SPECIAL FEATURES

AMERICA AND ALLIED DEBTS
THE AGRICULTURAL SITUATION
HOGS AND THE MARKET FOR THEM
THE BANKERS' NEW RESPONSIBILITY
KEEPING UP A BANKING "FRONT"

OMAHA

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THE GROUND HOG AND HIS SHADOW

The ground hog saw his shadow—or failed to do so depending very much on where the ranking official ground hog may happen to be spending the winter. In any event a weather forecast predicated on this well known, traditional “sign” will no doubt prove quite as accurate as will those somewhat similar predictions based on a “wet moon” or a “dry moon” of which we shall expect to hear more as the season advances.

Then, there is our economic “weather.” We have heard much of the general proposition that the difficulties experienced by the banks of this section during post-war years may be accounted for almost wholly by the fact that we had too many banks per capita. Not an entirely new thought this. For twenty years at least almost every banker has freely declared there were too many banks. The declarer, of course, has ever excluded his own institution from the superfluous class.

The “peak” in the number of our banking institutions was reached about the close of the last decade. According to the figures reflected by a well known bank directory for January, 1921, the seven states of Colorado, Iowa, Kansas, Missouri, Nebraska, Oklahoma and South Dakota on that date reported a total of 8,314 banks—more than twenty-six per cent of the total for the nation. The most recent directory indicates 6,563 banks are now operating in the states named. This number is slightly more than 23 1/4 per cent of the total number of the banks in the country. These figures do not mean that during the period named these states have experienced bank failures to the extent of 1,751, plus such number of new banks as have been organized during the present decade. A considerable number of voluntary liquidations have occurred, while mergers and consolidations have been quite numerous. It seems fair to assume, however, that substantially all mergers, consolidations and voluntary liquidations have resulted from the urge of necessity.

Reviewing the experience of the several states named, that of South Dakota, taken at its face, seems fully to justify the “too many banks” theory. According to the authority quoted this state entered 1921 with one bank for each 908 of its population. The most recent figures above mentioned show one bank to 1,605 people. The net shrinkage in the number of banks amounts to 25.4 per cent of the 1921 total. Against this condition may be placed Nebraska, which in 1921 had one bank to each 1,139 of its population. It has experienced a net decrease of but 13.7 per cent in the number of its banks. Again, Kansas may here be cited. In 1921 Kansas had one bank for each 1,282 of its population. The net decrease in that state has amounted to 14.7 per cent. Oklahoma’s experience compared with that of Colorado. Oklahoma in 1921 had one bank for each 2,059 of its population, while in Missouri the ratio was one bank to 2,031 people. The net decrease in the number of Oklahoma’s banks has amounted to 27.7 per cent, while in Missouri it has been slightly more than 12 per cent.

Other conditions than the shadow of the ground hog or the appearance of the moon enter into our weather outlook. Other factors than merely the number of banks per capita enter into our Central Western economic situation, although excessive competition admittedly has been a substantial contributor to more than one bad banking practice. With a decrease of 1,751—more than 21 per cent—in the number of banks operating in the seven states named, the factor of excessive competition is very much more favorable to the banking interests of this territory than it was a half-dozen years ago. This year the shadow of the economic ground hog is much less easily discernible than formerly.

WORKING AGAINST OURSELVES

To the Central West particularly and, in a lesser degree, to the country as a whole, the problems which confront agriculture stand out conspicuously. The Central West is primarily an agricultural territory. The larger portion of its population still lives in the rural communities. The major activities of its cities look to those immediately engaged in agriculture either to supply raw materials or to consume finished goods. If and when agriculture prospers, the Central West prospers. There can be no real prosperity for this territory unless agriculture participates therein.

The ills of agriculture have attracted wide attention among students of economy. Both the diagnosis and the prognosis have varied somewhat, but the
remedy prescribed generally has related rather closely to the merger rule laid down for commercial lines. Usually it has contemplated some form of cooperative control of supply, at least in so far as public markets are concerned. Such plans, in some form, have the endorsement of Agricultural Departments, both national and state, of the American Bankers Association, of several state bankers associations and of numerous other organizations of importance.

