

STUMBLING ONTO A MONEY MAKER

How Kellogg-Birge Co. Discovered Formula for Making Famous "Red Clover Brand Syrup."

HAS HAD A BIG GROWTH

Company Has Been in Business Since 1856 and Each Successing Year Has Shown an Increase.

A chemist for a large manufacturing concern will often spend eighteen hours a day for eighteen months striving to perfect a formula that will make some particular article more salable, and in the end find he has failed to attain the perfection to which he was working. On the other hand he will often throw together certain ingredients in a sort of haphazard fashion and luckily turn out a product that meets with great success in the selling market. This has been emphasized time and again and is often one of those freaks of fortune which puts barrels of money into the hands of our present day millionaires.

"Red Clover Brand Syrup," a product of the Kellogg-Birge Company of this city, is one of the greatest sellers of its kind and the story of how the present formula was reached is one of those interesting little stories of business life.

About five years ago the estate of the late J. C. Hubinger was being closed up. J. C. Hubinger had dipped into the grocery business and from his estate the Kellogg-Birge Company had bought some miscellaneous goods, including two fifty-pound cans of honey, and the company was at a loss to know how to utilize it. Finally one of the department heads suggested that it be used in a corn syrup that was being made at the time. The suggestion was adopted and five percent honey went into the syrup. A few samples were made up, the goods were labeled "five percent honey" and the traveling men were told to sell the syrup. The new syrup made a ten-strike, but the company paid no attention to its selling possibilities until sometime after the supply had been exhausted. Requests came in, inquiries were made of the traveling men, and the demand became such that the company decided to make the syrup with honey in it. It seems that the honey supplied what was lacking in the previous syrup and "Red Clover Brand Syrup" has become known all over the country.

That is the story of how just one article manufactured by the Kellogg-Birge Company attained its selling magnitude. Dealing with the jobbing plant as a whole is an entirely different story. Established away back in 1856, the company has reached its present proportions not through any lucky turn in the wheel of fortune, but because of the progressiveness and integrity of its officers. For fifty years the company did business at Third and Main streets, and for the past six years has been housed in a fine home at the corner of Fourth and Johnson streets.

The Kellogg-Birge company is one of the five leading grocery jobbers in the state of Iowa. Traveling men sell for the company in more than half the states of the Union, and an immense volume of business is done every year.

One of the new departments which has been growing every year is the manufacturing, in which candies, syrups, preserves, jellies, jams, cereals, flavoring extracts, spices and canned goods are made. This department has been in existence for nine years and today is the largest connected with any wholesale grocery house west of Chicago. One hundred people are employed during the busy season and the goods are sold by the regular traveling men from Ohio in the east to Colorado in the west. The principal brands are "Gate City" and "Kellogg's."

Special attention has been given to the sanitary and hygienic conditions in the manufacturing department. Every morning before the employees go to work everything is sterilized and absolute cleanliness is the motto.

For years the Kellogg-Birge company has been one of Keokuk's most stable commercial institutions. A large force of people is employed to carry on the business and many of the employees have been with the company for a number of years. The officers are Ira W. Willis, president; C. R. Joy, vice president; E. M. Majors, treasurer; Arthur Hambleton, cashier; H. C. Brown, secretary.—Adv.

Lord Leigh in an interview in New York praised the American business man.

"The American business man," he said, "dreams dreams, then he carries them out."

"The man of other nations dream, and that is the end of it."

—Read The Daily Gate City,

SIGNIFICANCE OF RATE DECISION

What it Means to Keokuk and the State of Iowa to Have Big Freight Rate Reduction.

GIVES KEOKUK IMPETUS

Something the City Has Been Waiting For, and is Second Only in Importance to Big Dam.

Industrial Keokuk received its greatest impetus in years early this month through the decision of the Interstate Commerce Commission in lowering freight rates from eastern points, thereby removing a discrimination that has done more than anything else to curb the manufacturing interests of the city. After November 1 the Industrial Association will be able to offer to prospective manufacturers a schedule of rates that will compare favorably with that of any shipping point on the Mississippi river. As a commercial asset the decision of the commission is the most important in the city's industrial history, with the exception of the construction of the water power project at this point.

Under the new schedule Keokuk is in a position practically as advantageous as that of St. Louis. The first class rate from New York City, heretofore 97 cents, will be 90 cents, an advance of 2 cents over the St. Louis rate. The second class rate of 84 cents is reduced to 78 cents, while the third class rate of 66 cents goes down to 60 cents. The fourth class rate shows a reduction of five cents, the fifth class rate of four cents and the sixth class rate a reduction of three cents.

