prices received F. O. B. Boston and the local price quotations it will be noticed that the flour was sold F. O. B. Boston at from one to two dollars less per barrel than it could be bought by the people in the State of North Dakota.

Adding the manufacturing and overhead cost of \$1.00 per barrel, and interest on construction bonds of 30c per barrel, which was the average for the year 1926, it makes the sale of the 242,000 barrels of flour show a total loss to the State Mill of \$354,511.39.

Practically all this flour was shipped in sacks branded with the buyers' label, and there was nothing on the packages to indicate that the flour came from the State Mill or from North Dakota. Therefore there was no beneficial advertising value received from the sale of this flour accruing to the State or the Mill. I have been informed by independent millers that the eastern buyers of flour would refer to the prices of some of these sales, made by the State Mill, in their bargaining for flour from them, which had a demoralizing influence on the flour market, and they claim contributed to the lowering of prices of both wheat and flour from the Northwest. This sounds reasonable, and if true, these sales

accrue a loss to the State that is not reflected in the financial statements of the State Mill.

MILL FEED SALES

During the months of July and September 1926 sales contracts were entered into by the State Mill to deliver to I. S. Joseph Co. of Minneapolis, eleven thousand three hundred tons of mill feed at \$21.00 per ton F. O. B. Minneapolis. A list of the contracts will be found on page 65.

This price was from two to three dollars below the price quotations at the mill at the date of these sales, which in itself might not be far out of line in selling the feed in these quantities on eastern markets providing they had the feed to deliver and there was no nearby market for same.

The local condition existing at the dates of these feed sales was that the State of North Dakota was going into the fall and winter of 1926 and 1927 with one of the shortest feed crops in history. Transportation companies were being prevailed upon at that time to reduce their freight rates on feed into North Dakota to tide the live stock in the state over the winter. Various counties of the State were considering, and later did, bond and loan funds for shipping seed and feed into the drouth stricken sections of the State.

In the face of this condition the mill owned by the State, contracted to deliver their mill feed products for the next six months to Eastern Markets at \$21.00 per ton in such large quantities that they were unable to make delivery on all the sales made and were obliged to cancel a part of these contracts at a cost of \$7.00 per ton. A cash payment of \$10,654.00 was made to I. S. Joseph Co. of Minneapolis for the cancellation of 1,522 tons of feed on this basis, which was a direct cash loss to the State Mill that can be accurately set up.

The loss sustained on the sales filled, the loss of local flour sales, owing to their inability to furnish feed with the flour, and the loss to the patrons of the mill was considerable, and is not reflected in the operating statements of the Mill, although it is difficult to set the items up separately to show what the amounts might be, it reflected considerable indirect loss to the well being of the institution.

There are many smaller items that might be enumerated that contribute to the financial loss of the mill, some of which are generally expected in a business of this kind, where the management has no personal financial interest, the business more or less is in politics, and as is natural, there is apt to be political favoritism.

One explanation that has been given for the excessive losses at the State Mill the past year has been that the year 1926 was an adverse year for the flour milling industry. From information we have been able to gather this theory has not been substantiated.

Due to the large increased capacity of flour mills constructed during the war, there were some big losses in the flour mill business after the war was over. This condition appears to be gradually adjusting itself and the large mills that survived seem to show better financial statements each year, and from information available to us it would appear that the years 1926 and 1927 have been the most prosperous period for the flour milling business since the close of the war.

To bear this out the following statements published in the August 31, 1927 issue of "The Northwestern Miller" on page 845, giving public notice of the profits of two of the Minneapolis flour mills, are cited:

WASHBURN CROSBY CO.

INCOME IS INCREASED

Parent Firm and Subsidiaries Report

Net Income of \$2,550,898.00 For

Year Ended June 30

"Minneapolis Minn.—The Washburn Crosby Co., Minneapolis, and its subsidiaries, report for the year ended June 30 a net income of \$2,550,898.00 after depreciation, interest and federal taxes. After allowing for dividend requirements on 7 per cent preferred stock, this is equivalent to \$29.98 per share earned on 69,553 shares of common stock.

"Last year the amount was \$1,435,726.00 equivalent to \$14.05 on 68,909 shares of common stock."

INCREASED PROFIT IS

SHOWN BY PILLSBURY

Figure for Year Ended June 30 is

\$2,766,271.00—Equal to \$5.94
per Common Share.

"Minneapolis, Minn.—The Pillsbury Flour Mills Co. reports a net profit of \$2,766,271.00 after taxes and charges for the fiscal year ended June 30.

"After allowing for dividend requirements on the 6½ per cent convertible preferred stock under the new capitalization plan of the Pillsbury Flour Mills, Inc., owner of the stock, this amount is equivalent to \$29.98 per share earned on par common shares outstanding.

"The net income of the Pillsbury Company and subsidiaries for the previous year was \$1,544,428.00, equivalent to \$2.85 a share on the present 400,000 shares of no par common outstanding."

Other large mills of the country have reported having been equally prosperous the past two years.

On page 18 we show a condensed statement of operations of the State Mill and Elevator combined, from the beginning of operations to June 30, 1927. From this statement it will be observed that the per barrel cost of operating expense and general expense of the Mill and Elevator have been gradually reduced each year, with the lowest costs during the year 1926, therefore the supervision of the manufacturing and handling process at the State Mill can not be charged with contributing to the increased losses of that year.

The flour yield from the wheat ground seems to compare favorably for the year 1926 with other years production records, and no part of the excessive loss can be charged to that branch of the operations and the only conclusion that can be had is that the trouble has mostly been in the tradings.

The officers and employees of the State Mill and Elevator afforded us every facility and assistance in the progress of our examination, and I wish to acknowledge appreciation of their co-operation.

Respectfully submitted,

O. B. LUND,
Auditor and Accountant.

Bismarck, N. Dak.,
Sept. 30, 1927.

EXPLANATION OF SCHEDULES

Schedule "A" Page 18 is a consolidated and Condensed Balance Sheet showing consolidated Assets and Liabilities of the State Mill and Elevator, and with the interdepartment accounts eliminated.

Schedule "B" Page 19 shows a condensed Operating Statement of the Mill and Elevator combined by years, from the beginning of operations in October, 1922, to June 30, 1927, showing the Net Income and Expenditures and final Profit and Loss for each period, and the per barrel cost of each Classification.

Schedule "C" Page 20 shows the Balance Sheet of the Mill Department, exclusive of the Elevator as the Assets and Liabilities are divided on the books of the institution. Each balance sheet item is supported by a detail indexed by showing the page number and detail number listed opposite each item in the Balance Sheet for convenient reference.

Schedule "D" Page 22 gives the Balance Sheet of the Elevator Department exclusive of the Mill. Balance Sheet items are supported by supporting details indexed opposite each item.

Schedule "E" Page 23 shows the Profit and Loss Statement of the Mill Department for the first half of the calendar year 1927.

This statement also shows the per barrel cost of each class of expense for period covered.

Schedule "F" Page 25 shows the Statement of Income and Expense of the Elevator Department with the division as carried by the institution.

EXPLANATION OF BALANCE SHEET ITEMS
MILL DEPARTMENT

Reference
Page Detail
No. No.

- 26 1 Cash in Banks and Till \$319,051.17 Dr.

The cash in bank accounts was reconciled with the statements from banks and found to agree with the Mill Records. All cash was deposited in banks except \$25.00 carried in the till as a petty cash fund.

- 30 2 Drafts in Process of Collection \$95,117.54 Dr.

This item is made up of drafts drawn on purchasers of mill products out for collection with the Northwestern National Bank of Grand Forks, N. Dak.

- 31 3 Accounts Receivable \$97,621.33 Dr.

This represents the net amount of accounts receivable as carried on the books of the Mill Department. A classified summary is listed on page 31 with the items in detail on the following pages.

The items were gone over and it was estimated that an additional reserve for bad accounts in the amount of \$1,324.00 would be required to care for uncollectable items carried on the books.

The accounts of the Milwaukee Sales Office are kept at Milwaukee, Wis., and reported to the Mill Office. These items were not examined by us, but listed as reported to the Mill Office.

- 44 4 Railway Claims \$986.22 Dr.

This represents claims on file with railroads for refunds of overpayments, damage claims, etc. These claims were scrutinized, and items carried on books that had been settled, or were doubtful were stricken from the lists to be set up in our statements.

- 45 5 Wheat Inventory \$515,146.87 Dr.

Physical inventory of wheat on hand belonging to the Mill was witnessed by us. This wheat was graded by the Federal Inspector at the Mill and tested for its gluten content by the Mill chemists, priced on basis of Minneapolis July Option closing June 30, 1927, plus prevailing premium.

- 46 6 Screenings and Mill Oats \$3,458.03 Dr.

This represents the market value of screenings and mill oats belonging to the Mill as per physical inventory.

- 47 7 Flour and Mill Feed \$222,410.31 Dr.

This represents cost value of flour and feed on hand at date of audit. Physical inventory was taken of mill products at the Mill Warehouses. The flour and feed at Spot Stock Stations over the State was not taken by us but the book inventories were taken as verified by employees of the Mill.

- 48 8 Flour and Feed Packages and Twine \$42,349.14 Dr.

This represents the Current Market price of flour and feed packages and twine on hand June 30, 1927.

- 49 9 Transit Inventory \$24,633.24 Dr.

This represents the shipping value of railway freight transit on hand as furnished by the Traffic Department Manager of the Mill, with a deduction of \$3,000.00 for estimated cancellations of items that will not be used before time expiration of one year from issue.

- 50 10 Fuel and Supplies \$15,964.83 Dr.

Inventory of fuel on hand was furnished by the chief engineer of the power plant, and priced at cost. The book value of supplies on hand was used.

- 50 11 Real Estate, Grounds, \$9,433.33 Dr.

This represents the value of the site of Mill and Elevator as carried on the books. The site was donated and is carried at the reported cost to donor, plus the cost of ground improvements added by the Mill and Elevator Association.

- 50 12 Buildings \$1,691,840.37 Dr.

This represents the total cost of all Mill and Elevator Buildings as carried on the books of the plant, with additions to June 30, 1927.

- 50 13 Machinery \$1,195,467.61 Dr.

This represents the amount invested in Mill, Elevator, and Power House machinery, as carried on the Mill books at installation costs, with new additions to June 30, 1927.

- 14 Remodeling Durum Mill Unit \$5,968.45 Dr.

This represents the amount set up on Mill books for cost of converting the durum mill unit

into a wheat mill. Grinding of durum wheat was discontinued in 1925.

- 51 15 Equipment \$33,355.83 Dr.

This represents the amount carried on books for Mill, Elevator, and Machine Shop as cost value of tools and equipment, other than that covered in the machinery item.

- 51 16 Office Furniture and Fixtures, \$9,359.88 Dr.

This represents the cost value of office Furniture, Fixtures, and Office Appliances of the Mill Department, after crediting depreciation charges on the basis of 10% per annum.

- 51 17 Spur Track, Sewers and Reservoirs \$117,002.81 Dr.

Spur tracks from railroad to Mill and Elevator were built at expense of the state. This item is made up of this cost, and the cost of water reservoirs, cooling systems for power house, and sewers, drains, etc.

- 51 18 Automotive Equipment, \$1,419.94 Dr.

This represents the book value of autos and trucks with depreciation deducted.

- 51 19 North Dakota Terminal Exchange Membership

Mill Department.....\$100.00 Dr.
Elevator Department.....\$100.00 Dr.

This represents membership fee paid into the N. Dak. Terminal Exchange by the Mill and Elevator Department. This is claimed as an asset. The N. Dak. Exchange is an experiment and the value of the membership is dependent upon the success of the organization, which does not appear to be very active.

- 51 20 Prepaid Insurance and Bonding

Mill Department\$4,893.57 Dr.
Elevator Department.....\$1,916.58 Dr.

An inventory was taken of all unearned insurance and bonding premiums paid in advance, which are carried in our statements as an asset at date of audit. This insurance is charged to expense monthly as earned.

- 52 21 Prepaid Advertising \$10,571.49 Dr.

This represents paid up advertising expense that is being charged off to expense monthly over the period estimated will be benefited. \$1,907.62 of this amount is represented in dinner dishes on hand distributed with flour coupons.

22 Elevator Department Cash Advances \$150,000 Dr.

This represents cash advanced the Elevator Department for operating capital by the Mill Department. This is an inter-department item, there being a corresponding credit on the Elevator Department Balance Sheet, this item is eliminated from the Consolidated Balance Sheet. No interest is paid the Mill Department by the Elevator Department for the use of the money.

52 23 Notes Payable Bank of N. Dak. \$45,090.00 Cr.

This represents funds advanced the State Mill and Elevator by the Bank of North Dakota by resolution of the Industrial Commission. This amount was loaned the Mill in Dec., 1923, for completion of construction of plant. The Bank charges the Mill interest on these funds at 6% per annum.

52 24 Cargill Comm. Co., Option Account \$3,806.83 Cr.

This represents the amount due the commission firm in their future grain trading and hedging account. This account was compared with the statement rendered by the company for June 30, 1927, and found to agree with their records.

52 25 Accounts Payable \$2,293.33 Cr.

This item represents unpaid accounts appearing June 30, 1927.

52 26 Reserve for Bad Debts \$10,000.00 Cr.

This represents the reserve previously on the Mill records and an addition of \$1,324.00 set up at date of audit to offset the estimated loss in uncollectible Accounts Receivable carried on the books of the Mill.

52 27 Premium on Bonds \$3,873.11 Cr.

During the early sales of Construction Bonds, a premium of \$11,126.89 was paid. This premium payment was to adjust the interest rate on the bonds sold that was lower than the market at that time. During the year 1924, Operating Bonds were sold that bore a higher interest rate than prevailed at that time, with the result that a premium of \$15,000.00 was collected as an adjustment of interest rate.

The premium on bonds paid was not taken into account on Mill Books until 1925. The amount was then charged to buildings.

The premium collected was being credited to profits. We do not agree with their methods of charging bond premiums paid to the Capital Accounts and crediting bond premiums received to

income. For our statement we are deducting the Bond Premium payments from the plant costs and charging Bond Premiums with the amount, and in crediting Bond Premiums collections to this fund leaves an undistributed balance which should be used to pay interest on the capital investments.

- 52 28 Accrued Interest on Notes Payable \$4,280.50 Cr.

This represents accrued interest on account due the Bank of North Dakota to June 30, 1927, that is due and unpaid.

- 53 29 Open Trades Brot to Market \$2,400.15 Cr.

This represents the open trades liability on the unclosed wheat hedges and wheat required to fill the unfilled flour contracts brought to market June 30, 1927.

- 54 30 Accrued Interest on Construction Bonds

Mill Department	\$686,085.42 Cr.
Elevator Department.....	\$149,066.65 Cr.

This represents the amount of interest accrued on Mill and Elevator Construction Bonds unpaid by the Mill and Elevator, outstanding to June 30, 1927. This interest is divided between the Mill Department and Elevator Department on the basis of 22-30 to Mill and 8-30 to Elevator.

- 55 31 Accrued Interest on Milling Bonds \$284,054.94 Cr.

This represents the amount of interest accrued and unpaid by Mill and Elevator on Milling Bonds outstanding at date of audit.

- 56 32 Depreciation of Plant and Equipment

Mill Department.....	\$271,594.62 Cr.
Elevator Department.....	\$ 55,322.04 Cr.

This represents the amount of depreciation charged operating expense during the operation of the Mill and Elevator. Page 56 gives the rate applied, this being the same rate used on plant and equipment from the beginning. While there has been some small changes in plant valuations during the past two years, the January 1, 1925, values have been applied as basis for depreciation through the period. The depreciation of furniture and fixtures has been credited direct to the accounts and are not included in this amount.

- 57 33 Construction Bonds Outstanding \$3,000,000.00 Cr.

This item represents first mortgage bonds outstanding, secured by the plant and equipment

of the State Mill and Elevator Association, authorized by Chapter 153 of the 1919 Session Laws for cost of construction of plant and equipment.

- 57 34 Milling Bonds Outstanding \$1,500,000.00 Cr.

This item represents bonds issued as provided by Chapter 291 of the Session Laws of 1923 for the purpose of purchasing wheat for milling. These bonds are secured by the wheat and wheat products on hand at the State Mill and Elevator.

- 35 Donated Site \$5,985.00 Cr.

This represents the grounds belonging to the State Mill and Elevator, donated to the State Mill and Elevator Association, and carried in the statements as the reported cost to the donors. See Detail No. 11 page 50 of this report for description of tract.

EXPLANATION OF BALANCE SHEET ITEMS

ELEVATOR DEPARTMENT

Reference
Page Detail
No. No.

- 57 36 Cash in Banks \$224,025.88 Dr.

This represents the amount of cash in the hands of the Elevator Department. The cash in banks was reconciled with statements from the banks and found to agree.

- 59 37 Accounts Receivable \$10,408.05 Dr.

This represents accounts receivable due to Elevator Department as the same appears of record at date of audit. Verification was not made with debtors on these items.

- 60 38 Grain on Hand, Local Elevator \$4,908.72 Dr.

This item represents the grain on hand that has been purchased through the Local Elevator. Physical inventory was taken of this grain and priced at the local market price offered at date of audit.

- 61 39 Office Furniture and Fixtures \$482.50 Dr.

This represents Office Furniture and Appliances purchased by the Elevator Department. Depreciation was set up in our statements and credited direct to this account. Depreciation has not been set up on Elevator Books.

- 61 40 Automobiles and Trucks \$243.82 Dr.

This represents the cost of autos and trucks

purchased by Elevator Department with depreciation deducted in our statements.

- 61 41 Elevator Equipment \$681.88 Dr.

This represents elevator equipment purchased by the Elevator Department and carried as an asset. Depreciation has been credited direct to this account in our statements.

- 62 42 Construction Account, Undistributed \$1,582.99 Dr.

This represents permanent improvements cost that stand on the books of the Elevator Dept. undistributed to the Building Account.

- 62 43 Stored Grain Liability \$1,767.60 Cr.

This represents the amount due storage ticket holders for grain received at local elevator, priced on basis of Grand Forks Local Elevator closing price June 30, 1927.

SCHEDULE "A"

STATE MILL AND ELEVATOR, GRAND FORKS, NORTH
DAKOTA, CONSOLIDATED BALANCE SHEET—ALL
DEPARTMENTS

JUNE 30, 1927

ASSETS

Current Assets

Cash in Banks and Till:		
Mill Dept.	319,051.17	
Elevator Dept.	224,025.88	
Current Receivables, Mill Dept.	193,725.09	
Current Receivables, Elev. Dept.	10,408.05	747,210.19

Inventories

Grain in Local Elevator.....	4,908.72	
Mill Wheat	515,146.87	
Screenings and Mill Oats	3,458.03	
Flour and Mill Feed	222,410.31	
Flour and Feed Pkgs and Twine	42,349.14	
Transit Inventory	24,633.24	
Fuel and Supplies	15,964.83	828,871.14

Fixed Assets

Real Estate Grounds and Site....	9,433.33	
Buildings and Machinery	2,887,307.98	
Equipment	34,037.71	
Furniture, Fixtures and Auto- motive	11,506.14	
Spur Tracks, Sewers and Res- ervoirs	117,002.81	
Construction Charges Undistrib- uted	1,582.99	
Converting Durum Unit into Wheat Mill	5,968.45	
Terminal Exchange Member- ship	200.00	3,067,039.41

Deferred Charges

Prepaid Insurance	6,810.15	
Prepaid Advertising	10,571.49	17,381.64

4,660,502.38

SCHEDULE "A"

STATE MILL AND ELEVATOR, GRAND FORKS, NORTH
DAKOTA CONSOLIDATED BALANCE SHEET—ALL
DEPARTMENTS

JUNE 30, 1927

LIABILITIES

Current Liabilities		
Notes Payable Bank of North Dakota	45,090.00	
Cargill Commission Co. Option Account	3,806.83	
Accounts Payable	2,293.33	
Stored Grain Liability—Local Elevator	1,767.60	
Open Trades Brought to Market	2,400.15	55,357.91
<hr/>		
Reserves		
Reserve for Bad Debts	10,000.00	
Accrued Interest on Notes Payable	4,280.50	
Premium on Bonds, Undistributed	3,873.11	18,153.61
<hr/>		
Accrued Bond Interest and Depreciation Reserve		
Accrued Interest on Construction Bonds	835,152.07	
Accrued Interest on Milling Bonds	284,054.94	
Depreciation of Plant and Equipment	326,916.66	1,446,123.67
<hr/>		
First Mortgage Bonds Outstanding		
Construction Bonds Outstanding	3,000,000.00	
Milling Bonds Outstanding	1,500,000.00	4,500,000.00
<hr/>		
Donated Site		5,985.00
<hr/>		
TOTAL LIABILITIES		6,025,620.19
<hr/>		
Deficit Deducted to Balance Assets:		
Loss Charged to Year 1922	125,963.24	
Loss Charged to Year 1923	278,924.82	
Loss Charged to Year 1924	230,959.81	
Loss Charged to Year 1925	188,403.05	
Loss Charged to Year 1926	429,147.51	
Loss Charged Jan. 1 to June 30, 1927	111,719.38	1,365,117.81
<hr/>		
		4,660,502.38

SCHEDULE "C"

STATE MILL AND ELEVATOR, GRAND FORKS, NORTH
DAKOTA MILL OPERATING DEPARTMENT

Balance Sheet—June 30, 1927

ASSETS

Reference Page No.	Detail No.			
		Current Assets		
26	1	Cash in Banks and Till	319,051.17	
30	2	Drafts in Process of Collection	95,117.54	
31	3	Accounts Receivable	97,621.33	
44	4	Railway Claims	986.22	512,776.26
				<hr/>
		Inventories		
45	5	Mill Wheat	515,146.87	
46	6	Screenings and Mill Oats	3,458.03	
47	7	Flour and Mill Feed....	222,410.31	
48	8	Flour and Feed Pack- ages and Twine	42,349.14	
49	9	Transit Inventory	24,633.24	
50	10	Fuel and Supplies	15,964.83	823,962.42
				<hr/>
		Fixed Assets		
50	11	Real Estate—Grounds..	9,433.33	
50	12	Buildings	1,691,840.37	
50	13	Machinery	1,195,467.61	
	14	Remodeling Durum Mill Unit	5,968.45	
51	15	Equipment	33,355.83	
51	16	Office Furniture and Fixtures	9,359.88	
51	17	Spur Tracks, Sewers & Reservoirs	117,002.81	
51	18	Automotive Equipment	1,419.94	
51	19	N. D. Terminal Ex- change Membership	100.00	3,063,948.22
				<hr/>
		Deferred Charges		
51	20	Prepaid Insurance, Workmen's Compens- ation and Bonding ..	4,893.57	
52	21	Prepaid Advertising	10,571.49	15,465.06
				<hr/>
		Inter-Department Accounts		
22		Elevator Cash Advances		150,000.00
				<hr/>
				4,566,151.96

SCHEDULE "C"

STATE MILL AND ELEVATOR, GRAND FORKS, NORTH
DAKOTA, MILL OPERATING DEPARTMENT

Balance Sheet—June 30, 1927

LIABILITIES

Reference Page No.	Detail No.			
Current Liabilities				
52	23	Notes Payable, Bank of N. Dak.	45,090.00	
52	24	Cargill Commission Co. Option Account	3,806.83	
52	25	Accounts Payable	2,293.33	
52	26	Reserve for Bad Debts..	10,000.00	
52	27	Premium on Bonds, Un- distributed	3,873.11	
52	28	Accrued Interest on Notes Payable	4,280.50	
53	29	Open Trades Brought to Market	2,400.15	71,743.92
Accrued Bond Interest and Depreciation				
54	30	Accrued Construction Bond Interest	686,085.42	
55	31	Accrued Milling Bond Interest	284,054.94	
56	32	Depreciation of Plant and Equipment	271,594.62	1,241,734.98
First Mortgage Bonds Outstanding				
57	33	Construction Bonds Outstanding	3,000,000.00	
57	34	Milling Bonds Out- standing	1,500,000.00	4,500,000.00
35		Donated Site		5,985.00
Total Liabilities			5,819,463.90	
Less: Deficit Deducted to Balance Assets			1,253,311.94	
				4,566,151.96

SCHEDULE "D"

ELEVATOR DEPARTMENT

Balance Sheet—June 30, 1927

ASSETS

Reference Page Detail No. No.			
Current Assets			
57	36	Cash in Banks and Till	224,025.88
59	37	Accounts Receivable	10,408.05
60	38	Grain Inventory Local Elevator	4,908.72
			239,342.65
Fixed Assets			
61	39	Office Furniture and Fixtures	482.50
61	40	Automobiles and Trucks	243.82
61	41	Elevator Equipment	681.88
62	42	Construction Account— Undistributed	1,582.99
51	19	Terminal Exchange Membership	100.00
			3,091.19
Deferred Assets			
51	20	Prepaid Insurance	1,916.58
			244,350.42

LIABILITIES

Reference Page Detail No. No.			
Current Liabilities			
62	43	Stored Grain Liability	1,767.60
56	32	Accrued Interest & Depreciation Reserve -Depreciation of Plant Reserve	55,322.04
54	30	Accrued Construction Bond Interest	149,066.65
			204,388.69
Inter-Department			
22		Advanced by Mill De- partment	150,000.00
			356,156.29
		Total Liabilities	356,156.29
		Less: Elevator Depart- ment Deficit Deducted to Balance Assets	111,805.87
			244,350.42

SCHEDULE "B"
STATE MILL AND ELEVATOR, GRAND FORKS, NORTH DAKOTA, CONDENSED & CONSOLIDATED
OPERATING STATEMENT

Beginning of Operations to June 30, 1927

	Oct. 23, 1922 to July 31, 1923 Cost Per Barrel	Aug. 1, 1923 to Dec. 31, 1923 Cost Per Barrel	YEAR ENDING Dec. 31, 1924 Cost Per Barrel
Net Sales Income	1,507,350.89	3,091,829.22	7,027,450.45
Wheat Cost	(4.773) 1,273,818.28	(5.332) 2,508,413.46	(6.053) 5,772,378.23
Package Cost	(.373) 99,655.43	(.388) 181,411.41	(.409) 390,009.72
*Operating Expense	(.524) 139,631.33	(.376) 175,358.27	(.405) 386,260.67
MANUFACTURING COST	(5.670) 1,513,105.04	(6.096) 2,865,183.14	(6.867) 6,548,648.62
MANUFACTURING LOSS	5,754.15		
MANUFACTURING INCOME		226,646.08	478,801.83
Selling Expense	(.331) 88,323.29	(.378) 130,883.09	(.247) 235,626.14
General Expense	(.127) 33,981.09	(.098) 46,129.93	(.120) 114,747.20
OPERATING LOSS	128,058.53		
OPERATING GAIN		49,633.06	128,428.49
Additions to Income	(.013) 3,476.78	(.017) 8,195.49	(.021) 20,538.69
Deductions from Income	(.087) 23,168.88	(.174) 81,813.92	(.218) 207,926.98
NET LOSS EXCLUSIVE OF CONST. BOND INTEREST	147,750.63	23,985.37	58,959.80
Interest on Const. Bonds	(.607) 161,485.40	(.152) 71,666.66	(.180) 172,000.01
TOTAL LOSS INCLUDING BOND IN- TEREST	309,236.03	95,652.03	230,959.81

TUESDAY, JANUARY 10, 1928

SCHEDULE "B"—Continued
YEAR ENDING
Dec. 31, 1925

YEAR ENDING
Dec. 31, 1926

Jan. 1 to
June 30, 1927

	Cost Per Barrel		Cost Per Barrel		Cost Per Barrel
Net Sales Income		4,669,977.61		4,904,098.57	1,513,688.36
Wheat Cost	(7.642)	3,897,417.53	(7.660)	4,361,603.91	1,212,118.16
Package Cost	(.426)	217,200.58	(.383)	223,932.93	65,864.28
*Operating Expense	(.380)	193,600.04	(.347)	197,642.82	77,593.84
MANUFACTURING COST	(8.448)	4,308,218.15	(8.390)	4,783,179.66	1,355,576.28
MANUFACTURING LOSS					
MANUFACTURING INCOME		361,759.46		120,918.91	158,112.08
Selling Expense	(.235)	119,746.67	(.261)	148,747.96	65,264.07
General Expense	(.136)	69,452.92	(.106)	60,800.65	27,388.87
OPERATING LOSS				88,629.70	
OPERATING GAIN		172,559.87			65,459.14
Additions to Income	(.020)	10,328.19	(.014)	8,200.41	4,414.70
Deductions from Income	(.390)	199,291.21	(.310)	176,718.12	95,593.22
NET LOSS EXCLUSIVE OF CONST. BOND INTEREST		16,403.15		257,147.41	25,719.38
Interest on Const. Bonds	(.337)	171,999.90	(.302)	172,000.10	86,000.00
TOTAL LOSS INCLUDING BOND IN- TEREST		188,403.05		429,147.51	111,719.38

SCHEDULE "B"—Continued

	Amount to Deficit	Barrels Flour Mfg.	Per Bbl. Loss
Oct. 23, 1922 to July 31, 1923	309,236.03	265,899	\$1.163
Aug. 1, 1923 to Dec. 31, 1923	95,652.03	470,438	.203
Year Ending Dec. 31, 1924.....	230,959.81	953,603	.242
Year Ending Dec. 31, 1925	188,403.05	510,364	.369
Year Ending Dec. 31, 1926	429,147.51	569,396	.753
Jan. 1 to June 30, 1927.....	111,719.38	185,231	.603
	<hr/>	<hr/>	<hr/>
	1,365,117.81	2,954,931	.461

*Includes Elevator Loss or Gain.

SCHEDULE "E"
MILL DEPARTMENT
OPERATING STATEMENT
Jan. 1 to June 30, 1927

Sales		
Flour Sales Shipped	1,410,731.97	
Feed Sales Shipped	205,898.16	
Screenings and Mill Oats Sold....	9,400.07	
Misc. Grain Sold	30.40	1,626,060.60
<hr/>		
Delivery Expense		
Out Freight	127,183.96	
Truck Expense	1,684.29	
Storage and Handling	7,612.51	
Miscellaneous Delivery Expense	147.81	
Car Lining Paper	2,050.42	138,678.99
<hr/>		
Net Sales		1,487,381.61
Increase Mill Products Inventories		26,306.75
<hr/>		
		1,513,688.36

Per Bbl. Cost

Material Costs		
Wheat Milled	1,211,602.53	
Hedging Loss	515.63	
<hr/>		
Total Wheat Cost	(\$6.544)	1,212,118.16
Package Cost	(\$.356)	65,864.28
<hr/>		
Total Material Cost	(\$6.90)	1,277,982.44
Gross Trading Income		235,705.92
Operating Expense		
Labor Millers	(\$.081)	14,928.92
Labor Packers	(\$.043)	7,907.70
Labor Truckers	(\$.048)	8,825.32
Labor Common	(\$.014)	2,563.30
Labor Power Plant	(\$.055)	10,264.63
Fuel Used	(\$.103)	19,146.50
Water Used	(\$.005)	850.70
Power Purchased	(\$.003)	579.00
Chlorine Used	(\$.011)	2,102.86
Misc. Sup. & Repairs.....	(\$.048)	8,941.31
Laboratory Expense	(\$.010)	1,831.58
Misc. Operating Exp.....	(\$.013)	2,504.16
Elev. Dept. Charges—		
Less Power	(\$.079)	14,582.12
<hr/>		
	(\$.513)	95,028.10
<hr/>		
Gross Manufacturing Income		140,677.82

MILL DEPARTMENT
OPERATING STATEMENT

(Continued)

Gross Manufacturing Income—Forward		140,677.82
Per Bbl. Cost		
Selling Expense		
Salesmen's Salaries (\$.093)	17,302.54	
Salesmen's Expense (\$.072)	13,336.69	
Commissions Paid (\$.131)	24,270.67	
Advertising Used (\$.049)	9,099.15	
Telephone and Teleg. .. (\$.007)	1,255.02	65,264.07
	<hr/>	
	(\$.352)	75,413.75
General Expense		
Office Salaries (\$.076)	13,849.79	
Office Supplies (\$.010)	1,854.21	
Telephone and Teleg..... (\$.005)	1,024.33	
Postage (\$.004)	774.28	
Buss Expense (\$.003)	530.35	
Insurance Used (\$.015)	2,827.69	
Miscellaneous Expense. (\$.011)	1,985.93	
Legal Services Expense (\$.017)	3,117.20	
Depreciat'n Fur. & Fix. (\$.006)	1,246.50	
Taxes Paid (\$.001)	178.59	27,388.87
	<hr/>	
	(\$.148)	48,024.88
Additions to Income		
Interest and Discount		
Received (\$.007)	1,347.42	
Inspection & Weighing (\$.004)	734.95	
Rents Received (\$.003)	540.00	2,622.37
	<hr/>	
	(\$.014)	50,647.25
Deductions From Income		
Loss on Grain Trading..	57.20	
Interest on Notes Pay- able, Banks (\$.023)	4,225.88	
Interest on Grain Ac- counts (\$.016)	2,945.61	
Interest on Operating Bonds (\$.233)	43,125.00	
Depreciation, Plant & Machinery (\$.167)	30,916.32	
Bad Debts Reserve..... (\$.008)	1,441.46	
Interest, Discount and Exchange Paid (\$.007)	1,234.33	
Audit Fees Paid (\$.016)	3,000.00	86,945.80
	<hr/>	
	(\$.470)	
Net Operating Loss for Period.....		36,298.55
Interest on Construction		
Bonds (\$.340)		63,066.67
Loss for Period Including Interest on Bonds		99,365.22
Mill Deficit Prior to Jan. 1, 1927.....		1,153,946.72
		<hr/>
Amount to Statement		1,253,311.94

SCHEDULE "F"
ELEVATOR DEPARTMENT
OPERATING STATEMENT

Jan. 1 to June 30, 1927

Operating Revenue		
Storage Earned	13,235.53	
Elevator Fees Earned	19,024.20	
Cleaning and Drying Fees	3,353.89	
Weighing Fees	1,336.89	
Grain Trading Profits, Local Elevator	3,614.78	40,565.29
		<hr/>
Operating Expense		
Power and Light Expense	4,476.16	
Elevator Labor	10,136.07	
Track Maintenance	163.84	14,776.07
		<hr/>
		25,789.22
General Expense		
Office Salaries	4,245.00	
Office Traveling	483.80	
Office Stationery and Supplies ..	254.62	
Automobile Expense	165.35	
Insurance and Bonding	2,788.05	
Miscellaneous Expense	258.06	
Demurrage Paid	26.50	
Inspection	133.58	8,354.96
		<hr/>
		17,434.26
Additions to Income		
Interest and Discounts Received.....		1,792.38
		<hr/>
		19,226.59
Deductions From Income		
Depreciation, Movable Equipm't	130.00	
Depreciation, Plant and Mach.	8,517.42	8,647.42
		<hr/>
Operating Profit		10,579.17
Interest on Construction Bonds		22,933.33
		<hr/>
Deficit for Period		12,354.16
Previous Deficit		99,451.71
		<hr/>
Deficit to Statement		111,805.87

DETAIL 1
CASH IN BANKS AND TILL
MILL DEPARTMENT
June 30, 1927

Bank of North Dakota—Operating Account	150,775.79	
Bank of North Dakota—Construction Account ..	24.16	
First National Bank—Grand Forks	259.34	
Northern State Bank—Grand Forks	120,012.58	
Northwestern National Bank—Special Account..	168.75	
Northwestern National Bank—Grand Forks	47,785.55	
<hr/>		
Total Cash in Banks	319,026.17	
Cash in Till	25.00	
<hr/>		
Amount to Statement	319,051.17	
See following pages for Bank Account Reconcilements.		
Bank of North Dakota—Operating Account		
Balance Shown by Bank Statement		
June 30, 1927	150,775.79	
Balance Shown on Mill Dept.		
Records	150,775.79	
	<hr/>	<hr/>
	150,775.79	150,775.79
Bank of North Dakota—Construction Account		
Balance Shown by Bank Statement		
June 30, 1927	24.16	
Balance Shown on Mill Department		
Records	24.16	
	<hr/>	<hr/>
	24.16	24.16
First National Bank—Grand Forks		
Balance Shown by Bank Statement		
June 30, 1927	301.63	
Balance Shown by Mill Dept.		
Records	259.34	
Checks Outstanding	42.29	
	<hr/>	<hr/>
	301.63	301.63
Checks Outstanding		
1135	21.20	
4091	1.71	
10900	3.50	
14320	15.88	
	<hr/>	<hr/>
	42.29	
Northern State Bank		
Balance Shown by Bank Statement		
June 30, 1927	115,005.66	
Balance Shown by Mill Dept.		
Records	120,012.58	
Checks Outstanding	2,245.88	
Deposits in Transit	3,574.51	
Deposits in Transit	1,192.87	
Deposits in Transit	1,317.31	
Deposits in Transit	1,168.11	
	<hr/>	<hr/>
	122,258.46	122,258.46

JOURNAL OF THE HOUSE

Number	Checks Outstanding	Amount
8898	3.60
12884	1.00
12904	1.00
12911	1.00
12917	1.00
12926	1.00
12935	1.00
12939	1.00
12960	1.00
14350	24.00
14475	28.00
14592	1.50
14626	32.45
14704	26.50
14833	24.00
14857	23.52
14873	37.88
14882	100.00
14883	25.00
14884	25.00
14885	15.00
14886	5.00
14887	5.00
14888	5.00
14889	5.00
14890	5.00
14891	5.00
14892	5.00
14893	5.00
14894	5.00
14895	5.00
14896	5.00
14897	5.00
14898	5.00
14899	5.00
14900	5.00
14901	5.00
14902	5.00
14903	1.00
14904	1.00
14905	1.00
14906	1.00
14907	1.00
14908	1.00
14909	1.00
14910	1.00
14911	1.00
14912	1.00
14913	1.00
14914	1.00
14915	1.00
14916	1.00
14917	1.00
14918	1.00
14919	1.00
14920	1.00