Two factors differentiate agricultural production from production in other lines. The manufacturer can calculate with mathematical exactness the number of units he can produce from a given amount of raw material. He can determine with reasonable certainty the amount and character of machinery necessary for his use and can forecast the number of laborers and the time that will be required to turn his raw material into finished products. Under ordinary conditions he can anticipate both the amount of his production and its cost per unit. The farmer, on the other hand, is tremendously dependent on the bounty of nature. The same quantity and quality of seed sown on the same number of acres of land of the same degree of fertility and tended with the same degree of care, will produce twice or three times as much in one season as in another. Not infrequently it happens that more labor and more machinery are required to produce a poor crop than a good one. Again, the number of units of production engaged in any other line appears almost insignificant by comparison with our some six million individual farms.

Be the attending circumstances what they may, however, it is quite generally agreed that in so far as the prices of farm products are unsatisfactory and below the general commodity level, they occupy that position because market supplies exceed market demands.

Assuming this conclusion accurately reflects the facts, why should any of those agencies which profess to be in sympathy with the farm situation and disposed to conform to its belief—the federal government, for instance—foster plans calculated further to aggravate the present situation?

Any plan which looks, directly or indirectly, to the reclamation of arid lands constitutes a threat further to depreciate the value of agricultural production. The day will come when our rapidly increasing population will create a demand for farm products in excess of our present production thereof. But until that day begin to dawn, we will do well to protect the industry rather than to demoralize it through anticipation of the possible needs of future generations.

Deposit Box Attraction.

"If I were a banker," remarked a merchant the other day, "I'd play up my safety deposit boxes. I am not sure but I would give to every customer a box and invite him to use it free. It would be the best clamp I could put on his patronage for all the years to come. The family that has a deposit box is tied to the bank. The very fact that its papers are there means an unconscious urge to do business there and the bank that can secure the largest number of box renters has the strongest hold on the community. If every customer were a boxholder, it seems to me it would be about the best attachment that could be made to keep a clientele forever. Anyhow it is one thing that I would push and try to make it the most popular factor in the institution."

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America and the Allied Debts

Business Integrity Quite as Important in International Affairs as in Transactions Between Individuals

By DAVID R. FORGAN, Vice-Chairman Nat’l Bank of the Republic, Chicago

This is a most important subject. It seems to me that the question of the allied debts lies just under the surface ready to boil up at any moment in our international relations. There has been nothing like it in history. It is a situation that we have no precedent to go by, and several things are patent. Lately you noticed our agent in Germany kicking on some of the expenditures of the German government. There was a furor.

Within the year Mr. Mellon, our distinguished Secretary of the Treasury, wrote a letter to some college professors who were in favor of cancellation of these debts, and Winston Churchill tried to make an international incident out of it. He got the worst of it, deservedly so, in crossing swords with our Secretary, but I think these things show that this question which has been settled temporarily, lies right underneath the surface and is one all financial men should know something about and give some consideration to.

It might be asked in the first place how these debts were made, and, answering that I must call attention to the difference between money and credit. Unfortunately, all credit transactions are performed in terms of money, so we come not to see the surface and is one all financial men should know something about and give some consideration to.

Gold is no longer the foundation of modern business. It is credit that starts enterprises, turns wheels, wages wars, makes civilization.

Now, let me illustrate: suppose a needy acquaintance of mine comes to me with a hard-luck story, and after listening to him I so far forget my early training in old Scotland as to be willing to loan him the $50 which he wants. What do I do? I put my hand in my pocket, take out $50, kiss it goodbye, and give it to my needy acquaintance.

But if Mr. Morris is a customer of mine and he comes into my bank and wants to borrow not $50, but $50,000, and, after some words about it, I agree to let Mr. Morris have the $50,000, then what do I do? Do I call a policeman and a couple of porters and go into the vault and lug out $50,000 in cash and say, “There you are, Mr. Morris, I hope you have a taxi outside we keep our reserves in the Federal Reserve Bank.

That would be a loan of money, but that is not what I do. I pick up a note-form and fill up the blanks, “Three months after date I promise to pay to the National Bank of the Republic $50,000.” I say, “Sign that,” and he signs it, and I hand it to my discount-clerk and say, “Put that to Mr. Morris’ credit.”

Before Mr. Morris leaves my office my loans have gone up $50,000 in the bank and my deposits have increased $50,000, and there is not a cent more money in the bank or a dollar less money in the bank than when Mr. Morris came in. That is an expansion of credit pure and simple.