A Double Benefit. Not only does the decision furnish Keokuk with its greatest argument in offering better facilities of concerns having this city under consideration as a point of location, but the new schedule will also prove advantageous to local shippers, who have found the rates heretofore existing a burden for the existence of which there seemed no reasonable excuse. Manager John DeWitt of the Industrial Association, to whom the great share of credit for winning the Keokuk rate case is due, estimates on a conservative basis that local shippers will show a saving of \$30,000 a year in freight expenses. Hugh L. Cooper wired Mr. DeWitt from New York this fact alone justifies the two years' work of the Industrial Association, without considering a single other result gained.

Keokuk has been helpless in its efforts to secure industries, because of the one fact that manufacturers threw up their hands in horror when informed of the rates under which they would be forced to ship their products. This disadvantage more than offset the proposition of cheaper power. Manufacturers are interested in the cost of shipping equally as much as they are in the cost of production. Under the new schedule Keokuk is enabled to offer a rate schedule that will compare favorably with any city in the power zone and a power rate that is better than any other point can offer. Combining these two features, it will be seen that the city is in an excellent position to secure results from the industrial campaigns of the future. Any slight difference in freight rates that may still remain will be of no consequence.

Keokuk Was Strategic Point. When the freight rate question first was taken up in Iowa, it was found that unusual conditions existed at Keokuk, and it was because of this that a special hearing was held here, with Special Examiner Burchmore, the representative of Judge Harlan, in attendance. Clifford Thorne, chairman of the state railway commission, gave it as his opinion at that time that Keokuk occupied a strategic position, one which should have a most important bearing on the outcome of the state fight in general, and the Keokuk case in particular. Mr. Thorne has since said that the testimony given by Mr. Cooper, Judge Logan, the Keokuk Industrial Association and local shippers deserved the unequalled appreciation of the entire manufacturing and shipping interests of the state.

[By Clifford Thorne, chairman Iowa Board State Railroad Commissioners.] The next complete text of the recent decisions of the interstate commerce commission in the rate cases brought by the Iowa board of railroad commissioners, arrived at the offices of the commission today. These cases were brought by the board upon the formal request of commercial organizations in Des Moines, Dubuque, Clinton, Davenport, Muscatine, Burlington, Fort Madison, Keokuk, Marshalltown, Ottumwa, Cedar Rapids and Port Dodge.

The amount of money directly involved in these cases is not so large

What "Red Turkey" Means to You

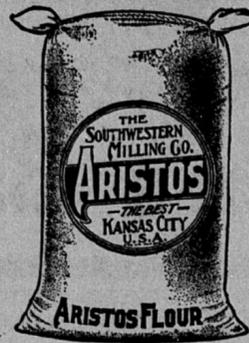
"Red Turkey" is the name given to the world's best wheat. This wheat came originally from southern Russia, near the Turkey border, and because of its reddish color was called "Red Turkey" wheat. Chemical tests prove this wheat richer than any other wheat in the gluten that makes flour wholesome and nourishing. Besides, it has a flavor that no other wheat possesses. For these reasons, you should use only flour that is milled from "Red Turkey" wheat.

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Aristos Flour bakes better bread, better biscuits, better cake, better pies—because it is carefully made from the finest Red Turkey Wheat, giving your baking always a delicious flavor. The perfect proportion of Gliadin in the gluten—that is the reason. Use Aristos Flour whenever the recipe calls for flour, and your baking will be improved.

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as the amount affecting Iowa alone in the advanced rate case of 1910, or the western classification case of 1912, or in the advanced rate case recently commenced by the railroads; but in its effect on the industrial growth of the state, this is the most important victory, so far as Iowa is concerned, since either our state or national government began the task of regulating railroads.

These decisions mean a complete revision of the interstate freight rates on about 8,000 articles, between over 1,000 Iowa cities and all points in the eastern part of the United States.

The decision will mark the beginning of a new era in the industrial development of the state of Iowa. It is epoch making.

It gives a person renewed confidence in the whole scheme of regulation by the government.

The opinion was written by Commissioner Harlan, a son of the late justice of the supreme court of the United States.

Zones for Iowa.

The most important achievement in the case is the establishment of an equitable fundamental principle which will guide in the future building up of the rate structure for our state—the principle which requires the railroads to distribute their rates into reasonable groups or zones across the state, like those which they have had in eastern territory for many years. This method has occasionally been adopted by the commission in the past; but never, perhaps, on such an extended scale as in this decision just

rendered. Only once before was the principle applied to any large volume of traffic from Iowa.

