

THE ELY MINER

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ELY, MINNESOTA, FRIDAY, JANUARY 16, 1920.

\$2 PER YEAR IN ADVANCE

MINNESOTA
HISTORICAL
SOCIETY

FAIR TAX ASSOCIATION

Given a Running Start at the Virginia Meeting Monday—
Delegates From Northern Minnesota Meet.

Addresses Made by Prominent Men all
Tending to Show that Tonnage Tax
Would be a Disaster.

CAMPAIGN PLANNED.

Delegates from almost all the cities and towns of Northern Minnesota were present at Virginia Monday afternoon when the permanent organization of the Minnesota Fair Tax Association was launched amid the greatest enthusiasm and with a determination to do all in the power of this end of the state to forever put a stop to the biennial attempted robbery and confiscation under the title of "Tonnage Tax."

Speakers who had made a study of the issue hammered home the fact that any supertax, in form of a tonnage tax or any other form of excessive tax, placed upon ore mined in Northern Minnesota would paralyze industry in not only the districts of the state where ore is now being mined, but throughout the entire section of the state lying north and west of a line drawn from Duluth and extending far into the southwestern section of the state into Rock county, in which riches unlimited, of iron and other ores are known to exist and which await the arrival of capital to begin activities in mining, industry would be destroyed and the greatest source of revenue the state will have ever known would be forever eliminated.

Mayor Edward C. A. Johnson of Virginia welcomed the delegates in a rousing address in which he brought out the inequity of the measures heretofore attempted in the "get something for nothing" campaigns for a tonnage tax on iron ore. W. J. Archer of Virginia, a member of the executive committee acted as chairman of the meeting which was attended

by delegates from the three ranges and as far south as Brainerd were present on invitation of the committee named several weeks ago at the Eveleth meeting when the matter of a campaign of education was launched.

Addresses were made by Mayor Magney of Duluth, Senator Chas. E. Adams of Duluth, W. J. Archer of Virginia, Representatives Hitchcock of Hibbing and Murphy of Aurora, E. C. Kiley of Grand Rapids G. H. Lommen of Biwabik, M. N. Koll of Cass Lake and others. Mayor Magney stated that the mines were already paying a supertax inasmuch as their properties were valued at 50 per cent for taxation purposes while the farmer paid on a basis of 40 per cent and unplatted land held for speculation was based on 33 and one third per cent valuation.

The ore in the ground, he declared, would be there and none would be able to mine it. There are at present billions of tons of ore in the state which have never been so much as scratched and which, if mined, will bring millions in taxes to the state, but which on the other hand, would lie dormant if burdened with excessive taxation.

Mayor Magney also stated that much of the prejudice against the northern section of the state came as a result of claims of reckless expenditure of money in community construction work here and in other cities of the ranges. To this Mr. Magney replied that the school systems of the range, by far the most modern in the country, were an asset

to the state and country, bringing to the section men who would have their families grow up with the best of advantages of education and with that comes a true Americanization, but who would without these chances refuse to live here and the country would be filled with undesirable who could live in shacks and colonies among themselves keeping up their customs brought from over the seas and making of this a dumping ground for the offscourings of every land.

Representative Hitchcock of Hibbing, through whose untiring efforts and work the organization of the Fair Tax association was made possible presented figures to show that should the down-staters succeed in foisting the tonnage tax on us, eventually the mining properties would all be assessed on a tonnage basis and the ad valorem method of taxation would be done away with. He stated it as his candid opinion that this was the program contemplated by the adherents of the tonnage tax and based his opinion on what he had learned from interested men while in the legislature during the heat of the argument last session when the bill was passed and our section was saved from this confiscatory grab by the prompt action of Governor Burnquist's veto.

Mr. Hitchcock pointed out and produced figures to substantiate his claim that should the range communities lose the ad valorem method of taxation of mines under the program as proposed by the advocates of the tonnage tax measure, the rate of taxation here would be such that the prosperous towns and cities would be paying instead of the present per cent the following amounts for each \$1,000 of valuation, providing expenses in the municipalities remained the same as last year:

Hibbing, \$1,094; Aurora, \$420; Biwabik, \$717; Gilbert, \$1,144; Eveleth, \$1,026; Mountain Iron, \$2,706; Kinney, \$733; Buhl, \$2,695; Chisholm, \$580; Virginia, \$355;

Stunts Township, \$824; Balkan Township, \$1,250; Ely, \$651.

E. C. Kiley of Grand Rapids also made a forcible talk. Mr. Kiley believes that should the people of the southern part of the state be shown what an injustice a tonnage tax would be to this section of the state in particular and the whole state in general, that the agitation for the tax would cease. He contended that the mineral belt of the state extended as far south as Rock county in the extreme south and that time would develop minerals in several of the other counties besides those already producing.