Checks Outstanding—Continued

Number	Amount
14921	1.00
14922	1.00
14923	1.00
14924	1.00
14925	1.00
14926	1.00
14927	1.00
14928	1.00
14929	1.00
14932	70.00
14933	48.00
14934	32.16
14935	36.40
14936	39.90
14937	32.83
14938	40.20
14939	29.10
14940	26.40
14941	40.60
14942	26.95
14943	23.50
14944	33.00
14945	24.00
14946	19.20
14947	22.05
14948	19.20
14949	23.20
14950	3.20
14951	19.20
14951A	19.60
14952	27.36
14953	30.38
14954	27.93
14955	27.93
14956	29.76
14957	27.93
14958	26.79
14959	29.76
14960	25.48
14961	28.50
14962	24.44
14963	24.96
14964	40.00
14965	27.78
14966	28.60
14967	4.32
14968	23.52
14969	4.32
14970	23.52
14971	23.52
14972	28.80
14973	25.44
14974	23.04
14975	24.00
14976	23.04
14977	11.04

14978	.....	23.04
14979	.....	20.60
14980	.....	30.00
14981	.....	31.00
14982	.....	20.00
14983	.....	37.50
14984	.....	33.00
14985	.....	37.50
14986	.....	36.40
14987	.....	36.40
14988	.....	36.40
14989	.....	24.75
14990	.....	24.96
14991	.....	25.68
14992	.....	29.40
14993	.....	12.50
14768	.....	24.25
14879	.....	5.20
Total	.....	<u>2,245.88</u>

Northwestern National Bank
Special Account

Balance Shown by Bank Statement June 30, 1927	.....	2,697.09
Balance Shown by Mill Dept. Records	168.75	
Checks Outstanding	<u>2,528.34</u>	
	2,697.09	<u>2,697.09</u>

Checks Outstanding

Number		Amount
970	.....	95.00
3737	.....	75.00
3770	.....	75.00
3786	.....	75.00
3797	.....	87.50
3798	.....	87.50
3799	.....	87.50
3800	.....	87.50
3801	.....	87.50
3802	.....	62.50
3803	.....	67.50
3804	.....	62.50
3805	.....	62.50
3806	.....	75.00
3807	.....	50.00
3808	.....	100.00
3810	.....	55.00
3811	.....	50.00
3812	.....	62.50
3813	.....	52.50
3816	.....	50.00
3817	.....	125.00
3818	.....	112.50
3819	.....	112.50
3820	.....	87.50
3821	.....	75.00

Checks Outstanding—Continued

Number	Amount
3822	75.00
3823	25.00
3826	40.00
3828	75.00
3830	75.00
3831	10.00
3832	208.34
Total	2,528.34

Northwestern National Bank

Balance Shown by Bank Statement June 30, 1927		133,889.30
Balance Shown by Mill Dept. Records 47,785.55		
Checks Outstanding	100,194.00	
Deposits in Transit		1,654.30
Deposits in Transit		341.63
Deposits in Transit		11,110.69
Deposits in Transit		983.63
	147,979.55	147,979.55

Checks Outstanding

Number	Amount
1086	1.00
5497	8.04
5843½	1.15
9495	2.71
9824	1.00
11356	20.00
11369	10.00
11424 .....	.80
11471	50.00
11474	8.40
11493	45.00
11511	1,709.29
11517	33.30
11524	2.00
11533	16.25
11542	41.88
11569	7,746.56
11572	25.00
11575	5.00
11578	1,600.50
11583	14,473.85
11584	717.25
11589	39.95
11590	19.25
11594	45.00
11595	45.00
11596	27.30
11599	7.50
11600	26.35
11601	35.80
11602	30.70

Checks Outstanding—Continued

Number	Amount
11604	1,753.43
11607	75.00
11608	139.50
11609	30.00
11610	29.52
11612	127.84
11613	243.90
11614	8.23
11615	3.35
11616	49.40
11617	86.22
11618	11.68
11620	36.30
11621	560.87
11623	50.00
11624	50.00
11626	11.00
11628	331.48
11629	4,135.17
11631	20.50
11632	141.78
11633	99.67
11634	180.60
11635	3.35
11636	15.30
11637	29.70
11638	211.95
11639	131.64
11640	50.00
11641	166.43
11642	226.50
11643	4.15
11644	3.70
11645	4.00
11646	4.18
11647	20.45
11648	8.53
11649	1,897.03
11650	1,872.79
11651	1,841.87
11652	1,535.70
11653	1.60
11654	52.26
11655	45.00
11656	743.25
11657	766.50
11658	254.75
11659	37.50
11660	289.81
11661	1,420.41
11662	45.00
11663	37.50
11664	29.30
11665	19.10
11666	40.15
11667	30.00

Checks Outstanding—Continued

Number	Amount
11668	45.00
11669	35.00
11670	28.60
11671	469.50
11672	15,807.49
11673	1,960.05
11674	254.40
11675	5.22
11676	1.00
11627	16.83
11677	6.00
11678	7.00
11679	101.32
11680	6.18
11681	50.00
11682	5.98
11683	7.63
11684	77.34
11685	28.15
11686	175.00
11687	65.40
11688	130.20
11689	8.92
11690	23.18
11691	5.46
11692	143.90
11693	10.80
11694	24.50
11695	168.75
11696	34.10
11697	27.50
11698	95.13
11699	95.51
11700	59.65
11701	62.22
11702	50.00
11703	5.76
11704	108.88
11705	30.50
11706	25.80
11707	2.38
11708	105.27
11709	5.38
11710	17.19
11711	49.25
11712	51.25
11713	64.02
11714	25.16
11715	32,799.58
	<hr/>
	100,194.00

DETAIL 2

DRAFTS IN PROCESS OF COLLECTION

Outstanding June 30, 1927

For Collection With Northwestern National Bank

Grand Forks, North Dakota

Draft	Name and Address	Amount
21853	Gottfried Baking Co., New York	1,762.15
21909	Messing Bakeries, New York	1,537.15
21948	Gottfried Baking Co., New York	1,537.15
21953	Barneveld Co-op. Co., Barneveld, Wisc.	727.50
21957	Harry Krulewitch, New York	1,574.65
21962	C. H. Norwood, Gays Mills, Wisc.	907.13
21984	Prentice Co-op. Supply, Prentice Wisc.	171.00
22002	Jacob Held, Brooklyn, N. Y.	1,599.65
22016	Barnum Farmers Co-op. Co., Barnum, Minn.	513.75
22023	Morris Zwerner, Bronx, N. Y.	1,562.15
22025	Seaboard Flour Co., Boston	1,824.96
22026	Seaboard Flour Co., Boston	1,824.96
22027	David Coleman, New York	1,799.65
22028	David Coleman, New York	1,799.65
22029	David Coleman, New York	1,799.65
22030	Seaboard Flour Co., Boston	1,623.45
22031	David Coleman, New York	1,799.65
22035	Seaboard Flour Co., Boston	1,583.36
22041	Seaboard Flour Co., Boston	1,583.91
22044	Seaboard Flour Co., Boston	1,582.31
22046	Louis Badow, Peshtigo, Wisc.	1,184.50
22053	Seaboard Flour Co., Boston	1,339.32
22055	Seaboard Flour Co., Boston	1,350.97
22056	Marinette Flour & Feed Co., Marinette, Wisc.	920.00
22057	Rindal Mercantile Co., Rindal, Minn.	759.00
22063	Mondovi Co-op. Equity Ass'n, Mondovi, Wisc.	895.00
22064	Wm. Raskin & Co., Brooklyn	1,587.15
22065	Harry Grue, Le Seuer, Minn.	36.00
22066	Farmers Grain & Milling Co., Le Seuer, Minn.	732.00
22067	Seaboard Flour Co., Boston	1,824.96
22070	Sunburg Roller Feed Mill, Sundburg, Minn.	396.00
22071	Seaboard Flour Co., Boston	1,861.05
22072	Seaboard Flour Co., Boston	1,748.55
22073	Harry Krulewitch, New York	1,574.65
22075	Cameron & Kooker, Robinson, N. D.	1,448.50
22076	The Community Store, Kelliher, Minn.	1,561.25
22077	Fischer Baking Co., Newark, N. J.	1,837.15
22081	Seaboard Flour Co., Boston	1,824.96
22082	Farmers Elevator Co., Ambrose, N. D.	1,619.00
22083	Seaboard Flour Co., Boston	1,520.78
22984	I. S. Joseph Co., Minneapolis, Minn.	525.00
22086	H. L. Stavig, Rosholt, S. D.	1,747.00
22090	I. S. Joseph Co., Minneapolis, Minn.	525.00
22092	Seaboard Flour Co., Boston	1,247.04
22093	Seaboard Flour Co., Boston	1,371.97
22094	Seaboard Flour Co., Boston	1,623.45
22095	Lemmon Equity Exchange, Lemmon, S. D.	1,010.00
22097	Seaboard Flour Co., Boston	1,892.46
22098	Seaboard Flour Co., Boston	1,757.46

DETAIL 2—Continued

DRAFTS IN PROCESS OF COLLECTION

Outstanding June 30, 1927

For Collection With Northwestern National Bank
Grand Forks, North Dakota

Draft	Name and Address	Amount
22099	Seaboard Flour Co., Boston.....	1,584.50
22074	Seaboard Flour Co., Boston.....	1,252.19
22091	Warroad Co-op., Warroad, Minn.....	1,378.58
22100	Seaboard Flour Co., Boston.....	1,552.05
22101	Seaboard Flour Co., Boston.....	1,559.81
22102	Seaboard Flour Co., Boston.....	1,583.91
22103	H. Humbert Elevator, Eden Valley, Minn.....	748.85
22104	Marinette Flour & Feed Co., Marinette, Wis.	496.00
22105	Eagle Valley Co-op., Clarissa, Minn.....	1,008.35
22106	Olson Bros., Ironwood, Mich.....	1,307.10
22107	I. S. Joseph Co., Minneapolis, Minn.....	525.00
22108	Gottfried Baking Co., New York.....	1,537.15
22109	Morris Zwerner, Bronx, N. Y.....	1,949.57
22111	The Fusco Milling Co., New York.....	1,365.69
22112	Frederick W. Huber, Brooklyn, N. Y.....	1,712.15
22113	Frederick W. Huber, Brooklyn.....	1,712.15
22114	Seaboard Flour Co., Boston.....	1,574.12
22120	Seaboard Flour Co., Boston.....	1,556.27
22121	Farmers Co-op. Prod., Marshfield, Wis.....	490.00
22122	Equity Milling Co., Wadena, Minn.....	517.50
22124	Seaboard Flour Co., Boston.....	1,309.30
22125	Seaboard Flour Co., Boston.....	1,563.30
		<u>95,117.54</u>

DETAIL 3

RECAPITULATION OF ACCOUNTS RECEIVABLE

MILL DEPARTMENT

North Dakota Open Accounts.....	35,409.26
South Dakota Open Accounts.....	3,947.59
Eastern Open Accounts.....	3,947.59
Duluth Open Accounts.....	7,954.37
Superior Open Accounts.....	3,312.72
Minnesota & Wisconsin Open Accounts.....	16,896.06
Drafts Outstanding on Local Shipments.....	608.49
Closed Bank Claims.....	5,399.23
Doubtful Accounts in Process of Liquidation.....	2,795.97
Milwaukee Accounts in Mill Office.....	15,854.60
Advances to Salesmen.....	1,396.02
Advances to Employees.....	3,098.85
	<u>97,621.23</u>
To Balance:	
Open Accounts are short of Ledger Bal.....	10
Amount to Statement.....	<u>97,621.33</u>

Details of account balances on following pages.

STATE MILL AND ELEVATOR, GRAND FORKS, N. DAK.

MILL DEPARTMENT

ACCOUNTS RECEIVABLE, JUNE 30, 1927

NORTH DAKOTA OPEN ACCOUNTS

Months	Name of Account—Address	Amount	
Past Due		Due	Credits
	Farmers Co-op. Merc. Co., Carbury....	10.15	
	Drake Farmers Store, Drake.....	33.18	
	Farmers Elev. Co., Halliday.....		171.00
	Farmers Merc. Co., Hatton.....	1,717.80	
	Farmers Co-op. Merc. Co., Hillsboro	45.23	
	Hurley Farmers Elev. Co., Lorain....	15.25	
	Riverside Farmers Elev. Co. Newberg	43.74	
5 Mo.	Northwood Farmers Merc. Co., Northwood	4.98	
	Farmers Co-op. Elev. Co., Sherwood..		86.00
	Alley Department Store, Drake.....	26.55	
	John Anderson, Hillsboro.....	46.50	
3 Mo.	B. W. Andrews, Petersburg.....	30.00	
	Arvilla Supply Co., Arvilla.....	29.25	
4 Mo.	Auslander Bakery, Minot.....	185.00	
	B. J. Austfjord, Hensal	65.21	
	J. D. Bacon, Grand Forks.....	170.63	
	Barker Bakery, Grand Forks.....	71.00	
	Barney Co-op. Store, Barney.....	46.25	
	Belmont Cafe, Grand Forks.....	17.50	
	Berg & Flekke, Grafton	108.50	
	F. M. Bogan, Ardock	96.93	
	R. A. Bolmer, Erie	127.00	
	Botts Bros., Ludden	44.75	
	J. H. Braund, Edmore	2.63	
	Britton Store, Britton	36.64	
	T. T. Brusegaard, Gilby	182.79	
	E. O. Bry, Manville	50.20	
	C. A. Bugge & Co., Burlington.....	44.75	
	Burns & Zimmerman, Edgeley	3.85	
	Cando Mill & Elev. Co., Cando.....	1,521.40	
	Orr Cash Store, Orr	81.50	
	Tolna Cash Store, Tolna	3.66	
3 Mo.	E. J. Charbraneau, Thorne.....	148.50	
5 Mo.	Otto Charnholm, Roth.....	1.68	
	Chicago Bakery, Grand Forks.....	1,110.00	
	Chicago Department Store, Grafton	15.18	
	Chris Christianson, Osnabrook.....	21.25	
	Ida Clelland, Johnston	137.06	
6 Mo.	Clements ville Mercantile Co., Cle- mentsville	113.05	
	Cleveland Co., Maddock	923.85	
	Ben Collins, Grafton	81.00	
	Colton Wilder Grocery, Grand Forks	372.75	
	Columbia Hotel, Grand Forks.....	67.25	
	E. Corbit, Crystal	42.90	
	John Crawford, Langdon	1,637.42	
	Crowder & Nystrom, Bottineau	170.00	
17 Mo.	Cunningham & Larson, Grand Rapids	28.50	

North Dakota Open Accounts
(Continued)

Months	Name of Account—Address	Amount	Due Credits
Past Due			
3 Mo.	Dacotah Hotel, Grand Forks	68.66	
	Deaconess Hosiptal, Grand Forks.....	9.05	
	Devils Lake Potato & Seed Co., Devils Lake	4,635.77	
	Diamond Grocery, Minot	3.85	
	Dickinson Roller Mills, Dickinson.....	154.21	
7 Mo.	W. G. Dickson, Gilby	41.00	
	Drayton Co-op. Co., Drayton	164.53	
	Ellingson Mercantile Co., Reynold... ..	112.93	
	Emerado Co-Op. Co., Emerado.....	24.75	
	Englehard & Peschel, Wahpeton.....	35.21	
	Equity Co-Op. Co., Dunseith	2.80	
	Equity Elev. & Trading Co., Werner		128.50
	Eries Department Store, Grafton... ..	45.19	
	Ertresvaag Store, Bottineau.....	1,671.00	
	Fedjie & Tweet, Burwick	42.75	
	Ferguson Grocery, Valley City.....		8.55
	First National Bank, Reynolds.....	30.50	
	Flem Store, Petersburg	62.75	
3 Mo.	I. O. Fosse, Mayville	112.60	
	A. O. Fosseness, Forest River.....	65.03	
	Frederick Hotel, Grand Forks.....	67.41	
10 Mo.	Gaarnass Bros., Oberon	1,994.17	
	Goldwin Mercantile Co., Goldwin.....	43.00	
	Grand Forks Merc. Co., Grand Forks	3.30	
	Granville Cash Store, Granville.....	30.25	
	D. N. Gray, Stanley	915.90	
	Gravings Grocery, Grattoon.....	105.95	
	Nils Haagenson, Fingal	131.00	
	John Hartje, Hensal	44.05	
	A. T. Hankness, Minnewaukan		22.25
	J. S. Hauge & Co., Buxton	41.50	
	Hedstrom Grocery, Valley City.....	53.38	
	Erick Hegge, Hatton	62.75	
	Helmer Hensrud, Mekinock	19.95	
	J. H. Hertsgaard, Niagara	34.60	
	Hi Line Elevator Co., Valley City....		8.35
	J. I. Hjelmstad, Reynolds	69.65	
6 Mo.	Julius K. Hoffman, Wishek	5.98	
	Hakanson & Wilson, Valley City.....		8.35
	Hoople Mercantile Co., Hoople	226.89	
	Hoover & Olson, Grand Forks.....	31.00	
	W. E. Hosmer, Dunseith	141.47	
	Imperial Hotel, Grand Forks	8.75	
	J. B. Iverson, Makinock	25.10	
	I. J. Iverson, Mapes	23.18	
	Oscar Jenson, Reynolds	32.00	
	Jehner Bros., Berwick	26.25	
	Alex Johnson, Bantre.....	86.50	
	J. H. Kelley, Crystal	46.50	
	A. P. Knudson, Aneta	102.26	
	R. Krupse, Carson	44.76	
	A. LaDauceur, Dunseith	46.08	
5 Mo.	Lakota Mercantile Co., Lakota.....	2,074.34	

North Dakota Open Accounts
 (Continued)

Months	Name of Account—Address	Amount	Credits
Past Due		Due	
	David Lamm, Mayville	116.80	
	J. E. Lamoux, Dunseith	52.26	
	Tom Landsverk, Dunseith	69.69	
	Lankin Mercantile Co., Lankin.....	212.13	
	J. M. Larson, Grafton	231.05	
	Larson & Engh, Wales	89.88	
	A. H. Lee & Son, Walhalla	1,528.31	
	Lee Brusegaard, Honeyford	21.00	
	J. I. Lerom & Son, Buxton	60.75	
	Mrs. R. Lindeman, Glasston	25.70	
	Roy Logan, Bismarck	24.74	
	O. A. Lybeck, Bowesmont	139.70	
	Luther Lyken, Auburn	100.00	
	McDonald Farr Co., Grafton	59.61	
	The Magnofin Store, Monanga		52.30
	Kate Meagher, Pembina	37.08	
9 Mo.	Mesa Grain Co., Hanks.....	3.15	
	Stanley P. Miller, Minto	101.45	
	Minot Co-op Store, Minot	58.70	
11 Mo.	Minot Bakery, Minot	92.36	
	Mountain Homw. Buying & Selling Assn., Kelvin	62.75	
10 Mo.	F. H. Mulvain, Lallie	29.49	
	P. J. Myhre, Rolette	27.30	
	Nekoma Mercantile Co., Nekoma ...	66.50	
	A. R. Nelson, Bergen	25.80	
	A. C. Nelson, Kensal		25.45
	A. A. Nelson, Inkster	98.11	
	The New Store, Bowdon	27.90	
	Nickolay & Matejcek, Lankin	222.12	
	Northwestern Grocery, Minot.....	13.48	
	Northwood Grain & Fuel Co., North- wood	42.50	
	H. Olafson, Mountain	99.19	
	Geo. M. Olson, Arvilla	50.00	
	Olson Bros., Wheatland		21.25
	Oppen Grocery, Minot .....		.02
	H. M. Ostlie & Son, Reynolds	82.88	
	Overly Mercantile Co., Overly	21.40	
	Mrs. Thomas Patton, Lawton	1.29	
	C. L. Paxman, Hamilton.....		24.00
	Chas. Peterson, Leal	26.10	
	Pickard & Son, Niagara	30.00	
	Pi Rho Chi House, Grand Forks.....	4.38	
3 Mo.	Pioneer Mercantile Co., Harvey.....	800.00	
4 Mo.	H. Pope, Flora .....	.88	
	Railroad Co-Op. Store, Jamestown...	225.53	
	Red Owl Store, Minot	26.10	
	Red Owl Store, Springbrook	22.63	
	Red Owl Store, Valley City	25.70	
	W. W. Reyleck Inc., Grafton		10.93
	Harry Ridgeway, Fordville	5.98	
	Right Price Mercantile Co., Valley City		8.00

North Dakota Open Accounts
(Continued)

Months	Name of Account—Address	Amount	Credits
Past Due		Due	
	Frank Rodeike, Kelso	48.08	
	E. T. Rhode, Drake	48.63	
	John Romsland, Valley City	18.75	
	Saleski & Kensok, Windsor	1.65	
	Sanitary Grocery, Hensal	84.00	
	Sanstead Store, Berthold	62.63	
	A. L. Saueressig, Drake	35.40	
	Schwartz Bros., New Rockford	1,697.83	
	Sherwood Co-Op. Mercantile, Sher- wood	91.31	
	Shirley Grocery, Minot	71.10	
	N. R. Simmons, Eckelson		84.00
	Blanche St. Peter, Donnybrook .....		.86
	A. L. Starr, Tower City		35.00
	State School for Blind, Bathgate	40.50	
	State Institution for Feeble Minded, Grafton	1.48	
	State Hospital for the Insane, Jamestown	1,699.51	
	State Normal & Ind. School, Ellendale	29.45	
6 Mo.	State Normal, Dickinson	107.87	
	State Normal, Valley City	84.82	
	State Normal, Minot	51.00	
	State Training School, Mandan	255.00	
	State Tuberculosis San., Dunseith	163.46	
	State Penitentiary, Bismarck	72.75	
	State University, Grand Forks	54.81	
	Theo. A. Strandness, Larimore	60.45	
	S. J. Strong, Bowdon		21.00
	Studness & Agnesberg, Perth	1.50	
	Thos. Svobods, Voss	32.75	
	Swenson Mercantile Co., Epping		52.00
	Swank & McLaughlin, Wahpeton	16.64	
	Jens Tenold, Halton	29.50	
	Tolley Co-Op. Store, Tolley	26.65	
	Trisko Merc. Co., Clyde	12.23	
	A. F. Trutna, Sanford	69.38	
	Venberg & Fedji, Hoople	226.54	
	Viking Potato Co., Portland Junction	1,665.25	
	Wallen & Flaton, Rolette	77.00	
	Max Warcek, Minto	5.25	
	Geo. Warner, Great Bend	60.50	
	M. T. Wells & Co., Tower City		21.38
	Werstleins Grocery, Grand Forks	514.25	
	E. M. Whitaker, Moffit	3.44	
8 Mo.	J. A. Wilson, Edmore	19.65	
	Winston & Newell Co., Bismarck	9.60	
	Wolseth Cash Store, Wolseth	27.36	
	Y. W. C. A., Grand Forks	4.38	
		36,198.45	789.19
	Less: Credits	789.19	
	Amount to Statement	35,409.26	

SOUTH DAKOTA OPEN ACCOUNTS

Months		Amount	
Past Due	Name of Account—Address	Due	Credits
	Farmers Co-Op., White, S. D.		
	Nick D. Berbas, Aberdeen, S. D.	37.05	
	A. Bernhard, Parkston, S. D.		39.50
	Jos. Basch, Lowry, S. D.	44.00	
	Bradshaw & Arsher Co., Groton, S. D.	86.75	
	Consumers Wholesale Supply, Watertown, S. D.	55.31	
	Dakota Warehouse Co., Watertown S. D.		8.67
	C. G. Dale, Houghton, S. D.	46.75	
	Economy Grocery, Watertown, S. D.	10.30	
2 Mo.	Edison Grocery, Aberdeen, S. D.	10.19	
	Gardner Bros., Sioux Falls, S. D.	1.02	
	H. A. Halvorson, Clear Lake, S. D.	101.52	
	Horming & Swain, Melette, S. D.	85.00	
	F. W. James, Bonilla, S. D.	22.13	
	H. A. Juster, Selby, S. D.	31.83	
	Miranda Rochdale, Miranda, S. D.	19.50	
	North Star, Watertown, S. D.	8.60	
	Quality Store, Garden City, S. D.	20.50	
	B. T. Sandsmark, Claire City, S. D.	431.75	
	Wm. E. Stoebe, White Rock, S. D.		34.80
	Williams Meat Market, Watertown, S. D.	18.84	
		1,031.04	82.97
	Less: Credits	82.97	
	Amount to Statement	948.07	

EASTERN OPEN ACCOUNTS

Jules Junker Inc., Philadelphia.....	500.00
Frank R. Prina Corp., New York City	40.00
Seaboard Flour Co., Boston	7.44
H. R. Walker & Sons, New Jersey....	1,524.65
Wilkins Rogers Milling Co., Washington, D. C.	1,875.50
Amount to Statement	3,947.59

DULUTH OPEN ACCOUNTS

Months		Amount
Past Due	Name of Account—Address	Due
	Carl Abrahamson	16.30
	J. P. Anderson	49.40
	Henry Antila	17.36
	C. E. Bergman	41.30
	Frank Berger	109.60
	N. C. Bilsey	64.93
	J. B. Bjorkin	12.68
	Frank Brand	16.80
	Burger Bros.	35.00
	Henry La Belle	17.70

Duluth Open Accounts
(Continued)

Months Past Due	Name of Account—Address	Amount Due
	Lakeside Grocery	21.78
	I. L. Lindberg	2.20
3 Mo.	H. London	101.50
	J. W. Managhan	13.40
	Model Cash Grocery	16.30
	Morley Heights Store	21.14
	C. Neilson	41.10
	A. Nelson & Son	24.55
	A. Byland	96.65
	O. A. Carlson	15.80
	Chas. Chilstrand	84.80
	Christianson & Hanson	72.70
	Nick Collick	43.00
	Kogo Colick	83.51
	L. Cato & Son	32.85
	J. P. Daley	112.91
	Duluth Marine Supply Co.	271.75
	Eagle Bakery	78.00
	East Ninth St. Grocery	8.70
	Arthur Ecklund	173.00
	O. T. Eilert	26.16
	L. M. Ellifson	49.15
	European Bakery	133.45
	Federal Bakery	154.48
	J. H. Finke	17.00
	A. D. Flatten	85.20
	J. E. Fritzen	86.60
2 Mo.	M. Garon	740.10
	Generaux Bakery	438.00
	M. Goldberg	63.20
	Grand Avenue Store	645.00
	Grand Provision Co.	57.95
	J. Green	62.83
	A. T. Greenwood	51.20
	Gronseth & Olson	41.10
	G. R. Gustafson	17.63
	Gust Gustofson	26.00
	Emil Helman	32.40
	A. M. Hill	191.90
	Harry Hill	50.87
	Gust Hjelm	91.80
2 Mo.	Hal Railway Co.	31.88
	A. Harwitz	50.40
	G. A. Johnson	49.74
	Elmer Johnson Bakery	70.00
	J. M. Johnson	24.90
	C. P. Johnson	51.18
	Johnson Grocery	16.60
	Frank Jurkovich	59.60
	B. Kenner	15.30
	Ed Olson (Quality Grocery)	114.40
	Ed. Olson (Hallen Trustee)	17.20
	Olson Bros.	25.80
	E. R. Paulson	17.40

Duluth Open Accounts
(Continued)

Months Past Due	Name of Account—Address	Amount Due
	Oscar Peterson	56.65
3 Mo.	A. J. Peterson	185.35
14 Mo.	Phillips Home Bakery	489.00
	H. A. Polusky	54.43
	Posen Bakery	105.00
	Public Cash Market	23.70
	Purity Store	82.20
	Queens Pastry	155.75
	E. R. Richter Bakery	74.25
3 Mo.	Richard & Borske	45.00
	Rustad & Johnson	43.65
	Railway Tack Co.	300.80
	P. H. Salstad	39.78
	W. H. Samson	51.10
	L. Schulze	96.38
	Sam Simons	129.30
16 Mo.	J. B. Blahoski	25.80
	Jacob Stohre	27.73
3 Mo.	J. Strom	41.75
	Swan Bros.	43.51
	J. J. Thorpe	103.00
	Thomas & Hakes	43.50
	James Tankin	29.23
	U. S. Tower	17.00
	S. M. Truax	97.18
	Flam Turchi	25.60
	Union Com. Co-Op Society	42.70
	Voelker & Berg	26.00
	Geo. A. Wallen	39.05
	Walthenson & Schuett	36.65
3 Mo.	John T. Walski	26.65
2 Mo.	Tom Winters	3.95
	Zenith Grocery	89.60
	Amount to Statement	7,954.37

SUPERIOR OPEN ACCOUNTS

Months Past Due	Name of Account—Address	Amount Due
3 Mo.	John Ahlstrom	98.18
	Jos. Arcenau	39.00
	Frank Asemore	67.60
	Barkell & Linder	61.80
	Capital Market	357.35
	O. Cranston	2.35
	A. C. Dahl	42.00
	11th St. Market	25.81
	A. J. Evans	68.40
	Ben Fergal	49.61
	Fifth St. Home Bakery	110.00
7 Mo.	Gronquist & Erickson	113.45
	Harris Bros.	25.50
	J. H. Harvey Grocery	10.78

Superior Open Accounts
 (Continued)

Months Past Due	Name of Account—Address	Amount Due
	Joe Holterman	177.70
	Jackson, Berg Co.....	17.78
3 Mo.	O. A. Jermstad	50.15
	Wm. Kommes	70.10
	Louis Kovitz	48.15
5 Mo.	Joe Kubala	20.82
	A. F. Lange	72.42
3 Mo.	Gust Larson	60.19
	Harry Lavine	79.65
	Linberg & Thompson Co., Inc.	54.45
	G. W. McFarlin	38.75
	New Hotel Superior	8.35
	A. J. Olson	41.43
	Olson & McKenzie	66.15
	Patterson Grocery	66.40
	Geo. Pesark	180.00
	Mrs. A. Peterson	8.86
	Richter Pastry	36.00
	Harry Saks	22.70
	W. W. Sanford	163.40
	Seventh St. Market	446.40
	South Superior Bakery	39.50
	Alfred Swanson	17.00
	E. Van Hove	131.60
	Voss Mercantile Co.	140.64
	Wasseen Bros. Bakery	120.40
3 Mo.	Williamson Bakery	37.50
	Chas. Zanuzoski	24.40
	Amount to Statement	3,312.72

MINNESOTA & WISCONSIN OPEN ACCOUNTS

Months Past Due	Name of Account—Address	Amount Due	Credits
	Farmers Exchange, Benson	375.25	
	Fms. Co-Op. Mkt'g Assn, East Gr. Fks., Minn.	205.00	
5 Mo.	Wisc. Fm. Service Bureau, Madison, Wisc.	863.34	
	E. A. Alexander, Foxholm, Minn.....	972.40	
	T. K. Berge, Erskine, Minn.....	827.18	
	Carl Buesing, Cyrus, Minn.....		1.00
	Bydahl Mercantile, East Gr. Forks, Minn.	14.53	
	Church Co., Oshkosh, Wisc.....	5.30	
	Eide Mercantile Co., Fertile, Minn..	175.05	
	L. M. Enright, East Grand Forks, Minn.	15.25	
6 Mo.	Equity Union Mktg. Assn., Tokio, N. D.	462.95	
8 Mo.	Equity Co-Op. Exchange, St. Paul, Minn.	1,002.00	
	R. O. Harrison, Doran, Minn. ....		.88

Minnesota and Wisconsin Open Accounts
(Continued)

Months Past Due	Name of Account—Address	Amount Due Credits
	Inman Mercantile Co., Manitowish Minn.	51.18
	Johnson Bros., Northland, Minn.....	271.20
	Lancaster Merc. Co., Lancaster, Minn.	694.22
	Halvor Langslet, Ullen, Minn.....	73.38
	M. E. Larson, Fisher, Minn.....	162.68
	R. J. McMahan, Grand Rapids, Minn.	1,109.95
	Geo. Olson, Fisher, Minn.....	112.55
	Omre Co-Op. Shipp. Ass'n., Omre, Wisc.	82.00
2 Mo.	Carl Quern, Oslow, Minn.....	15.00
	Quinlan & Sethre, Pelican Rapids, Minn.	1,191.20
	Roe Grain Co., Crookston, Minn.....	1,928.80
	Salvorson Grocery, Ada, Minn.....	34.93
2 Mo.	O. C. Temple, Bemidji, Minn.....	1,046.65
	Henry Vehle, Twin Valley, Minn.....	860.15
	Whitlaw Co-Op. Exchange, Whit- law, Wisc.	1,345.80
		16,897.94
	Less Credits	1.88
	Amount to Statement.....	16,896.06

DRAFTS OUTSTANDING

LOCAL SHIPMENTS

Date		Draft No.	Am't.
June 30	Frs. Union Co-Op. Elev. Co., Tuttle, N. Dak	J202	63.75
June 30	John Anderson, Hillsboro, N. D.....	22116	12.00
June 30	P. B. Bang, Michigan City, N. D.....	22115	17.00
June 23	Cameron & Kooper, Robinson, N. D.....	J189	43.75
April 25	Galchutt Co-op. Store, Galchutt, N.D....	W202	55.95
May 25	H. S. Cash Store, Courtenay, N. D....	VC277	34.20
June 30	Keller & Kleth, Medina, N. D.....	J204	25.70
June 29	Landa Merc. Co., Galesburg, N. D.....	22110	52.63
June 29	C. A. Olson, Roseglen, N. D.....	D348	43.50
June 30	W. B. Plaistad, Adrian, N. D.....	J201	12.75
June 30	E. A. Roule, Medina, N. D.....	J203	85.00
June 30	O. Q. Rude, Mona, N. D.....	22117	7.25
May 25	Smith & Saltness, Makoti, N. D.....	21845	54.43
June 24	Farmers Co-op., White, S. D.....	W320	37.60
June 22	Farmers Merc. Co., Wolsey, S. D.....	W318	43.23
June 27	Halverson & Co., Brandt, S. D.....	W321	19.75
	Amount to Statement		608.49

CLOSED BANK CLAIMS

Name of Account—Address	Amount
State Bank, Aurelia, N. D.....	13.80
First State Bank, Bergen, N. D.....	161.76
First National Bank, Bisbee, N. D.....	646.11
State Bank, Bradley, S. D.....	36.21
First National Bank, Brinsmade, N. D.....	55.15
Cayuga State Bank, Cayuga, N. D.....	122.90
Farmers & Merchants, Cogswell, N. D.....	36.36
State Bank, Crandon, S. D.....	22.77
Merchants National Bank, Crookston, Minn.....	378.68
First State Bank, Dunn Center, N. D.....	37.35
Merchants State Bank, Fingal, N. D.....	1,232.06
Farmers Bank Mercer County, Hazen, N. D.....	57.00
Hurdsfield State, Hurdsfield, N. D.....	37.26
Cavalier County National Bank, Langdon, N. D.....	56.36
First State Bank, Lemmon, Lemmon, S. D.....	66.88
State Bank, Maxbass, N. D.....	67.05
Mission Hill State Bank, Mission Hill, S. D.....	632.60
Oakes National Bank, Oakes, N. D.....	85.75
Farmers State Bank, Oriska, N. D.....	1,338.50
State Bank, Oriska, N. D.....	30.69
Citizens State Bank, Parker, S. D.....	120.00
Merchants State Bank, Pembina, N. D.....	42.25
First National Bank, Steele, N. D.....	35.79
Williams County State, Williston, N. D.....	85.95
Amount to Statement	5,399.23

DOUBTFUL ACCOUNTS IN PROCESS OF LIQUIDATION

Name of Account—Address	Amount
Aberdeen Milling Co., Aberdeen, S. D.....	739.99
Carpenter's Bakery, Grand Forks, N. D.....	209.13
J. C. Cogsdell, Des Lacs, N. D.....	20.50
Everybody's Meat Market, Granville, N. D.....	79.20
David Fryer, Lucca, N. D.....	24.25
Granville Merc. Co., Granville, N. D.....	81.91
Granville Meat Market, Granville, N. D.....	55.45
Hillis & Manning, Bathgate, N. D.....	14.63
C. A. Hirengen, Norwich, N. D.....	4.00
Knud Hop, Stephen, Minn.....	95.50
Hulteng-Burnett Co., Grand Forks, N. D.....	416.14
J. B. Iverson, Orr, N. D.....	46.59
O. S. Lund, Honeyford, N. D.....	72.50
Maynard Produce Co., Maynard, Minn.....	317.65
H. M. Ostlie, Reynolds, N. D.....	3.00
Shirley Grocery, Minot, N. D.....	81.55
Tenney Co., Bradley, S. D.....	108.16
Union Hay Co., Minneapolis, Minn.....	216.62
B. Wagner, Milwaukee, Wis.....	209.20
Amount to Statement	2,795.97

MILWAUKEE-WISCONSIN ACCOUNTS IN MILL OFFICE

Months Past Due	Name	Amount
	Henry Gaulke	117.15
	Al Gleissner	44.75
	E. Greiton	9.38
	Walter Graeven	10.05
	George's Grocery	15.00
	Charles Havlik	113.50
	Otto Goetze	8.10
	Martin Gorski	10.05
	C. C. Anderson	70.14
	A. Arnstein	93.75
	S. Arnedjich	46.40
	J. Barwick	9.48
	D. Bartolone	19.52
	Backes Grocery	27.15
	Baruxis Bros.	15.21
	N. Bauer & Sons	29.13
	Wm. Guenther	9.68
	Hackbarth Bros.	213.00
	Alvin Hahn	18.75
	S. Glicksman	206.00
	E. Hall	19.76
	M. E. Harris	8.70
	Geo. Hacki	14.55
	Fred H. Hein	20.25
	Hiller Bros	8.60
	A. Herbst	19.00
	Geo. P. Held	43.85
	E. Hoppe	232.50
	O. C. Hinz	18.77
	J. D. Hoffman	13.20
	Peter Hunn	50.25
	Max Igi	34.00
	V. Ingevilli	14.31
	H. C. Imse	27.45
	A. Jaster	12.03
	Janasidk & Son	38.45
	I. Jankowski	37.54
	Jahnka Bros.	18.75
	M. Jarosz	14.65
	J. Janesch	9.88
	A. Johnson	14.85
	H. Joers	9.38
	Paul Jurack	34.50
	H. H. Julien	8.95
	Karl & Kirksmeyer	17.40
	O. E. Krause	73.10
	J. Kasprzak	6.87
	P. Kasprzak	76.50
	V. Kasprzak	136.20
	Kailin & Bugel	47.24
	J. E. Knack	17.40
	A. J. Kaha	100.90
	E. Kross	498.50
	H. Kegler	3.57