Now, before the week is out my bank might be a little short in its balance in the Federal Reserve Bank, and so I take Mr. Morris’ note and send it over to them with our endorsement, and say, “Discount that note and put it to our credit.” Whereupon the Federal Reserve Bank does exactly what my clerk did, they put it to the credit of my bank. Now, then, Mr. Morris and I with a scrap of paper and a few figures on ledgers in my bank and in the Federal Reserve Bank have expanded credit $100,000. There is not a dollar of money used yet.

A little later I perhaps want some money for my bank and I tell the Federal Reserve Bank to take Mr. Morris’ note, put it aside with not less than forty per cent, that is $20,000, of gold in the hands of the government and issue $50,000 of Federal Reserve notes, which is the chief currency we now use, credit in another form, but we call it cash. Now, you see by a few more figures on a ledger we have extended the currency of the country $50,000, Mr. Morris and I, and the only money used is the $20,000 in gold coin, and that is locked away in the dark vaults of the Federal Reserve Bank never to be touched except when the Federal Reserve notes come in for redemption, so you see, there is a vast difference between credit and money.

If I tell you, for example, that we have over two thousand millions of bank deposits in Chicago, you say “that is a lot of money.” Not at all. Bank deposits are not money. The cash in the bank is probably not over three per cent of the deposits these other form, but we call it cash. Now, you see by a few more figures on a ledger we have extended the currency of the country $50,000, Mr. Morris and I, and the only money used is the $20,000 in gold coin, and that is locked away in the dark vaults of the Federal Reserve Bank never to be touched except when the Federal Reserve notes come in for redemption, so you see, there is a vast difference between credit and money.

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We don’t know whether any of the countries will be able to continue to pay what they have undertaken to pay. We hope they will. All we can say is that so far the Dawes plan is working very well, and we can express the hope that it will go on, the terms being kept as they have been kept so far.

Some economists raise a question even about the difficulty of our receiving the payment. Possibly some readers will remember the war of 1870 between France and Germany. France went to the bottom of her teapot and old stockings and dug up the gold, paid it to Germany, and Germany had a boom. Prices went soaring, everything was prosperous for a while, and then the inflation came down like a busted balloon and they had hard times in Germany, so much so that Bismarck, the chancellor, marked that the next time he licked France he would insist on paying them a indemnity instead of collecting one.

Mr. McKenna, ex-chancellor British exchequer said, “We are insisting on Germany turning over coal to France. Every time Germany turns over a ton of coal to France an English miner stands idle for a day, and I would rather see the English miner at work and Germany keep her coal.”

You can’t transfer anything but gold from one country to another that counts. Currency will not do. Now,
of course, these countries cannot pay in gold. They haven't got it. We have it in the Federal Reserve System. These countries need all the gold they can get and more to stabilize their currency.

How else could they pay it? They could pay it by creating credits in this country from the sale of goods in this country. We say, "No, we don't want your goods."

Now, then, what other way can these countries pay? Only by our loaning them the money to pay with. We have, through circumstances, become the great creditor nation of the world. We are in the position England occupied for generations.

I am not to be held as approving all the foreign loans offered to the public. Some I would not touch with a forty-foot pole, but others are very good, and the only way that these countries can possibly pay, to my mind, is the gradual change from the debt of a nation to this nation to debts of municipalities, states and corporations held by the investors in America.

I do not believe in cancellation of debt, public or private. I think that modern civilization rests very largely on the sacredness of contract, particularly the sacredness of contract for the payment of money. In the second place I would like to remark that these debts cannot be cancelled in the sense of simply being wiped out and forgotten. These debts to us now are in the form of part of our liberty loans. We had to borrow from our own people to take care of these credits, and the question is, who is going to pay them. If the foreign country who owe us the money do not pay, then you and I and the other taxpayers of this country will pay, for we will pay off these government bonds.

I want to remark in the third place that it would not be good for the countries that owe us if we cancel the debt. Cancellation is far too close to repudiation.

Now, England, I think, has the greatest bankers in the world, in London. Before she had collected a debt, she had over to America and they said practically, "England pays her debts. What are your terms?" We gave her the terms, fairly liberal in the matter of interest. She signed her note to pay, and I don't know whether any of you noticed it or not, but about a year ago some people in England commenced to advocate cancellation again in the papers and elsewhere, and the government of England put out a manifesto which practically said to her own people, "England pays her debts. She has entered into an agreement to pay America. She will keep her promises. You cannot repudiate.