Mr. Lommen of Biwabik stated he had made a trip through some of the counties advocating the tonnage tax and that he had interviewed several of the editors of influential papers. All expressed themselves as willing to give the matter due attention.

One of the best addresses of the meeting was made by Representative Chas. T. Murphy of this district. Mr. Murphy cited the fight of the St. Louis county members of the legislature in the last session against the bill and the conditions met with. He and others were of the opinion that the "constituency" in the southern end of the state had been fed up on tonnage tax argument by the spellbinding politicians who had taken the constituency up on the mountain and said "all this will I take away from the Steel corporation if elected and hand to you. Your taxes will be as nought after I get through with the Corporation." This was all to be accomplished through the tonnage tax bill. The politician however, failed to state that should this industry be crippled, the farmer would also be crippled and the state treasury would likewise suffer. The spellbinder also failed to tell the farmer that the tonnage tax would mean the ruin of the independent miners and force them to dispose of their interests to the larger corporation which would become larger still and control the iron markets of the country.

The big corporation would then add all additional expenses to the price of manufactured articles and the farmer would not only be deprived of the revenue today accruing from the tax on ore lands to the state but would be compelled to pay his proportionate share of tax extra expense in the price of implements, stoves and machinery required by him.

Mr. Murphy also made the statement that out of 101 votes cast for the tonnage tax in the House that only 95 were avowed tonnage taxers at heart but that they excused themselves with the statement that their "constituents" demanded the vote and like Frankenstein the issue came back to haunt the creator of the monster. Judging from his remarks, it was plain that should the people come to know the effects of the measure on themselves and the state, the politician with the alluring bait of "no taxes for you" would not have such smooth sailing.

Senator Adams of Duluth also made a telling address and several others spoke on the same lines. Among those attending the meeting were a large number of lady delegates from the several civic organizations of the range towns and Duluth.

On the invitation of the Cuyuna Range men present it was decided to hold the next meeting at Brainerd and the date was fixed on January 28.

A committee on resolutions of which A. P. Silliman of Hibbing was chairman presented the following resolutions which were unanimously adopted. The program as outlined at the Hibbing meeting of the committee and the officers named was adopted. The officers of the executive committee are R. W. Hitchcock, chairman, W. J. Archer of Virginia, Walter Brown of Chisholm, E. C. Kiley of Grand Rapids and G. H. Lommen of Biwabik. The resolutions adopted read:

"Whereas, Since the discovery of iron ore in Minnesota, more than a quarter of a century ago, there has been built up in Minnesota under our present system of taxation, one of the country's greatest industries, bringing prosperity to hundreds of thousands of the states citizens, distributing large benefits to every quarter of the state, and adding to the taxable valuation of the state more than \$500,000,000, and

"Whereas, In the establishment of a \$25,000,000 steel plant in Duluth, Minnesota, has made a beginning, which, if properly encouraged, will make the state, not on the greatest iron ore producing region on the globe, but the center of the world's steel industry as well, attracting to Minnesota scores and hundreds of allied manufacturing plants and making Minnesota rank among the foremost of all manufacturing states, and

"Whereas, The vast mineral resources of Minnesota are as yet hardly scratched, the iron bearing formation covering all that portion of the state lying north and west of a line drawn Duluth to the extreme southwestern portion of the state in the county of Rock, and it has been established beyond question that Minnesota has as yet thousands upon thousands of acres of undeveloped ore lands and billions upon billions of tons of low grade iron ore, which, when made commercially valuable, will many times multiply the prosperity of the state, will increase the size of its permanent funds far beyond

anything heretofore dreamed of, and will add millions to the tax rolls of the state, thus bringing substantial financial assistance to every county in the state and materially reducing the tax burdens of every citizen, and

"Whereas, The adequate and just taxation of the mineral industry of the state is a matter of vital concern to the development of the state and the complete realization of its utmost possible prosperity, and attempts are now being made to change or destroy the condition under which the state's mineral prosperity and mineral supremacy have been achieved; now, therefore,

"Be it resolved, That the iron ore industry should be made to pay, to the last dollar, its full share of the tax burdens of the state; that there should be granted to the iron ore industry and the steel industry in Minnesota no special favors whatever in taxation; but that, on the other hand, no tax should be levied which will retard or prevent development of the vast iron ore resources of Minnesota or encourage the development of competing ore fields by imposing an extra burden on the iron ore industry of Minnesota; and be it further

"Resolved, That the development of the state's mineral resources and manufacturing possibilities to their utmost is the vital element to be considered in determining the best form of taxation of iron ore and that whatever method will in the end most effectively and largely contribute to the growth and prosperity of the state is the only method of taxation that should be applied to iron ore; and be it further

"Resolved, That any tonnage or supertax on iron ore will seriously impair and retard both the agricultural and mineral development of the state and should be, therefore, definitely discarded and forever forgotten as a public policy in Minnesota."