Milwaukee-Wisconsin Accounts in Mill Office
(Continued)

Months Past Due	Name	Amount
	Ben Kreweicke	27.45
	J. Kronschnable	23.01
	Alex Horst	8.40
	Anton Kominska	32.48
	M. Krolikowski	10.05
	Ed Kontowicz	189.00
	J. Kurs	720.00
	O. P. Kugler	36.15
	J. J. Lasek	12.43
	H. Lawonn	43.45
	C. J. Lawrens	19.25
	Geo. Lesnik	2.75
	B. Barkowitz	50.50
	W. F. Bries	67.77
	Boerner Bros.	180.60
	G. C. Bomke	9.48
	W. A. Bonneman	24.03
	J. A. Brown	37.63
	F. Buchner	10.22
	L. Cascie	180.09
	Stanley Creslak	480.25
	R. Cialthini	54.75
	Louis Costella	86.18
	David Cooper	8.70
	N. Collenburg	9.70
	C. B. Conrad	81.90
	L. Conrad	27.36
	Eugene Daub	9.08
	J. Damato	35.04
	Mrs. B. E. Davis	2.84
	F. Dilikat	41.25
	Paul Diers	13.53
	A. Diedrich	37.03
	Disch Bros.	13.73
	I. Dizeck	9.68
	H. Dohmeyer	78.00
	F. H. Duinford	36.83
	Wm. Dymacek	32.50
	East Side Quality Store	145.95
	E. A. Erdmann	37.94
	Electric Maid Bake Shop	15.60
	Frank Ecjert	20.55
	N. C. Ellenbecker	8.50
	L. O. Eggert	34.80
	O. F. Effenheim	28.13
	C. Eisemann	38.25
	J. A. Endisch	68.00
	P. Elshoff	20.10
	H. Frahm	9.30
	J. J. Frantl	31.13
	M. U. Frank	85.35
	Frank's Grocery	9.68
	E. Feraherdtd	27.80
	J. Filipowiz	4.30

Milwaukee-Wisconsin Accounts in Mill Office
(Continued)

Months Past Due	Name	Amount
	N. Frindell	8.55
	E. A. Grasse	45.53
	Wm. Ruehl	13.05
	L. Szklarski	83.40
	Sanitary Grocery	48.25
	S. Spasoff	415.00
	A. Staehle	2.65
	Paul Stahl	16.95
	Jos. Levin	46.25
	H. H. Lissenfelder	11.56
	M. Lehmann	74.50
	Anton Librecht	8.95
	E. Little	14.40
	Lyon Bakery	423.65
	Louis Mantell	152.00
	Marx Bros.	27.45
	Mrs. E. Matz	23.85
	R. Matteschek	18.46
	A. Malowski	4.00
	H. Mertz & Son	10.05
	I. Milinowisz	9.72
	H. Militzer	44.10
	Frank Michalski	19.36
	Thos Mierzwa	23.84
	A. Mirendorf	44.85
	Walter E. Moe	9.88
	F. E. Mueller	37.50
	Chas. Murphy	19.65
	Jos. MacMahon	14.50
	E. McGee	2.57
	Walter Neumarkel	23.78
	New Market	16.46
	Chas. Nevinger	83.25
	Theo. Nicklewski	69.00
	A. Nibbe	43.50
	F. Nuschultz	16.14
	North Star Market	10.53
	Jacob Olk	10.05
	Carl Oberkusch	68.00
	David Orenstein	620.50
	Holft Orzechowski	259.00
	Olympian Market	27.15
	L. E. Pfau	9.13
	Pagells & Sell	8.70
	V. E. Packowski	37.72
	Peter Pfaff	73.75
	Henry M. Peters	149.65
	Walter Plagande	8.95
	A. H. Pfeffer	45.30
	Felix A. Perszey	37.86
	G. H. Pritchard	5.08
	L. Pietrykowski	20.08
	Mrs. L. Pierschaliki	27.15
	B. Fokras	11.57

Milwaukee-Wisconsin Accounts in Mill Office
(Continued)

Months Past Due	Name	Amount
	V. Papielarski	74.90
	Frank Pullman	16.82
	S. Pezybylski	47.55
	Quality Market	28.07
	L. Schwalback	28.63
	Schaller Bros.	19.43
	I. Steinad	205.00
	Herman Schlender	11.94
	W. Schwechel	14.55
	Frank Shefchik	13.05
	F. Schneider	133.38
	Ed Scheffler	127.50
	Sibrigondie Bros	39.36
	Schirmen & Bandow	22.43
	M. Silberg	41.33
	J. Smith	9.72
	E. Spitz	403.00
	Wm. Schiek	64.95
	H. Stith	99.75
	F. Sommers	30.83
	So. Milwaukee Bakery	659.75
	C. Slosarski	37.05
	L. Slosarski	18.75
	P. Sbonik	20.10
	R. W. Spierr Co.	28.20
	E. Studier	9.14
	C. F. Schultz	18.75
	Walter Sucharski	43.10
	H. Paige	27.75
	A. J. Taylor	22.58
	A. Thomas	38.32
	H. Teplinsky	107.15
	J. Thelen	10.10
	J. Fetich	10.05
	Tishler Bros.	18.75
	Tacco Bros.	37.50
	C. J. Truck	8.70
	F. Tutkowski	10.00
	J. Trezkowski	129.70
	M. Tyborski	71.00
	F. L. Van Dyck	37.50
	Jos. Volk	342.50
	Frank Vogel	8.40
	Volkman & Co.	80.70
	W. Voss	5.70
	Mrs. L. Wasulewski	14.00
	J. C. Walecki	56.88
	Wagner & Carles	27.45
	C. Wagner	370.25
	H. Weinstein	83.55
	West End Grocery	46.85
	H. Weinheimer	10.15
	A. Weiss	17.60
	A. F. Weilogosch	10.15

Milwaukee-Wisconsin Accounts in Mill Office
(Continued)

Months Past Due	Name of Account—Address	Amount	
		Due	Credits
	M. Raha		14.56
	A. F. Raasch		9.78
	Wm. Ratsmann		27.30
	D. Redebaum		62.05
	R. R. Reichelt		69.00
	A. J. Rehberger		24.90
	J. Rewalinski		8.70
	Retzer Bros.		42.70
	Geo. Ritonia		26.10
	Harry Rixon		9.63
	C. Robbeicki		696.75
	Miké Rottolo		20.10
	Ed Rockochr		36.05
	Oscar Ruppín		843.19
	P. C. Rühl		36.15
	White Baking Co.		192.50
	G. H. Wirth		88.83
	Peter Warzalla		10.05
	Joe Yelech		97.00
	A. Zenski		19.58
	V. Zingale		146.00
			<hr/>
			15,854.60

Note:—The accounts of the Milwaukee Sales Office are kept at Milwaukee, Wisc. and reported to the Mill Office. These items were not examined, but listed as reported to the Mill Office.

ADVANCES TO SALESMEN

Name	Amount
B. D. Anderson	100.00
C. A. Bell	100.00
F. D. Freeman	100.00
A. O. Graven	
H. G. Higgins	100.00
E. O. Huseby	100.00
Otto Knapp	100.00
Wheeler Smith	100.00
T. A. Swiggum	100.00
A. W. Thompson	100.00
H. C. Upham	100.00
H. M. Webster	100.00
M. H. Reiton	100.00
E. N. Everson	100.00
C. F. McGie	46.02
R. G. McMahan	50.00
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Amount to Statement.....	1,396.02

ADVANCES TO EMPLOYEES

Name	Amount
B. D. Anderson	28.27
C. A. Bell	264.20
O. S. Berg	284.35
F. D. Freeman	655.61
A. O. Graeven	18.00
H. G. Higgins	302.46
W. H. Hill	149.36
E. O. Huseby	58.18
H. S. Hanson	17.31
O. N. J. Hagen	200.00
Otto Knapp	131.60
K. C. Nelson	29.49
J. H. Pagett	7.15
O. L. Spencer	13.13
Wheeler Smith	424.00
T. A. Swiggum	225.00
A. W. Thompson	121.74
H. C. Upham	169.00
Amount of Statement	3,098.85

DETAIL 4

RAILWAY CLAIMS INVENTORY

JUNE 30, 1927

Date	Claim No.	Amt.
2-19-25	785	17.64
7-28-25	947	48.22
8- 4-25	955	44.10
12-30-25	1051 .....	.81
2- 4-26	1096	3.25
2-17-26	1111	38.17
3-12-26	1123	6.03
3-12-26	1124	2.02
3-19-26	1126	125.05
3-31-26	1133	4.51
3-31-26	1134	4.27
4- 6-26	1136	1.25
4-12-26	1140	37.75
11-26-26	1314	11.45
12-10-26	1328	18.36
12-15-26	1341	15.84
1-20-27	1371	8.06
2-28-27	1409	42.20
2-28-27	1411	18.26
3- 4-27	1414	2.76
3- 4-27	1416	17.30
3- 4-27	1417	1.99
3- 7-27	1418	29.87
3-25-27	1442	209.25
4- 7-27	1454	43.71
4-21-27	1467	23.16
4-21-27	1475	15.88

DETAIL 4—(Continued)

Date	Claim No.	Amt.
4-22-27.....	1478.....	28.13
6- 2-27.....	1490.....	2.63
6-29-27.....	1499.....	2.20
6-29-27.....	1500.....	3.35
6-29-27.....	1501.....	5.50
6-29-27.....	1502.....	5.78
6-30-27.....	1503.....	60.36
6-30-27.....	1504.....	1.91
6-30-27.....	1505.....	5.12
6-30-27.....	1506.....	8.01
6-30-27.....	1507.....	4.18
6-30-27.....	1508.....	1.60
6-30-27.....	1509.....	4.48
6-30-27.....	1510.....	1.51
6-30-27.....	1511.....	20.32
6-30-27.....	1512.....	6.83
6-30-27.....	1513.....	8.53
6-30-27.....	1514.....	1.26
6-30-27.....	1515.....	2.06
6-30-27.....	1516.....	13.46
6-30-27.....	1517.....	3.42
6-30-27.....	1518.....	4.42
Amt. to Statement		986.22

DETAIL 5—MILL WHEAT INVENTORY—JUNE 30, 1927

Elev. Tank Number	Pounds Gross Weight	Pounds Dockage	Net Bushels	Grade	Test Weight	% of Dockage	Average Protein %	Premium Over May	Amount of Premium	Mpls. Closing Option—July at 1.43%	Total Value
241	610470	12209	9971	1 Dark	59.7	2%	12.48%	.12	1,196.52	14,295.92	15,492.44
209	2580260	77407	41714	1 Dark	59.5	3%	11.54	.08	3,337.12	59,807.44	63,144.56
211	2493350	74800	40309	1 Nor	60	3%	10.90	.05	2,015.45	57,793.02	59,808.47
213	1193400	35802	19293	1 Nor	59.5	3%	11.50	.08	1,543.44	27,661.33	29,204.77
246	184130	3682	3007	1 Hard	60	2%	13.16	.14	420.98	4,311.29	4,732.27
245	596270	5962	9838	1 Hard	61	1%	13.31	.15	1,475.70	14,105.23	15,580.93
210	2079810	41596	33970	1 Nor	60.5	2%	10.92	.05	1,698.50	48,704.49	50,402.99
212	1773680	35473	28970	1 Dark	58.2	2%	13.64	.14	4,055.80	41,535.74	45,591.54
204	2332480	116824	36931	1 Nor	59.2	5%	10.92	.04	1,477.24	52,949.82	54,427.06
214	1766010	35320	28845	1 Dark	58	2%	14.75	.19	5,480.55	41,356.52	46,837.07
203	775290	23258	12534	1 Dark	59.5	3%	15.09	.20	2,506.80	17,970.62	20,477.42
215	1493910	29878	24401	1 Dark	59.1	2%	13.40	.14	3,416.14	34,984.93	38,401.07
216	1601990	32039	26166	1 Dark	59.2	2%	15.32	.20	5,233.20	37,515.50	42,748.70
243	681240	40874	10673	1 Nor	59.6	6%	10.90	.04	426.92	15,302.41	15,729.33
244	673480	26939	10776	1 Dark	59.7	4%	11.00	.04	431.04	15,450.09	15,881.13
242	365790	7315	5975	1 Dark	58.6	2%	13.64	.14	836.50	8,566.66	9,403.16
Wheat in Elevator Bins											
51	72050	720	1189	1 Dark	59	1%	14.72	.19	225.91	1,704.73	1,930.64
68	99670	3986	1595	1 Nor	60	4%	10.04	.04	63.80	2,286.83	2,350.63
81	89440	1788	1461	1 Dark	59.3	2%	15.94	.20	292.20	2,094.71	2,386.91

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DETAIL 5—MILL WHEAT INVENTORY—JUNE 30, 1927

Elev. Tank Number	Pounds Gross Weight	Pounds Dockage	Net Bushels	Grade	Test Weight	% of Dockage	Average Protein %	Premium Over May	Amount of Premium	Mpls. Closing Option—July at 1.43%	Total Value	
67	67040	1340	1095	1 Dark	59.5	2%	12.88	.12	131.40	1,569.96	1,701.36	
82	89320	5359	1399	1 Nor	59.7	6%	11.	.05	69.95	2,005.82	2,075.77	
66	87080	3483	1393	1 Nor	60	4%	10.76	.05	69.65	1,997.21	2,066.86	
52	88060	2641	1424	1 Nor	60	3%	10.44	.05	71.20	2,041.66	2,112.86	
Mill Bins												
61	16800		280									
77	46200		770									
78	31500		525									
62	16800		280									
Tempered Wheat												
60	27300		455				12.50	.12	711.00	8,494.97	9,205.97	
59	33600		560									
B Mill	168000		2800									
Grinding												
Bin	4800		80									
Choke up	10500		175									
Total	22149720	618495	358854									
									Total Minneapolis Value	37,187.01	514,506.90	551,693.91
									Less: Mpls. Freight on			
									22,149,720 lbs. at 16½c per cwt.....			36,547.04
									Amount of Statement			515,146.87

DETAIL 6
SCREENINGS AND MILL OATS

Screenings Inventory

June 30, 1927

Screenings	Bin No.	Weight
	64	43110
	80	28410
	58	37370
	47	32560
	63	28350
	B Mill	4760

Total Pounds174560 @ \$20.00 Per Ton 1,745.60

Mill Oats Inventory

June 30, 1927

Mill Oats	79	23800
	201	163450
	4	3020

Total Pounds190270 @ \$18.00 Per Ton 1,712.43

Total 3,458.03

DETAIL 7

SUMMARY OF FLOUR & MILL FEED INVENTORY

Flour Inventory Mill warehouse	171,054.88
Flour Inventory Spot Stock Points	49,949.32
Mill Feed Inventory Mill Warehouse	1,204.41
Mill Feed Inventory Spot Stock Points	201.70

 222,410.31

Flour & Mill Feed Inventory in Mill Warehouse

June 30, 1927

	Number Packages	Size Package	Number Barrels	Price Per Bbl.	Cost Value Inc. Mpls. Freight
Straight					
Grade Flour	743	40J	530 5/7	7.37	3,911.35
	213	98C	106 1/2	7.42	790.23
	18	49C	4 1/2	7.62	34.29
	44	24 1/2 C	5 1/2	7.82	43.01
	73	10C	3 13/20	8.77	32.01
Patent					
Grade Flour	20913	98C	10456 1/2	7.77	81,247.00
	35137	49C	8784 1/4	7.97	70,010.47
	466	24 1/2	58 1/4	8.18	476.48
	255	10C	12 3/4	9.12	116.28
	92	5C	2 3/10	9.62	629.28
95% Straight					
Grade Flour	117	140J	83 4/7	7.53	629.28
	4906	98C	2453	7.58	18,593.74
	343	49C	85 3/4	7.78	667.13
	405	98C	202 1/2	7.43	1,504.57
First Clear					
Grade Flour	33	140J	23 4/7	6.20	146.13
Second Clear					
Grade Flour	39	140J	27 6/7	4.20	116.97
	48	98C	24	4.25	102.00
Corn Meal			100 lb.		3.25
Rye Flour			100 lb.		3.50
			22865 1/5		178,449.82
Less: Mpls. Freight @ 16 1/2 c Per Cwt. on 4,481,799 lbs.					7,394.94
Total					171,054.88

Flour Inventory at Spot Stock Points

	Number of Packages	Size of Package	Number of Barrels	Price Per Bbl.	Extension
Straight					
Grade Flour	168	98C	84	7.42	623.28
	217	49C	54 1/4	7.62	413.38
	48	24 1/2 C	6	7.82	46.92
	621	10C	31 1/20	8.77	272.30
Patent					
Grade Flour	3906	98C	1953	7.85	15,331.05
	10129	49C	2532 1/4	8.05	20,384.61
	1892	24 1/2 C	236 1/2	8.25	1,951.12
	280	10C	14	9.20	128.80
	2650	5C	66 5/20	9.70	642.62

SUMMARY OF FLOUR & MILL FEED INVENTORY

95% Straight					
Grade Flour	1779	98C	889 1/2	7.59	6,751.30
	121	49C	30 1/4	7.79	235.64
	133	98C	66 1/2	7.44	494.76
First Clear					
Grade Flour	798	98C	399	6.25	2,493.75
Second Clear					
Grade Flour	71	98C	35 1/2	4.25	150.87
	26	49C	6 1/2	4.45	28.92
Total Flour Spot Stocks					49,949.32

Mill Feed Inventory—Mill Warehouse

Bran					
248 100 lb. Sacks—12	2/5	ton @	\$24.00	Per Ton	297.60
Standard Midds					
69 100 lb. Sacks—3	9/20	ton @	\$25.00	Per Ton	86.25
Flour Midds					
639 100 lb. Sacks—31	19/20	ton @	\$29.00	Per Ton	926.55
Mixed Feed					
50 100 lb. Sacks—2	1/2	ton @	\$24.00	Per Ton	60.00

Less: Mpls. Frt. @ 16 1/2c per Cwt. on 100,600 lbs. 1,370.40
165.99

1,204.41

Spot Stocks—Mill Feed

Bran					
116—100 lb. Sacks—5	4/5	ton @	\$24.00	per ton	139.20
Middlings					
50—100 lb. Sacks—2	1/2	ton @	\$25.00	per ton	62.50
					201.70
					1,406.11

DETAIL 8

FLOUR AND FEED PACKAGES AND TWINE

INVENTORY

Number on Hand	Kind	Size	Material	Value Per M	Extension
37677	Flour.....	140 lb.	Jute	155.50	5,858.77
140580	Flour.....	98 lb.	Cotton	124.25	17,467.07
82440	Flour.....	49 lb.	Cotton	93.75	7,728.75
12501	Flour.....	24½ lb.	Cotton	66.00	825.06
4539	Flour.....	10 lb.	Cotton	40.25	182.69
5816	Flour.....	5 lb.	Cotton	32.00	186.11
9324	Flour.....	98 lb.	Jute	127.50	1,188.81
506	Flour.....	100K	Cotton	280.50	141.93
1172	Flour.....	50K	Cotton	157.75	184.88
1738	Bailing Bags..	98 lb.	Paper	53.00	92.11
3996	Flour.....	49 lb.	Paper	55.50	221.78
6212	Flour.....	24½ lb.	Paper	37.50	232.95
3229	Flour.....	10 lb.	Paper	23.50	75.88
9180	Flour.....	5 lb.	Paper	17.75	162.95
59743	Feed.....	100 lb.	Burlap	121.50	7,258.77
	850 lbs. Machine Twine @ 40¼c Per lb....			342.12	
	73 lbs. Brown Hand Twine@21¼c Per Lb.			15.51	
	600 lbs. White Hand Twine@30½c Per Lb.			183.00	540.63

42,349.14

DETAIL 9

TRANSIT INVENTORY—June 30, 1927

Milling Penalty $1\frac{1}{2}$ c per cwt., unless otherwise stated in individual items.

Pounds	Value Per Cwt.	Extension of Value
78210	$4\frac{1}{2}$	35.19
2510486	$5\frac{1}{2}$	1,380.77
951175	5	475.59
223721	$6\frac{1}{2}$	145.42
800503	$5\frac{1}{2}$	440.28
1207756	$7\frac{1}{2}$	905.82
1518175	$6\frac{1}{2}$	986.81
1379665	$7\frac{1}{2}$	1,034.75
405049	$8\frac{1}{2}$	344.29
4922	$6\frac{1}{2}$	3.20
2310752	9	2,079.68
416243	7	291.37
372269	$9\frac{1}{2}$	353.66
735587	$7\frac{1}{2}$	551.69
135496	$9\frac{1}{2}$	128.72
37983	8	30.39
73181	9	65.86
16593	10	16.59
155148	9	139.63
7712	$9\frac{1}{2}$	7.33
73487	$8\frac{1}{2}$	62.46
155470	$9\frac{1}{2}$	147.70
45388	$13\frac{1}{2}$	61.27
99535	11	109.49
260770	11	286.85
183349	$11\frac{1}{2}$	210.74
172458	12	206.95
88288	10	88.29
945647	$9\frac{1}{2}$	898.36
851538	10	851.54
388209	$10\frac{1}{2}$	407.62
273873	10	273.87
11133	11	12.25
361458	$10\frac{1}{2}$	379.53
1438014	11	1,581.82
2314462	$11\frac{1}{2}$	2,661.63
45886	11	50.47
7089546	14	9,925.36
Total Inventory		27,633.24
Less: Estimated Cancellations		3,000.00
		<u>24,633.24</u>

DETAIL 10

FUEL AND SUPPLIES INVENTORY

Coal

837 3-20 Tons Hanna Screenings at \$6.79 Per Ton	5,697.82
618 Tons Washburn Lignite Scks. at \$3.54 Per Ton	2,187.70

Supplies

900 Pounds Chlorine at 17c Per Pound	153.00
Electric Bulbs	17.13
3450 Pounds Car Lining Paper at 6c Per Pound	207.00
Oil and Grease	176.29
Mill Supplies and Repair Parts	3,420.46
Office Supplies	1,992.48
Laboratory Supplies	612.95
Sales Department Supplies	1,200.00
Grain Dept. Supplies	300.00

Amount to Statement 15,964.83

DETAIL 11

REAL ESTATE

MILL DEPARTMENT

Donated site consisting of 19.95 acres in Section 33, Township 152, North, Range 50 West, lying about one mile north of the City of Grand Forks.

Original Site Valued at	5,985.00
Improvements Charged Site	3,448.33

Amount to Statement 9,433.33

DETAIL 12

BUILDINGS

Flour Mill Buildings and Warehouse	509,483.06
Elevator and Train Sheds	534,786.97
Storage Tanks	380,383.43
Power House	161,095.79
Office Building	76,765.13
Machine Shop	20,073.26
Bacon Elevator—(Local Elevator)	9,252.73

Amount to Statement 1,691,840.37

DETAIL 13

MACHINERY

Flour Mill Machinery	488,899.04
Elevator Machinery	366,648.52
Power House Machinery	339,920.05

Amount to Statement 1,195,467.61

DETAIL 15
EQUIPMENT

Flour Mill Equipment	25,889.09
Elevator Equipment	2,863.62
Power House Equipment	1,256.05
Machine Shop Equipment	3,347.07
Amount to Statement	33,355.83

DETAIL 16
OFFICE FURNITURE AND FIXTURES

Balance Jan. 1, 1927	10,118.11
Freight on Cabinets	133.21
Remington Typewriters Purchased	275.00
Depreciation	1,166.44
Amount to Statement	9,359.88
10,526.32	10,526.32

DETAIL 17
SPUR TRACKS

SEWERS AND RESERVOIRS

Railway Spurs belonging to Mill and Elevator	73,746.48
Water Reservoir and Cooling System for Power House	19,422.13
Sewers and Drainage	23,834.20
Amount to Statement	117,002.81

DETAIL 18
AUTOMOTIVE EQUIPMENT

1 Graham Bros. Delivery Truck	926.20
1 Reo Speed Wagon Bus	493.74
Amount to Statement	1,419.94

DETAIL 19
TERMINAL EXCHANGE MEMBERSHIP

This represents membership fee in State of North Dakota Terminal Exchange, is transferable and claimed as an asset.

Amount to Mill Statements	100.00
Amount to Elevator Statements	100.00
	200.00

DETAIL 20
PREPAID INSURANCE IN FORCE
ON STATE MILL & ELEVATOR PROPERTY
June 30, 1927

Policy Number	Company, Coverage, Kind	Amount	Date	Expires	Premium	Unearned Premium	
						Mill Dept.	Elevator Dept.
7035	State Fire & Tornado Fund— Bldg. & Equip.—Fire	200,000.00	9-17-26	9-12-27	650.00		125.04
5161	Springfield F. & M. Ins. Co.— Bldg. & Equip.—Fire	100,000.00	9-12-26	9-12-27	325.00		62.52
10200	Comm. Union Fire Ins. Co.— Bldg. & Equip.—Fire	100,000.00	9-12-26	9-12-27	325.00		62.52
1263	North River Ins. Co.— Bldg. & Equip.—Fire	150,000.00	9-12-26	9-12-27	487.50		94.77
5394	Citizens Ins. Co.— Bldg. & Equip.—Fire	100,000.00	9-12-26	9-12-27	325.00		62.52
3358	Security Ins. Co.— Bldg. & Equip.—Fire	150,000.00	9-12-26	9-12-27	487.50		94.77
800004	Queen Ins. Co.— Bldg. & Equip.—Fire	50,000.00	9-12-26	9-12-27	162.50	31.26	
3350	Phoenix Ins. Co.— Bldg. & Equip.—Fire	100,000.00	9-12-26	9-12-27	325.00	62.52	
2653773	Northern Assurance Co.— Bldg. & Equip.—Fire	100,000.00	9-12-26	9-12-27	325.00	62.52	
854	American Ins. Co.— Bldg. & Equip.—Fire	50,000.00	9-12-26	9-12-27	162.50	31.26	
4020	Continental Ins. Co.— Bldg. & Equip.—Fire	100,000.00	9-12-26	9-12-27	325.00	62.52	

7310	Granite State Fire Ins. Co.						
	Bldg. & Equip.—Fire	50,000.00	9-12-26	9-12-27	162.50	31.26	
1041	Continental Ins. Co.—						
	Bldg. & Equip.—Fire	150,000.00	9-12-26	9-12-27	487.50	94.77	
1212	United States Fire Ins. Co.—						
	Bldg. & Equip.—Fire	25,000.00	9-12-26	9-12-27	81.25	15.63	
1206	United States Fire Ins. Co.—						
	Bldg. & Equip.—Fire	25,000.00	9-12-26	9-12-27	81.25	15.63	
331695	Mpls. F. & M. Ins. Co.—						
	Bldg. & Equip.—Fire	25,000.00	9-12-26	9-12-27	81.25	15.63	
174732	National Fire Ins. Co.—						
	Bldg. & Equip.—Fire	50,000.00	9-12-26	9-12-27	162.50	31.26	
2992	Milwaukee Mechanics Ins. Co.—						
	Bldg. & Equip.—Fire	50,000.00	9-12-26	9-12-27	162.50	31.26	
101284	Northwestern Nat'l Ins. Co.—						
	Bldg. & Equip.—Fire	25,000.00	9-12-26	9-12-27	81.25	15.63	
37717	Queen City Fire Ins. Co.—						
	Bldg. & Equip.—Fire	75,000.00	9-12-26	9-12-27	243.75	46.87	
3360	Phoenix Ins. Co.—						
	Bldg. & Equip.—Fire	25,000.00	10-19-26	10-19-27	81.25	15.63	
256574	Standard Fire Ins. Co.—						
	Bldg. & Equip.—Fire	25,000.00	6-14-27	6-14-28	81.25	77.69	
2835	Philadelphia F. & M. Ins. Co.—						
	Bldg. & Equip.—Fire	50,000.00	6-18-27	6-18-28	162.50	157.16	
5171	St. Paul F. & M. Ins. Co.—						
	Bldg. & Equip.—Fire	200,000.00	6-20-27	9-12-27	149.50	131.72	
932	Fidelity-Phoenix Fire Ins. Co.—						
	Bldg. & Equip.—Tornado	1,800,000.00	5-27-27	5-27-30	1,620.00	872.06	697.64

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DETAIL 20
PREPAID INSURANCE IN FORCE
ON STATE MILL & ELEVATOR PROPERTY
June 30, 1927
(Continued)

Policy Number	Company, Coverage, Kind	Amount	Date	Expires	Premium	Unearned Mill Dept.	Premium Elevator Dept.
698640	U. S. Fidelity & Guar. Co.— Auto—Pub. Liability	20,000.00	1- 1-27	1- 1-28	155.76	68.88	9.00
6235	U. S. Fidelity & Guar. Co.— Auto—Liability	20,000.00	1- 1-27	1- 1-28	118.00	59.00	
210834	Ocean Accident & Guar. Co.— Employees—Liability	40,000.00	11-13-26	11-13-27	64.32	23.56	
865	Fidelity-Phoenix Fire Ins. Co.— Local Elev.—Tornado	6,750.00	4- 6-25	4- 6-28	30.38	7.20	
8420	Indemnity Ins. Co.—Otis Elevator— Pub. Liability	20,000.00	11-13-26	11-13-27	85.80	15.84	15.84
8070	Hartford Fire Ins. Co.— Grain—Fire	300,000.00	9- 1-26	9- 1-27	486.00	81.00	
20023	American Eagle Fire Ins. Co.— Spot Stock—Fire	126,000.00	5- 1-27	Open			
14672	Hartford Steam Boiler Ins. Co.— Property—Boiler Explosion	25,000.00	2- 1-26	2- 1-29	231.00	121.92	
42019	Maryland Casualty Co.— Engine—Breakdown	25,000.00	3-24-27	3-24-30	861.16	784.04	
230103	Fidelity-Phoenix Ins. Co.— Lake Cargo—Loss or Damage	50,000.00	4-16-27	12-31-27			

5460	Citizens Insurance Co.—						
	Grain—Fire	300,000.00	9- 1-26	9- 1-27	486.00	81.00	
1275	North River Ins. Co.—						
	Grain—Fire	200,000.00	9- 1-26	9- 1-27	324.00	54.00	
4380	Aetna Insurance Co.—						
	Grain—Fire	300,000.00	9- 1-26	9- 1-27	486.00	81.00	
546101B	American Surety Co.—						
	Fed. Warehouse License	50,000.00	7-22-26	7-22-27	500.00		28.07
1943	Twin City Fire Ins. Co.—						
	Auto—Fire & Theft		6- 8-27	6- 8-28			
3174B	American Surety Co.—						
	N. P. Ry. B/L Bond	25,000.00	10-23-26	10-23-27	250.00	76.37	
3175B	American Surety Co.—						
	G. N. Ry. B/L Bond	50,000.00	10-23-26	10-23-27	500.00	152.74	
3176B	American Surety Co.—						
	G. N. Ry. Frt. Charge Bond—	15,000.00	10-23-26	10-23-27	150.00	45.82	
3177B	American Surety Co.—						
	N. P. Ry. Frt. Charge Bond—	5,000.00	10-23-26	10-23-27	50.00	15.27	
4362	Aetna Insurance Co.—						
	Grain Stored—Fire	200,000.00	12-22-26	12-22-27	304.00		145.77
5160	Massachusetts F. & M. Co.—						
	Grain Stored—Fire	100,000.00	12-22-26	12-22-27	152.00		72.89
58701	Liverpool-London & Globe Ins. Co.—						
	Grain Stored—Fire	100,000.00	12-22-26	12-22-27	152.00		72.89
1822013	Rhode Island Ins. Co.—						
	Grain Stored—Fire	75,000.00	12-22-26	12-22-27	114.00		54.66
42833	National Fire Ins. Co.—						
	Grain Stored—Fire	200,000.00	11-13-26	11-13-27	304.00		113.29

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DETAIL 20
 PREPAID INSURANCE IN FORCE
 ON STATE MILL & ELEVATOR PROPERTY
 June 30, 1927
 (Continued)

Policy Number	Company, Coverage, Kind	Amount	Date	Expires	Premium	Unearned Premium	
						Mill Dept.	Elevator Dept.
434	Travelers Fire Ins. Co.— Grain Stored—Fire	200,000.00	11-13-26	11-13-27	304.00		113.29
943	Twin City Fire Ins. Co.— Grain Stored—Fire	50,000.00	12-22-26	12-22-27	76.00		36.44
525	Union Insurance Co.— Grain Stored—Fire	25,000.00	12-22-26	12-22-27	38.00		18.22
536	Norwich Union Fire Ins. Co.— Grain Stored—Fire	50,000.00	12-22-26	12-22-27	76.00		36.44
	State Workmen's Comp. Bureau— —Workmen's Comp.					1,423.65	
					Amount to Mill Statement.....	4,893.57	
					Amount to Elevator Statement		1,916.58

DETAIL 21

PREPAID ADVERTISING

319 Sets of Dishes at \$5.98 per Set	1,907.62
Superior and Duluth Advertising	594.54
Milwaukee Advertising	8,069.33
	<hr/>
Amount to Statement	10,571.49

DETAIL 23

NOTES PAYABLE BANK OF NORTH DAKOTA

Date Loaned	Date Due	Interest Rate	Amount
Dec. 21, 1923	Demand	6%	45,090.00

DETAIL 28

Accrued Interest on Note Dated Dec. 21, 1923 to June 30, 1927	4,280.50
--	----------

DETAIL 24

GARGILL COMMISSION COMPANY
OPTION ACCOUNT

Balance as Shown by Cargill Commission Co. Statement of June 30, 1927	3,806.83	
Balance as per Mill Records		3,806.83
	<hr/>	<hr/>
	3,806.83	3,806.83

DETAIL 25

ACCOUNTS PAYABLE

F. F. Burchard	2,000.00
C. W. Doering	79.11
E. J. Lourck Co.	162.50
Undistributed Oil Rebates	51.72
	<hr/>
	2,293.33

DETAIL 26

RESERVE FOR BAD DEBTS

Statement Compiled From Jan. 1, 1927 to June 30, 1927	
Balance Jan. 1, 1927	8,676.00
Additional Reserve	1,324.00
Amount to Statement	10,000.00
	<hr/>
	10,000.00
	<hr/>
	10,000.00

DETAIL 27

PREMIUM ON BONDS

Premium Received on Operating Bonds	15,000.00
Premium Paid on Construction Bonds	11,126.89
	<hr/>
Amount to Statement	3,873.11

DETAIL 29
OPEN TRADE INVENTORIES
BROUGHT TO MARKET, CLOSE OF BUSINESS—

June 30, 1927

Date	Amount	Market	Total Sale	Loss	Gain
Hedged	Sold	Price	Price		
Minneapolis	July	Wheat	Sales		
6- 9-27	4000	1.44 1/8	5,765.00		
6- 9-27	6000	1.43 7/8	8,632.50		
6- 9-27	10000	1.44	14,400.00		
6-11-27	1000	1.46	1,460.00		
			30,257.50		
June 30	close on	21000 @			
143.3%	.....		30,108.75		148.75

Gain on Minneapolis July Sales

Minneapolis September Wheat Sales:

6-17-27	4000	1.45 1/8	5,805.00
6-18-27	14000	1.43 %	20,107.50
6-20-27	2000	1.44 1/8	2,882.50
6-20-27	5000	1.43 %	7,187.50
6-21-27	11000	1.42 7/8	15,716.25
6-22-27	6000	1.43 %	8,602.50
6-27-27	15000	1.40 1/2	21,075.00
6-27-27	10000	1.40 %	14,062.50
6-28-27	25000	1.40 7/8	35,218.75
6-29-27	1000	1.42 1/8	1,421.25
6-30-27	5000	1.42 1/2	7,125.00

139,203.75

June 30	close on	98000 @	
1.44%	.....		141,855.00

Loss on Minneapolis September Sales 2,651.25

Cash Wheat Sales

6- 6-27	1400	1.62 %	2,278.50
June 30	close on	1400 @	
1.63%	.....		2,287.25

Loss on Cash Wheat Sales 8.75

Unfilled Flour Sales:

86221 bbls. flour sold for fu- ture delivery equals 387995 bu. at 4 1/2 bu. per bbl. Purchase price of wheat op- tions to offset unfilled flour sales	556,398.93
June 30 closing value of 387,995 bu. June wheat @ 1.43 %	556,287.83

Loss in Wheat Hedge Repre-
sented Gain in Unfilled
Flour Sales

111.10

CONDITION OF WHEAT HEDGE

June 30, 1927

Open Trades Loss to State- ment		2,400.15
	2,600.00	2,600.00
	Long	Short
	Bushels	Bushels
Wheat in Mill Bins as per Weigh Up	359414	
Flour in Mill Warehouse	22865	
Flour at Spot Stocks	6405	
4½ bu. wheat per bbl. on	29270 Bbls.	131715
Unfilled Flour Contracts 86221 bbls. at 4½ bu. per bbl. rep- resented in wheat		387995
Mpls. July Options Sold		21000
Mpls. September Options Sold		98000
Cash Wheat Sold		1400
Balance (Short)	17266	
	508395	508395

DETAIL 30

ACCRUED INTEREST ON CONSTRUCTION BONDS

To June 30, 1927

Total Construction Bond Interest Jan. 1, 1922 to June 30, 1927		946,000.00
Less: Accrued Interest Received to date of Bond Sale		110,847.93
Net Construction Bond Interest due State		835,152.07
Construction Bond Interest as Charged to Mill and Elevator Dept.		
Construction Bond Interest Charged to Mill Department Dec. 31, 1926	623,018.75	
Jan. 1 to June 30, 1927	63,066.67	
Amount to Mill Dept. Statements		686,085.42
Construction Bond Interest Charged to Elevator Department to Dec. 31, 1926	126,133.32	
Jan. 1 to June 30, 1927	22,933.33	
Amount to Elev. Dept. Statements		149,066.65
Total to Balance Amount Due State		835,152.07

Construction Bond Interest Charged are divided between
the Mill and Elev. Department as follows:

Mill Department Charged with 22/30

Elevator Department Charged with 8/30

This bond interest does not appear on Mill Records.