At the present time the class rates east of the river are distributed into somewhat reasonable groups, advancing gradually in amount as the distance increases. Immediately upon crossing the river into Iowa, these rates increase with enormous rapidity; the state grouping looks like a crazy quilt in eastern Iowa. Some practical conception of just what that means can best be obtained by glancing at the map which was prepared by an Iowa commission and introduced as an exhibit in the case. This map shows the different rate groups in which towns are placed. The gradual increase in rates, and in the size of the groups, until you get to the river, is in striking contrast to the situation immediately west of the river. While the rates advance generally from 2 to 4 per cent with each group east of the river, we see an advance of 23 per cent in the first group west of the river. This places the balance of the state upon an unconscionably high level. This map gives a bird's-eye view of the entire situation.

Within a reasonable time we may now expect these Iowa groups to be completely revised. In the past, St. Louis has had an advantage of 9 cents per 100 pounds on first class (consisting of 5 cents bridge toll and 5 per cent of the New York-Chicago rate) and proportionately lower for the other classes. Hereafter most of this burden will be removed; the differential now being 2 cents on first and second classes, and 1 cent each

on the other four classes, (official classification). Some time I hope to see the whole thing removed. We have made a good start toward that end.

Impetus for State.

Interior Iowa has never had an approach toward a reasonable schedule of interstate class rates. We have now broken the ground. The effect will be felt in every corner of the state.

The foundation for these results has been laid during the past forty years, thanks chiefly to the brilliant work of Iowa men, such as Cummins, Larrabee, Dolliver, Hepburn and the leaders in the grange movement; but up till recently very little of a concrete, practical nature affecting interstate traffic had ever been secured for the actual shippers of our state.

When Larrabee was governor, we secured reasonably low state rates; but that formed a very small part of the problem. Practically 90 per cent of our freight traffic is interstate.

The first decision of statewide importance relative to interstate rates affecting Iowa, was in the live stock case in 1903, which caused a revision of the entire schedule of freight rates on our principal farm products to the principal live stock markets within and without the state. As stated above, that was the first time the railroads were required to distribute the rates clear across the state into zones or groups. A year later, in June, 1909, the city of Des Moines secured substantial reductions on class rates from the east, equivalent to

about one-half the reduction secured the previous year; by the cities on the Missouri river, in the Burnham Hanna Munger case. Reductions quite similar in amount were secured the following year by Ottumwa. A number of other interstate cases affecting individual towns, notably Sioux City and Sioux Rapids, have been successfully prosecuted; but no other decision, aside from the live stock case of 1908, has ever been rendered revising the interstate rates throughout the whole state. Commenting on this, Commissioner Harlan says in the opinion: "While there has been a growing number of complaints from these communities (referring to Iowa cities) their rates have not until now been challenged in any comprehensive way."

History of Agitation.

As far back as March 13, 1874, the Iowa legislature passed a resolution asking congress to regulate interstate freight rates. Iowa has led at all stages in the movement. The splendid work of these men is today bearing fruit.

The railroads are required by order of the interstate commerce commission, to make an entire revision of their class and commodity rates between interior Iowa points and Chicago, and between interior Iowa points and the Atlantic coast, and between interior Iowa points and central freight association territory (including intermediate points, such as Cleveland, Philadelphia, etc.) by October 1, and upon their failure to do so, the commission itself will undertake the revision in detail. They

are required to grade the rates equitably across the state. The rates from the Mississippi river cities to the Atlantic coast are reduced 7 cents per 100 pounds, and proportionately lower for the other classes, and the rates from Denver and other Colorado points are reduced 10 cents on first class and proportionately for the other classes. The rates between interior Iowa points and the western states are as yet undecided; when that opinion is rendered, it will close the entire series of cases, making for the first time in our history, a substantial revision of Iowa's interstate rates, which have heretofore hampered and interfered so greatly with the industrial growth of our state.

In order to keep the record straight in a matter of this moment, it may be of some interest, at this particular time, to review, briefly, the steps leading up to these decisions.

In my campaign for the railroad commission in 1910 the chief argument I used was the necessity for the state railroad commission to compel a complete overhauling and revision of our interstate rates. They had the power to do this by taking the initiative for the state before the interstate commerce commission under the White law passed by the thirty-second general assembly, which had become a dead letter. Up to that time the Iowa railroad commission had not prosecuted any case before the interstate commerce commission. I made that my principal issue. Some of my friends expressed serious doubts whether I could get the public interested in a new issue of that kind in a short campaign, but well

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