That is what England said—the greatest and most magnificent example of business integrity in all history, and I don't think it was recognized in this country the way it should have been. But England is wise. England knew that that was the best thing for England. You remember what happened? The pound sterling, which was way down in the markets of the world, after England agreed to pay her debt, by some wonderful process I cannot understand, although I am a banker, gradually rose to par in the markets of the world while the mark and the franc, sunk in the same markets.

Today France, after a long delay—and mind you, I love France but I think she is making a great mistake financially, after a long delay France sent over her men to get American terms. She got them over a year ago but she has not yet confirmed them.

Now, God forbid that France and England should ever get into a war, but if they did tomorrow, England could borrow pretty nearly all we have, and France could borrow very little. England knows the value of credit. France, so far, seems to need to learn it.

Now, in this matter we have extremists on both sides. We have on the one side the sentimentalists led by Mr. Peabody, who says we should cancel the debt because the enforcement of payment is making us unpopular all over the world. I have no sympathy with that point of view. Debts are business matters; they cannot be settled sentimentally any more than your note to me can be settled by your coming in and telling me I am a very nice fellow. That doesn't go. It doesn't go in business and it doesn't go in the modern system of things upon which the whole world rests, the keeping of contracts.

Now, we have the extremists, as I call them, on the other side, who figure up say that the British settlement at five per cent or four and a quarter or whatever rates they chose, compound interest, and then they figure back to what they call the present value, and tell you England is only paying eighty cents on a dollar, etc. I don't believe in it. All we can say about England is that we let her off fairly easy in the matter of interest, as certainly we ought to do.

England was our best customer and our ally and if we had been ugly about the interest we would deserve the name of Uncle Shylock which we got from some countries.

We did more for Italy and some other countries not as able to pay as England, made the rate of interest almost nothing. But never forget that Italy even has undertaken to pay her full principal and a small amount of interest. So I say that the way of wisdom lies between the extremes, as it always does. That is the line which Uncle Sam has, in my opinion taken, and the proper line.

In conclusion I just want to say one word: the payment of these debts, to my mind, rests more upon one thing than upon all other things combined, and that is the preservation of permanent peace between the great nations of the world. I feel very strongly that really the only people who have a vision of permanent peace are the English-speaking peoples of the world, and I believe in a close, sympathetic association of all the English-speaking peoples of the world including Canada, and Australia and England and South Africa and ourselves for the purpose of preserving the peace of the world.

It is only we who really have the vision of the time of which poets have sung and prophets have told, when the ideals of the Kaisers and the Napoleons will be relegated to the past and the principles of Christianity shall be adopted and applied to the government of the people and to the relations of one nation to another.

Employees Profit.

Late in January the General Motors Corporation distributed to 9,432 of its employees cash and stock amounting to $5,066,299. These employees represent the Savings and Investment Fund Class of 1922.

Employees who have been with the corporation three months or more have an opportunity to invest 20 per cent of their wages, up to $300.00 per year, in a fund to which the corporation adds fifty cents for each dollar invested by an employee. This fund is invested in General Motors Common Stock, the corporation guaranteeing the employee his principal plus 6 per cent interest. The employee who in 1922 paid $300.00 into the fund now receives cash and stock of the market value of $1,241.00.

Eighty-five per cent of the corporation's employees—more than 125,000—are participating in this plan.
The Agricultural Situation

“There Won’t Be Any More” Corn Land—A Fact for the Farmer to Keep in Mind

By CLAUDE F. ANDERSON, Ass’t to the President, The State Bank of Omaha

February, 1928

It is always a great privilege and pleasure to honor a man or a group of men who have dignified their business or their profession by giving to it every ounce of industry, energy and talent which they possess and, by so doing, have become an outstanding success in their line.

The measure of a man’s success is not merely what he has accomplished, but rather what he has accomplished in proportion to what he might have accomplished in his particular line of endeavor.

No doubt many farmers have failed to succeed because of short crops and adverse conditions over which they had no control, and no doubt many have failed because of the lack of either industry or efficiency of management. The same can be said of bankers.

The financial and economic difficulties which we all have faced since the armistice was signed nine years ago, have been greater than during the four years of actual war. This is proven by the fact that the warring nations have increased their national debts and their currency circulation more since the armistice was signed than they did during the war itself. Having this in mind, the acid test which has been applied to industry and agriculture for the last eight years has been extremely severe.