DETAIL 31

ACCRUED INTEREST ON OPERATING BONDS

To June 30, 1927

Total Operating Bond. Int. July 1, 1923 to June 30, 1927	345,000.00
Less: Accrued Interest Received to Date of Sales	60,945.06
	<hr/>
Net Operating Bond Interest Due State.....	284,054.94

Operating Bond Interest as Charged to Mill Department	
Operating Bond Interest to Dec. 31, 1926	240,929.94
Operating Bond Interest Jan. 1 to June 30, 1927..	43,125.00
	<hr/>
Amount to Statement	284,054.94
This Bond Interest does not appear on Mill Records.	

DETAIL 32
STATE MILL AND ELEVATOR, GRAND FORKS, NORTH DAKOTA
DEPRECIATION ACCOUNT

Depreciation Charges Based on Book Values as at Jan. 1st, 1925

	Cost to Jan. 1, 1925	Annual Rate Applied Term	Depreciation Chgd. Mill Dept. Jan. 1 to June 30, 1927	Depreciation Chgd. Elev. Dept. Jan. 1 to June 30, 1927
Buildings				
Mill and Warehouse	511,129.81			
Elev. Train Sheds	537,651.03			
Storage Tanks	383,100.15			
Power House	161,965.80			
Office Building	76,741.94			
Machine Shops	20,073.26			
Total Buildings	1,690,661.99			
Bldg. Cost to Elev. Dept.....	429,993.07	1 -1/3%—1/2 yr.		2,866.62
Bldg. Cost to Mill Dept.....	1,260,668.92	1 -1/3%—1/2 yr.	8,404.44	
Bacon Elevator	7,647.33	5%—1/2 yr.	191.22	
Machinery				
Mill Machinery	488,899.04	5%—1/2 yr	12,222.48	
Power House Machinery	339,120.05	4%—1/2 yr.	6,782.40	
Elevator Dept. Machinery.....	367,130.41	3%—1/2 yr.		5,506.98

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DETAIL 32
STATE MILL AND ELEVATOR, GRAND FORKS, NORTH DAKOTA
DEPRECIATION ACCOUNT

Depreciation Charges Based on Book Value as at Jan. 1st, 1925
(Continued)

	Cost to Jan. 1, 1925	Annual Rate Applied Term	Depreciation Chgd. Mill Dept. Jan. 1 to June 30, 1927	Depreciation Chgd. Elev. Dept. Jan. 1 to June 30, 1927
Equipment				
Flour Mill Equipment	24,889.09			
Power House Equipment.....	1,223.46			
Machine Shop Equipment.....	3,347.07			
	29,459.62	10%—½ yr.	1,473.00	
Elevator Equipment	2,876.52	10%—½ yr		143.82
Tracks—Reservoirs and Underground				
Spur Tracks	73,746.48	4%—½ yr.	1,474.92	
Reservoirs	12,956.14	2%—½ yr.	129.54	
Sewers	23,834.20	2%—½ yr.	238.32	
Depreciation Reserve Charged Mill Dept. for this Period			30,916.32	
Depreciation Reserve Charged Elevator Dept. for this Period				8,517.42
Depreciation Prior to Jan. 1, 1927.....			240,678.30	46,804.62
Amount to Statement			271,594.62	55,322.04

DETAIL 33

STATE MILL AND ELEVATOR

CONSTRUCTION BONDS OUTSTANDING

Number Bond	Issued Date	Rate Int.	of Issue Amount	Date Maturity
1 to 500.....	Jan. 1, 1922	5½%	500,000.00	Jan. 1, 1937
501 to 1000.....	Jan. 1, 1922	5½%	500,000.00	Jan. 1, 1942
1001 to 1700.....	Jan. 1, 1922	6%	700,000.00	Jan. 1, 1942
1701 to 2400.....	Jan. 1, 1922	6%	700,000.00	Jan. 1, 1947
2401 to 3000.....	Jan. 1, 1922	5½%	600,000.00	Jan. 1, 1947

Amount to Statement3,000,000.00

DETAIL 34

STATE MILL AND ELEVATOR

MILL OPERATING BONDS OUTSTANDING

Bond Number	Date Issued	Int. Rate	Amount of Issue	Maturity Date
1 to 250.....	Jul. 1, 1923	5¾%	250,000.00	Jul. 1, 1928
251 to 500.....	Jul. 1, 1923	5¾%	250,000.00	Jul. 1, 1929
501 to 750.....	Jul. 1, 1923	5¾%	250,000.00	Jul. 1, 1932
751 to 1000.....	Jul. 1, 1923	5¾%	250,000.00	Jul. 1, 1933
1001 to 1500.....	Jul. 1, 1923	5¾%	500,000.00	Jul. 1, 1938

Amount to Statement1,500,000.00

DETAIL 36

SUMMARY OF BANK ACCOUNTS

Cash on Hand—Local Elevator.....	229.88
First National Bank—Local Elevator Account.....	3,786.40
Northwestern National Bank—Grand Forks.....	16,786.29
First National Bank—Grand Forks.....	277.18
Bank of North Dakota—Bismarck.....	202,946.13

Amount to Statement 224,025.88

RECONCILEMENT

FIRST NATIONAL BANK, GRAND FORKS

JUNE 30, 1927

Balance Shown by Bank Statement.....		4,837.29
Balance Shown by Local Elev. Books....	3,786.40	
Checks Outstanding	1,050.89	
	4,837.29	4,837.29

CHECKS OUTSTANDING

Number	Amount
11	11.75
12	318.93
1710	68.50
1725	9.75
1740	34.40
1743	57.55
1744	63.00
1746	2.75
1747	40.50
1748	297.00
1749	48.30
1750	98.40
	<hr/>
	1,050.89

RECONCILEMENT OF BANK ACCOUNTS

ELEVATOR DEPARTMENT

NORTHWESTERN NATIONAL BANK, GRAND FORKS,
NORTH DAKOTA

Balance Shown by Bank Statement, June 30, 1927		16,786.29
Balance Shown by Elevator Dept. Books	16,786.29	
	<hr/>	<hr/>
	16,786.29	16,786.29

FIRST NATIONAL BANK, GRAND FORKS

Balance Shown by Bank Statement June 30, 1927		277.18
Balance Shown by Elevator Dept. Books	277.18	
	<hr/>	<hr/>
	277.18	277.18

RECONCILEMENT OF BANK ACCOUNTS

ELEVATOR DEPARTMENT

BANK OF NORTH DAKOTA, BISMARCK

Balance Shown by Bank Statement June 30, 1927		171,499.01
Balance Shown by Elevator Dept. Books including:		
Deposit in Transit	202,946.13	
Deposit in Transit		32,799.58
Checks Outstanding	1,352.46	
	<hr/>	<hr/>
	204,298.59	204,298.59

CHECKS OUTSTANDING

Number	Amount
11992	26.64
12548	30.00
12549	30.00
12551	30.00
12561	42.50
12565	30.00
12566	30.00
12567	15.00
12568	30.00
12571	28.00
12573	23.36
12574	6.00
12575	1.53
12576	2.00
12577	175.00
12578	25.00
12579	125.00
12580	4.00
12581	15.00
12582	76.20
12583	70.17
12584	55.76
12585	51.35
12586	55.76
12587	36.25
12588	36.25
12589	36.25
12590	36.25
12591	21.25
12592	36.25
12593	36.25
12594	36.25
12595	28.00
12596	25.00
12597	14.50
12598	1.36
12599	30.33
Total	<u>1,352.46</u>

DETAIL 37

ACCOUNTS RECEIVABLE

Elevator Department

Miscellaneous Accounts Receivable .....	.30
Great Northern Railway Co.	328.00
Alamo Farmers Elevator Co.	2.00
Crocus Farmers Elevator Co.	99.99
Farmers Grain Co., Grafton	136.54
Farmers Elevator Co., Honeyford	78.29
Farmers Grain Dealers Association	83.67
D. J. Hennessy, Reynolds .....	.50
Honeyford Supply Co.	134.46
Knute Knutson, Reynolds	86.62
Northwood Equity Elevator	1,593.46
N. Dak. Board R. R. Commissioners	252.01
C. E. Peterson, Reynolds	89.66
Edwin Peterson, Crosby	324.46
Reynolds Farmers Elev. Co.	747.55
Quinn-Shepardson Co., Minneapolis	1.50
Surrey Farmers Elevator	1.50
Smith-Tyner Co., Oswego, Mont.	4,860.80
	<hr/>
Amount to Statement	8,821.31
Local Elevator	
J. D. Bacon	517.66
Ralph Lynch	243.87
Hoover & Olson	684.40
E. K. Everson	140.81
	<hr/>
	1,586.74
	<hr/>
	10,408.05

DETAIL 38
GRAIN INVENTORY—LOCAL ELEVATOR
June 30, 1927

Bin		Gross Bushels	Dockage %	Total Dockage	Net Bushels	Grade	Grand Forks		Total Value
							Test Weight	Value Per Bu.	
9	Wheat	560:00	3	17:00	543:00	1 Nor.	58.2	1.36	738.48
7	Durum (Musty)	75:00	7	5:00	70:00	1 Dn.	56.5	1.10	77.00
2	Barley	125:00						.65	81.25
	Screenings		4 1/4 Tons					20.00	85.00
	Mill Oats	1081:00	Bu.					.30	324.30
	Flax, Durum & Rye in Transit								3,602.69
	Amount to Statement								4,908.72

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DETAIL 39
FURNITURE AND FIXTURES

Elevator Department

Balance Shown in the Ledger Account Jan. 1, 1927	517.50
Less: Depreciation to June 30, 1927	35.00
	482.50
Amount to Statement	482.50

DETAIL 40

AUTOS AND TRUCKS

Elevator Department

1—Used Light Delivery Truck—Purchased from Sorlie Motor Co. for Insp. Dept.	233.65
1—Inspection Truck purchased from Mill Department	252.45
	486.10
Less: Depr. 6 mo. @ 25% per annum to January 1, 1926	60.76
	425.34
Less: Depreciation 6 mo. @ 25% per annum to June 30, 1926	60.76
	364.58
Less: Depreciation 6 mo. @ 25% per annum to Dec. 31, 1926	60.76
	303.82
Less: Depreciation 6 mo. @ 25% per annum to June 30, 1927	60.00
	243.82
Amount to Statement	243.82

DETAIL 41

ELEVATOR EQUIPMENT

Elevator Department

New Equipment Bought	47.09
2 Burners for Moisture Tester	22.60
Tap & Dies for Shop	50.00
	119.69
Old Balance	727.02
	846.71
Less: Depreciation June 30, 1926	94.71
	752.00
Depreciation 6-30-26 to 12-31-26	35.12
	716.88
Depreciation 1-1-27 to 6-30-27	35.00
	681.88
Amount to Statement	681.88

DETAIL 42

ELEVATOR DEPARTMENT

CONSTRUCTION—ELEVATOR IMPROVEMENT

Permanent improvements were made to Terminal Elevator during year 1924, in amount of \$1,420.13. This was charged to Expense in audit report of Dec. 31, 1924, but change not made by Mill and Elevator management. This improvement was authorized by Board of Managers and should be charged to Capital Accounts. 1,420.13
 Additions July 1, 1925 to Dec. 31, 1925..... 226.21

Total	1,646.34
Less: Sale of Lumber	63.35

Amount to Statement	1,582.99
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DETAIL 43

STORAGE TICKETS OUTSTANDING

LOCAL ELEVATOR—June 30, 1927

WHEAT

Cert. Number	Net Bushels	Grade	Price	Extension
654	182:30	1 DN	1.38	251.85
718	239:10	1 DN	1.38	330.05
722	30:40	1 DN	1.38	41.63
747	36:40	1 DN	1.39	50.60
760	325:	1 DN	1.38	448.50
762	43:	1 N	1.36	58.48
763	26:40	1 DN	1.38	36.80
764	335:15	2 DN	1.36	455.94

Total Bu.....1218:25	1,673.85
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BARLEY

739	39:18	No. 4
742	39:38	No. 4
756	36:27	No. 4
757	28:25	No. 4

Total Bu..... 144:12 at .65	93.76
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Amount to Statement	1,767.61
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WHEAT PURCHASE CONTRACTS WITH MIDLAND GRAIN CO.—MINNEAPOLIS, MINN.

Date of Contract	Contract Number	80,000 lb. Capacity Cars Contracted For	Market at Date of Purchase	Premium	Total Price Including Premium	Basis of Purchase					
1926											
6-4	813	5 Cars	July 1.46 $\frac{3}{4}$	21c	1.67 $\frac{3}{4}$						
6-4	815	5 Cars	July 1.46 $\frac{3}{4}$	21c	1.67 $\frac{3}{4}$						
6-21	830	15 Cars	July 1.49 $\frac{1}{2}$	22c	1.71 $\frac{1}{2}$	1 D	14	% Protein Plus	$\frac{1}{4}$ c each	$\frac{1}{4}$ c Plus	1c-59 lbs.—2c-60 lbs.
8-9	900	2 Cars	Sept 1.49 $\frac{1}{2}$	23c	1.72 $\frac{1}{2}$						
8-9	901	3 Cars	Sept 1.49 $\frac{1}{2}$	22c	1.71 $\frac{1}{2}$						
8-13	912	5 Cars	Sept 1.47 $\frac{3}{4}$	18c	1.65 $\frac{3}{4}$	1 D	14	% Protein			
8-16	917	25 Cars	Sept 1.45	13c	1.58	1 D	12	% Protein Plus	$\frac{1}{2}$ c each	$\frac{1}{4}$ % Plus	1c-59 lbs.—2c-60 lbs.
8-25	951	15 Cars	Sept 1.43 $\frac{1}{2}$	14c	1.57 $\frac{1}{2}$	1 D	12	% Protein Plus	$\frac{1}{2}$ c each	$\frac{1}{4}$ % Plus	1c-59 lbs.—2c-60 lbs.
8-30	1005	25 Cars	Sept 1.39 $\frac{3}{8}$	14c	1.53 $\frac{3}{8}$	1 D	12	% Protein Plus	$\frac{1}{2}$ c each	$\frac{1}{4}$ % Plus	1c-59 lbs.—2c-60 lbs.
9-1	1062	25 Cars	Sept 1.38 $\frac{3}{4}$	14c	1.52 $\frac{3}{4}$	1 D	12	% Protein Plus	1 $\frac{1}{2}$ c each	$\frac{1}{2}$ % Plus	1c-59 lbs.—2c-60 lbs.
9-7	1095	25 Cars	Sept 1.36	13c	1.49	1 D	12	% Protein Plus	1 $\frac{1}{2}$ ceach	$\frac{1}{2}$ % Plus	1c-59 lbs.—2c-60 lbs.
9-27	1141	15 Cars	Dec 1.41 $\frac{1}{8}$	12c	1.53 $\frac{1}{8}$	1 D	12	% Protein Plus	1c each	$\frac{1}{2}$ % Plus	1c-59 lbs.—2c-60 lbs.
10-14	1194	50 Cars	Dec 1.41 $\frac{3}{4}$	12c	1.53 $\frac{3}{4}$	1 D	12	% Protein Plus	1c each	$\frac{1}{2}$ % Plus	1c-59 lbs.—2c-60 lbs.
11-8	1268	50 Cars	Dec 1.44	8c	1.52	1 D	12	% Protein Plus	1c each	$\frac{1}{2}$ % Plus	1c-59 lbs.—2c-60 lbs.
11-20	1303	50 Cars	Dec 1.36 $\frac{1}{2}$	8c	1.44 $\frac{1}{2}$	1 D	12	% Protein Plus	1c each	$\frac{1}{2}$ % Plus	1c-59 lbs.—2c-60 lbs.
1927											
1-29	1468	1 Car	May 1.42 $\frac{1}{4}$	7c	1.49 $\frac{1}{4}$	1 D	13.90%	Protein			
4-6	1537	2 Cars	May 1.32 $\frac{3}{4}$	9c	1.41 $\frac{3}{4}$	1 D	13.16%	Protein			

DETAIL LIST OF WHEAT PURCHASES FROM MIDLAND GRAIN CO. SHIPPED FROM WILLISTON

Station and Shipper	Car. Number	Date of Sale to Midland Co. by Shipper	Market Basis Local Elev. Sale	Net Bushels	Net Proceeds to Local Elevator	Number of Sales Contract Applied to	Market Basis When Purchased by Mill	Amount Paid to Midland Co. by Mill	Adjustment of Difference Arising from Market fluctuations Between Date of Purchase and Date of Sale	Net Profit to Mid- dlemen Between Local Elevator and State Mill
Williston, N. D.—										
F. Voll Elevator.....	37732	8-12	1.47%	1465:30	2,135.80	912	1.47%	2,211.64	Deduct	1.83 74.01
Williston, N. D.—										
F. Voll Elevator.....	25565	9-10	1.36	1465:25	1,952.92	917	1.45	2,173.70	Deduct	131.88 88.90
Williston, N. D.—										
F. Voll Elevator.....	501036	9- 2	1.38½	1406:30	1,953.69	951	1.43½	2,074.79	Deduct	75.59 45.51
Williston, N. D.—										
F. Voll Elevator.....	34386	9- 1	1.39%	1507:25	2,032.66	951	1.43½	2,212.19	Deduct	54.64 124.89
Williston, N. D.—										
F. Voll Elevator.....	29236	9-30	1.41%	1354:55	1,851.39	1005	1.39%	1,941.27	Add	32.17 122.05
Williston, N. D.—										
F. Voll Elevator.....	125307	9-10	1.36	1426:55	1,887.41	1062	1.38%	2,088.00	Deduct	39.24 161.35
Williston, N. D.—										
F. Voll Elevator.....	34258	9-11	1.38½	1450:35	1,940.05	1062	1.38%	2,129.91	Deduct	3.62 186.24
Williston, N. D.—										
F. Voll Elevator.....	12164	10- 1	1.45%	1429:50	2,021.96	1095	1.36	2,042.22	Add	134.05 154.31

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DETAIL LIST OF WHEAT PURCHASES FROM MIDLAND GRAIN CO. SHIPPED FROM WILLISTON
(Continued)

Station and Shipper	Car. Number	Date of Sale to Midland Co. by Shipper	Market Basis Local Elev. Sale	Net Bushels	Net Proceeds to Local Elevator	Number of Sales Contract Applied to	Market Basis When Purchased by Mill	Amount Paid to Midland Co. by Mill	Adjustment of Difference Arising from Market fluctuations Between Date of Purchase and Date of Sale	Net Profit to Mid- dlemen Between Local Elevator and State Mill
Williston, N. D.— F. Voll Elevator.....	29037	10- 4	1.43%	1415:50	1,989.45	1095	1.36	2,021.22	Add	100.87 132.64
Williston, N. D.— F. Voll Elevator.....	23524	9- 7	1.42%	1467:10	2,040.35	1095	1.36	2,083.38	Add	99.03 142.06
Williston, N. D.— F. Voll Elevator.....	17536	10-14	1.43%	1458:45	2,040.77	1095	1.36	2,079.92	Add	111.22 150.37
Williston, N. D.— F. Voll Elevator.....	19206	10-16	1.43%	1469:40	2,044.11	1194	1.41%	2,090.61	Add	31.23 77.73
Williston, N. D.— F. Voll Elevator.....	14913	10-18	1.44%	1465:20	2,044.24	1194	1.41%	2,113.43	Add	38.46 107.65
Williston, N. D.— F. Voll Elevator.....	121427	10-25	1.45%	1464:50	2,029.18	1194	1.41%	2,113.02	Add	58.59 142.43
Williston, N. D.— F. Voll Elevator.....	1840	10-27	1.45%	1316:50	1,818.25	1194	1.41%	1,898.45	Add	47.73 127.93
Williston, N. D.— F. Voll Elevator.....	26828	11- 5	1.44	1411:55	1,894.86	1194	1.41%	2,036.62	Add	31.75 173.51

Williston, N. D.—												
F. Voll Elevator.....	32675	11- 4	1.44%	1442:45	1,960.04	1194	1.41%	2,078.73	Add	36.06	154.75	
Williston, N. D.—												
F. Voll Elevator.....	128129	11- 1	1.43	1454:	1,948.08	1194	1.41%	2,066.81	Add	18.17	136.90	
Williston, N. D.—												
F. Voll Elevator.....	22492	11- 6	1.43%	1412:20	1,912.15	1268	1.44	2,010.14	Deduct	5.29	92.70	
Williston, N. D.—												
City Elevator	27918	8-28	1.39%	1448:15	1,993.08	917	1.45	2,145.74	Deduct	81.46	71.20	
Williston, N. D.—												
City Elevator	14607	9-11	1.38½	1267:	1,669.64	1062	1.38%	1,846.23	Deduct	3.16	173.43	
Williston, N. D.—												
City Elevator	22961	9-10	1.36	1380:	1,809.18	1062	1.38%	1,990.08	Deduct	37.95	142.95	
Williston, N. D.—												
City Elevator	16555	10- 5	1.42½	1428:20	1,985.95	1095	1.36	2,028.02	Add	92.84	134.91	
Williston, N. D.—												
City Elevator	18637	11-18	1.38%	1386:35	1,788.19	1268	1.44	1,968.69	Deduct	78.00	102.50	
Williston, N. D.—												
City Elevator	130820	12- 9	1.40%	1358:	1,822.20	1303	1.36½	1,827.72	Add	50.92	56.44	
Williston, N. D.—												
Jamison Mill Co.....	23717	9-14	1.40%	1483:40	2,043.84	1062	1.38%	2,173.60	Add	22.25	152.01	
Williston, N. D.—												
Farmers Elevator.....	26106	10-18	1.44%	1472:35	2,068.42	1095	1.36	2,099.66	Add	123.33	154.57	
Williston, N. D.—												
Farmers Elevator.....	33967	10-19	1.45%	1552:20	2,154.88	1095	1.36	2,206.96	Add	153.29	205.37	
Williston, N. D.—												
Farmers Elevator.....	9738	10-13	1.41%	1543:40	2,120.44	1095	1.36	2,201.11	Add	88.76	169.43	
Williston, N. D.—												
Farmers Elevator.....	16284	10-16	1.43%	1460:50	2,057.22	1194	1.41%	2,134.02	Add	31.04	107.84	

DETAIL LIST OF WHEAT PURCHASES FROM MIDLAND GRAIN CO. SHIPPED FROM WILLISTON
(Continued)

Station and Shipper	Car. Number	Date of Sale to Midland Co. by Shipper	Market Basis Local Elev. Sale	Net Bushels	Net Proceeds to Local Elevator	Number of Sales Contract Applied to	Market Basis When Purchased by Mill	Amount Paid to Mid- land Co. by Mill	Adjustment of Dif- ference Arising from Market fluctuations Between Date of Purchase and Date of Sale	Net Profit to Mid- dlemen Between Lo- cal Elevator and State Mill	
Williston, N. D.— Farmers Elevator.....	118831	10-28	1.45%	1477:10	2,018.19	1194	1.41%	2,143.13	Add	49.85	174.79
Williston, N. D.— Farmers Elevator.....	23246	11- 3	1.43%	1500:	2,003.68	1194	1.41%	2,163.79	Awv	20.62	180.73
Williston, N. D.— Farmers Elevator.....	23914	11- 1	1.43	1537:55	2,090.14	1194	1.41%	2,231.35	Add	19.22	160.43
Williston, N. D.— Farmers Elevator.....	33482	11-23	1.36%	1576:30	2,018.88	1268	1.44	2,259.80	Deduct	116.26	124.66
Totals				49159:20	67141.29			70,885.95			
										Middlemen's Profit	4,507.19

DETAIL LIST OF WHEAT PURCHASES FROM MIDLAND GRAIN CO. SHIPPED FROM STANLEY, N. D.

Station and Shipper	Car Number	Date of Sale to Midland Co. by Shipper	Market Basis Local Elev. Sale.	Net Bushels	Net Proceeds to Local Elevator	Number of Sales Contract Applied to	Market Basis When Purchased by Mill	Amount Paid to Mid- land Grain Co. by Mill	Adjustment of Dif- ference Arising from Market fluctuations Between Date of Purchase and Date of Sale	Net Profit to Mid- dlemen Between Lo- cal Elevator and State Mill	
Stanley, N. D.— Arnold Brothers	28954	8-26	1.42%	1463:50	1,920.42	917	1.45	2,058.42	Deduct	31.10	106.90
Stanley, N. D.— Arnold Brothers	15037	8-26	1.42%	1424:05	1,926.05	917	1.45	2,064.45	Deduct	30.26	108.14
Stanley, N. D.— Arnold Brothers	16891	8-30	1.42%	1432:10	1,914.02	917	1.45	2,069.03	Deduct	30.43	124.58
Stanley, N. D.— Arnold Brothers	24746	8-30	1.39	1451:20	1,923.63	951	1.43½	2,072.50	Deduct	65.30	83.57
Stanley, N. D.— Arnold Brothers	28716	9- 2	1.38½	1429:45	1,916.39	1005	1.39%	2,004.12	Deduct	17.87	69.86
Stanley, N. D.— Arnold Brothers	20351	8-31	1.38¾	1408:05	1,905.65	1005	1.39%	1,956.29	Deduct	8.80	41.84
Stanley, N. D.— Arnold Brothers	46711	9- 3	1.38¾	1770:05	2,320.95	1005	1.39%	2,463.95	Deduct	19.91	123.09
Stanley, N. D.— Arnold Brothers	117318	9- 7	1.36¾	1436:10	1,879.60	1005	1.39%	2,017.08	Deduct	37.69	99.70

TUESDAY, JANUARY 10, 1928

DETAIL LIST OF WHEAT PURCHASES FROM MIDLAND GRAIN CO. SHIPPED FROM STANLEY, N. D.
(Continued)

Station and Shipper	Car Number	Date of Sale to Midland Co. by Shipper	Market Basis Local Elev. Sale.	Net Bushels	Net Proceeds to Local Elevator	Number of Sales Contract Applied to	Market Basis When Purchased by Mill	Amount Paid to Midland Grain Co. by Mill	Adjustment of Difference Arising from Market Fluctuations Between Date of Purchase and Date of Sale	Net Profit to Millmen Between Local Elevator and State Mill
Stanley, N. D.— Arnold Brothers	126559	9- 3	1.38 ¼	1440:	1,900.16	1005	1.39 %	2,009.80	Deduct	16.20 93.44
Stanley, N. D.— Arnold Brothers	25954	9- 8	1.36	1451:35	1,895.29	1005	1.39 %	2,027.27	Deduct	48.99 82.99
Stanley, N. D.— Arnold Brothers	503064	9-29	1.42	1647:05	2,227.68	1141	1.41 ½	2,267.09	Add	14.41 53.82
Stanley, N. D.— Arnold Brothers	3130	9-29	1.42	1442:25	1,880.59	1141	1.41 ½	1,912.73	Add	12.62 44.76
Stanley, N. D.— Arnold Brothers	23115	10-16	1.43 ¾	1422:40	1,946.67	1194	1.41 %	2,009.06	Add	30.23 92.62
Stanley, N. D.— Arnold Brothers	24115	10-19	1.46	1500:25	2,044.49	1194	1.41 %	2,103.95	Add	63.77 123.23
Stanley, N. D.— Arnold Brothers	22666	10-26	1.45 ¼	1447:10	1,961.87	1194	1.41 ¼	2,025.39	Add	50.65 114.17
Stanley, N. D.— Arnold Brothers	3343	12- 9	1.40 ¼	1419:35	1,820.28	1303	1.36 ½	1,844.99	Add	53.23 77.94

Stanley, N. D.—												
Arnold Brothers	123795	11-19	1.36½	1363:	1,685.64	1268	1.44	1,873.60	Deduct	102.22	85.74	
Stanley, N. D.—												
Arnold Brothers	25357	3-24	1.30%	1334:05	1,567.39	1537	1.32%	1,891.06	Deduct	25.01	298.66	
Stanley, N. D.—												
Nelson Grain Co.	15630	8-28	1.39¼	1442:35	1,976.18	917	1.45	2,103.28	Deduct	82.94	44.16	
Stanley, N. D.—												
Nelson Grain Co.	17794	8-28	1.39¼	1359:	1,840.90	951	1.43½	1,960.44	Deduct	57.76	61.78	
Stanley, N. D.—												
Nelson Grain Co.	104385	9- 1	1.39%	1450:30	1,951.54	1005	1.39%	2,032.41	Add	7.25	88.12	
Stanley, N. D.—												
Nelson Grain Co.	505512	9- 1	1.39%	1483:30	1,993.25	1005	1.39%	2,062.03	Add	7.41	75.49	
Stanley, N. D.—												
Nelson Grain Co.	17738	9- 1	1.39%	1448:40	1,975.94	1005	1.39%	2,027.98	Add	7.24	59.28	
Stanley, N. D.—												
Nelson Grain Co.	12163	10-15	1.43%	1442:15	1,946.43	1194	1.41%	1,991.99	Add	19.83	65.39	
Stanley, N. D.—												
Nelson Grain Co.	13747	3-25	1.32¼	1468:10	1,802.55	1537	1.32%	2,081.13	Deduct	7.34	271.24	
Totals				36378:10	48124.26			50,930.04				
									Middlemen's Profit	2,490.60		

TUESDAY, JANUARY 10, 1928

DETAIL LIST OF WHEAT PURCHASES FROM MIDLAND GRAIN CO. SHIPPED FROM MISCEL. POINTS

Station and Shipper	Car Number	Date of Sale to Midland Co. by Shipper	Market Basis Local Elev. Sale	Net Bushels	Net Proceeds to Local Elevator	Number of Sales Contract Applied to	Market Basis When Purchased by Mill	Amount Paid to Midland Grain Co. by Mill	Adjustment of Dif- ference Arising from Market fluctuations Between Date of Purchase and Date of Sale	Net Profit to Middlemen Between Local Elevator and State Mill	
Spring Brook— Fmrs Co-Op. Elev....	22129	8-29-26	1.39%	1449.40	1,998.67	951	1.43½	2,142.65	Deduct	59.80	84.18
Spring Brook— Fmrs Co-Op Elev....	32492	12-21-26	1.42%	1448:	1,984.97	1303	1.36½	2,193.72	Add	92.31	301.06
Spring Brook— Fmrs Co-Op Elev....	39442	10-17-26	1.43%	1468:30	2,059.34	1194	1.41%	2,120.71	Add	31.20	92.57
Ray, N. D.— Farmers Elevator....	25414	8-31-26	1.38%	1460:	1,995.32	1005	1.39%	2,087.34	Deduct	9.12	82.90
Ray, N. D.— Farmers Elevator....	19783	10-12-26	1.41½	1364:25	1,839.77	1141	1.41½	1,919.51	Add	5.11	84.85
Ray, N. D.— Equity Elevator.....	16812	10- 6-26	1.41½	1436:50	1,985.16	1095	1.36	2,040.26	Add	79.02	134.12
Ray, N. D.— Equity Elevator.....	11897	10-18-26	1.44%	1452:	2,026.42	1194	1.41%	2,079.97	Add	38.11	91.66
Ross, N. D.— Farmers Elevator....	27179	10-20-26	1.45%	1660:05	2,212.54	1194	1.41%	2,316.96	Add	60.17	164.59
Ross, N. D.— Farmers Elevator....	32184	11-17-26	1.37%	1630:	2,021.79	1268	1.44	2,246.41	Deduct	103.91	120.71

Ross, N. D.—												
Farmers Elevator....	12091	12-22-26	1.42%	1439:	1,876.32	1303	1.36½	1,860.64	Add	91.73	76.05	
Ross, N. D.—												
Farmers Elevator....	10696	12-24-26	1.41%	1513:15	1,990.29	1303	1.36%	1,987.01	Add	73.77	70.49	
Ross, N. D.—												
Farmers Elevator....	22975	1-15-27	1.41½	1525:25	1,989.15	1303	1.36%	2,265.24	Add	66.74	342.83	
Blaisdell, N. D.—												
Farmers Co-op.....	117719	10- 1-26	1.45%	1435:25	2,007.47	1141	1.41½	2,024.74	Add	61.00	78.27	
Powers Lake, N. D.—												
Farmers Equity.....	21002	8-27-26	1.40%	1391:	1,858.56	917	1.45	1,991.79	Deduct	57.40	75.83	
Powers Lake, N. D.—												
Farmers Equity.....	13744	9-29-26	1.42	1517:30	2,047.93	1194	1.41%	2,104.94	Add	3.79	60.80	
Wildrose, N. D.—												
Equity Elevator.....	131068	9- 6-26	1.36	1701:05	2,204.68	1005	1.39%	2,370.41	Deduct	57.41	108.32	
Wildrose, N. D.—												
Equity Elevator.....	26208	8-31-26	1.38%	1482:55	1,976.63	1005	1.39%	2,062.33	Deduct	9.27	76.43	
Wildrose, N. D.—												
Equity Elevator.....	16486	8-31	1.38%	1519:50	2,000.16	1005	1.39%	2,103.13	Deduct	9.50	93.47	
Wildrose, N. D.—												
Equity Elevator.....	20441	8-31	1.38%	1559:	2,051.85	1005	1.39%	2,149.64	Deduct	9.74	88.05	
Wildrose, N. D.—												
Equity Elevator.....	3343	9- 6	1.36	1619:20	2,073.27	1005	1.39%	2,240.77	Deduct	54.65	112.85	
Corinth, N. D.—												
Farmers Elevator....	106223	10-10	1.41%	1367:15	1,749.32	1141	1.41½	1,853.43	Add	6.84	110.95	
Appam, N. D.												
Farmers Elevator....	25205	9- 1	1.39%	1415:50	1,922.32	951	1.43½	2,065.12	Deduct	51.32	91.48	
Appam, N. D.												
Farmers Elevator....	23158	10-19	1.45%	1409:45	1,894.86	1194	1.41%	1,973.67	Add	58.15	136.96	
Appam, N. D.												
Farmers Elevator....	26558	11-12	1.40%	1411:10	1,851.36	1268	1.44	1,952.46	Deduct	45.86	55.24	

DETAIL LIST OF WHEAT PURCHASES FROM MIDLAND GRAIN CO. SHIPPED FROM MISCL. POINTS
(Continued)

Station and Shipper	Car Number	Date of Sale to Midland Co. by Shipper	Market Basis Local Elev. Sale	Net Bushels	Net Proceeds to Local Elevator	Number of Sales Contract Applied to	Market Basis When Purchased by Mill	Amount Paid to Midland Grain Co. by Mill	Adjustment of Difference Arising from Market Fluctuations Between Date of Purchase and Date of Sale	Net Profit to Middlemen Between Local Elevator and State Mill	
Appam, N. D. Farmers Elevator....	26473	11-24	1.37%	1412:40	1,761.58	1303	1.36½	1,862.73	Add	12.36	113.51
Zahl, N. D.— Farmers Elevator....	24592	7-31	1.67	1432:45	2,234.12	830	1.49½	2,234.62	Add	250.73	251.23
Zahl, N. D.— Farmers Elevator....	24437	12-14	1.38¼	1426:25	1,860.47	1303	1.36½	1,885.97	Add	24.96	50.46
Zahl, N. D.— Farmers Elevator....	22850	6-28	1.45¾	1411:20	2,071.94	830	1.49½	2,184.08	Deduct	*52.88	59.26
Totals				41361:05	55546.26			58,320.25			
									Middlemen's Profit	3,209.12	

	Cars	Total Bushels	Total Profit	Average Per Car	Average Per Bush.
Williston	34	49159:20	4,507.19	132.56	9.17-100c
Stanley	25	36378:10	2,490.60	99.62	6.85-100c
Miscel.	28	41361:05	3,209.12	114.61	7.¾c
Totals	87	126898:35	10,206.91	117.38	8.4-100

STATE MILL & ELEVATOR—GRAND FORKS

Car Lot Flour Quotations—Local Price 20c Per Barrel Over
Car Lot Flour Priced on Basis of 98-Lb. Cotton Sacks.