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ORGANIZE NEW IRON COMPANY

\$3,000,000 CORPORATION IS
FORMED TO DEVELOP LOW
GRADE ORES.

The Mesaba-iron company has been organized with a capital of \$3,000,000, 8 per cent of cumulative convertible preferred stock and 150,000 shares of common stock of no par value, for the purpose of developing and working low-grade iron deposits on the eastern portion of the Mesaba range.

Directors of the company are Charles Hayden, chairman of the board; Daniel C. Jackling, president; John D. Ryan, W. E. Corey, Percy A. Rockefeller, C. M. McNeil, Sherwood Adrich, W. Hinkle Smith, Alva C. Dinkey, Sealey W. Mudd, Horace V. Winchell, K. E. Rabbitt, W. G. Swart and J. Carson Agnew.

The organization of this company means much to the ranges. The low grade ores will come into use and by their use will develop immense territory. It is estimated that the company have control of 100 million tons on one property near Sulphur on the branch line from Mesaba. It is also known that the deposit extends south of this city nearly to Lake Superior with immense amounts of ore at present not marketable but which, by a new system just perfected will be made merchantable. The White Iron Mining Company south of Ely has much of this ore and the Cyrille Fortier claims, much more. There are also prospects that electric power will come into use for the handling of this ore and if this is contemplated the water powers of this vicinity will be utilized.

YOUR TAXES

ASSESSOR JAMES EXPLAINS
THE RAISE—HEAVY INCREASE EVERYWHERE.

Editor The Ely Miner:

"Several complaints have come to the notice of the Assessor of the City of Ely regarding the increase of taxes for the year 1920 as compared with the year 1919.

To account for the increase for the year 1920, the levy for this year for state, county, school and city is \$422,921.24, while for the year 1919 the levy was \$299,172.51 an increase of \$123,748.73 or approximately 41.37 per cent.

The assessor has nothing to do with the amount of taxes you pay. He values the property and the tax rate is based on the total valuation (as equalized by the State Tax Commission) and the levy made for state, county, school and the city.

Look up your tax statements and note if there has been an increase in your valuations on personal and real for the taxes of this year over those of last.

If there has been an increase of your valuations, ask the assessor. He has a record of all property within the assessment district.

If your property has been valued too high the assessor can help you to make a proper adjustment.

The assessor's office and records are open to the public and he will be pleased to give you any information he has.

FRED B. JAMES, Assessor.

DISTRICT COURT NEXT WEEK

JUDGE CANT WILL PRESIDE AT
THE SESSION—CASES NOT
VERY NUMEROUS.

The January term of the District Court will convene in this city next Tuesday afternoon at 1:00 with Judge W. A. Cant on the bench.

The jurors summoned for the term are H. R. Carl, John Hogan, Duncan McNeely, R. E. Patterson, Chas. W. Stewart, C. A. Stewart, Anton A. Sternal, Geo. Thorberg, Jake Weiner, Emil Wagner and Mike Willett of Duluth; W. E. Englund and John Prout, Sr., of Ely; John Fogelberg and Konat Martilla of Tower; Frank James, Max Loeff and Herbert Moon of Eveleth; Thomas Canelake and A. E. Mack of Virginia; Chas. E. Brown and David B. Cavan of Biwabik; C. P. Baker and Louis Hedin of Albion; Jos. S. Whitner of Proctor; Orval Mowers of Fairbanks; Jacob Backa of Zim; J. R. Marshall of Munger; Henry Bjorklund of Cotton; Wm. Ahola of Toimi.

The calendar is exceptionally light for the coming term, only eleven cases being listed. Ten of the cases are for the jury and one for the court. Seven are continued cases and four are new actions. The calendar reads as follows:

Continued Cases.
North Star Timber Company vs. Adolph Peterson et al., H. G. Gearhart attorney for plaintiff and Larson & March attorneys for defendant.
J. L. Miller vs. Fogelberg & Johnson, Larson & March attorneys for plaintiff and Joseph A. Quinn for defendant.
National Surety Company vs. Thos. Kearney, Alvin Maki, Joseph Weed and A. D. Ellefson, Courtney & Courtney for the plaintiff and M. H. McMahon & W. N. Montague for defendant.
Michael Weinzler vs. J. C. Russell, A. J. Thomas for plaintiff and A. W. Nelson for defendant.
Two actions, State of Minnesota vs. Daisy Redfield, E. L. Boyle, assistant county attorney for the plaintiff and John H. Norton for defendant.
City of Ely vs. John Harri, H. J. Merdink for plaintiff and A. J. Thomas for defendant.
New Cases.
City of Ely vs. John Teran, H. J. Merdink for plaintiff and Victor L. Power for defendant.
Two actions, State of Minnesota vs. Andrew LeRoy, E. L. Boyle for plaintiff and A. J. Thomas for defendant.
Martha Schrader vs. Fred Schrader, divorce case, A. J. Thomas for the plaintiff.