According to figures by the National Industrial Conference Board under date of December 31, 1926, in farming today, sixty per cent of all the man engaged are employers, including tenants, and forty per cent are employees. In industry, not more than ten per cent are employers and ninety per cent employees. We must concede that it requires an abler and better equipped man to be an employer than an employee. Therefore, it seems to me that we must conclude that the average ability of a man to be successful in agriculture must be higher than the average of all men engaged in other pursuits.

The problem of helping the farmer seems to be the principal topic for discussion of the day. The consensus of opinion is that the farmer is not in such dire straits that he is in want for the ordinary necessities of life, but what he needs most is a market for his products that will bring him a profit over the cost of production.

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The farmer is now provided with an abundance of credit—too much, if anything—but the most vital thing lacking is perhaps a profitable market, and when this is solved the farmer will be in position to take care of himself without any coddling. The county agent and club leader movement to which bankers in most localities are giving their hearty support, is doing much towards teaching farmers the necessity of the use of certified seed and the breeding of high class stock.

The farmer’s problem is the nation’s problem at the present time and the amount of time and money spent on the solution of it indicates that the country is conscientiously trying to find its way out. Much stress is now being laid on cooperative marketing as a possible solution and many co-operative agencies are now springing up for this purpose, but this fact must not be lost sight of, and that is, no system can overcome the evils of over-production. Over-production is the cause of the farmer’s present plight. There is only one way to escape the evils of over-production, and that is to stop over-producing. A market can be stimulated just so far and no farther, and “all the King’s horses and all the King’s men” cannot change it.

The farmers of America cannot profitably produce good grains and meat animals in competition with other parts of the world unless they can produce at a level which will enable them to absorb rail costs to ocean ports; transportation to points of distribution, and on top of all this, overhead charges and profits for the many middlemen who must handle the products. Fundamentally, the world has been producing too much food commodities in comparison to the demand, and the extent to which any particular nation can overcome this handicap depends largely upon the degree of organization and cooperation of the agriculturists.

It seems to me that the best way to proceed in the matter is by the farmer applying better business methods in his operations. Diversifying his crops and endeavoring as much as possible to put his product into condensed form, thereby saving in freight and by completing the manufacturing of his products on his own farm, will place him in better position to meet seaboard competition and the competition of the world markets.

We must reconcile ourselves to the fact that the farmer who is heavily in debt and whose assets have been steadily decreasing during the past few years is in most cases hopeless and will have to take the bankruptcy route the same as mercantile and other lines of industry have had to do. Fortunately, the number in this class are in the minority. It is true, there are many farms in the Trans-Mississippi Valley in the hands of the banks and loan companies. These farms are now being operated by tenant farmers and will gradually work back into individual ownership.

My definite inquiries addressed to farmers concerning whether they are dissatisfied with the farming industry and present prices for farm products, were answered by statements that clearly indicate that where the farmer owns his farm free of heavy encumbrance, he is actually making and saving money. On the other hand, where he has a heavy mortgage on his farm and is compelled to place in “interest paid” account, his farm earnings, he is not getting along very well nor feeling so well satisfied with current conditions. My deductions, therefore, lead me to believe that the farmers are not leaving the farms, but rather are leaving the mortgages which were made at a time when the loans obtainable on farm
land were all out of line with its present earning value. Well improved farm land in the corn belt at the current prices at which much is now available, as the banks and loan companies are anxious to liquidate their land holdings, is a good bargain, and one which is being recognized by farmers all over the state. This is truly evidenced by the many farms which have been sold during the past year throughout Nebraska. The purchasing power of the American dollar is greater today when applied as payment on good farm land, than for any other investment or commodity to which it may be applied.

The brains and brawn of the American can invent and manufacture about anything conceivable under the sun except just one, and that is, "He cannot make any more good corn land." For the farmer, this is the time to buy land; there "Won't be any more," as Huckleberry Finn said.

In eastern Nebraska, I talked to a farmer the other day who, nine years ago paid $235.00 for his land. He says he is getting along very well and saving money at current prices for his products. Across the road from this farm is another farm of about equal value now owned by a loan company, and which can be obtained for $125.00 per acre. This condition of affairs brings home two facts, viz: That so long as good farms are available at these prices, farms in the same localities with heavy mortgages against them will continue to be abandoned by the farmers; and that at such time as farm mortgage concerns, banks and insurance companies liquidate their foreclosed farms the public is liable to hear much discussion concerning "relief" measures for the farmers of the Central West.