Date of Price Change	Dakota Maid Patent Flour	Pride Straight Flour	Warrior 1st Clear Flour	Mill Feed Bran and Shorts	Mpls. Future Wheat Price on Date of Change
Jan. 7, 1926.....	10.00	9.70	8.90	28.50	1.69
Jan. 11	9.90	9.60	8.80	28.50	1.67%
Jan. 21	9.80	9.50	8.70	28.50	1.66
Jan. 28	10.00	9.70	8.90	28.50	1.68
Feb. 6	9.80	9.50	8.70	27.50	1.65
Feb. 8	9.60	9.30	8.50	27.50	1.61%
Feb. 13	9.40	9.10	8.30	26.25	1.58%
Feb. 23	9.60	9.30	8.50	26.25	1.61%
Feb. 25	9.30	9.00	8.20	26.25	1.58
Mar. 2	9.00	8.70	7.90	25.00	1.51%
Mar. 11	9.40	9.10	8.30	24.00	1.55%
Mar. 17	9.40	9.10	8.30	24.00	1.55½
Mar. 22	9.00	8.70	7.90	24.50	1.48%
Mar. 26	9.25	8.95	8.15	24.50	1.53%
Apr. 1	9.05	8.75	7.95	24.50	1.50
Apr. 9	9.05	8.75	7.95	24.50	1.52%
Apr. 13	9.30	9.00	8.20	24.50	1.57½
Apr. 15	9.45	9.15	8.35	24.50	1.59%
Apr. 22	9.35	9.05	8.25	26.50	1.58½
Apr. 24	9.25	8.95	8.15	26.50	1.55%
May 5	9.00	8.70	7.90	26.50	1.55
May 14	8.90	8.60	7.80	26.50	1.53½
May 20	9.00	8.70	7.90	26.50	1.55½
May 22	9.10	8.80	8.00	24.00	1.58%
May 27	8.95	8.65	7.85	24.00	1.54%
June 5	9.15	8.85	8.05	24.00	1.50%
June 9	9.50	9.20	8.40	24.00	1.54%
June 10	9.35	9.05	8.25	24.00	1.53½
June 17	9.25	8.95	8.15	24.00	1.51%
June 21	9.05	8.75	7.95	24.00	1.49½
June 26	8.95	8.65	7.85	24.00	1.46%
July 7	9.50	9.20	8.40	24.00	1.60½
July 16	10.20	9.90	9.10	23.50	1.71
July 22	9.95	9.65	8.85	25.50	1.64%
July 23	9.85	9.55	8.75	25.50	1.62
Aug. 2	9.75	9.35	8.65	25.50	1.50%
Aug. 3	9.60	9.30	8.50	25.50	1.50%
Aug. 9	9.35	9.05	8.25	25.50	1.49%
Aug. 14	8.75	8.45	7.65	25.50	1.46%
Aug. 17	8.65	8.35	7.55	24.00	1.43%
Aug. 19	8.75	8.45	7.65	24.00	1.46½
Aug. 23	8.40	8.10	7.30	24.00	1.44%
Aug. 28	8.20	7.90	7.10	24.00	1.39%
Sept. 7	8.10	7.80	7.00	23.00	1.36%
Sept. 14	8.20	7.90	7.10	23.00	1.41½

STATE MILL & ELEVATOR—GRAND FORKS

Car Lot Price Flour Quotations—Local Price 20c Per Barrel
Over Car Lot Flour Priced on Basis of 98-Lb. Cotton Sacks.

Date of Price Change	Dakota Maid Patent Flour	Pride Straight Flour	Warrior 1st Clear Flour	Mill Feed Bran and Shorts	Mpls. Future Wheat Price on Date of Change
Sept. 29	8.30	8.00	7.20	23.00	1.42
Oct. 1	8.45	8.15	7.35	23.00	1.45 $\frac{3}{8}$
Oct. 6	8.30	8.00	7.20	24.00	1.41 $\frac{1}{2}$
Oct. 18	8.45	8.15	7.35	24.00	1.44 $\frac{3}{8}$
Nov. 1	8.20	7.90	7.10	24.00	1.43
Nov. 15	8.10	7.80	7.00	26.00	1.40
Nov. 23	8.10	7.80	7.00	27.00	1.40
Dec. 9	8.10	7.80	7.00	28.50	1.40
Jan. 21, 1927	8.10	7.80	7.00	29.50	1.40
Feb. 15	7.80	7.50	6.70	29.50	1.39 $\frac{3}{8}$
Mar. 19	7.50	7.20	6.40	29.50	1.32 $\frac{3}{8}$
Apr. 6	7.65	7.35	6.55	29.50	1.32 $\frac{1}{4}$
May 3	8.00	7.70	6.90	29.00	1.36 $\frac{3}{8}$
May 7	8.15	7.85	7.05	29.00	1.39 $\frac{7}{8}$
May 19	8.35	8.05	7.25	29.00	1.42
May 23	8.50	8.20	7.40	29.00	1.44 $\frac{1}{2}$
May 25	8.65	8.35	7.55	29.00	1.47 $\frac{1}{2}$
May 28	8.80	8.50	7.70	29.50	1.50 $\frac{1}{2}$
June 3	8.55	8.25	7.45	30.50	1.44 $\frac{7}{8}$
June 23	8.30	8.00	7.20	29.00	1.40 $\frac{7}{8}$
July 7	8.50	8.20	7.40	28.00	1.44 $\frac{3}{8}$
July 9	8.70	8.40	7.60	28.00	1.46
July 12	8.50	8.20	7.40	27.50	1.41 $\frac{1}{2}$
July 15	8.30	8.00	7.20	28.00	1.39
Aug. 8	8.50	8.20	7.40	27.00	1.43 $\frac{3}{8}$
Aug. 13	8.40	8.10	7.30	28.50	1.41 $\frac{3}{8}$
Aug. 24	8.20	7.90	7.10	29.25	1.37 $\frac{1}{4}$
Aug. 29	8.00	7.70	6.90	30.00	1.33 $\frac{1}{4}$
Sept. 1	7.90	7.60	6.80	30.00	1.32 $\frac{1}{2}$

STATEMENT OF FLOUR SALES TO SEABOARD FLOUR
CORPORATION BOSTON, MASS., SHOWING LOSS ON
SALES

Flour Sales Contract Number	Date Sold	Barrels Sold	Grade of Flour Sold	Sale Price Per Bbl. F. O. B. Boston	Differential Per Bbl. Between Straight and First Clear	Value of 74 lbs. Feed Extracted from 4½ Bu. Wheat	Total Sale Price and Value of Feed and Differ- ential Per Bbl.	Freight Cost Mpls. to Boston Per Bbl.	Comm. 15c Cash Disc. 5c	Mpls. Future Wheat Price Per Bu.	Cash Wheat Premium	Pkg. Cost Per Bbl.	Total Material Cost Per Bbl. 4½ Bu. Wheat and Pkg. and Frt. to Boston and Comm.	Total Loss on Material Costs	Total Gain on Material Costs	Total Loss Including \$1.00 Oper. Exp. and Overhead and 30c Int. on Const. Bonds
9263	Jan. 9-26	5000	Pride	8.75		95c	9.70	90c	20c	1.67%	15c	29c	9.61		\$ 431.25	\$ 6,068.75
9265	Jan. 14	5000	Pride	8.70		95c	9.65	90c	20c	1.66½%	15c	29c	9.54		546.85	5,953.15
9270	Jan. 19	2500	Pride	8.95		95c	9.90	90c	20c	1.67%	15c	28c	9.59		782.82	2,487.18
9287	Feb. 17	2500	Pride	8.40		95c	9.35	90c	20c	1.58	15c	28c	9.16		462.50	2,787.50
9289	Feb. 18	5000	Pride	8.50		90c	9.40	90c	20c	1.60½%	15c	28c	9.26		696.90	5,803.10
9296	Mar. 3	5000	Pride	8.20		90c	9.10	90c	20c	1.51%	15c	28c	8.88	1,109.35	5,390.65	
9297	Mar. 4	5000	Pride	8.15		85c	9.00	90c	20c	1.53¼%	15c	28c	8.95	243.75	6,256.25	
9298	Mar. 4	2000	Pride	8.10		85c	8.95	90c	20c	1.53¼%	15c	26c	8.93	37.50	2,562.50	
9409	Mar. 17	2500	Pride	8.45		85c	9.30	90c	20c	1.55%	15c	26c	9.03	682.80	2,567.20	
9410	Mar. 19	5000	Pride	8.45		85c	9.30	90c	20c	1.55%	15c	26c	9.03	1,365.60	5,134.40	
9427	April 23	2500	Warrior	7.40	80c	80c	9.00	90c	20c	1.58½%	15c	26c	9.15	\$ 376.55	3,626.55	
9435	May 14	4000	Pride	8.05		80c	8.85	90c	20c	1.54	15c	26c	8.97	460.00	5,660.00	
9436	May 18	1000	Pride	8.05		80c	8.85	90c	20c	1.54	15c	26c	8.97	115.00	1,415.00	

TUESDAY, JANUARY 10, 1928

STATEMENT OF FLOUR SALES TO SEABOARD FLOUR
CORPORATION BOSTON, MASS., SHOWING LOSS ON
SALES
(Continued)

Flour Sales Contract Number	Date Sold	Barrels Sold	Grade of Flour Sold	Sale Price Per Bbl. F. O. B. Boston	Differential Per Bbl. Between Straight and First Clear	Value of 74 lbs. Feed Extracted from 4½ Bu. Wheat	Total Sale Price and Value of Feed and Differ- ential Per Bbl.	Freight Cost Mpls. to Boston Per Bbl.	Comm. 15c Cash Disc. 5c	Mpls. Future Wheat Price Per Bu.	Cash Wheat Premium	Pkg. Cost Per Bbl.	Total Material Cost Per Bbl. 4½ Bu. Wheat and Pkg. and Frt. to Boston and Comm.	Total Loss on Material Costs	Total Gain on Material Costs	Total Loss Including \$1.00 Oper. Exp. and Overhead and 30c Int. on Const. Bonds
9439	May 20	1500	Pride	8.10		80c	8.90	90c	20c	1.53 7/8	17c	26c	9.05	224.06		2,174.06
9445	June 2	3500	Pride	8.25		80c	9.05	90c	20c	1.46	17c	26c	8.69		1,242.50	3,307.50
9463	June 18	10000	Pride	8.25		80c	9.05	90c	20c	1.39 7/8	17c	26c	8.42		6,306.20	6,693.80
9466	June 18	5000	Warrior	6.75	80c	80c	8.35	90c	20c	1.38 1/8	17c	26c	8.34		46.90	6,453.10
9470	June 24	5000	Pride	8.15		80c	8.95	90c	20c	1.49	17c	26c	8.83		600.00	5,900.00
9473	June 25	5000	Warrior	6.70	80c	80c	8.30	90c	20c	1.49	17c	26c	8.83	2,650.00		9,150.00
9473	June 25	3000	Old Pride	8.15		80c	8.95	90c	20c	1.49	17c	26c	8.83		360.00	3,540.00
9473	June 25	7000	New Pride	7.40		80c	8.20	90c	20c	1.49	17c	26c	8.83	4,410.00		13,510.00
9930	July 21	5000	Warrior	6.85	80c	75c	8.40	90c	20c	1.54 3/4	15c	28c	9.02	3,093.75		9,593.75
9931	July 21	5000	Warrior	6.85	80c	75c	8.40	90c	20c	1.54 3/4	15c	28c	9.02	3,093.75		9,593.75
9942	July 23	10000	Warrior	6.85	80c	75c	8.40	90c	20c	1.49 3/8	15c	28c	8.78	3,768.80		16,768.80
9951	July 26	15000	Pride	7.85		75c	8.60	90c	20c	1.51 3/4	15c	28c	8.88	4,256.25		23,756.25

9960	July 29	5000	Pride	7.70	75c	8.45	90c	20c	1.51 $\frac{1}{8}$	15c	28c	8.86	2,028.15	8,528.15
9961	July 29	5000	Pride	7.75	75c	8.50	90c	20c	1.51 $\frac{1}{8}$	15c	28c	8.86	1,778.10	8,278.10
9965	July 30	10000	Pride	7.85	75c	8.60	90c	20c	1.53 $\frac{5}{8}$	15c	28c	8.97	3,681.30	16,681.30
9966	July 30	5000	Pride	7.80	75c	8.55	90c	20c	1.53 $\frac{5}{8}$	15c	28c	8.97	2,090.60	8,590.60
9971	Aug. 4	10000	Pride	7.60	75c	8.35	90c	20c	1.49	12c	28c	8.63	2,750.00	15,750.00
9997	Aug. 21	10000	Pride	7.45	75c	8.20	90c	20c	1.45	12c	28c	8.44	2,450.00	15,450.00
10102	Aug. 24	5000	Pride	7.35	75c	8.10	90c	20c	1.44 $\frac{3}{4}$	12c	28c	8.43	1,668.75	8,168.75
10111	Aug. 31	10000	Pride	7.10	75c	7.85	90c	20c	1.39	12c	28c	8.18	3,250.00	16,250.00
10142	Sept. 14	15000	Pride	7.00	75c	7.75	90c	20c	1.37 $\frac{3}{4}$	10c	28c	8.03	4,181.25	23,681.25
10143	Sept. 14	15000	Pride	7.00	75c	7.75	90c	20c	1.37 $\frac{3}{4}$	10c	28c	8.03	4,181.25	23,681.25
10179	Sept. 30	5000	Pride	7.30	75c	8.05	90c	20c	1.42	10c	28c	8.22	850.00	7,350.00
10581	Nov. 30	25000	Pride	7.00	75c	7.75	90c	20c	1.37 $\frac{3}{4}$	8c	23c	7.89	3,468.75	35,968.75

Total242000

Net Loss on Materials 39,911.39
 54,826.31 54,826.31
 14,914.92

Net Loss on Materials 39,911.39
 54,826.31 54,826.31

Total Loss Including Operating Expense,
 Overhead and Interest on Construction
 Bonds 354,511.39

TUESDAY, JANUARY 10, 1928

FEEED SALES AT \$21.00 PER TON F. O. B. MINNEAPOLIS TO I. S. JOSEPH, MINNEAPOLIS, MINN.

Contract Number	Date Sold	Kind of Feed	Tons Sold	Sale Price Per Ton F. O. B. Mpls.	Tons Cancelled	Cancellation Penalty Per Ton Paid By Mill	Total Cancellation Penalty Per Ton Paid By Mill	Date Paid
9490	July 6, 1926	Bran	150	21.00				
9490	July 6,	Midds	150	21.00				
9491	July 6	Bran	300	21.00				
9492	July 6	Midds	300	21.00				
9499	July 9	Bran	300	21.00	89 Tons	7.00	623.00	May 3, 1927
9499	July 9	Midds	300	21.00				
9500	July 9	Bran	300	21.00				
9500	July 9	Midds	300	21.00				
9901	July 9	Bran	300	21.00				
9901	July 9	Midds	300	21.00				
9943	July 13	Bran	500	21.00				
9944	July 13	Midds	500	21.00				
9945	July 13	Bran	500	21.00				
9946	July 13	Midds	500	21.00				
9947	July 13	Bran	500	21.00	500 Tons	7.00	3,500.00	Feb. 28, 1927

9948	July 13	Mids	500	21.00	9 Tons	7.00	63.00	Feb. 28,	1927
9949	July 13	Bran	500	21.00	137 Tons	7.00	959.00	May 3,	1927
9950	July 13	Mids	500	21.00	100 Tons	7.00	700.00	May 3,	1927
10155	Sept. 20 1926	Mids	700	21.00					
10156	Sept. 20	Bran	500	21.00					
10160	Sept. 20	Mids	700	21.00	169 Tons	7.00	1,183.00	May 3,	1927
10161	Sept. 20	Bran	500	21.00	500 Tons	7.00	3,500.00	Feb. 28,	1927
10162	Sept. 20	Mids	700	21.00					
10163	Sept. 20	Bran	500	21.00	18 Tons	7.00	126.00	Feb. 28,	1927
10158	Sept. 20	Mids	500	21.00)	No Penalty Clause				
10159	Sept. 20	Bran	500	21.00)	in Contract				
Totals			11300		1522		10,654.00		

TUESDAY, JANUARY 10, 1928

FEDERAL STORAGE TICKETS OUTSTANDING
Wheat

Receipt Number	Name	Grade	Car Number	Weight
320	C. E. Peterson	1 Dn 2%	S-57091	68310
329	Farmers Grain Co., Grafton	1 N 3%	41918	87930
332	Northwood Equity Elev.	Spec. Bin 253	38321	84740
333	Northwood Equity Elev.	Spec. Bin 253	19978	86230
357	Northwood Equity Elev.	Spec. Bin 253	29173	90060
358	Northwood Equity Elev.	Spec. Bin 253	128038	87660
359	Northwood Equity Elev.	Spec. Bin 253	17924	90280
373	Northwood Equity Elev.	Spec. Bin 253	32891	93110
417	Northwood Equity Elev.	Spec. Bin 253	9757	84320
580	Northwood Equity Elev.	1 N 2%	27416	89310
581	Northwood Equity Elev.	1 N 1%	108928	75380
747	Northwood Equity Elev.	1 N 1%	591779	88370
755	Northwood Equity Elev.	2 DN 3%	31399	61300
767	Smith-Tyner Co.	2 DN 1%	29782	109810
822	Smith-Tyner Co.	1 DN 1%	87031	88110
834	Smith-Tyner Co.	2 DN 1%	14462	88360
835	Smith-Tyner Co.	1 DN 1%	14537	88810
836	Smith-Tyner Co.	1 DN 1%	22214	88910
837	Smith-Tyner Co.	1 DN 1%	1388	66610
838	Smith-Tyner Co.	1 DN 1%	12494	89000
839	Smith-Tyner Co.	2 DN 2%	9674	89370
841	Smith-Tyner Co.	1 DN 1%	166126	88610
842	Smith-Tyner Co.	1 DN 1%	36118	114490
843	Reynolds Farmers Elevator	1 DN 1%	18653	88040

844	Reynolds Farmers Elevator	1	DN	1%	33377	94060
845	Smith-Tyner Co.	1	DN	1%	17462	85760
846	Smith-Tyner Co.	2	DN	2%	34757	66770
849	Reynolds Farmers Elevator	1	DN	1%	19005	87860
854	Reynolds Farmers Elevator	1	DN	1%	29055	87980
862	Smith-Tyner Co.	1	DN	1%	9616	92610
863	Smith-Tyner Co.	1	DN	1%	28977	88750
864	Smith-Tyner Co.	1	DN	1%	22510	88760
868	Reynolds Farmers Elevator	1	DN	1%	11800	66070
874	Reynolds Farmers Elevator	1	DN	1%	23484	88060
875	Reynolds Farmers Elevator	1	DN	1%	32512	93270
887	Reynolds Farmers Elevator	1	DN	1%	9955	92310
902	Reynolds Farmers Elevator	1	DN	1%	126866	87920
904	Reynolds Farmers Elevator	1	DN	1%	25709	87910
907	Knute Knutson	1	DN		48031	73840
909	Edwin Peterson	1	DN	1%	10342	84400
982	Farmers Elevator, Honeyford	1	DN	3%	25794	97860
986	Honeyford Supply Co.	1	N	6%	25081	80360
987	N. D. R. R. Comm.—Trustee	1	N	6%	26635	76060
988	N. D. R. R. Comm.—Trustee	1	N	7%	123187	74540
989	N. D. R. R. Comm.—Trustee	1	N	7%	19105	89010
990	Northwood Equity Elevator Co.	1	N	1%	26435	83560
991	Northwood Equity Elevator Co.	1	N	1%	17804	84140
992	Honeyford Supply Co.	1	N	6%	22605	87710
	Gross Pounds					4126690
	Gross Bushels					68778:10

TUESDAY, JANUARY 10, 1928

FEDERAL STORAGE TICKETS OUTSTANDING
Durum

Receipt Number	Name	Grade	Car Number	Weight
706	Farmers Elev. Co., Westhope	Spec. Bin 234	7 Cars	538090
919	Kuroki Elevator Co.	Spec. Bin 239	Several	240000
920	Kuroki Elevator Co.	Spec. Bin 239	Several	240000
921	Kuroki Elevator Co.	Spec. Bin 239	Several	215440
	Gross Pounds			1233530
	Gross Bushels			20558:40

SUMMARY OF PRODUCTION AS SHOWN BY MILL RECORDS
JANUARY 1, 1927 TO JUNE 30, 1927

Month	Clean Wheat Ground Bu.	Flour Mfg. Less Amount to Feed Bbl.	Wheat Yield Bu.Lb.	Flour Mfg. Less Amount to Feed Pounds	Feed Mfg. Pounds	Total Products Mfg. Pounds	Clean Wheat Ground Pounds	Screenings to Feed Pounds	Invisible Loss Pounds
January	150678	33163	4-33	6499948	2752900	9252848	9040680	311900	99732
February	115685	25418	4-33	4981928	2132100	7114028	6941100	271220	98292
March	133479	29120	4-35	5707520	2494000	8201520	8008740	299390	106610
April	157367	34263	4-36	6715548	2964000	9679548	9442020	345200	107672
May	132528	28827	4-36	5650092	2446300	8096392	7951680	297100	152388
June	157375	34440	4-34	6750240	2940400	9690640	9442500	376240	128100
Totals	847112	185231	4-34	36305276	15729700	52034976	50826720	1901050	692794

TUESDAY, JANUARY 10, 1928

STATE MILL AND ELEVATOR, GRAND FORKS, NORTH DAKOTA
STATEMENT OF HOURS RUN BY MILL AS SHOWN BY MILL RECORDS

Date	January		February		March		April		May		June	
	Hours "A"	Run "B"	Hours "A"	Run "B"	Hours "A"	Run "B"	Hours "A"	Run "B"	Hours "A"	Run "B"	Hours "A"	Run "B"
2	d	"	- x?x-	R ....22	4e	....	24	....	....	....	25 1/4	....
1	24	....	24	....	25	....	23	....	23 3/4
2	24	....	23	....	....	....	24	....	23
3	23	....	24	....	24	....	....	23	....	25	....
4	24	....	24	....	24	....	....	24	....	....	....
5	24	....	25	....	24 1/2	....	....	24	....	....	23
6	24	....	....	....	....	....	....	24	....	....	24
7	24	....	23	....	....	....	....	24	....	....	24
8	25	....	24	....	....	....	....	25	....	....	24
9	24	....	....	....	....	25	....	....	24
10	23	....	25	....	....	....	....	....	23	....	24
11	24	....	....	....	....	....	....	23	....	....	25
12	24	....	....	....	....	....	....	24	....	....	....
13	20	....	....	....	....	....	....	24	....	....	23
14	24	....	23	....	....	....	....	24	....	....	24
15	25	....	24	....	....	....	....	24	....	....	24
16	24	....	....	....	....	23	....	....	24
17	23	....	24	....	....	....	....	....	....	....	24
18	24	....	24	....	....	....	....	23	....	....	....
19	24	....	25	....	....	....	....	20 1/2	....	....	28
20	24	....	....	....	....	....	....	24	....	....	....
21	24	....	....	....	....	....	....	24	....	....	23
22	25	....	....	....	....	....	....	24	....	....	24

23	....	....	23	....	....	24	....	25	23	....	24	....
24	....	23	24	....	....	24	....	....	24	....	24	....
25	....	24	24	....	....	24	....	23	24	....	25	....
26	....	24	25	....	....	25	....	24	24	....	....	....
27	....	24	....	....	....	....	....	24	24	....	23	....
28	....	24	....	....	....	23	....	24	25	....	....	25½
29	....	25	....	....	....	24	....	24	....	....	22½	....
30	....	23	....	....	....	24	....	25	23	....	17½	6
31	....	23	....	....	....	24	....	....	24	....	....	....
Totals	....	595	336	121	191½	335	....	619½	455	70	543¼	83 1-6

"A" Unit Ran 1525¼ hrs.

"B" Unit Ran 1823 2-3 hrs.

Total All Units 3349 5-12hrs.

"A" Unit Ran 42.38% of time.

"B" Unit Ran 50.66% of time.

All Units Ran 31% of time.

..... Time computed on basis of 300-24 hours days per year.

TUESDAY, JANUARY 10, 1928

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PALROLL OF OFFICERS AND EMPLOYEES
FOR MONTH OF JUNE, 1927

Officer or Employee	Position	Rate	Time Served	Amount Paid
OFFICE				
C. L. Spencer, General Manager.....		5,000.00	Yr. 1 Mo.	416.68
K. C. Nelson, Auditor.....		3,000.00	Yr. 1 Mo.	250.00
J. H. Pagett, Chief Accountant.....		225.00	mo. 1 Mo.	225.00
J. P. O'Connell, Traffic Manager..		225.00	mo. 1 Mo.	225.00
Wilbur Jensen, Grain Clerk		175.00	mo. 1 Mo.	175.00
Walter Sundahl, Cashier		150.00	mo. 1 Mo.	150.00
Paul Miller, Production Clerk.....		150.00	mo. 1 Mo.	150.00
M. M. Darling, Grain Dept.....		125.00	mo. 1 Mo.	125.00
Henry Sundahl, Ledger Clerk.....		100.00	mo. 1 Mo.	100.00
Helen Engelson, Stenographer.....		105.00	mo. 1 Mo.	105.00
Jeanette Davis, Stenographer.....		115.00	mo. 1 Mo.	115.00
Marietta Mumford, Tel. Op.....		80.00	mo. 1 Mo.	80.00
Dorothy Pistner, Stenographer.....		90.00	mo. 1 Mo.	90.00
Mrs. Ray Gilbert, Stenographer.....		100.00	mo. 1 Mo.	100.00
Ethel Poyser, Stenographer.....		80.00	mo. 1 mo.	80.00
Mervin Ruud, Office Boy.....		50.00	mo. 1 Mo.	50.00
				2,436.68

SALESMEN AND SALES FORCE

T. A. Ewiggum, Sales Manager.....		350	mo. 1 Mo.	350.00
Otto Knapp, Salesman		175.00	mo 1 Mo.	175.00
E. O. Huseby, Salesman		175.00	mo. 1 Mo.	175.00
H. C. Upham, Salesman		175.00	mo. 1 Mo.	175.00
B. D. Anderson, Salesman.....		175.00	mo. 1 Mo.	175.00
E. N. Everson, Salesman		175.00	mo. 1 Mo.	175.00
H. A. Higgins, Salesman		125.00	mo. 1 Mo.	125.00
R. J. McMahon, Salesman		135.00	mo. 1 Mo.	135.00
O. N. J. Hagen, Salesman.....		125.00	mo. 1 Mo.	125.00
Arthur O. Greenen, Salesman		125.00	mo 1 Mo.	125.00
C. A. Bell, Salesman		150.00	mo. 1 Mo.	150.00
A. W. Thompson, Salesman.....		125.00	mo 1 Mo.	125.00
M. H. Reiten, Salesman		125.00	mo 1 Mo.	125.00
Wheeler Smith, Ass't. Sales Mgr..		200.00	mo. 1 Mo.	200.00
Helen Olson, Stenographer		135.00	mo 1 Mo.	135.00
Esther Olson, Stenographer.....		110.00	mo. 1 Mo.	110.00
M. S. Ostrander, Stenographer		100.00	mo. 1 Mo.	100.00
				2,680.00

LABORATORY

L. H. Patton, Chief Chemist.....		200.00	mo. 1 Mo.	200.00
Carl B. Gustafson, Chemist		150.00	mo. 1 Mo.	150.00
				350.00

PAYROLL OF OFFICERS AND EMPLOYEES
FOR MONTH OF JUNE 1927

Officer of Employee	Position	Rate	Time Served	Amount Paid
MILL PROPER				
H. S. Hanson, Head Miller		70.00	wk 4 wks.	280.00
Frank Hosch, Millwright		48.00	wk 4 wks.	192.00
C. L. Larson, Bolter .....		.67	hr. 4 wks.	134.67
William Lowe, Grinder .....		.70	hr. 4 wks.	163.10
L. M. Johnson, Grinder.....		.70	hr. 4 wks.	171.50
J. R. Larson, Bolter.....		.67	hr. 4 wks.	129.31
Cliff Whitman, Bolter .....		.67	hr. 4 wks.	147.06
Arthur Iland, Ass't Willwright.....		.60	hr. 4 wks.	119.40
B. F. Stoffer, Smutter .....		.55	hr. 4 wks.	115.50
H. Goth, Grinder .....		.70	hr. 4 wks.	175.70
J. Bulger, Oiler .....		.50	hr. 4 wks.	105.70
Leo. Fitzgerald, Oiler .....		.50	hr. 4 wks.	100.50
Andrew Odegard, Smutter .....		.55	hr. 22 days	102.58
Olaf Haugsven, Oiler .....		.50	hr. 4 wks.	98.75
J. Dybedahl, Sweeper .....		.40	hr. 4 wks.	76.80
Alfred Grenlin, Sweeper .....		.45	hr. 23 days	81.45
Joe Fitzgerald, Sweeper .....		.40	hr. 21 days	80.00
Thomas Burnett, Sweeper .....		.40	hr. 4 wks.	80.00
Nels Dahl, Sweeper .....		.40	hr. 23 days	84.00
Wilmot Robertson, Sweeper .....		.40	hr. 4 wks.	76.80
Stanley Miller, Sweeper.....		.40	hr. 1 day	3.20
Clarence Knudson, Packer .....		.57	hr. 4 wks.	109.44
S. Swanson, Head Packer.....		.62	hr. 4 wks.	116.87
Anton Dahl, Packer .....		.57	hr. 4 wks.	110.01
R. J. Lundy, Packer .....		.57	hr. 4 wks.	110.01
Chas. Youngberg, Head Packer....		.62	hr. 4 wks.	119.66
Wm. Zeeman, Packer .....		.57	hr. 4 wks.	112.86
Mike Brombara, Packer .....		.57	hr. 4 wks.	112.72
Ed. Iverson, Head Packer .....		.62	hr. 4 wks.	125.24
B. Egeland, Feed Packer .....		.52	hr. 4 wks.	100.36
Wm. Homann, Packer .....		.57	hr. 4 wks.	109.44
Wm. Fox, Feed Packer .....		.52	hr. 4 wks.	101.40
Omund Hadlow, Feed Packer .....		.52	hr. 4 wks.	99.84
				3,836.47

POWER HOUSE

O. S. Berg, Chief Engineer.....		200.00	mo. 1 Mo.	200.00
Hans Nordley, Operator .....		.75	hr. 4 wks.	150.38
Chas. P. Grumiller, Operator.....		.75	hr. 4 wks.	148.50
J. Iverson, Operator .....		.75	hr. 4 wks.	150.38
P. Peterson, Fireman .....		.52	hr. 4 wks.	145.60
H. A. Volland, Fireman .....		.52	hr. 4 wks.	145.00
J. J. Schue, Fireman.....		.52	hr. 4 wks.	145.60
Ted W. Nelson, Electrician.....		.50	hr. 4 wks.	98.25
Robert Elmore, Fireman .....		.52	hr. 4 wks.	102.70
Arne Krogen, Repair Man .....		.65	hr. 19 days	104.33
M. Volland, Repair Man.....		.56	hr. 4 wks.	114.52
Nick Nelson, Repair Man.....		.62	½ hr. 20 days	113.75

1,619.61

PAYROLL OF OFFICERS AND EMPLOYEES
FOR MONTH OF JUNE 1927

Officer of Employee	Position	Rate	Time Served	Amount Paid
WAREHOUSE				
A. S. Holt, Foreman		40.00 wk.	4 wks.	160.00
John Raymond, Truck Driver .....		.55 hr.	4 wks.	111.39
Peter Heth, Truck Driver .....		.55 hr.	4 wks.	113.03
Dale Burwell, Truck Driver .....		.48 hr.	19 days	77.28
R. Zeeman, Whse Man .....		.48 hr.	4 wks.	92.40
H. M. Krogh, Whse Man .....		.48 hr.	19 days	75.84
Sam Johnson, Whse Man .....		.48 hr.	4 wks.	96.00
Chas. Robertson, Whse. Man .....		.48 hr.	4 wks.	94.32
Carl Hanson, Whse. Man .....		.48 hr.	4 wks.	115.68
J. S. Burwell, Whse. Man .....		.48 hr.	4 wks.	98.16
H. B. Holman, Whse. Man .....		.48 hr.	4 wks.	95.04
Hiram Sykes, Whse. Man .....		.48 hr.	4 wks.	98.64
Oliver Hoff, Whse. Man .....		.48 hr.	4 wks.	92.64
T. R. Lawler, Whse. Man .....		.48 hr.	20 days	83.04
H. L. Hendrickson, Whse. Man....		.48 hr.	4 wks.	94.80
				1,498.26

COMMON LABOR

Norman Larson, Storekeeper.....	.40 hr.	4 wks.	79.00
Al. Erickson, Bus Driver	30.00 wk.	4 wks.	120.00
A. J. Armstrong, Teamster .....	.50 hr.	4 wks.	121.00
Walter Jackson, Janitor	20.00 wk.	4 wks.	80.00
			400.00

LOCAL ELEVATOR

August Kludt, Grain Buyer	150.00 mo	1 Mo.	150.00
Total Payroll, Mill Department.....			12,971.02

ELEVATOR DEPARTMENT
OFFICE

H. M. Webster, Elev. Manager.....	350.00 mo	1 Mo.	350.00
Thomas J. Brown, Gr. Inspector.....	250.00 mo.	1 Mo.	250.00
Darwin Bodahl, Accountant.....	185.00 mo.	1 Mo.	185.00
M. M. Darling, Ass't. Buyer.....	50.00 mo.	1 Mo.	50.00
Mrs. H. G. Allen, Stenographer....	25.00 wk	4 wks.	100.00
Al. Erickson, Bus Driver	8.00 mo.	1 Mo.	8.00
			943.00

PAYROLL OF OFFICERS AND EMPLOYEES
FOR MONTH OF JUNE 1927

Officer of Employee	Position	Rate	Time Served	Amount Paid
ELEVATOR LABOR				
A. F. Dietzler, Elev. Foreman		200.00 mo.	4 wks.	194.21
Ed. Everson, Millwright		42.50 mo.	4 wks.	178.85
M. C. Adams, Weighmaster		200.00 mo.	4 wks.	194.21
A. C. Remage, Weighmaster		130.00 mo.	4 wks.	126.25
Carl Nelson, Common Labor		5.00 day	4 wks.	126.25
Amund Nelson, Common Labor		5.00 day	4 wks.	126.25
L. Christianson, Common Labor		5.00 day	4 wks.	126.25
Roy Kerr, Common Labor		5.00 day	4 wks.	126.25
W. J. McDonald, Sweeper		5.00 day	4 wks.	126.25
Paul Mathews, Sampler		5.00 day	4 wks.	126.25
Hugh Everson, Night Watchman		28.00 mo.	4 wks.	112.00
				1,689.27

DISTRIBUTION OF MISCELLANEOUS GENERAL
EXPENSE

January 1, 1927, to June 30, 1927

Grand Forks Commercial Club Traffic Service and Dues	710.20
Freight and Expense	131.17
Magazines, Papers and Business Service	358.60
Track Maintenance	81.92
Dinners and Lunches for Salesmen and Bakers during meeting	89.95
Filing & Registration Fees	1.00
Laundry	24.63
Miscellaneous Supplies	21.50
Legal Fees	25.00
Governors Luncheon	10.50
Pictures	17.00
Otis Elevator Service	18.00
K. C. Nelson, Traveling Expense	160.35
M. Darling, Traveling Expense	40.54
Mr. Spencer's Traveling Expense	84.00
Mr. Hanson's Traveling Expense	45.62
Auto License and Transfer Fees	4.00
P. O. Box Rent	3.00
1 Doz. Pearl Handled Knives with purses	37.65
Bond for Minnesota Warehouseman	20.00
Membership National Chamber of Commerce	25.00
Mr. Spencer Rotary Club Dues	17.60
Dues Grand Forks Credit Men's Association	29.00
Contribution to N. D. Retail Men's Association	25.00
Dues and Fees to N. Dak. Grain Dealers	25.00
<hr/>	
	2,006.23
Less: Recovery on Sax Cleaned	5.00
Recovery on Telephone & Teleg. Charges	5.00
Miscellaneous Collections	10.00
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Total Charges to Miscellaneous Gen. Account	1,985.93

SUMMARY OF WHEAT PURCHASES BY MILL DEPARTMENT
 JAN. 1, 1927 to JUNE 30, 1927

Purchased From	Bushels Purchased in N. Dak.	Bushels Purchased Outside N. Dak.	Total Bushels Purchased	Value
Commission Companies:				
Midland Grain Co.	7,241-30	21,590-25	28,831-35	43,603.30
Smith-Tyner Co.		33,936-10	33,936-10	52,274.04
Cargill Commission Co.	27,031-30		27,031-30	38,636.92
Levant Elevator Co.	31,226-30	8,191-30	39,418	58,916.28
McCabe Bros. Co.	1,447-40	2,777	4,224-40	6,296.25
Quinn-Shepardson Co.	26,878-50	66,166-10	93,045	140,217.18
Benson-Quinn Co.	68,498-50		68,498-50	99,237.35
Salyards Grain Co.	31,687-05	39,044-55	70,732	104,375.99
Patton & Kjose Co.		37,240-30	37,240-30	57,127.33
McCaul-Dinsmore Co.	3,078		3,078	4,704.06
Atwood Larson Co.	1,412-10		1,412-10	2,135.90
Hoover Grain Co.	513-40		513-40	763.44
Total Purchased From Commission Companies.....	199,015-25	208,946-40	407,962-05	608,288.04
Farmers and Independent Elevator Companies.....	276,015-25		276,015-25	407,329.85
N. Dak. Grain Growers	5,315-15		5,315-15	7,672.22
Individuals	29,297-25	975-50	30,273-15	43,483.93
Local "B" Elevator	11,376-45		11,376-45	15,546.38
Marquis Milling Co.		11,281-40	11,281-40	17,895.55
Total Wheat Purchased	521,020-15	221,204-10	742,224-25	1,100,215.97

STATE MILL AND ELEVATOR—LABORATORY DEPARTMENT STATEMENT OF PROTEIN TESTS INCOME
JAN. 1, 1927, TO JUNE 30, 1927

	Amount
Collected by Laboratory for Protein Tests made Jan. 1, 1927 to June 30, 1927	727.00
Collected by Elevator Department	18.50
Collected by Mill Department on Purchase of Grain on which tests were made	89.50
<hr/>	
Total Collected for Protein Tests.....	835.00
Collected from Gluten Tests	6.75
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Total Collected for Laboratory Tests.....	841.75
	Number of Tests
Tests Collected for at 50c each (\$835) collected.....	1670
Tests made free for the Mill Department.....	1679
Tests made by the Laboratory for individuals the charge for which is uncollectable	81
<hr/>	
Total Protein Tests Made During Period....	3430

Hon. Geo. Shafer,
Hon. John Steen,
Hon. Robert Byrne,
Members State Board of Auditors:
Bismarck, North Dakota.
Gentlemen:

Pursuant to your instructions I have visited the office of I. S. Joseph at Minneapolis, who is president of the I. S. Joseph Company and also the president of the Midland Grain Company of Minneapolis, for the purpose of examining their records pertaining to the purchase of mill feed from the State Mill and Elevator at Grand Forks by the I. S. Joseph Company, and the sale of wheat to the State Mill by the Midland Grain Company, in compliance with the request of I. S. Joseph and Governor A. G. Sorlie, Manager of the State Mill and Elevator at Grand Forks, N. Dak.