FOR SALE.

Two centrally located modern houses of 5 and 8 room each. Inquire at

FIRST STATE BANK.

REPORT OF THE CONDITION OF THE FIRST NATIONAL BANK,

At Ely, in the State of Minnesota, at the close of business, December 13, 1919.

RESOURCES:	
Loans and Discounts, including redemptions	\$332,500.00
Overdrafts, unsecured	195.49
U. S. Government Securities owned:	
U. S. Bonds deposited to secure circulation (par value)	\$12,500.00
Fidelity to secure postal savings (ins deposits, (par value)	4,000.00
Fidelity as collateral for State or other deposits or bills payable	4,000.00
Owled and unpledged	134,050.00
War Savings Certificates and Thrift Stamps actually owned	836.00
Total U. S. Government securities	\$153,886.49
Other Bonds, Securities, etc.	
Bonds (other than U. S. bonds) pledged to secure postal savings, deposits	6,000.00
Securities other than U. S. bonds (not including stocks) owned and unpledged	54,908.75
Total bonds, securities, etc. other than U. S.	60,908.75
Stock of Federal Reserve Bank (50 per cent of subscription)	4,500.00
Value of banking house, owned and unincumbered	10,000.00
Furniture and fixtures	2,250.00
Lawful reserve with Federal Reserve Bank	25,500.46
Cash in vault and net amount due from national banks	162,869.00
Net amount due from banks and bankers and trust companies other than included in item 12 or 14	169.48
Total of items 12, 14, 15, 16, and 17	\$163,038.48
Checks on banks located outside of city or town of reporting bank and other cash items	4,006.98
Redemption fund with U. S. Treasurer and due from U. S. Treasurer	651.00
Interest earned but not collected—approximate on Notes and Bills Receivable not past due	2,411.69
TOTAL	\$744,259.48

LIABILITIES:	
Capital stock paid in	\$50,000.00
Surplus	12,500.00
Undivided profits	19,599.71
Interest and discount collected or credited, in advance of maturity and not earned (approximate)	1,219.94
Circulating notes outstanding	12,000.00
Certified checks outstanding	742.50
Cashier's checks on own bank outstanding	2,341.19
Demand deposits (other than bank deposits) subject to Reserve deposits payable within 30 days	\$3,083.62
Individual deposits subject to check	197,041.28
Certificates of deposit due in less than 30 days (other than for money borrowed)	28,400.00
Dividends unpaid	1,900.00
Total of demand deposits (other than bank deposits) subject to Reserve items 34, 35, 36, 37, 38, and 39	\$227,868.52
Time deposits subject to Reserve (payable after 30 days, or subject to 30 days or more notice, and postal savings)	
Certificates of deposit (other than for money borrowed)	60,217.05
Postal savings deposits	2,566.00
Other time deposits	283,138.37
Total of time deposits subject to Reserve items 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100	285,911.42
United States deposits (other than postal savings)	
War savings certificate and Thrift Stamp deposit account	655.98
TOTAL	\$744,259.48

"Of the total loans and discounts shown above, the amount of which interest and discount was charged at rates in excess of those permitted by law (Sec. 3197, Rev. Stat.), exclusive of notes upon which total charge not to exceed 50 cents was made, was NONE. The number of such loans was NONE.

State of Minnesota, ss. I, L. J. White, Cashier County of St. Louis, do hereby certify that the above statement is true to the best of my knowledge and belief.

Correct-Attest:
LOUIS REINHARDT,
Geo. T. AVES,
A. J. PERKINS,
Directors.
Subscribed and sworn to before me this 16th day of January, 1920.
Notary Public.
My Commission Expires June 24, 1921.

How much have YOU
got in the
BANK?
We offer you the
Service
and Safety of
OUR BANK



IF YOU DEPOSIT MONEY IN OUR BANK, YOU CAN
PAY YOUR BILLS WITH CHECKS AND EACH CHECK IS
A RECEIPT.
GIVE YOUR WIFE A BANK ACCOUNT. SHE WILL
SAVE YOU MONEY. HER CHECKS ARE HER RECEIPTS,
AND WE ARE HELPING HER KEEP HER BOOKS. YOU
MIGHT NEED HER BALANCE SOME DAY.
COME IN TO OUR BANK AND TALK IT OVER.
WE SMILE IN OUR BANK.
PUT YOUR MONEY IN OUR BANK.
YOU WILL RECEIVE 3 PER CENT INTEREST.

FIRST STATE BANK OF ELY

When you think of
GROCERIES
just Phone 31 for the
best of Goods and
Service.

The Miller Store Co.
THE BUSY STORE.