FEED SALES TO I. S. JOSEPH CO.:

Contracts were entered into for the sale and delivery of 11,300 tons of mill feed during the months of July and September, 1926, to the I. S. Joseph Company of Minneapolis, at a price of \$21.00 per ton, F. O. B. Minneapolis, as listed in detail in my audit report of the State Mill and Elevator of June 30, 1927.

It was later found that the State Mill was unable to supply the feed required to fill these contracts, and it became necessary for the State Mill to enter into an agreement with the I. S. Joseph Co. for a cancellation of a part of these contracts, and 1522 tons of feed so contracted for delivery at Minneapolis by the State Mill was cancelled at an agreed cancellation penalty of \$7.00 per ton, to be paid the I. S. Joseph Co. by the State Mill. This cancellation figure was based on the agreed feed price at dates of cancellation of \$28.00 per ton; i. e., that the prevailing market price at date of cancella-

tion was \$7.00 per ton higher than the contract price. On this basis a total sum of \$10,654.00 was paid the I. S. Joseph Co. by the State Mill.

I was given full access to the I. S. Joseph Co. records of their feed purchases during the months of July and September, 1926, and from my examination of them I found that this company had purchased feed of Minneapolis mills at prices corresponding closely to the prices paid the State Mill, quality considered.

The State Mill bran contracts called for "pure spring wheat bran", which at date of sales appears to have been worth about 50c per ton more than the standard bran on the market. The Standard Middlings called for in the State Mill contracts had the same market value as middlings purchased from other mills by the I. S. Joseph Co., as near as I was able to learn, and in my comparisons of prices I considered pure bran at a value of 50c over standard, and the State Mill standard middlings equal to standard middlings purchased from Minneapolis mills.

The I. S. Joseph Co. feed purchases from Minneapolis mills, during the period covered, in many cases provided for earlier delivery dates than State Mill contracts, which is considered by the trade in determining the price.

The feed purchases of the I. S. Joseph Co., from Minneapolis mills, as shown by their records for the month of July, 1926, appear to average a little below the amount paid the State Mill, (but these were largely for immediate or early date shipment), while their September purchases from Minneapolis mills average a little higher than the price paid the State Mill.

The general feed purchases of the I. S. Joseph Co., appeared to average slightly below the Minneapolis market quotations, which may be due to quantities purchased, the I. S. Joseph Co. purchases referred to running from 200 tons to 1500 tons, while the Minneapolis market quotations are for car lots.

The following tabulation shows the market quotations at the State Mill, Grand Forks, and the market quotations taken from the "Daily Market Record," a Minneapolis daily publication devoted to the grain trade, Elevator and Milling industry, and recognized by the trade as authority on markets.

Date of State Mill Feed Sale to Joseph Co.	Kind of Feed	Sale Price of Feed to Joseph Co. by State Mill	Local State Mill Feed Quotations	Daily Market Record Quotations F. O. B. Mpls. Car Lots
7- 6-26	Pure Bran	\$21.00	\$24.00	\$20.50 to \$21.00
	Standard Mdds	21.00	24.00	21.00 to 21.50
7- 9-26	Pure Bran	21.00	24.00	21.00 to 21.50
	Standard Mdds	21.00	24.00	21.50 to 22.00
7-13-26	Pure Bran	21.00	24.00	21.00 to 21.50
	Standard Mdds	21.00	24.00	22.00 to 22.25
9-20-26	Pure Bran	21.00	23.00	22 00 to 22.50
	Standard Mdds	21.00	23.00	22.50 to 23.00

In an effort to examine the I. S. Joseph Co. feed purchases for the months of February and May, 1927, (for the purpose of comparing purchase prices at that time with the cancellation charges to the State Mill), I was denied access to their feed purchase records for this period on their theory that it was unfair to use the same method for determining the cancellation price as the purchase price. Mr. Joseph and his assistants picked the vouchers from the files that they wanted me to see, and informed me those were all the invoices I would be permitted to examine. In my opinion this method could not be used in making a fair average of their purchase prices for comparison with the cancellation price used. Since their records for this period were not all available for my inspection, I considered none of them in connection with my comparisons to determine the justification of the cancellation price of \$7.00 per ton paid the I. S. Joseph Co. by the State Mill for the 1522 tons of feed undelivered.

The market quotations at the State Mill and at Minneapolis as quoted by the Daily Market Record is as follows:

Date of Cancellation	Kind of Feed	Cancellation Price	Local State Mill Feed Quotations	Daily Market Record Quotations F. O. B. Mpls.
2-28-27	Pure Bran.....	\$28.00	\$29.50	\$28.00 to \$28.50
	Standard Mdds	28.00	29.50	28.25 to 28.75
5- 3-27	Pure Bran.....	28.00	29.00	28.50 to 29.00
	Standard Mdds	28.00	29.00	27.75 to 28.25

It will be noticed from the above that the cancellation price agreed upon was very close to the Minneapolis feed price quotations.

Considerable stress has been placed upon the fact that the I. S. Joseph Co. has been very lenient with the State Mill in permitting the State Mill to fill some of its contracts long after they had matured, or at the convenience of the Mill. This action on the part of the I. S. Joseph Co. was due to the fact that State Mill Contracts Nos. 10,158 and 10,159, respectively, calling for 500 tons of pure bran and 500 tons of standard middlings, provided that no cancellation penalty should be imposed on these two contracts, and that they might be filled at the convenience of the State Mill.

THE MIDLAND GRAIN CO., MINNEAPOLIS:

With reference to the proposed investigation of the dealings of the Midland Grain Co. of Minneapolis with the State Mill and Elevator, as requested by I. S. Joseph, president of that company in his letter of August 30, 1927, to Governor Sorlie:

I was informed by I. S. Joseph, President, and David S. Levin, Vice-President and Secretary of the Midland Grain Co., that they would not permit me to examine their accounts, but would furnish me with a financial statement of their business as a whole, to be prepared by auditors of their own selection, showing their net profits for the year to have been a

little over \$7,000.00; that such a statement should be sufficient proof that they did not make excessive profits on the wheat sold to the State Mill. When I informed them we had no interest in the profits of their general business, but only their dealings with the State Mill, I was informed I would get their financial statement as prepared by their auditors, and nothing more.

Being denied an opportunity to examine the records of the Midland Grain Co., I have nothing further to report to your board, on the dealings of this company at this time.

Respectfully submitted,

O. B. LUND,
Public Auditor and Accountant.

Bismarck, N. Dak.
Oct. 27, 1927.

The courtesies of the floor were extended to John A. Storman of Rolla, No. Dak.

Mr. McCay moved that we do now adjourn and the House stood adjourned.

C. R. VERRY,
Chief Clerk.

SECOND DAY

House of Representatives,
Bismarck, North Dakota,
January 11, 1928.

The House assembled at 2:00 o'clock P. M. pursuant to adjournment taken. Speaker John W. Carr, presiding.

Prayer by the chaplain, Rev. Fred E. Klein.

Roll call.

All members present except: Absent, Worner.

Speaker John W. Carr appoints the following members to act with a like committee of the Senate:

Traynor, chairman; Peters, Aljets, Muus, Martin, Cox, McManus, Twichell, Swendseid, Brown of Adams, Streich, Freeman, Swett, Rulon, Bubel, Montgomery, Fowler.

PRESENTATION OF COMMUNICATIONS AND
PETITIONS

A resolution from the South Viking Farmers Union local was read and referred to the Committee on Livestock.

A letter was read from G. W. Staigle of Hensler, N. Dak., asking that legislation be enacted relative to tax on dogs. Referred to the Committee on Livestock.

A communication was received from John T. Grimes of Ryder, No. Dak., condemning the Storage Act on grain passed at the last legislative session. Referred to the Committee on Warehouses and Grain Grading.

MESSAGES TO THE SENATE

House Chamber,
Bismarck, North Dakota,
January 11, 1928.

Mr. President: I have the honor to inform you that the House has appointed the following members to act with a

committee of the Senate to consider the message of the Governor:

Traynor, chairman; Peters, Aljets, Muus, Martin, Cox, McManus, Twichell, Swendseid, Brown of Adams, Streich, Freeman, Swett, Rulon, Bubel, Montgomery, Fowler.

Very respectfully,

C. R. VERRY,
Chief Clerk.

MESSAGES FROM THE SENATE

Senate Chamber,
Bismarck, North Dakota,
January 11, 1928.

Mr. Speaker: I have the honor to inform you that the Senate has appointed the State's Affairs Committee of the Senate to act in conjunction with the Special Committee appointed in the House relative to the Governor's message.

Very respectfully,

W. D. AUSTIN,
Secretary.

Courtesies of the floor were extended to B. W. Northridge, Valley City, N. D.; O. W. Pagel, Valley City, N. D.

Mr. Trubshaw moves that we adjourn. Motion prevails and the House adjourns.

C. R. VERRY,
Chief Clerk.

THIRD DAY

House of Representatives,
Bismarck, North Dakota,
January 12, 1928.

The House assembled at 2:00 o'clock P. M., pursuant to adjournment, Speaker John W. Carr, presiding.

Prayer by the Chaplain, Rev. Fred E. Klein.

Roll call.

All members present except: Conway, Erickson of Kidder, Johnson of Foster and Peters.

The Committee on Revision and Correction of the Journal made the following report:

Mr. Speaker: Your Committee on Revision and Correction of the Journal have carefully examined the Journal of the First Day and recommend that the same be corrected as follows:

In line 3 at the botton of page 3, strike out the period after the word "Ehr," and insert the following words: "seconded the nominations."

Line 2 at the bottom of Page 3, strike out the name "Olafson" and insert in lieu thereof the name "Streich."

On Page 7, in Line 17, strike out the word "Steedsman" and insert in lieu thereof the word "Muus."

On Page 9 on Line 17, insert the word "and" after the word "engrossing."

On Page 6, Line 17, strike out the word "Cox" and insert in lieu thereof the name "Johnson of Traill."

On Page 5, right after Line 2, insert the following: "The oath of office was administered to Speaker-elect John W. Carr by Chief Justice Nuessle."

At the end of Line 16 on Page 6, insert the following: "The oath of office was administered to C. R. Verry, Chief Clerk."

On Page 7, Line 16, insert the following: "The oath of office was administered to Mr. E. A. Anderson."

On Page 8, Line 17, insert the following: "The oath of office was administered to LaVerne Hansen."

On Page 9, at the end of Line 15, insert the following: "The oath of office was administered to Mr. W. H. Pray."

On Page 10, at the end of Line 16, insert the following: "The oath of office was administered to Mr. John P. Tucker."

On Page 48, Line 13, strike out the period after the first figure "seven" and insert in lieu thereof a "comma."

On Page 14, at the end of Line 22, insert the following: "The oath of office was administered to K. Kronhovd, O. L. Mennes, Helen Theurer, Margaret Sheehan, Joyce Roberts, John Ulsrud, Joe Goddard, E. D. Skinner, W. F. Reko, A. C. Nedrud, C. A. Rust and Peter Schantz."

On Page 14, Line 4 from the bottom of page, strike out the figure "three" and insert the figure "two."

On Page 3, Line 3 from the bottom of page, strike out the word "Streich" and insert the name "Olafson."

In Page 10, Line 17, correct spelling of the name "McGauvran."

On Page 13, Line 21, capitalize the word "Ward."

On Page 37, just ahead of Line 4, insert the following: "Report of Select Committee relative to number of Journals to be printed each day."

And when so corrected recommend that the same be approved.

H. H. ROBERTS,
Chairman.

Mr. H. H. Roberts moved that the report be adopted, which motion prevailed and the report was adopted.

The Committee on Revision and Correction of the Journal made the following report:

Mr. Speaker: Your Committee on Revision and Correction of the Journal have carefully examined the Journal of the Second Day and recommend that the same be corrected as follows:

In Line 4 in the third paragraph of Presentation of Communications and Petitions, strike out the "comma" and insert in lieu thereof the word "and" and strike out the word "and" in the same line following Grain.

On Page 2 in the third line insert a "comma" after the name "Aljets."

On the last paragraph on Page 2, strike out the one letter "J" in the word "adjourn."

And when so corrected recommend that the same be approved.

H. H. ROBERTS,
Chairman.

Mr. H. H. Roberts moved that the report be adopted, which motion prevailed and the report was adopted.

A communication from the County Commissioners of Ward and Burke Counties relative to an additional appropriation for the Des Lacs Lake Federal Aid Project 303-A, was read and referred to the Committee on Highways and Bridges.

Mr. Speaker: Your Committee on Mileage and Per Diem make the following report: Your Committee on Mileage and Per Diem wishes to report that we have carefully checked over the mileage of all members and make the following report:

Name	Milw.	N. P.	G. N.	Soo	Team or Bus	TOTAL
Aljets, G.	292				22	314
Anderson, O. F. (Divide)				752	8	760
Anderson, O. C. (Sargent)				370	8	378
Bell, W. J.	350					350
Boeckel, P.	158				10	168
Bohnsack, P. J.	388	78			22	488
Brown, A. O. (Adams)	288	520				808
Brown, F. M. (Stutsman)	204				45	249
Bubel, R.	98				16	114
Burkhart, J. H.			36	508	8	552
Burns, J. H.			16	508		524
Butt, H. F.				482		486
Carlson, C. F.	388	120				508
Carr, J. W.	204					204
Conway, W. D.	420					420
Cox, Gordon					2	2
Craig, M. D.	418					418
Dickerson, C. D.				624		624
Ehr, John				508		508
Ellingson, Lars	388	334			32	754
Elken, G. L.	388	112				500
Erickson, O. E. (Kidder)	126				6	132
Erickson, J. A. (McLean)				156	40	196
Fedje, Ben		242	508		40	790
Ferris, Fred	388	284				672
Fettig, J. T.	274		296		12	582
Flom, A. N.	388	208	126		10	732
Fowler, A. W.	388				2	390
Freeman, C. V.	388	156				544
Frojen, J. H.	328					328
Gilchrist, W. J.	388	406				794

Name	Milw.	N. P.	G. N.	Soo	Team or Bus	TOTAL
Gudmestad, Thos.	532				10	542
Halcrow, J.	780					780
Hanson, Theodore	388	406				794
Hauge, A.	472			52		524
Helbling, E. H.					50	50
Henrickson, J. H.	526				24	550
Hildebrand, F. G.				220		220
Hoffman, G. W.	388	314			6	708
Holthusen, J. D.	112 388				12	512
Iverson, E. E. (Griggs) ..	396				12	408
Iverson, B. (McKenzie) ..	552	98			2	652
Jardine, J. A.	388				2	390
Johnson, E. F. (Foster) ..	324	36			6	366
Johnson, P. O. C. (McKenzie) ..	552	98			2	652
Johnson, C. E. (Traill) ..	388	138			12	538
Johnson, R. A. (Ward) ..				508		508
Johnston, A.	720				4	724
Kamrath, Wm.	204				10	214
Kapfer, H. G.				280	12	292
Keidel, Chas.					18	18
Kierleber, Peter	190				8	198
Kelly, M. W.				116		116
Larvick, Carl	120				14	134
Lavik, A. N.				370	30	400
Lee, C. N.	220				8	228
Levin, Aaron	388	286				674
Lillehaugen, M. T.	388	308			24	720
Lofthus, Richard	388	192			8	588
Lynch, M. H.				404		404
Lyon, Frank J.				248	14	262
McCay, J. H.	134 230				12	376
McDowall, Hugh	388	368			24	780
McGauvran, J.	388	340			12	740
McGinnis, Mary E.	204				16	220
McManus, James	388	444			2	834
Martin, O. C.	60 270				24	354
Meidinger, J. A.				218		218
Miller, C. A.	338				36	374
Montgomery, R. C.	272					490
Muus, Einar				508		508
Olafson, J. K.	388	316			8	712
Oberg, O. S.				90	10	100
Opdahl, C. H.	468				6	474
Owings, R. A.		174	508		18	700
Peters, D. L.	420	114			12	546
Plath, J. G.	440				12	452
Polfuss, J. C.	268			162	16	446
Quam, John	226 524				26	776
Rabe, Herman	232					232
Renner, J.					62	62

Name	Milw.	N. P.	G. N.	Soo	Team or Bus	TOTAL
Richardson, L. O.	288	520			12	820
Roberts, H. H.		304				304
Rulon, A. J.		204				204
Shurr, F. J.			90	508		598
Signalness, R. O.		552	98		40	690
Siverson, R. J.			242	508	50	800
Sleight, T. E.				260		260
Sperry, L. W.					16	16
Standley, I. W.		388	120			508
Steedsman, D.		388	218		18	624
Swendseid, R. E.			104	508		612
Streich, C. F.		388	578		20	986
Swett, Herbert F.		227		27	37	291
Svingen, C. O.		400	518		20	938
Tester, W.		272				272
Thatcher, W. A.		400	518		2	920
Thompson, J. M. (Burleigh)				54	22	76
Thompson, S. W. (Ramsey)		388	334			722
Traynor, E.		388	334		48	770
Treffry, W. W.		324			8	332
Trubshaw, P. R.		280				280
Tweten, J. T.		388	454			842
Twichell, L. L.		388				388
Van Berkom, A.			158	508	6	672
Veitch, E. E.		388	190			578
Watt, Wm.		446			14	460
Wedel, H.		374				374
Westford, J. E.		388	554			942
Wilson, I. J.	60	270			22	352
Worner, George	96	388				3652
Yeater, R. A.					100	100
Zimmerman, J. F.		182			2	184

We have had the same under consideration and recommend that the same be approved, the reading of the schedule be dispensed with, and that the same be printed in the Journal.

JOSEPH McGAUVRAN,
Chairman.

J. M. THOMPSON,
JOHN QUAM.

Mr. McGauvran moves that the report be adopted.

Which motion prevailed.

MOTIONS AND RESOLUTIONS

Brown of Adams nominated Mike Halsey as telephone messenger and assistant mailing clerk.

Mr. Burns nominated V. A. Corbett as proofreader.

HOUSE ROLL CALL

The question being on the election of Mike Halsey as telephone messenger and assistant mailing clerk and V. A. Corbett as proofreader, the roll was called, and there were ayes, 107; nays, 1; absent and not voting, 5.

Those voting in the affirmative were:

Messrs.	Messrs.	Messrs.
Aljets	Holthusen	Polfuss
Anderson, Divide	Iverson, Griggs	Quam
Anderson, Sargent	Iverson, McKenzie	Rabe
Bell	Jardine	Renner
Boeckel	Johnson, McKenzie	Richardson
Bohnsack	Johnson, Traill	Roberts
Brown, Adams	Johnson, Ward	Rulon
Brown, Stutsman	Johnston	Shurr
Bubel	Kamrath	Signalness
Burkhart	Kapfer	Siverson
Burns	Keidel	Sleight
Butt	Kierleber	Sperry
Carlson	Kelly	Standley
Cox	Larvick	Swendseid
Craig	Lavik	Streich
Dickerson	Lee	Swett
Ehr	Levin	Svingen
Ellingson	Lillehaugen	Tester
Elken	Lofthus	Thatcher
Erickson, McLean	Lynch	Thompson, Burleigh
Fedje	Lyon	Thompson, Ramsey
Ferris	McCay	Traynor
Fettig	McDowall	Treffry
Flom	McGauvran	Trubshaw
Fowler	McGinnis	Tweten
Freeman	McManus	Twichell
Frojen	Martin	Van Berkom
Gilchrist	Meidinger	Veitch
Gudmestad	Miller	Wedel
Halcrow	Montgomery	Westford
Hanson	Muus	Wilson
Hauge	Oberg	Worner
Helbling	Olafson	Yeater
Henrickson	Opdahl	Zimmerman
Hildebrand	Owings	Mr. Speaker
Hoffman	Plath	

Those voting in the negative were:

Messrs.
Watt

Absent and not voting:

Messrs.	Messrs.	Messrs.
Conway	Johnson, Foster	Steedsman
Erickson, Kidder	Peters	

So the above named persons were duly elected.

The oath of office was administered to Mike Hasley and V. A. Corbett by Speaker John W. Carr.

Mr. Renner moved that a committee, consisting of three members, be appointed to prepare and introduce suitable memorial resolutions on the death of Jacob Bollinger and any other deceased ex-members of this House, which motion was duly carried.

The Speaker appointed Mr. Renner, Mr. Opdahl and Mr. Olafson as such committee.

Mrs. Craig moved that all absent members be excused, which motion prevailed.

The following Concurrent Resolution was introduced by Representative Swett:

CONCURRENT RESOLUTION

WHEREAS, the House of Representatives and the Senate have adopted a Resolution providing for the appointment of a Special Joint Committee, to consist of seventeen members of the House, appointed by the Speaker, and the State Affairs Committee of the Senate, for the purpose of considering the Governor's Message; and,

WHEREAS, such Joint Committee after conference deems it necessary that its authority and powers should be made more specific in order to enable it to properly perform its functions;

NOW, THEREFORE, BE IT RESOLVED by the House of Representatives, the Senate concurring, that the said Joint Committee be and it is hereby authorized and empowered to examine into and investigate any and all official reports, departments, boards and industries of the State of North Dakota referred to in the Governor's Message, including the North Dakota Mill and Elevator Association, and to report its findings and recommendations in respect thereto to the Legislature; to summon and subpoena such witnesses and require their testimony under oath, as the Joint Committee shall require; to require any person, firm or corporation doing business within the State of North Dakota, to produce for examination upon the order of the Joint Committee any books, records, documents, reports and other written data as it may deem necessary; to require any State official, State employee, or any officer or employee of any department, board, institution, or industry of the State, to appear and give such information, data, reports and documents as the Committee may desire; to require any State department, State Board, State Institution, or Industry to produce any books, records, reports, files and other data as the Committee may determine; to employ such legal assistance, and such accountants, clerks, stenographers and other assistants as the Committee may deem necessary; to incur such expense in the performance of its duties as the Committee may deem to be necessary and proper and to adopt such rules of procedure to facilitate its work as the Committee may deem advisable.

Mr. Swett moved the adoption of the Resolution.

HOUSE ROLL CALL

The question being on the adoption of Concurrent Resolution No. 1, the roll was called, and there were ayes, 110; nays, 0; absent and not voting, 3.

Those voting in the affirmative were:

Messrs.	Messrs.	Messrs.
Aljets	Holthusen	Quam
Anderson, Divide	Iverson, Griggs	Rabe
Anderson, Sargent	Iverson, McKenzie	Renner
Bell	Jardine	Richardson
Boeckel	Johnson, McKenzie	Roberts
Bohnsack	Johnson, Traill	Rulon
Brown, Adams	Johnson, Ward	Shurr
Brown, Stutsman	Johnston	Signalness
Bubel	Kamrath	Siverson
Burkhart	Kapfer	Sleight
Burns	Keidel	Sperry
Butt	Kierleber	Standley
Carlson	Kelly	Steedsman
Cox	Larvick	Swendseid
Craig	Lavik	Streich
Dickerson	Lee	Swett
Ehr	Levin	Svingen
Ellingson	Lillehaugen	Tester
Elken	Lofthus	Thatcher
Erickson, Kidder	Lynch	Thompson, Burleigh
Erickson, McLean	Lyon	Thompson, Ramsey
Fedje	McCay	Traynor
Ferris	McDowall	Treffry
Fettig	McGauvran	Trubshaw
Flom	McGinnis	Tweten
Fowler	McManus	Twichell
Freeman	Martin	Van Berkom
Frojen	Meidinger	Veitch
Gilchrist	Miller	Watt
Gudmestad	Montgomery	Wedel
Halcrow	Muus	Westford
Hanson	Oberg	Wilson
Hauge	Olafson	Worner
Helbling	Opdahl	Yeater
Henrickson	Owings	Zimmerman
Hildebrand	Plath	Mr. Speaker
Hoffman	Polfuss	

Absent and not voting:

Messrs.	Messrs.	Messrs.
Conway	Johnson, Foster	Peters

So the Resolution was adopted.

A RESOLUTION

Mr. Swett offers the following Concurrent Resolution and moves its adoption by roll call:

Resolved by the House of Representatives of the Special Session of the Twentieth Legislative Assembly of the State of North Dakota, the Senate concurring, that,

WHEREAS, the Message of Governor Sorlie has been referred to a Joint House and Senate Special Committee authorized to consider the same and report to this Legislative Assembly its recommendations thereon; and such Joint Committee consisting of 34 Senate and House members has entered upon the consideration thereof, and such committee indicates that it will be several days before it can cover thoroughly the several matters involved in such message; therefore it is hereby moved that such members as may have personal business matters which require their absence from Bismarck at this time, be excused from attendance at this Legislative Session during the next three legislative days, with the understanding that such committee report will not be presented to this Legislature for action during such period and that during such time from which any such members are hereby excused, no final action shall be taken upon any matter; and it is hereby recommended to all members of this assembly, not members of the Joint Committee, that they attend upon the hearings of said committee that they may have personal knowledge of the matter coming before it.

HOUSE ROLL CALL

The question being on the adoption of Resolution No. 2, the roll was called, and there were ayes, 109; nays, 1; absent and not voting, 3.

Those voting in the affirmative were:

Messrs.	Messrs.	Messrs.
Aljets	Holthusen	Quam
Anderson, Divide	Iverson, Griggs	Rabe
Anderson, Sargent	Iverson, McKenzie	Renner
Bell	Jardine	Richardson
Boeckel	Johnson, McKenzie	Roberts
Bohnsack	Johnson, Traill	Rulon
Brown, Adams	Johnson, Ward	Shurr
Brown, Stutsman	Johnston	Signalness
Bubel	Kamrath	Siverson
Burkhart	Kapfer	Sperry
Burns	Keidel	Standley
Butt	Kierleber	Steedsman
Carlson	Kelly	Swendseid
Cox	Larvick	Streich
Craig	Lavik	Swett
Dickerson	Lee	Svingen
Ehr	Levin	Tester
Ellingson	Lillehaugen	Thatcher
Elken	Lofthus	Thompson, Burleigh
Erickson, Kidder	Lynch	Thompson, Ramsey
Erickson, McLean	Lyon	Traynor
Fedje	McCay	Treffry
Ferris	McDowall	Trubshaw
Fettig	McGauvran	Tweten
Flom	McGinnis	Twichell

Messrs.	Messrs.	Messrs.
Fowler	McManus	Van Berkom
Freeman	Martin	Veitch
Frojen	Meidinger	Watt
Gilchrist	Miller	Wedel
Gudmestad	Montgomery	Westford
Halcrow	Muus	Wilson
Hanson	Oberg	Worner
Hauge	Olafson	Yeater
Helbling	Opdahl	Zimmerman
Henrickson	Owings	Mr. Speaker
Hildebrand	Plath	
Hoffman	Polfuss	

Those voting in the negative were:

Messrs.
Sleight

Absent and not voting:

Messrs.	Messrs.	Messrs.
Conway	Johnson, Foster	Peters

So the resolution was adopted.

FIRST AND SECOND READING OF HOUSE BILLS

House Bill No. 1. A Bill For an act amending and re-enacting Section 189B9 of the Supplement to the 1913 Compiled Laws of North Dakota annotated and enacted in 1925. Relating to the duty of assessors relative to listing land for hail insurance.

Was read the first and second times and referred to the Committee on Insurance.

The House reverted to the fourth order of business.

COMMUNICATIONS

State of North Dakota
OFFICE OF THE GOVERNOR

Bismarck

January 12, 1927.

Honorable John W. Carr,
Speaker of the House of Representatives,
Bismarck, North Dakota.
Dear Sir:

I have the honor to present herewith a letter received from Mr. Charles S. Weller, chairman of the Agricultural Equality Committee created by the Legislature of the State of South Dakota. Mr. Weller states that his letter is in compliance with instructions to cooperate with similar bodies of other states, officially appointed or otherwise.

Will you kindly have this letter read before the members of the House to the end that, if they see fit, a similar committee can be created for North Dakota.

Very truly yours,
A. G. SORLIE,
Governor.

Mitchell, South Dakota,
January 3, 1928.

Hon. A. G. Sorlie, Governor,
Bismarck, North Dakota.
Dear Governor Sorlie:

I am writing to you as chairman of the Agricultural Equality Committee created by the South Dakota Legislature, for the purpose of undertaking to "remove and correct the present inequality now existing between agriculture, the major and basic branch of American life, and that of industry and labor." This letter is in compliance with our instructions to cooperate with similar bodies of other states, whether officially appointed or otherwise.

As the Executive of a great agricultural state, you will be fully aware of what has happened to the capital investment and the purchasing power of the product of the land during the last seven years. We sell the bread and meats that America eats and the cotton that warms them, at the world market, less freight, handling charges, etc., and buy service and goods at an artificially high price created by tariffs, trade combinations, etc. It is a shameful wrong, regardless of the elaborate and malevolent sophistry of the beneficiaries of the present economic war being waged against the farming states of our mighty nation. Surely the agricultural states must gain a fair reward for their industry if they are to enjoy the American scale of living and maintain their institutions. If our country is to be industrialized it should not be at the expense of agriculture.

I am anxious to obtain an expression from you on this topic and to be informed that your state has a committee similar to our own or that you will appoint one, to act with us, with the object of formulating a unified program, thus enabling all the agricultural states to present a solid front to Congress and more efficiently back up, or buck up, our Senators and Representatives in a demand that agriculture be placed upon a parity with any other useful industry, either by means of compensatory legislation or the repeal of laws that now favor other groups or sections.

It is obvious that such a body with the prestige of the State Legislatures, or the various Governors, for their authority, could obtain more recognition than any of the volunteer organizations who are now sincerely striving for the same object.

Governor Sorlie, will you please honor me with an early letter or telegram?

Very respectfully yours,
CHAS. S. WELLER.

Mr. Watt moved that this communication be referred to the Committee on Agriculture, which motion prevailed.

Mr. Watt moved that we revert to the seventh order of business, there being no objection we reverted to such order of business.

Mr. Watt moved that the Committee on Education examine the report of the actuary regarding the Retired Teachers' Pension Fund of this State and report to this House at this Session, which motion prevailed.

MESSAGES TO THE SENATE

House Chamber,
Bismarck, North Dakota,
January 12, 1928.

Mr. President: I have the honor to inform you that the House has adopted the following Resolutions, which we transmit herewith:

House Concurrent Resolution No. 1.

House Concurrent Resolution No. 2.

And your favorable consideration is requested.

Very respectfully,
C. R. VERRY,
Chief Clerk.

Courtesies of the floor were extended to: G. D. Woodworth, Lidgerwood, N. D.; C. J. Olstad, Drake, N. D.; A. M. Peterson and Wm. Larson, Bisbee, N. D.; E. H. Stubbelfield, Cando, N. D.; B. G. McElroy and Ludwig Peterson, Steele, N. D.; B. G. Swett, Tuttle, N. D.

Mr. Lee moved that the House do now adjourn.

Which motion prevailed and the House adjourned.

C. R. VERRY,
Chief Clerk.

FOURTH DAY

House of Representatives,
Bismarck, North Dakota,
January 13, 1928.

The House convened at 2:00 o'clock p. m., pursuant to adjournment taken, Speaker John W. Carr, presiding.

Prayer by the Chaplain, Rev. Fred E. Klein.

Roll call.

All members present except: Brown of Stutsman, Conway, Craig, Hauge, Hoffman, Iverson of McKenzie, Johnson of Foster, Johnson of McKenzie, Kamrath, Keidel, Keierleber, Lofthus, McManus, Renner, Zimmerman.

Mr. Olafson moved that all absentees be excused, which motion prevailed.

Mr. Trubshaw made the following motion:

Whereas, the following named House Members: Traynor, Peters, Aljets, Muus, Martin, Cox, McManus, Twichell, Swendseid, Brown of Adams, Streich, Freeman, Swett, Rulon, Bubel, Montgomery and Fowler, are members of a Joint Committee of the House and Senate and are now holding sessions in the Federal Court Room in the Federal Building, Bismarck, N. D., for the purpose of considering the recommendations contained in the Governor's Message to the Legislature; the Senate and the House having referred said message to said Joint Committee for consideration; that the above named members be excused from attending the sessions of the House and be shown on the roll call as being present until such Joint Committee has completed the consideration of said message.

Which motion prevailed.

Mr. Roberts moved that the House revert to the seventh order of business, there being no objections, the Speaker announced that the House was on such order of business.

Mr. Roberts moved that the House reconsider the report on the Revision and Correction of the Journal for the first day for the purpose of making corrections, which motion prevailed.

Mr. Roberts moved that the report of the Committee on Revision and Correction of the Journal for the first day be amended as follows: After line 33, page 97, insert the following:

On the same date 10 cars or approximately 14,000 bushels of No. 1 Dark Northern 14 protein were purchased from McCaull-Dinsmore of Minneapolis (see contract of purchase No. 1037) at 14 cents over September, and 25,000 bushels of No. 1 Dark Northern 14 protein at 14 cents over September, from the Cargill Elevator Company, of Minneapolis (see contract of purchase 1035). Also 25,000 bushels of No. 1 Dark Northern 14 percent protein at 14 cents over September from McCabe Brothers of Minneapolis, (see contract 1039). It is our opinion from the best information available to us that the latter three contracts are about at the market while it is obvious that the first is made at four cents per bushel above the market.

On August 16, 1926, five 80,000 capacity cars were purchased from Patten & KJose of Great Falls, Mont., at 13 cents over September for 13 protein with 1 cent premium or discount for each additional percent protein. On the same date the Midland Grain Company of Minneapolis sold 25 cars of No. 1 Dark Northern 12 protein at 13 cents over Minneapolis September option with an additional premium of two cents for each one percent of protein above 12. The cost of this wheat on equal basis was two cents per bushel over the purchase made from Patten & KJose. (See contracts No. 916 and 197.) Which motion prevailed.

Mr. Trubshaw moved that the report as amended be adopted, which motion prevailed.

The Committee on Revision and Correction of the Journal made the following report:

Mr. Speaker: Your Committee on Revision and Correction of the Journal have carefully examined the Journal of the Third Day and recommend that the same be corrected as follows:

On Page 6, correct the roll call to show Mr. Bell as voting in the affirmative instead of absent and not voting.

On Page 12, Line 7, correct the word "refer" to read "revert."

And when so corrected recommend that the same be approved.

H. H. ROBERTS,
Chairman.

Mr. H. H. Roberts moved that the report be adopted, which motion prevailed and the report was adopted

FIRST AND SECOND READING OF HOUSE BILLS

House Bill No. 2. A Bill For an Act to amend and reenact paragraph 2 of section 1251 of the Compiled Laws of

1913 relating to powers and duties of the board of education of a special school district.

Was read the first and second times and referred to the Committee on Education.

House Bill No. 3. A Bill For an Act Making an Appropriation to provide for the Payment of Mileage and Per Diem of Members, Per Diem of Officers and Employees, Printing, Supplies and all other Expenses of Special Session of the Twentieth Legislative Assembly.

Was read the first and second times and referred to the Committee on Appropriations.

MESSAGE FROM THE SENATE

Senate Chamber,
Bismarck, North Dakota,
January 13, 1928.

Mr. Speaker: I have the honor to inform you that the Senate has concurred in the House Concurrent Resolutions Numbers 1 and 2 and return same herewith.

Very respectfully,
W. D. AUSTIN,
Secretary.

Courtesies of the floor were extended to: J. F. Tester, Bel-
field, N. D.; Hector McKenzie, Kempton, N. D.; J. La Bine,
Larimore, N. D.; Theo. Strandness, Larimore, N. D.; Alex
Steedsman, Larimore, N. D.; F. W. Copeland, Parshall, N.
D.; O. J. Sorlie, Buxton, N. D.; Dr. E. C. Stucke, Garrison,
N. D.

Mr. Sleight moved that the House now adjourn, which mo-
tion prevailed and the House adjourned.

C. R. VERRY,
Chief Clerk.

FIFTH DAY

House of Representatives,
Bismarck, North Dakota,
January 14, 1928.

The House assembled at 2:00 o'clock p. m., pursuant to adjournment, Speaker John W. Carr, presiding.

Prayer by the Chaplain, Rev. Fred E. Klein.

Roll call.

All members present except: Brown of Stutsman, Conway, Craig, Erickson of Kidder, Hauge, Iverson of McKenzie, Johnson of McKenzie, Johnston, Keidel, Opdahl, Renner.

Mr. Kelly moved that all absentees be excused, which motion prevailed.

The Committee on Revision and Correction of the Journal made the following report:

Mr. Speaker: Your Committee on Revision and Correction of the Journal have carefully examined the Journal of the Fourth Day and recommend that the same be corrected as follows:

On Page 2, at the end of Line 28, insert the following: "Which motion prevailed."

On Page 2, in Line 29, insert the following after the word "report": "As amended."

Following Line 8, on Page 1, insert the following: "Mr. Olafson moved that all absentees be excused, which motion prevailed."

In Line 8, strike out the name "Treffry."

And when so corrected recommend that the same be approved.

H. H. ROBERTS,
Chairman.

Mr. Trubshaw moved that the report of the Committee on Revision and Correction of the Journal be amended to show the following:

Following Line 8, Page 1, insert: "Mr. Olafson moved that all absentees be excused, which motion prevailed."

Mr. Roberts moved that the report as amended be adopted, which motion prevailed.

The Committee on Appropriations made the following report:

Mr. Speaker: Your Committee on Appropriations to whom was referred:

House Bill No. 3. A Bill For an Act Making an Appropriation to provide for the Payment of Mileage and Per Diem of Members, Per Diem of Officers and Employees, Printing, Supplies and all other Expenses of Special Session of the Twentieth Legislative Assembly.

Have had the same under consideration and recommend that the same be amended as follows:

In Line 9 of Section 1, strike out the figures "\$6,000.00," and insert in lieu thereof the figures "\$3,000.00."

In Line 11, strike out the figures "\$5,000.00" and insert in lieu thereof the figures "\$2,000.00."

In Line 3, of Section 1, strike out figures "\$42,000.00" and insert in lieu thereof "\$36,000.00."

Correct the totals in Line 12, to read "\$36,000.00."

And when so amended recommend the same do pass.

WM. WATT,
Chairman.

Mr. Watt moved that the report be adopted, which motion prevailed and the report was adopted.

MOTIONS AND RESOLUTIONS

HOUSE CONCURRENT RESOLUTION NO. 3

Introduced by Representatives Ehr, Johnson of Ward
and Burns

WHEREAS, It has been called to the attention of the Twentieth Legislative Assembly of the State of North Dakota, in special session, that the Mouse River, a stream located in the western part of North Dakota, also known as the Souris River, which rises in the province of Saskatchewan, Canada, and flows in an easterly direction in said province and then southeasterly in the state of North Dakota, a distance of about one hundred miles, and then abruptly turns in a northeasterly direction, passing back into the Dominion of Canada, and emptying into the Red River, and thus into Lake Winnipeg, Manitoba; that there is bordering on the banks of said river a productive and fertile valley, nearly a mile wide, in which are located many beautiful farm homes,

cities, towns and villages, of which the city of Minot, with a population of about fifteen thousand (15,000) is the largest, and,

WHEREAS, It has further been called to our attention that the said Mouse River has at various times overflowed its banks, flooding vast territories adjacent thereto and causing enormous losses to the residents in such valley, which losses run into many hundreds of thousands of dollars, especially in the cities located in such valley, and

WHEREAS, it further appears that the frequency of said floods is increasing and it is stated, that the said river drains enormous territory in Canada, which territory so drained, by being improved, does away with the natural reservoirs where the water from the melting snows had heretofore gathered, and

WHEREAS, the origin of said flood waters is in Canada, a foreign country and beyond the control of this state,

NOW, THEREFORE, Be it resolved, that we, the House of Representatives, in special session assembled, the Senate concurring, do request that the possibility of relieving the conditions of this productive territory, and cities located therein, be respectfully submitted to the Congress of the United States and the Federal Government, to the end that relief may be given these flooded districts along the Mouse River, through some action on the part of Congress, and, if deemed necessary, by cooperation with the Canadian Government and this state, and that we do urgently recommend to Congress that control of said floods be referred to the proper committees for consideration to the end that some plan may be formulated whereby the conditions above referred to may be remedied and the sufferers relieved;

BE IT FURTHER RESOLVED, That a copy of this resolution be sent to the President of the United States, the Vice-President of the United States, the Speaker of the House of Representatives and to the Senators and Congressmen representing the state of North Dakota in the Congress of the United States, and to the Committee on flood control.

Mr. Ehr moved that the Resolution just read be adopted, which motion prevailed and the Resolution was adopted.

FIRST AND SECOND READING OF HOUSE BILLS

House Bill No. 4. A Bill For an Act to Amend and reenact Section 5 of Chapter 146 of the Session Laws of the State of North Dakota for 1927.

Was read the first and second times and referred to the Committee on Game and Fish.

GENERAL ORDERS

Mr. Thompson of Ramsey moved that the House resolve itself into a committee of the whole for the consideration of general orders; which motion prevailed, and the House resolved itself into a committee of the whole.

The Speaker called Mr. Thompson to the chair.

When the committee arose it submitted the following report:

Mr. Speaker: The committee of the whole have had under consideration:

House Bill No. 3. A Bill for an Act Making an Appropriation to provide for the Payment of Mileage and Per Diem of Members, Per Diem of Officers and Employees, Printing, Supplies and all other Expenses of Special Session of the Twentieth Legislative Assembly.

And recommend the adoption of the Standing Committee's amendments, as follows:

In Line 9 of Section 1, strike out the figures "6,000" and insert in lieu thereof the figures "3,000." In Line 11, strike out the figures "5,000" and insert in lieu thereof the figures "2,000."

In Line 3 of Section 1, strike out the figures "42,000" and insert in lieu thereof "36,000."

Correct total in Line 12, to read "36,000."

And when so amended recommend that the same do pass.

S. W. THOMPSON,
Chairman.

Speaker John W. Carr resumed the chair.

Mr. Watt moved that the report of the committee of the whole be adopted, which motion prevailed.

Courtesies of the floor were extended to: George Bryant of Powers Lake, N. D.; Martin Monson, Minot, N. D.; Ex-Rep. C. B. Olson, Medora, N. D.; A. J. McInnes, Valley City, N. D.; James Bailey, Dunn County.

Mr. Watt moved that the House recess until 1:30 o'clock p. m., Monday, which motion prevailed and the House recessed.

C. R. VERRY,
Chief Clerk.

FIFTH DAY AFTER RECESS AND SEVENTH DAY

House of Representatives,
Bismarck, North Dakota,
January 16, 1928.

The House assembled at 1:30 p. m., pursuant to recess taken, Speaker John W. Carr, presiding.

REPORTS OF STANDING COMMITTEES

Mr. Speaker: Your Committee on Education makes the following recommendation with respect to the actuary's report on the Teacher's Insurance and Retirement Fund:

That the State Superintendent of Public Instruction be requested to make a survey of the actuary's report on the Teacher's Insurance and Retirement Fund and report her findings and recommendations thereon to the Twenty-first Legislative Assembly, and also to ascertain the probable cost of complying with the changes recommended in said report.

(Signed),

GUY L. ELKEN,
Chairman.

Mr. Elken moved that the report be adopted, which motion prevailed.

The committee on Education made the following report:

Mr. Speaker: Your committee on Education to whom was referred House Bill No. 2: A Bill for an Act to amend and re-enact Paragraph 2 of Section 1251 of the Compiled Laws of 1913 Relating to the Powers and Duties of the Board of Education of a Special School District.

Have had the same under consideration and recommend that the same do pass.

GUY L. ELKEN,
Chairman.

Mr. Elken moved that the report be adopted, which motion prevailed and the report was adopted.

HOUSE COMMITTEE ON ENROLLMENT AND EN-
GROSSMENT

The committee on Enrollment and Engrossment made the following report:

Mr. Speaker: Your committee on Enrollment and Engrossment respectfully report that they have examined the following bills:

House Bill No. 3: A Bill for an Act Making an Appropriation to provide for the payment of Mileage and Per Diem of Members, Per Diem of Officers and Employees, Printing, Supplies and all other Expenses of Special Session of the Twentieth Legislative Assembly.

And find the same correctly Engrossed.

E. E. VEITCH,
Chairman.

Mr. Veitch moved that the report be adopted, which motion prevailed.

MOTIONS AND RESOLUTIONS

A CONCURRENT RESOLUTION NO. 5

Introduced by Reps. Craig, Lyon and Johnson of Foster

Providing for aid and support in behalf of the diversion of the waters of the Missouri River into Devils Lake and other lakes and rivers for the purpose of flood control, of the Mississippi River and the Missouri River, for establishing and maintaining the navigability of the Missouri River and the Red River of the North and tributaries and restoring such as arteries of commerce and for conservation of the water supply in our state for our lakes and rivers and for our fields and for the purpose of rendering directly assistance to the United States in any plans that may be adopted for flood control and utilization of the waters of the Mississippi and Missouri Rivers and in particular in support and aid of Senate Resolution No. 15, introduced in the Senate of the United States on December 6, 1927, by Lynn J. Frazier, United States Senator from the state of North Dakota.

Be It Resolved by the House of Representatives of the State of North Dakota, the Senate Concurring:

Whereas, the disastrous floods that have been occasioned upon lands in the lower Mississippi River valley during the past year, resulting in heavy loss of life and immense damage to property by reason of flood waters that have occurred on the Mississippi River through contributions from tributary rivers, including the Missouri River and from rain fall; and,

Whereas, our National Government, and various state or municipal governments, and our people are now giving direct and serious attention towards the problem of rendering aid and assistance to the end that the Mississippi River and

tributary rivers, including the Missouri River, may properly be controlled so as to end the recurrence of any such floods; and

Whereas, our present National Congress has now under consideration proposed plans and legislation for giving direct federal supervision, aid and assistance to prevent flood waters upon the Mississippi River as hereinbefore indicated; and

Whereas, such proposed plans and legislation being now considered by our National Congress and various national and state organizations comprehend provisions and plans for flood control of the Missouri River waters, and

Whereas, in particular the said Senate Resolution, No. 15, introduced in our National Congress by Senator Frazier, mentioned a dam to be constructed across the Missouri River at a point about 80 miles northwest of Bismarck, which will provide a storage reservoir by the backing up of the waters of this river for about 130 miles, sufficient to control any floods that may pass such point and requests that said Congress shall ascertain from the state of North Dakota whether the state of North Dakota will provide the lands and premises, excepting public domain, lands belonging the the United States and Indian lands, which will be utilized, covered, submerged, inundated and necessary for the construction and maintenance of a dam about 200 feet high on the Missouri River in the state of North Dakota at a point about 80 miles northwest of the city of Bismarck, and

Whereas, such lands and proposals, and said resolution involve also the diversion of waters from the Missouri River thence into Devils Lake and other lakes, and thence into the James River and Sheyenne River and the Red River of the North(so as to make it possible for both the Missouri River and the Red River of the North to become and to be capable of use in navigation as arteries of commerce for the product of agriculture and of industries in our state; and

Whereas, it is for the public welfare of our state, our producers and citizens thereof, that all proper aid of our state be given to accomplish the object and purposes hereinbefore stated.

Now, Therefore, the state of North Dakota, through its legislative assembly and its Governor, hereby expressly signifies the wish and desire of the state of North Dakota to aid and cooperate with our National government in carrying out any plans or legislation adopted by our National government for the flood control diversion and utilization of the waters of the Missouri River for purposes as hereinbefore set forth in this resolution, and in particular North Dakota gives its assurance to our National government that it will provide the lands and premises necessary for the construction of a dam in the Missouri River, in the state of North Dakota, all as requested in said Senate Resolution, No. 15.

The Secretary of State is directed to forward to the President of the Senate and the Speaker of the House of our Na-

tional Congress and to the United States Senators and Congressmen from the State of North Dakota, a duly authenticated copy of this Resolution.

HOUSE MEMORIAL RESOLUTION NO. 4

Introduced by Representative Joseph Renner

Whereas, the late Representative Jacob Bollinger, of Flasher, Morton County, North Dakota, represented the 30th District in the North Dakota Legislature in the sessions of 1919, 1923, 1925 and 1927, and

Whereas, The Supreme Ruler of the Universe has seen fit to remove from our midst this well known and esteemed citizen, therefore, it is fitting and proper that we pause for a moment in our deliberations and pay honor and respect to him who has been taken from our midst. He was held in high regard by his constituents, and this high regard for him, the kind feeling towards him and the confidence placed in him were crystalized into his being selected to represent them and their interests in the legislative assembly of this state, and as a member of the House he was always found laboring for the best interests of his District and the State, his course of action and his stand upon all questions and matters of legislation being at all times determined and fixed by his own personal and conscientious convictions and by his honest and sincere judgment and sense of duty.

Those members of this assembly who served with him and worked with him in the committees and in the sessions of the house, and those who associated with him out of session loved him, respected him and honored him as a man who viewed and looked upon all things with absolute fairness and honesty, and who met all problems of legislation and complicated questions openly, fairly and squarely, and those with whom he differed on questions of legislative policy and in political faith learned to fully realize that he was at all times sincere and honest, and if he was in error, that it was error in judgment alone.

He was a broad minded and liberal man, and one who on all occasions, at all times and in the midst of political strife was always willing and did accord to his opponents, the absolute right to differ in belief, realizing thoroughly that the instinct, inclinations and ideas of the human mind may honestly and sincerely differ.

And now that the Director of the Destinies of human life has seen fit to call from our midst and to end the life work of our friend it is mete and proper that we, the members of the House of this Special Session of the Twentieth Legislative Assembly should give expression to our love and respect for him as a man and as a Legislator, and that we pay a proper tribute of honor and respect to his memory.

THEREFORE, BE IT RESOLVED, That the members of the House of this Special Session of the Twentieth Legislative Assembly of the State of North Dakota, express honor

and respect the memory of our deceased fellow member; that they do by this resolution pay the tribute to his memory which his life work duly deserved, and that this be an expression of the friendship, the love and the high regard they felt for him personally and as a member of the Legislature and as a citizen of the state.

AND, BE IT FURTHER RESOLVED, That a copy of this Resolution be enrolled and sent to the family of the late member of this assembly by the Chief Clerk of the House, and be printed in the Journal;

That copies of this resolution with the proper correction of names also be sent to the families of the following ex-members: The late Representative George Blake, of the 37th Legislative District, who represented his district in the North Dakota Legislature during the 1905 session, and

The late Christian Ganssle, of St. Thomas, North Dakota, who served as a member from Pembina county, in the North Dakota Legislature during the sessions of 1905, 1907 and 1909, and

The late P. J. Skjold, of Mountain, North Dakota, who served as representative of the 2nd District in Pembina county, in the session of 1903, and,

The late John Flados, of Rutland, North Dakota, who served as a Representative from the 13th District, in the North Dakota Legislature during the sessions of 1903 and 1905, and

The late T. F. Murtha, representative from Stark county, in the Legislative Session of 1919.

Mr. Renner moved the adoption of the Resolution, which motion prevailed.

FIRST AND SECOND READING OF HOUSE BILLS

House Bill No. 5: A Bill for an Act to appropriate the Sum of Twenty-Five Thousand Dollars (\$25,000) for the Purpose of Aiding in the Completion of the Construction of a Bridge and Approaches Across the Des Lacs Lake on the County Line Between Burke and Ward Counties in the State of North Dakota. Under the Provisions of Chapter 73 of the Session Laws of North Dakota for the Year 1919 as Amended by Chapter 161 of Session Laws of North Dakota for 1927, and that Such Appropriations be Made From the State Highway Fund.

Was read the first and second times and referred to the committee on Highways and Bridges.

House Bill No. 6: A Bill for an Act to appropriate (\$1,000.00) One Thousand Dollars, or so Much Thereof as May be Necessary, for the Purpose of Defraying Any Necessary Expenses of a Joint Agricultural Equality Committee of North Dakota, as Provided for by the Special Session of the Twentieth Legislative Assembly.

Was read the first and second times and referred to the committee on Appropriations.

House Bill No. 7: A Bill for an Act Making an Appropriation to Provide for the Payment of the State's Share of the Expense of Running a Special North Dakota Train or Trains Through the States of Iowa, Illinois, Wisconsin, Indiana, Minnesota and South Dakota in Cooperation with Certain North Dakota Railroads for the Purpose of Advertising North Dakota Products and Possibilities.

Was read the first and second times and referred to the committee on Appropriations.

Mr. Rabe moved that the House do now adjourn.

Motion prevailed and the House adjourned.

C. R. VERRY,
Chief Clerk.

SEVENTH DAY

The House assembled at 2:00 o'clock p. m., pursuant to adjournment, Speaker John W. Carr, presiding.

Prayer by the chaplain, Rev. F. H. Davenport.

Roll call.

All members present except: Conway.

Mr. Trubshaw moved that all absentees be excused, which motion prevailed.

The committee on Revision and Correction of the Journal made the following report:

Mr. Speaker: Your Committee on Revision and Correction of the Journal have carefully examined the Journal of the Fifth day and find the same correct.

H. H. ROBERTS,
Chairman.

Mr. Roberts moved that the report be adopted, which motion prevailed and the report was adopted.

FIRST AND SECOND READING OF HOUSE BILLS

House Bill No. 8: A Bill for an Act to Amend and Re-enact Section 3234 of the Compiled Laws of North Dakota for the Year 1913, for Petition Submitting Question of County Seat Removal to Electors.

Was read the first and second times and referred to the committee on Counties.

Mr. Watt asked the unanimous consent of the House to amend House Bill No. 3. There being no objection, consent was granted.

Mr. Watt moved the following amendments to House Bill No. 3:

On line 3, strike out the figures "36,000" and insert in lieu thereof "22,000."

In line 8, strike out the figures "25,000" and insert in lieu thereof the figures "14,500."

In line 10, strike out the figures "6,000" and insert in lieu thereof the figures "2,500.00"

In line 11, strike out the figures "2,000" and insert in lieu thereof the figures "1,000."

Following line 11, insert line 11 1-2 and the following: "Expenses of Fact Finding Committee \$1,000.00."

In line 12, strike out the figures "36,000" and insert in lieu thereof "22,000."

Which motion prevailed, and the amendments were adopted.

Mr. Watt moved that House Bill No. 3 be considered properly engrossed, the rules be suspended and House Bill No. 3 be placed on third reading and final passage.

Which motion prevailed.

THIRD READING OF HOUSE BILLS

HOUSE ROLL CALL

House Bill No. 3: A Bill for an Act Making an Appropriation to Provide for the Payment of Mileage and Per Diem of Members, Per Diem of Officers and Employees, Printing, Supplies and all Other Expenses of Special Session of the Twentieth Legislative Assembly.

Was read the third time.

The question being on the final passage of the bill, as amended, the roll was called, and there were ayes, 112; nays, 0; absent and not voting, 1.

Those voting in the affirmative were:

Messrs.	Messrs.	Messrs.
Aljets	Iverson, Griggs	Quam
Anderson, Divide	Iverson, McKenzie	Rabe

Messrs.	Messrs.	Messrs.
Anderson, Sargent	Jardine	Renner
Bell	Johnson, Foster	Richardson
Boeckel	Johnson, McKenzie	Roberts
Bohnsack	Johnson, Traill	Rulon
Brown, Adams	Johnson, Ward	Shurr
Brown, Stutsman	Johnston	Signalness
Bubel	Kamrath	Siverson
Burkhart	Kapfer	Sleight
Burns	Keidel	Sperry
Butt	Kierleber	Standley
Carlson	Kelly	Steedsman
Cox	Larvick	Swendseid
Craig	Lavik	Streich
Dickerson	Lee	Swett
Ehr	Levin	Svingen
Ellingson	Lillehaugen	Tester
Elken	Lofthus	Thatcher
Erickson, Kidder	Lynch	Thompson, Burleigh
Erickson, McLean	Lyon	Thompson, Ramsey
Fedje	McCay	Traynor
Ferris	McDowall	Treffry
Fettig	McGauvran	Trubshaw
Flom	McGinnis	Tweten
Fowler	McManus	Twichell
Freeman	Martin	Van Berkom
Frojen	Meidinger	Veitch
Gilchrist	Miller	Watt
Gudmestad	Montgomery	Wedel
Halcrow	Muus	Westford
Hanson	Oberg	Wilson
Hauge	Olafson	Worner
Helbling	Opdahl	Yeater
Henrickson	Owings	Zimmerman
Hildebrand	Peters	Mr. Speaker
Hoffman	Plath	
Holthusen	Polfuss	

Absent and not voting:

Messrs.
Conway

So the bill passed and the title was agreed to.

Mr. Twichell moved that the vote by which House Bill No. 3 was passed be reconsidered and the motion to reconsider be laid on the table.

Which motion prevailed.

Mr. Rabe moved that the vote by which the Memorial Resolutions was adopted be reconsidered, which motion prevailed.

Mr. Rabe moved that the Memorial Resolutions be

amended to include the name of the late Member T. F. Murtha, of the 31st District, which motion prevailed.

Mr. Trubshaw moved that the Resolution, as amended, be adopted.

Mr. Twichell moved that the Resolution, as amended, be adopted by a rising vote, which motion prevailed and the Resolution was adopted.

Mr. Yeater moved that House Bill No. 2, be considered as properly engrossed and that same be placed on Third Reading and final passage at this time.

Mr. Twichell moved that action on House Bill No. 2 be deferred until the Report of the Select Joint Committee appointed to consider the recommendations of the Governor's Message is received, which motion prevailed.

Mr. Traynor moved that action on any Bills before the House be deferred until the Report of the Select Joint Committee to consider the Governor's Recommendations be received, which report is now being prepared by the stenographers.

Which motion prevailed.

MESSAGE TO THE SENATE

House Chamber,
Bismarck, North Dakota,
January 16, 1928.

Mr. President: I have the honor to transmit herewith House Concurrent Resolution No. 3, which the House has adopted and your favorable consideration is requested.

Very respectfully,

C. R. VERRY,
Chief Clerk.

House Chamber.

Mr. President: I have the honor to transmit herewith the following bills:

House Bill No. 3: A Bill for an Act Making an Appropriation to Provide for the Payment of Mileage and Per Diem of Members, Per Diem of Officers and Employees, Printing, Supplies and all other Expenses of Special Session of the Twentieth Legislative Assembly.

Which the House has passed and your favorable consideration is respectfully requested.

Very respectfully,

C. R. VERRY,
Chief Clerk.

Mr. Twichell moved the comments of the Fact Finding Committee's Report as of August 24, 1927, be published in the Journal and that the same be printed in the permanent Journal following the printed report of the Fact Finding Committee as of March 2nd and July 1st, 1927.

Which motion prevailed.

Mr. Traynor moved that the House do now recess subject to the call of the Chair.

Which motion prevailed.

House called to order pursuant to recess taken, Speaker John W. Carr presiding.

Mr. Traynor moved that the report of the Joint Select Committee, which is about to be read, be printed in the House Journal.

Which motion prevailed.

Mr. Speaker:

Your Special House Committee appointed to meet with the State Affairs Committee of the Senate as a Special Joint Committee, for the purpose of considering the Governor's Message, beg leave to report that they have met with said State Affairs Committee and that said Joint Committee has unanimously adopted the following report:

Report of Special Joint Committee, Consisting of 17 members of the House and the State Affairs Committee of the Senate.

At the regular session of the Twentieth Legislative Assembly a Special Fact Finding Committee was appointed by the Senate to consider the matter of the management of the State Mill and Elevator, and to inquire into and investigate conditions there. Said committee consists of Senators Hamilton, Fredrickson and Schlosser.

Said committee reported to the Senate, and was authorized "to continue the work begun by the Fact Finding Committee, and to recommend a solution of the present State Mill and Elevator problems to the next Legislature."

Said Senate Facts Finding Committee on March 2, 1927, made a confidential and private report to the Governor, which reports is printed and appears in the House Journal of January 10, 1928, at Page 97. Subsequently, and on July 1, 1927, said Facts Finding Committee made a further confidential and private report to the Governor, which report is found in the House Journal of January 10, 1928, on page 87.

No publicity was given with respect to these reports by the Governor, until subsequent to publicity given them through the press of the State. These reports and particularly the report on March 2, 1927, were delivered to the Governor personally by the Facts Finding Committee, and the nature and character of the reports, together with the matter contained therein, and the recommendations made by the committee, were called to the attention of the Governor at the

time the reports were delivered to him; and the Governor was urged by the Facts Finding Committee to take steps to make changes in the manner of conducting the business of the mill and elevator at Grand Forks, North Dakota, as recommended and urged in the report of the committee. The committee was assisted by Mr. C. U. Somer, of the Equity Cooperative Exchange, who rendered his assistance and cooperation to the committee at the request of the committee.

That on the 22nd day of November, 1927, the Governor issued a proclamation calling a Special Session of the Legislature of this State, which proclamation reads as follows:

PROCLAMATION
SPECIAL SESSION

By virtue of the authority vested in the Governor by the Constitution and laws of the State of North Dakota, and in pursuance thereof:

I, A. G. Sorlie, Governor of the State of North Dakota, do hereby call the Legislative Assembly to convene in extraordinary session at the Capitol in the city of Bismarck, at twelve o'clock noon, Tuesday, the tenth day of January, 1928, to consider and act upon the following subjects of legislative business, to-wit:

FIRST: The report of the Senate Facts Finding Committee on the Mill and Elevator Association;

SECOND: The increasing seriousness of the problems of grain marketing;

THIRD: The Missouri River Diversion Project, in its relation to Federal flood control plans;

FOURTH: To enact such further legislation as may be deemed necessary.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of North Dakota to be hereunto affixed.

Dated at Bismarck, North Dakota, this 22nd day of November, 1927.

BY THE GOVERNOR:

Attest:

ROBERT BYRNE,
Secretary of State.
(SEAL)

That pursuant to said proclamation the Twentieth Legislative Assembly of the State of North Dakota convened in Special Session on the 10th day of January, 1928, at which time the Governor delivered his message; that by action of the Senate and House of Representatives a Special Joint Committee, consisting of the Regular Standing State Affairs Committee of the Senate and a Special House Committee,

was authorized and created to consider the Governor's Message, and to report its recommendations thereon.

That the Special Joint Committee convened and adopted rules and method of procedure and order of business as follows:

RULES GOVERNING THE PRACTICE AND PROCEDURE
OF THE SPECIAL JOINT COMMITTEE OF THE
SENATE AND HOUSE TO CONSIDER THE
GOVERNOR'S MESSAGE

The following are the rules governing the practice and procedure before the Special Joint Committee of the Senate and House to consider the Governor's Message.

RULE 1. This Special Joint Committee shall convene at the hours of 9 a. m., 2 p. m., and 8 p. m., daily, unless the committee shall otherwise order.

RULE 2. The committee shall select a secretary who shall keep a full and complete record of all proceedings had before the committee and of all motions and the rulings thereon and all papers, documents, files and orders which may be offered in connection therewith; and such testimony as the committee shall order shall be taken and transcribed by reporters appointed and sworn for that purpose. The oath of the reporters shall be the same as that of court reporters in District Court.

RULE 3. The chairman shall issue subpoenas for such witnesses as directed by the committee; which subpoena shall be attested by the secretary and shall state the time and place at which the same shall be returnable, and shall be substantially the same in form as District Court subpoenas. Before a subpoena shall be issued for any witness the committee shall be advised of what it is expected to prove by such witness.

RULE 4. All witnesses subpoenaed as above shall immediately report to the secretary of said committee and upon discharge of such witness or witnesses they shall present to said secretary their said subpoena, and he shall thereupon certify thereon the mileage and per diem of such witness, which certificate shall be accepted as evidence thereof.

RULE 5. Each witness shall be sworn in the following manner: You do solemnly swear (or affirm) that the evidence you will give in the matter pending before this committee shall be the truth, the whole truth, and nothing but the truth, so help you God.

Such oath shall be administered by the chairman of this committee.

RULE 6. The hearings shall be open to the public, provided, however, that upon the motion of any member of this

committee, or at the discretion of the chairman thereof, the committee may go into executive session, whereupon all persons shall be excluded from said hearing, save and except the members of said committee, and officers thereof.

RULE 7. The procedure before the committee shall be conducted in an orderly manner and without reference to formal rules of evidence and procedure. The chairman of the committee shall direct and make all necessary preparations for the hearing before said committee and shall proceed as chairman at the proceedings. This proceeding being in the nature of an inquiry and not a trial, no witness or other person shall be permitted to appear or be represented before this committee at any hearing by agent, attorney, or in any other manner than in person.

RULE 8. When no rule is provided herein for the governing of the practice and procedure of this committee the chairman thereof shall announce the rule, subject to the right of any member of this committee to appeal therefrom to the whole committee.

RULE 9. When any member of the committee wishes to question a witness permission shall first be given by the chairman of the committee; provided, that if it shall appear to the chairman that any question or questions are not propounded in good faith or are not relevant or material to the inquiry he shall refuse to permit same to be asked or answered, unless directed so to do by a majority of the whole committee.

RULE 10. A majority of the members of the committee named shall constitute a quorum.

RULE 11. A majority of the committee may make additional rules and regulations from time to time as they deem necessary or advisable.

ORDER OF PROCEDURE

1. The reports of March 2nd and July 1st, A. D. 1927, made by the Facts Finding Committee appointed by the Senate, the Lund Audit and the Poole Report pertaining to the business of the State Mill and Elevator and manner of conducting the same, having been filed with the committee; the Senate Facts Finding Committee reports and the Lund Audit being questioned by the Poole Report, the ORDER OF PROCEDURE SHALL BE:

That those questioning the accuracy or correctness of these reports of the Facts Finding Committee and of the Lund Audits supporting the same, shall first bring before this committee any evidence and proof of inaccuracies of such reports or such audit; evidence shall then be received in rebuttal in support of the Facts Finding Committee Reports or of the Lund Audit.

2. The matter of the Governor's recommendations as to railroad rates shall then be taken up for consideration.

3. That portion of the Governor's Message pertaining to Flood Control and the Missouri River Diversion Project shall then be considered.

4. The Governor's recommendations as to an appropriation of \$25,000.00 for a Special Advertising Train shall then be taken up for consideration.

5. All other recommendations contained in the Governor's message shall then be taken up in such order as the committee may determine.

That before proceeding with the hearing the special committee authorized its chairman to advise the Governor that it was organized and ready to proceed to business, and delivered to the Governor a copy of its rules and order of business, and invited the Governor to appear before the Committee and make such statement and produce such witnesses and submit such evidence as he desired with respect to the matters contained in his message; and particularly with reference to the matters set forth in the report of the Special Facts Finding Committee of the Senate, and in the Lund report supporting the same, and also in support of the so-called Poole audit.

That the Governor appeared in person before this committee and read and filed a written statement to the committee, in which statement the Governor, in effect, admitted and conceded that the findings, conclusions and recommendations set forth and contained in the report of the Facts Finding Committee was substantially true, correct and proper. A copy of the Governor's statement is hereto attached as a part of this report.

Mr. H. A. Bronson, attorney for the State Mill and Elevator, and personal representative of the Governor appeared before this committee and attended upon all its sessions and was afforded every opportunity to make any personal statement and to present any other witnesses on behalf of the Governor he might desire. Mr. Bronson personally made several statements to the committee which helped clear up matters then under consideration.

That Mr. O. L. Spencer, Manager of the State Mill and Elevator, at the instance of the Governor, appeared as a witness before the committee, and under oath testified that the findings, conclusions and recommendations of the Facts Finding Committee was true and correct.

No one appeared before the committee in support of the so-called Poole audit, which purports to criticize and contradict the report of the Facts Finding Committee.

The Facts Finding Committee in its two reports set forth a number of facts and circumstances showing the method and manner in which the management and operation of the mill and elevator had been and was carried on during the year 1926 and up to July 1st, 1927. Among other things set forth in said report are the following:

1. That during the year 1926 there was purchased by the mill and elevator 2,603,790 bushels of wheat. That of this amount only 105,073 bushels were purchased from individual farmers. In other words, that 96 per cent of the wheat purchased was purchased from commission companies as against about four per cent purchased from farmers.

2. That individual shippers and farmers were paid materially less at the State Mill and Elevator at Grand Forks, North Dakota, than the value of their wheat at Minneapolis.

3. That for the entire year of 1926, the average costs of all wheat milled at the State Mill and Elevator was nine and five-eighths cents higher than the average No. 1 Dark Northern price at Minneapolis, or, expressed in another manner, for the calendar year 1926, the cost of all wheat purchased at the State Mill and Elevator was six and one-tenth per cent higher than No. 1 Dark Northern at Minneapolis, notwithstanding that a large part of the wheat purchased by the State Mill was of a lower grade than No. 1 Dark Northern, and consequently should have been purchased at a much lower figure than the average price of No. 1 Dark Northern, above quoted.

4. The Facts Finding Committee also found as follows:

"We find contracts for the purchase of large quantities of wheat from the * * * Grain Company, of Minneapolis, were entered into by the mill at prices relatively 4c per bushel higher, according to the contracts, than the price paid to any other elevator or commission company for the same grade and protein content on the same date, and that these prices were nearly always far in excess of the highest priced car of the same grade sold on the Minneapolis market on the same day; and it should be borne in mind that over a half-million bushels, or approximately 27 per cent of the entire amount milled was purchased from the * * * Grain Company, in some instances costing the mill 7½c per bushel above the highest priced car of any kind of wheat sold on the Minneapolis market on the same date.

"It is not disputed that the * * * Grain Company was favored in that the highest premiums were paid to them.

"As far as we can determine, the practice of paying premiums above the highest market price, to Minneapolis commission companies is not good public policy, and it is unnecessary in connection with the State Mill. The contention that the payment of high premiums to the * * * Company, and other companies is beneficial to growers seems to lack force, for the reason that the * * * Company purchased a large portion of grain sold to the Mill from line elevator companies. The * * * Company made profits as high as nine and three-eighths cents per bushel on wheat bought from the line companies and sold to the mill."

In this connection the audit report of the State Mill and Elevator, prepared by O. B. Lund, Auditor for the State Board of Auditors, and testified to by Mr. O. L. Spencer to

be true and correct, states that there were 318 cars of wheat sold by the * * * Company to the State Mill and Elevator; that he made a detailed investigation from original sources with respect to 87 of such cars, and found therefrom that the average middleman's profit between the State Mill and the local country elevator from which said cars were purchased by the * * * Company, on said 87 cars was \$117.38 per car, or 8.04c per bushel, and that applying this basis of middleman's profit to the whole 318 cars purchased from the * * * Company alone would amount to \$37,326.84 profit; that the 87 cars just referred to were all of the cars shipped from Williston, Stanley and miscellaneous points in that part of the State, upon which he could get the detailed information.

5. The Facts Finding Report further says:

"In analyzing the feed sales we find that approximately half of all the feed manufactured during the calendar year of 1926, was sold to the * * * Company, of Minneapolis. These feed sales to the * * * Company, in the approximate amount of Twelve Thousand Tons, are made mostly at fifty cents a ton less for pure bran than the Minneapolis quotations on the same date, and one dollar per ton cheaper for standard middlings, as compared to Minneapolis. We are informed that a large quantity of these feed contracts are unfilled at the time of our meeting, and that penalties as high as seven dollars a ton have accrued on the unfilled contracts. * * * The price of feed sold to the * * * Company are relatively lower in all instances than those charged to customers in North Dakota, Minnesota and Wisconsin."

6. The State Mill and Elevator sold two hundred and forty-two thousand barrels of flour to the * * * Corporation of Boston, Mass., at a net loss on materials alone of \$39,911.39.

7. The Facts Finding Committee report further states:

"That generally speaking, flour sold in North Dakota and neighboring territory is sold at a profit of approximately fifty cents per barrel, whereas flour sold to the eastern * * * Flour Corporation nets a loss of one dollar or more per barrel."

"A list of quotations from North Dakota territory based on price of North Dakota Flour F. O. B. Mill, as compared with contract prices for the same brand and grade of flour graded and delivered at Boston indicates that the Boston market was favored as against North Dakota, in many instances over a dollar and a half a barrel."

"One Firm, * * * , purchased approximately forty per cent of the entire mill output of flour during the year 1926, largely at a loss to the mill. Practically all of this flour is packed and sold under their private brands."

The Facts Finding Committee in its said reports, also stated as follows:

"A casual survey of those who sell direct to the mill clearly indicates that if benefits are derived they are not going to farmers but to preferred private corporations mostly from foreign states."

The Facts Finding Committee also states:

"We find that the apparent policy is for the wheat purchasing department to buy wheat without consulting the mill management, and if losses accrue because too much grain is purchased at too high a price, the loss must be absorbed by the mill department by the sale of flour at less than the costs of materials."

The Facts Finding Committee in its report of July 1, 1927, states as follows:

"Supplementing the committee's confidential report made to the Governor during the closing days of the legislative session, we submit the following findings of facts which cause the operating losses to the mill and elevator Association:

1. The cost of wheat milled, as compared to average prices of wheat purchased in any other large market, is too high to permit the mill to reasonably compete with other large mills on a cost-milled basis.
2. The policy of selling flour in large quantities for less than the cost of the bare materials and transportation to sale destination, without any manufacturing cost added, is indefensible.
3. Utter lack of coordination between the buying and sales departments."

The evidence given before your Joint Committee by Mr. Spencer, among other things shows that flour was manufactured and put out under approximately one hundred brands of individual purchasers outside of the State. And that the containers of flour so manufactured under these brands, did not show the same to have been manufactured out of North Dakota spring wheat, or to have been manufactured by the State Mill, but the bakers who purchased such flour knew it was manufactured by the State Mill.

That O. L. Spencer also stated that he was given sole and complete supervision of the mill and elevator by the Governor during the month of August, 1927, such supervision including the matter of wheat purchases which heretofore had been in charge of Mr. Webster.

That while the Governor's attention was called to the condition of the affairs at the State Mill and Elevator and the manner in which it was being operated, by the Special Facts Finding Committee's report made to him on March 2nd, 1927, sufficient action was not taken by the Governor to follow the recommendations and findings of the Facts Finding Committee, or to correct the abuses in the management of the

mill as set forth in such report, until subsequent to July 1st, 1927, when the Facts Finding Committee made and delivered its second report to the Governor.

Testimony given before this committee clearly indicates that the recommendations and findings made by the Facts Finding Committee were well founded; as evidenced by the fact that steps were taken, as above set forth, to correct the abuses existing as shown by the Fact Finding Committee's Reports.

It also appears that the entire management of the mill, both with respect to buying, selling and milling was placed under the control of Mr. Spencer. The purchasing department and the milling department appear to be co-ordinating in the purchase of wheat best suited for milling purposes, and greater co-operation exists throughout the entire organization.

It further appears as a result of the work of the Special Facts Findings Committee, and of their reports, and the changes which were made in the operation of the mill, that the mill has made an improved showing during the last four months of 1927 and that a very material change has been made in the present practice of purchasing wheat, over the practices that previously prevailed, in that a different policy has been inaugurated, and is being pursued to purchase as much grain as possible from farmers, individual shippers and local elevators; that flour is no longer being sold or wheat purchased under the system existing in 1926.

During 1927 wheat was purchased at the State Mill as follows:

From Line Elevators	23 cars
From Smith Tyner Co.	39 cars
From Merchandizers of wheat	131 cars
From N. D. Wheat Growers Ass'n	136 cars
From Farmers Elevators direct and through commission houses	438 cars
From individual shippers direct and through commission houses	199 cars
Total	<u>966 cars</u>

The Governor upon the presentation of his message to the Legislature exhibited a check for \$160,206.57, drawn by the State Mill and Elevator Association and made payable to the State Treasurer, represented as being earnings of the State Mill and Elevator over operating costs thereof, and asked the Legislature to concur in his suggestions that the check be turned over by him to the State Treasurer to apply upon unpaid interest upon Mill and Elevator Bonds. In view of the provisions of our existing laws, that the industrial commission shall out of any moneys derived from the operation of the Mill and Elevator Association, pay to the State Treas-

urer such earnings as the Commission shall deem advisable to devote to the purpose of paying outstanding interest and bonds of the association; the concurrence of the Legislature in his suggestion by resolution would be without force or effect, as the right to dispose of or apply such money lies with the Industrial Commission, and we therefore take no action upon this suggestion.

In as much as there can be no change in the system of audit now employed at the State Mill and Elevator, except in so far as the auditor employed by the Governor is concerned, without legislative action, and inasmuch as any legislative action at this time would cause unwarranted delay in the adjournment of this special session, and added expense resulting therefrom, we therefore recommend that no action be taken upon this matter at this time, but that the whole subject be referred to the Twenty-first Legislative Assembly for consideration to the end that such action may be taken in altering or simplifying such audit system as may be deemed expedient.

In this connection we further state that many citizens have a misunderstanding as to the difference in the reports made by K. C. Nelson, O. B. Lund and F. F. Burchard, the several mill and elevator auditors; the only material difference between these audits is the matter of whether depreciation, interest on operating bonds and interest upon construction bonds is properly chargeable as an operating cost.

We heartily endorse the Missouri River Diversion Project, sponsored by the Missouri River Diversion Association; but the statement of Mr. S. W. Thompson, President of that Association, made to this Committee, discloses that this project is progressing as rapidly and as favorably as could be expected, and that there is nothing required to be done by the Legislature at this time.

With reference to the recommendation of the Governor that a state-owned elevator be erected at Fargo, we would say that we do not believe that this is a subject which should be considered by this Special Legislative Session; and that therefore there need be no action taken by this committee thereon.

The Committee believes that no sufficient program for air-ports in this State has been developed, and no present demand of the municipalities of the State for immediate legislation exists, and that any attempt by the Legislature at this Special Session to pass legislation to that end would be ineffective. The Legislature is not justified in prolonging the session to give the subject the attention and consideration its importance demands. The Committee favors air-ports legislation, but feels that no urgent need exists therefor, and the various cities of the State are now working out a law to effect the desired end.

We are heartily in favor of any and all steps being taken which will bring new settlers to this state and new purchasers for our fertile, low-priced land; but we do not believe that this

is the proper time to appropriate \$25,000.00 to run a special advertising train to Illinois, Iowa and adjacent states.

We are fully in accord with the proposition stated in the Governor's message that cheaper transportation, both interstate and intrastate, upon farm products is very desirable and would result in much benefit to our farmers and to the State generally.

We believe, however, that this is a matter which can be safely left in the hands of our State Railroad Commission where it properly and legally belongs, and who, with the co-operation of our Attorney General, have been and are giving it the attention which it requires and deserves.

This committee desires to express its appreciation of the valuable services which the Facts Finding Committee has rendered in doing the work attendant to its investigation and in preparing its reports.

After carefully considering the Governor's message we fail to find anything therein requiring action by the Legislature at this time, nor anything constituting any emergency, justifying the calling of this Special Session or the incurring of attendant expenses. We therefore recommend that after the necessary appropriation bill, covering the expenses of this special session is passed, that the Legislature adjourn sine die.

Respectfully submitted,

FRANK E. PLOYHAR,

Chairman of the Senate State Affairs
Committee.

EDWIN TRAYNOR,

Chairman of the Special House Committee.

STATEMENT OF GOVERNOR SORLIE

I have been invited to make a statement before the joint committee which has been appointed to consider my message to the special session of the legislature.

The first thing, perhaps, that your committee would like to know is why I called the special session. There are several reasons mentioned in my message, but, primarily, it was for the purpose of clarifying some of the insinuations made by the newspapers of the state in misconstruing the report of the Fact Finding Committee. I have no quarrel with the Fact Finding Committee. It was the purpose of that committee to ascertain, if possible, the Mill and Elevator losses for 1926.

From statements that appeared in different newspapers the inference has been made not only of mistakes in judgment, but the integrity of myself and of men in charge of the Mill and Elevator was attacked. I deem it the function of this committee to determine whether in their opinion there has been any dishonesty in the conduct of the Mill and

Elevator affairs, and if, in their opinion, after study of the reports and after listening to the men directly in charge of the institution, the affairs were honestly conducted, I feel in justice to them and to my administration, that the committee should so report.

I have been in business for a number of years and have made lots of mistakes, and I expect that I will make a lot more mistakes while I am in business; but, it is from mistakes that we often profit. This is true of the losses of 1926.

The men who were in direct charge of the purchasing of wheat and the selling of flour were men in whom I have implicit confidence. Their judgment in the purchasing of wheat and the selling of flour was pretty much the same as the judgment of other millers and wheat buyers during the same period. They followed pretty much the same course that had been followed in prior years at the Mill and Elevator. However, there is no line of business that does not have to make some changes in methods at times.

The suggestions made by the Fact Finding Committee were very good, and I have worked into them just as fast as it has been possible to change over the method of doing business. Even before the Fact Finding Committee's report was made in the summer of 1926 I had a man go out amongst the farmers elevators and independent elevators to solicit their business, and in doing this the terminal elevator at Grand Forks was well filled with stored grain a month or two after threshing started, and this was the first time in the history of the terminal elevator that the grain people back in the country used the terminal elevator for storage.

It has been my intention ever since I took charge of the Mill to buy our grain locally and for this reason at the Session of 1925 I asked the Legislature to pass a law creating a terminal grain market at Grand Forks. As business men you will realize that this can not be done overnight, and we got no particular results from our terminal elevator and terminal grain market until the fall of 1926. The results have been a great deal better during the fall of 1927.

Grain people, whether they are local elevators or individual shippers, must be educated along certain lines. This is a very slow process, but I feel that from now on we will be able to purchase practically all of our grain from such sources, and will not have to go before the commission men in Minneapolis to buy any grain that they may have back in the state.

You will have before your committee, Mr. Bell, the present grain buyer, and I am sure that he will be able to explain to you just how this method is working out, and how he hopes to have it work out. The former wheat buyer, Mr. Webster, was a man of the old school. He handled grain for 35 years in the old way, and it was impossible for him to visualize the new methods of marketing. There is not the least question

about his honesty, but his early training got him in a rut so that he could not get out, and for that reason I was obliged to make a change in buyers at the elevator.

You will have before your committee Mr. Spencer, the miller and manager of the State Mill. Mr. Spencer is a high-class miller, has been in the business for a number of years, and I am sure that he will be able to explain to you all the difficulties pertaining to the milling industry, the purchases of wheat, the sale of feed, and the sale of flour in eastern territory.

I have called your attention in my message to the impossible audit situation at the Mill and Elevator, from a practical business point of view. I solicit your cooperation and will welcome your suggestions in working this matter out so that it can be handled in a practical way.

In the three years that I have been in charge of the Mill and Elevator several changes have been made, some of which have been made upon the suggestion of the Fact Finding Committee. I have found that in the Mill and Elevator plant itself we must have 100 per cent cooperation and understanding between the men working there. If we do not have this we do not get the best results. If we could have this same cooperation throughout the State and the right understanding there would be no question about the success of the Mill and Elevator.

In my message I called your attention to the fact that I took over the organization at a time when it showed an operating loss of \$35,000. This was principally due to lack of cooperation within the organization itself. It has been my policy since I took charge to get the people working in connection with the Mill and Elevator to understand one another. This understanding exists not only at the Mill but amongst the salesmen and the elevators supplying the Mill with wheat. I believe that as time goes by the people who sell flour and the people who handle wheat will better understand the wonderful service that can be had because of the Mill and Elevator. It has created a new market and our people now have a choice of three markets where they formerly had only two.

You will note from the auditors' reports that 1927 was the most successful year the Mill and Elevator has had. I lay this primarily to the better understanding and cooperation on the part of the men connected with the Mill and Elevator, and the improved efficiency resulting from it.

To operate a successful business of any kind, all the people connected with it, or who work with it, must be in a frame of mind where they will cooperate with the organization and help each other in working out the various problems concerning the institution. This has been hard to bring about at the Mill and Elevator. Possibly a wrong start was made in the beginning. At any rate, I feel that now we have improved conditions at the Mill and Elevator.

I feel that at the present time a better condition exists at the State Mill and Elevator than at any time in its history. A

better spirit of cooperation exists among the men working at the institution, there is better coordination among the department heads. There is a policy of operation in effect that is making the Mill and Elevator an institution that is of service to the grain men and the farmers of the state. The men who will appear before you will give you a better understanding of the problems of the Mill, Elevator and Terminal. If, after hearing their statements and studying the reports that are before you, your committee can give any constructive criticism that will assist in increasing this service, your suggestions will be given careful consideration.

In conclusion, I further recommend to this committee that you give sincere consideration to all other recommendations that I have made in my message. If you will do this I feel that you will make this session the most constructive in the history of the state.

GRAIN PURCHASES OF NORTH DAKOTA STATE MILL FOR 1927 CONSOLIDATED, AS TAKEN FROM THE
REPORT OF K. C. NELSON, AUDITOR OF NORTH DAKOTA MILL AND ELEVATOR ASSOCIATION

	N. Dak.	Outside	Total
Midland Grain Co., Minneapolis	11,459:30	24,492:35	35,952:05
Smith-Tyner Co., Oswego, Mont.		117,757:15	117,757:15
Cargill Elevator Co., Minneapolis	46,287:35	7,417:00	53,704:35
Levant Elevator Co., Grand Forks.....	31,226:30	8,191:30	39,418:00
McCabe Bros. Co., Minneapolis	9,038:30	5,319:55	14,358:25
Quinn-Shepherdson Co., Minneapolis	78,156:20	179,178:05	257,334:25
Benson-Quinn Co., Minneapolis	200,037:20	29,182:10	229,219:10
Salyards Grain Co., Minneapolis	139,805:55	47,707:55	187,513:50
Patton K Jose Co., Grand Falls, Mont		37,240:30	37,240:30
McCaull-Dinsmore Co., Minneapolis	31,022:55	50,301:15	81,324:10
Atwood-Larson Co., Minneapolis	8,311:50	122,209:45	130,521:35
Hoover Grain Co., Minneapolis	23,600:15		23,600:15
W. C. Mitchell Co., Minneapolis	2,563:05	29,772:10	32,335:15
Sundry Old Line	13,448:15	41,320:55	54,769:10
Beecher-Barrett-Lockerby, Minneapolis	83,565:25	37,485:35	121,051:00
Banner Grain Co., Minneapolis	13,247:10		13,247:10
Hallett & Carey Co., Minneapolis.....	1,405:30	27,289:45	28,695:15
Total Old Line Companies.....	693,175:45	764,866:20	1,458,042:05
Country Elevators	596,199:55	172,760:50	768,960:45
Individuals	71,458:30	13,594:50	85,053:20
Total Country Elevators and Individuals.....	667,658:25	186,355:40	854,014:05
GRAND TOTAL	1,360,834:10	951,222:00	2,312,056:10

GRAIN PURCHASES—August 1, 1927 to December 31, 1927

	Bushels Purchased in N. Dak.	Bushels Purchased Outside N. D.	Total Bushels Purchased	
AUGUST				
Old Line Companies	22,806:40	39,294:20	62,101:00	
Country Elevators	63,408:55	.....	63,408:55	
Individuals	5,834:25	.....	5,834:25	131,344:20
SEPTEMBER				
Old Line Companies	217,399:20	185,908:35	403,307:55	
Country Elevators	121,117:45	27,789:05	148,906:50	
Individuals	15,008:15	7,170:15	22,178:30	574,393:15
OCTOBER				
Old Line Companies	118,708:55	68,871:30	187,580:25	
Country Elevators	26,270:35	50,566:25	76,837:00	
Individuals	2,765:30	3,124:45	5,890:15	270,307:40
NOVEMBER				
Old Line Companies	117,273:30	198,542:55	315,816:25	
Country Elevators	34,404:20	92,975:10	127,379:30	
Individuals	10,435:40	2,324:00	12,759:40	455,955:35
DECEMBER				
Old Line Companies	10,913:20	28,483:55	39,397:15	
Country Elevators	30,173:30	1,430:10	31,603:40	
Individuals	4,153:30	.....	4,153:30	75,154:25
Totals for 5 months	800,679:40	706,475:35	.....	1,507,155:15
SUMMARY: 5 MONTHS:				
Old Line Companies.....	1,006,205:30			
Country Elevators	450,135:30			
Individuals	50,814:15			
	<u>1,507,155:15</u>			

MONDAY, JANUARY 16, 1928

Mrs. Craig moved that no action be taken on this report until it is printed in the Journal, which motion prevailed.

Courtesies of the floor were extended to Geo. E. Lamb, Michigan City, N. D.; J. L. Van Buskirk, Berthold, N. D.; M. A. Johnson, Michigan City, N. D.; A. B. Purdy, Pembina, N. D.; A. J. McFadden, Neche, N. D.; John Holler, Drayton, N. D.; O. F. Bryant, Napoleon, N. D.; J. D. LaMoure, Pembina, N. D.; E. E. Greene, Jamestown, N. D.; Alma Zlichmister, Goodrich, N. D.; Rosella Brelje, Elgin, N. D.; Ruth Matheny, Blackwater, N. D.; Ruth Dennis, Flasher, N. D.; Floyd Lyons, Garrison, N. D.; Ruth Dennis, Flasher, N. D.; Thomas, N. D.

Mr. McCay moved that the House do now recess until 10:00 o'clock a. m., tomorrow.

Which motion prevailed.

C. R. VERRY,
Chief Clerk.

SEVENTH DAY AFTER RECESS AND EIGHTH DAY

House of Representatives,
Bismarck, North Dakota,
January 17, 1928.

The House assembled at 10:00 a. m., pursuant to recess taken, Speaker John W. Carr, presiding.

The Speaker announced that the House was on the seventh order of business.

Mr. Traynor moved that the Report of the Special Select Committee be adopted.

Mr. Twichell asked that the vote on the adoption of the Special Select Committee Report be by roll call as it involved the expenditure of money. Request was granted.

HOUSE ROLL CALL

The question being on the adoption of the Special Select Committee Report, the roll was called, and there were ayes, 80; nays, 30; absent and not voting, 3.

Those voting in the affirmative were:

Messrs.	Messrs.	Messrs.
Aljets	Hoffman	Plath
Bell	Holthusen	Polfuss
Boeckel	Jardine	Rabe
Bohnsack	Johnson, Foster	Roberts
Brown, Adams	Johnson, Traill	Rulon
Brown, Stutsman	Johnson, Ward	Sleight
Bubel	Johnston	Sperry
Burns	Kapfer	Standley
Butt	Kierleber	Steedsman
Cox	Kelly	Streich
Dickerson	Larvick	Tester
Ehr	Lofthus	Thompson, Burleigh
Ellingson	Lynch	Thompson, Ramsey
Elken	McDowall	Traynor
Erickson, McLean	McGauvran	Trubshaw
Ferris	McGinnis	Tweten
Fettig	McManus	Twichell

Messrs.	Messrs.	Messrs.
Flom	Martin	Van Berkom
Fowler	Meidinger	Veitch
Freeman	Miller	Watt
Frojen	Montgomery	Wedel
Gudmestad	Muus	Westford
Halcrow	Oberg	Wilson
Hauge	Olafson	Worner
Helbling	Opdahl	Zimmerman
Henrickson	Owings	Mr. Speaker
Hildebrand	Peters	

Those voting in the negative were:

Messrs.	Messrs.	Messrs.
Anderson, Divide	Iverson, McKenzie	Quam
Anderson, Sargent	Johnson, McKenzie	Renner
Burkhart	Kamrath	Richardson
Carlson	Keidel	Signalness
Craig	Lavik	Siverson
Erickson, Kidder	Lee	Swendseid
Fedje	Levin	Svingen
Gilchrist	Lillehaugen	Thatcher
Hanson	Lyon	Treffry
Iverson, Griggs	McCay	Yeater

Absent and not voting:

Messrs.	Messrs.	Messrs.
Conway	Shurr	Swett

So the report was declared adopted.

Mr. Fowler moved that the vote by which the report was adopted be reconsidered and the motion to reconsider be laid on the table.

Which motion prevailed.

Mr. Anderson of Sargent wished to explain his vote and have it recorded in the Journal:

"I vote 'no' on this report for this reason: There were witnesses put on the stand that testified under oath. I fail to find any record in the Journal of this proceeding. I believe the members of this Legislature and the public are entitled to know what this testimony was."

Mr. Burkhart desires to vote as follows:

"Mr. Speaker, I cannot conscientiously vote 'aye' for the adoption of this report for the following reasons: First, I believe that the committee went without their province in recommending that no legislation be taken up at this session; second, that the auditing system, which is acknowledged to be one of the principle reasons for so much contention at the State Mill, is not going to be taken up at this session. Therefore, I vote 'no'."

Mr. Carlson wished to explain his vote and have it recorded in the Journal:

"I believe this report covers entirely too many recommendations to be voted upon intelligently at one time."

Mr. Erickson of Kidder explained his vote as follows:

"Mr. Speaker: I wish to explain my vote and have it recorded in the Journal. Personally, I have been against the call of the Special Session but am forced to vote against the adoption of the committee report for the reason that I feel the committee was stacked against the Governor, for two reasons: First, the floor leader of the majority side of the House was appointed on the committee; the floor leader of the minority side was left off. Second, every member who has declared himself against the Governor in the past year received an appointment on the committee. The three members of the Facts Finding Committee were on this committee. Therefore, I vote 'no'."

Mr. Fedje explained his vote and asked that his remarks be recorded in the Journal:

Mr. Fedje explained his vote as follows:

"Mr. Speaker: The Legislators were called in to consider certain recommendations set forth in the Governor's message, which, in my opinion, is very vital to the taxpayers and the citizens of our state. I cannot wholeheartedly vote for all of the report because there are certain facts concerning the management of the Mill and Elevator at Grand Forks, not contained in the report. The Mill and Elevator at Grand Forks is in better shape now than it ever was in the history of that institution. Therefore, Mr. Speaker, I vote 'no'."

Mr. Iverson of Griggs explained his vote and asked that his remarks be recorded in the Journal:

"Mr. Speaker: As a member of this assembly I have some rights and privileges attendant to that office which I hold inviolable. When this assembly, through its Speaker, selected this special committee certain powers were given to it, and certain matters were delegated to it for investigation and report its findings to this assembly. When the report of this committee is presented to this assembly we find that this committee has abrogated all the powers of this assembly even to the point of stipulating its adjournment and the climax of its arrogancy is reached when, by a member of this committee, an ultimatum was laid down demanding its report to be adopted without any alterations and this was followed by a threat that dire result would happen if the report were not adopted. I resent such arrogancy by the committee. Therefore I vote 'no'."

Mr. Lee explained his vote and asked that his remarks be recorded in the Journal:

"I vote 'no' on this report, because it admits conditions at the Mill that should be corrected, and then refuses even to attempt to rectify them, thereby ignoring the purpose of the Governor for calling us together. I vote 'no'."

Mr. Lillehaugen explained his vote and asked that his remarks be recorded in the Journal:

"After listening to the testimony before this committee, I find this report to be misleading, in parts misrepresenting facts; and as a whole covering to much territory. Therefore, 'no'."

Mr. Lyon explained his vote and asked that his remarks be recorded in the Journal:

"Mr. Speaker: I vote 'no' because the people do not know, and have no way to find what the evidence contained as no transcript of evidence was made; second, that emergency measures such as the mill audit situation, terminal elevators and other legislation is barred from further consideration."

Mr. Signalness explained his vote and wanted his remarks recorded in the Journal.

"Mr. Speaker: We are asked here to register our vote for or against this report. I feel that this report contains no vital points to be considered so lightly. We have no record of the testimony given at this hearing. I was at the hearings and heard the testimony. I believe that a lot of the testimony given was not verified and is misleading and did not show the true condition existing at the mill and elevator. I vote 'no' against the adoption of this report."

Mr. Swendseid explained his vote and asked that his remarks be recorded in the Journal.

"As a member of the Joint Committee I did not support this report as it came out of the Joint Committee and cannot do so now. I therefore vote 'no.'"

Mr. Thompson of Burleigh county explained his vote and asked that his remarks be recorded in the Journal.

"When I came down here, I did not know what I was coming here for, and we appointed 17 of the best men in the House and 17 of the best men in the senate on the Select Joint Committee. They have put in a great deal of time on this report and I do not believe in keeping this session going 30 or 60 days and running up expenses. Therefore, I vote 'aye.'"

Mr. Twichell moved that in view of the fact that the Lund Audit of the State Mill and Elevator for the first six months of 1927 has not been printed in the House Journal as ordered earlier in the session, I now move that such oversight be corrected by the publication of such audit in the House Journal of this day; that in the House Permanent Journal of the first legislative day, such audit be printed so as to immediately precede the Pool-Schantz audit, as printed in such Journal.

Mr. Twichell moved that we adjourn.

Motion prevailed and the House stood adjourned.

C. R. VERRY,
Chief Clerk.

EIGHTH DAY

The House assembled at 2:00 p. m. o'clock pursuant to adjournment, Speaker John W. Carr, presiding.

Prayer by the Chaplain, Rev. Paul S. Wright.

Roll call.

All members present except: Bell, Burkhart, Conway, Fowler, Hauge, Johnston, Lee, Lillehaugen, Plath, Renner, Siverson, Sperry, Streich, Watt, Westford.

The Committee on Revision and Correction of the Journal made the following report:

Mr. Speaker: Your committee on Revision and Correction of the Journal have carefully examined the Journal of the Fifth Day after recess and Seventh Day and find it correct.

H. H. ROBERTS,
Chairman.

Mr. Roberts moved that the report be adopted, which motion prevailed and the report was adopted.

Mr. Trubshaw moved that all absent members be excused. Which motion prevailed.

REPORT OF STANDING COMMITTEE

The Committee on Insurance made the following report:

Mr. Speaker: Your Committee on Insurance to whom was referred:

House Bill No. 1: A Bill for an Act Amending and Re-enacting Section 189B9 of the Supplement to the 1913 Compiled Laws of North Dakota Annotated and Enacted in 1925, Relating to the Duty of Assessors Relative to Listing Land for Hail Insurance.

Have had the same under consideration and recommend that the same be indefinitely postponed, for the reason that the joint committee recommends that no legislation be enacted.

D. L. PETERS,
Chairman.

Mr. Peters moved that the report be adopted, which motion prevailed and the report was adopted.

MOTIONS AND RESOLUTIONS

Mr. Jardine moved that W. F. Reko be retained as chief mailing clerk to complete the mailing of House Journals, at his present wage of \$5.00 per day, such additional employment not to exceed six days.

Which motion prevailed.

HOUSE ROLL CALL

The question being on the election of W. F. Reko as mailing clerk, the roll was called, and there were ayes, 98; nays, 0; absent and not voting, 15.

Those voting in the affirmative were:

Messrs.	Messrs.	Messrs.
Aljets	Hoffman	Owings
Anderson, Divide	Holthusen	Peters
Anderson, Sargent	Iverson, Griggs	Polfuss
Boeckel	Iverson, McKenzie	Quam
Bohnsack	Johnson, Foster	Rabe
Brown, Adams	Jardine	Richardson
Brown, Stutsman	Johnson, McKenzie	Roberts
Bubel	Johnson, Traill	Rulon
Burkhart	Johnson, Ward	Shurr
Burns	Johnston	Signalness
Butt	Kapfer	Siverson
Carlson	Keidel	Sleight
Cox	Kierleber	Standley
Craig	Kelly	Stedsman
Dickerson	Larvick	Svingen
Ehr	Lavik	Tester
Ellingson	Levin	Thatcher
Elken	Lillehaugen	Thompson, Burleigh
Erickson, Kidder	Lofthus	Thompson, Ramsey
Erickson, McLean	Lynch	Traynor
Fedje	Lyon	Treffry
Ferris	McCay	Trubshaw
Fettig	McGauvran	Twetén
Flom	McGinnis	Van Berkorn
Freeman	McManus	Veitch
Frojen	Martin	Wedel
Gilchrist	Meidinger	Westford
Gudmestad	Miller	Wilson
Halcrow	Montgomery	Worner
Hanson	Muus	Yeater
Helbling	Oberg	Zimmerman
Henrickson	Olafson	Mr. Speaker
Hildebrand	Opdahl	

Absent and not voting:

Messrs.	Messrs.	Messrs.
Bell	Lee	Swendseid
Conway	McDowall	Streich
Fowler	Plath	Swett
Hauge	Renner	Twichell
Kamrath	Sperry	Watt

So Mr. Reko was declared elected.

CONCURRENT RESOLUTION

By Committee on Agriculture

Whereas, the farmers of North Dakota, together with the farmers of other parts of the United States, are suffering because of the inequalities existing between agriculture on the one hand, and industry and labor on the other; and

Whereas, these inequalities are results in large part of the insufficient protection afforded agriculture by our tariff laws; and

Whereas, there have been put forth various plans that are now before the United States Congress for the correction of these inequalities; and

Whereas, the Agricultural Equality Committee, created by the Legislature of the State of South Dakota, has requested that a like Committee be created in this state to cooperate with them and with like committees in other states, with the object of formulating a unified program, thus enabling all the agricultural states to present a solid front to Congress and more efficiently back up our Senators and Representatives in a demand that Agriculture be placed on a parity with other useful industry:

Now, Therefore, Be It Resolved, by the House of Representatives, the Senate concurring, that a joint committee of three members be appointed, one by the President of the Senate and two by the Speaker of the House of Representatives, consisting of actual farmers, one from each Congressional District, to form an Agricultural Equality Committee of North Dakota whose duty it shall be to meet with like bodies of other states with the purpose of permanently improving the condition of agriculture; and further that for the purpose of defraying any necessary travel or other expense a suitable appropriation be made from the General Fund.

Mr. Rabe moved that the Resolution be printed in the Journal and no further action be taken.

Mr. Fowler seconded the motion.

Which motion prevailed.

Mr. Twichell moved that the rules be suspended at this time.

Which motion prevailed.

Mr. Twichell asked that the Resolution be adopted by Roll Call.

CONCURRENT RESOLUTION NO. 6

Introduced by Mr. O. E. Erickson

A Joint Resolution Requiring that Any Available Balance of Eight Hundred Dollar (\$800) Appropriation Provided Under Chapter 8 of the Session Laws of 1927 for Repair of Members' Seats in the House Chamber, Shall be Used for the Purchase of New Curtains for the House Chamber, Bronzing of Radiators, and Varnishing Woodwork in the House Chamber.

Be It Resolved by the House of Representatives of the State of North Dakota, the Senate Concurring:

Whereas, there is an available surplus of approximately Two Hundred Ten Dollars (\$210.00) in the amount appropriated for repair of members' seats in the House Chamber, under Chapter 8 of the Session Laws of 1927, and

Whereas, the House Chamber needs new curtains, and it is desirable that the radiators be re-bronzed and woodwork re-varnished:

Therefore, Be It Resolved, by the House of Representatives of the State of North Dakota, the Senate concurring, that any available balance in the fund appropriated for repair of members' seats in the House Chamber, under Chapter 8 of the Session Laws of 1927, or so much thereof as may be necessary, be used for the purchase of new curtains for the House Chamber, the bronzing of radiators and the varnishing of the woodwork.

HOUSE ROLL CALL

The question being on the adoption of Resolution No. 6, the roll was called, and there were ayes, 104; nays, 0; absent and not voting, 6.

Those voting in the affirmative were:

Messrs.	Messrs.	Messrs.
Aljets	Iverson, Griggs	Polfuss
Anderson, Divide	Iverson, McKenzie	Quam
Anderson, Sargent	Johnson, Foster	Rabe
Bell	Johnson, McKenzie	Richardson
Boeckel	Johnson, Traill	Roberts
Bohnsack	Johnson, Ward	Rulon
Brown, Adams	Johnston	Shurr
Brown, Stutsman	Kamrath	Signalness
Bubel	Kapfer	Siverson
Burkhart	Keidel	Sleight
Burns	Kierleber	Standley
Butt	Kelly	Steedsman
Carlson	Larvick	Swendseid
Cox	Lavik	Streich
Craig	Lee	Swett
Dickerson	Levin	Svingen
Ehr	Lillehaugen	Tester
Erickson, Kidder	Lofthus	Thatcher
Erickson, McLean	Lynch	Thompson, Burleigh
Fedje	Lyon	Thompson, Ramsey
Ferris	McCay	Traynor
Fettig	McGauvran	Treffry
Flom	McGinnis	Tweten
Fowler	McManus	Twichell
Freeman	Martin	Van Berkorn
Gilchrist	Meidinger	Veitch
Gudmestad	Miller	Watt
Halcrow	Montgomery	Wedel
Hanson	Muus	Westford
Helbling	Oberg	Wilson
Henrickson	Olafson	Worner
Hildebrand	Opdahl	Yeater
Hoffman	Owings	Zimmerman
Holthusen	Peters	Mr. Speaker
Jardine	Plath	

Those voting in the negative were:

Messrs.	Messrs.	Messrs.
Ellingson	Frojen	Trubshaw

Absent and not voting:

Messrs.	Messrs.	Messrs.
Conway	Hauge	Renner
Elken	McDowall	Sperry
So the resolution was adopted.		

A RESOLUTION
Offered by Mr. Kelly

Be It Resolved, that the following named House employees heretofore elected, and assigned to the following positions, and designated by the following titles, be allowed the following compensation per day, from and including the day upon which the oath of office was administered to them, viz:

La Verne Hanson, desk reporter.....	\$ 6.00
K. Gronhovd, doorkeeper andn assistant sergeant-at-arms	5.00
O. L. Mennes, gallery doorkeeper and assistant sergeant-at-arms	5.00
Joyce Roberts, page and messenger.....	4.00
John Ulrud, page and messenger	4.00
Joe Goddard, page and messenger	4.00
E. L. Skinner, postmaster and messenger.....	5.00
W. F. Reko, chief mailing clerk.....	5.00
A. C. Nedrud, assistant mailing clerk.....	5.00
H. P. Asseltine, assistant mailing clerk.....	5.00
C. A. Rust, assistant mailing clerk.....	5.00
Peter Schantz, janitor	5.00
Mike Halsey, telephone messenger and assistant mailing clerk	5.00
V. A. Corbet, proof reader	5.00
Mr. Kelly moved the adoption of the resolution.	

HOUSE ROLL CALL

The question being on the resolution of Mr. Kelly, the roll was called, and there were ayes, 110; nays 0; absent and not voting, 3.

Those voting in the affirmative were:

Messrs.	Messrs.	Messrs.
Aljets	Iverson, Griggs	Polfuss
Anderson, Divide	Iverson, McKenzie	Quam
Anderson, Sargent	Jardine	Rabe
Bell	Johnson, Foster	Renner
Boeckel	Johnson, McKenzie	Richardson
Bohnsack	Johnson, Traill	Roberts
Brown, Adams	Johnson, Ward	Rulon
Brown, Stutsman	Johnston	Shurr
Bubel	Kamrath	Signalness
Burkhart	Kapfer	Siverson
Burns	Keidel	Sleight
Butt	Kierleber	Sperry
Carlson	Kelly	Standley
Cox	Larvick	Steedsman
Craig	Lavik	Swendseid
Dickerson	Lee	Streich
Ehr	Levin	Svingen
Ellingson	Lillehaugen	Tester

Messrs.	Messrs.	Messrs.
Elken	Lofthus	Thatcher
Erickson, Kidder	Lynch	Thompson, Burleigh
Erickson, McLean	Lyon	Thompson, Ramsey
Fedje	McCay	Traynor
Ferris	McDowall	Treffry
Fettig	McGauvran	Trubshaw
Flom	McGinnis	Tweten
Fowler	McManus	Twichell
Freeman	Martin	Van Berkorn
Frojen	Meidinger	Veitch
Gilchrist	Miller	Watt
Gudmestad	Montgomery	Wedel
Halcrow	Muus	Westford
Hanson	Oberg	Wilson
Helbling	Olafson	Worner
Henrickson	Opdahl	Yeater
Hildebrand	Owings	Zimmerman
Hoffman	Peters	Mr. Speaker
Holthusen	Plath	

Absent and not voting:

Messrs.	Messrs.	Messrs.
Conway	Hauge	Swett

So the resolution was adopted.

Mr. Freeman moved that the Report of the Mill and Elevator for the last five months of 1927, be printed in the Journal and also the Permanent Journal.

Which motion prevailed.

MESSAGE TO THE SENATE

House Chamber,
Bismarck, North Dakota,
January 17, 1928.

Mr. President: I have the honor to inform you that the House has adopted House Concurrent Resolution No. 6, and your favorable consideration is requested.

Very respectfully

C. R. VERRY,
Chief Clerk.

House Chamber,
Bismarck, North Dakota,
January 17, 1928.

Mr. President: I have the honor to inform you that the House has adopted the report of the Special Select Committee to investigate the Message of Governor Sorlie.

Very respectfully

C. R. VERRY,
Chief Clerk.

MESSAGES FROM THE SENATE

Senate Chamber,
Bismarck, North Dakota,
January 17, 1928.

Mr. Speaker: I have the honor to inform you that the Senate has concurred in the House Concurrent Resolution No. 3, and return the same herewith.

W. D. AUSTIN,
Secretary.

Senate Chamber,
Bismarck, North Dakota,
January 17, 1928.

Mr. Speaker: I have the honor to inform you that the Senate has adopted the report of the Joint Committee of the House and Senate appointed to consider the Governor's Message.

Also have adopted House Concurrent Resolution relating to repairs in House Chamber.

Very respectfully

W. D. AUSTIN,
Secretary.

Senate Chamber,
Bismarck, North Dakota,
January 17, 1928.

Mr. Speaker: I have the honor to return herewith the following bill:

House Bill No. 3, which the Senate has passed unchanged.

Very respectfully

W. D. AUSTIN,
Secretary.

The Speaker appointed at this time Mr. Burkhart, to escort Mr. A. B. Fusch to the rostrum, who addressed a joint assembly of the House and Senate on the Problems of Milling Macaroni.

The Speaker announced if there were no objections we would be on the fifth order of business.

HOUSE COMMITTEE ON ENROLLMENT AND ENGROSSMENT

The committee on Enrollment and Engrossment made the following report:

Mr. Speaker: Your committee on Enrollment and Engrossment respectfully report that they have examined the following bills:

House Bill No. 3: A Bill for an Act Making an Appropriation to provide for the Payment of Mileage and Per Diem of Members, Per Diem of Officers and Employees, Printing, Supplies and all other Expenses of Special Session of the Twentieth Legislative Assembly.

And find the same correctly enrolled.

E. E. Veitch,
Chairman.

Mr. Veitch moved the adoption of this report, which motion prevailed.

SIGNING OF BILLS

The Chief Clerk announced that the Speaker was about to sign House Bill No. 3, and the Speaker signed the same in the presence of the House.

Mr. Peters moved that the Chair appoint a committee of two to notify the Senate that the House had completed its business and was ready to adjourn.

Mr. Peters and Mr. Lofthus were appointed as a committee of two to so notify the Senate.

The committee appointed to notify the Senate that we had completed our work and was ready to adjourn reported that they had performed such duty.

Mr. Twichell moved that a committee of three be appointed to notify the Governor that the House had completed its business and was about to adjourn, which motion prevailed.

Mr. Swendseid, Mr. Lynch and Mr. Burkhart were appointed.

Mr. Swendseid stated that the committee appointed to notify the Governor that the House had completed its business and was about to adjourn, had performed its duty.

Courtesies of the floor were extended to: Frank Heimes, Valley City, N. D.; Russell Holt, Orr, N. D.; P. M. Hjelmstad, Grand Forks, N. D.; Joe Erickson, Hazen, N. D.; Geo. Slowey, Beulah, N. D.; Otto Bauman, Golden Valley, N. D.; Amos Rood, Valley City, N. D.; Nick Weiland, Beulah, N. D.; M. B. Nelson, Manvel, N. D.; N. J. Snyder, Donnybrook, N. D.;

A. C. Stoll, Sherwood, N. D.; M. J. Kempf, Ashley, N. D.; F. A. Sheank, Grafton, N. D.; Emil Borgeson, Park River, N. D.; Chester Thompson, Park River, N. D.; G. F. Washich, Minto, N. D.; Martin Olson, Butte, N. D.; John Ogren, Kulm, N. D.; Thom. Myling, Brinsmade, N. D.; Henry Pongo, Sheridan County; Jacob Stortz, Sheridan County; H. Hoffman, Stirum, N. D.; Dr. L. S. Platou, Fargo, N. D.; Ole Orstad, Edinburg, N. D.; County Judge R. G. McFarland and County Auditor A. H. Sherman, Jamestown, N. D.; D. L. Manning, Fargo, N. D.; C. W. Hall, New Rockford, N. D.; J. S. Prader, New Rockford, N. D.; S. W. Lyman, New Rockford, N. D.; John Topp, Grace City, N. D.

Mr. Watt moved that the House adjourn sine die, and the House stood adjourned.

C. R. VERRY,
Chief Clerk.

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House Bill No. 5. A Bill for an Act to Appropriate the Sum of Twenty-five Thousand Dollars (\$25,000) for the Purpose of Aiding in the Completion of the Construction of a Bridge and Approaches Across the Des Lacs Lake on the County Line between Burke and Ward Counties in the State of North Dakota. Under the provisions of Chapter 73 of the Session Laws of North Dakota for the Year 1919 as Amended by Chapter 161 of Session Laws of North Dakota for 1927, and that Such Appropriations be Made from the State Highway Fund.

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Indexed by C. R. VERRY, Chief Clerk.