I believe, however, that here in Nebraska the period of new foreclosures and the taking over of lands is about over and that from now on we will see a steady improvement.

The foreclosures here mentioned are not the result of loans on present values but are the echoes of loans made at the crest of inflation when peace time earning values were forgotten and when the farmers were being encouraged by some banks and loan companies to incur debt. When farmers depart from sound business principles in the extension of credit or incurring debt, trouble and loss to all parties concerned are the result. Is the much discussed McNary-Haugen bill and similar measures going to help very much the man who wants to run about in his car while his neighbor is putting in his best licks? It is going to help the man who feeds scrubs instead of high grades of pure stock? Is it going to help the man who thinks that the county agent is a waste of money and refuses to keep in touch with the latest agriculture? Will it bring relief to the man who mines his land year in and year out? Will it help the man who has paid good money short cuts to success which involve the millennium for the man who grows about his lot and thinks that his neighbor is just playing in luck.

Now, just a word about general conditions:

There is an old saying that an optimist is one who can see a light where there isn't any, and a pessimist is the fellow who comes along and blows it out. I hope I am an optimist. I would rather be an optimist and be wrong than a pessimist and be right.

But I believe this is a time when we should take advantage of the situation and lay up close to our note pouch. Collect our paper where possible, obtain additional security, exercise caution, go carefully and advise closely with our customers that they likewise may get their affairs in good liquid shape. Help them get out of debt. Avoid so-called capital loans; take plenty of security and keep your note pouch liquid. If you have not already done so, buy some good bonds and start a secondary reserve. As George Washington told his soldiers on the Potomac, "Keep your powder dry." Keep our banks in such condition that we can meet any emergency that may arise. No bank with a liquid note pouch ever went broke. As I said before, conditions in Nebraska are very encouraging and prospect for next year's crops are good; I believe the farmer and livestock man are due for their inning. However, in the cities, business does not seem to be just right. There seems to be some hesitancy. Overhead is the big obstacle to overcoming. For the past six years the country has experienced the biggest and longest bull stock market in our history. Stocks have gone sky high and many of them away beyond what they are worth book value or what they should be worth in proportion to their income.

Two very significant trends may be observed in the resume of business conditions during the late summer months. The first is the difficulty of the manufacturer or merchant to maintain his business with profit as business declines under the urge of domestic competition for such business as is afloat, while wages are maintained at the same level as when volume was high and there was no occasion for price cutting in order to stimulate it.

The second and increasingly important factor is one to which the president of the Bethlehem Steel Corporation referred recently in explaining the quarterly figures of his company.
Hogs and the Market for Them
A Rapidly Developing Condition the Banker May
Well Emphasize to His "Direct Shipping" Customer

Central Western bankers generally perhaps are not directly interested in the production of hogs. Central Western bankers generally are interested in the proceeds of hog production. Hogs pay debts, increase deposits, promote business. Moreover, a high proportion of Central Western bankers at some time in their lives have lived on farms and almost all of them have had sufficient personal experience to know very definitely some of the outstanding characteristics of the "porker.

Most bankers have seen enough of the barnyard to know that the hungrier the hog, the harder he competes with his fellows for such food as is in sight. In this respect he quite perfectly typifies humanity, including that portion of humanity that is to compete for his purchase.

The packing institution that has no independent source of supply goes into the open markets of the country and there procures its hogs under such competitive conditions as may be found to exist on those markets. The packing institution that is able to create an outside source of supply very naturally is less "hungry" than it otherwise would be and this lack of "appetite" cannot fail to be reflected in its attitude as it approaches the competitive markets. The effect of this situation is clearly revealed in market prices—and market prices dominate the price of all hogs, whether sold on the open, competitive market or otherwise.

The following editorials taken from papers dedicated to the interests of the livestock business in this territory are interesting, instructive and self-explanatory:

Growth of Direct Buying.
Editorial taken from the Omaha Daily Journal-Stockman of Saturday, February 4, 1928

It is only something like two and a half years since the first shipment of hogs bought direct in the country by packers was received on the Denver market, but at the present time between 25 and 50 per cent of the daily receipts at that point are billed direct to packers, according to figures given by the Denver Record Stockman. In other words, there are many days when the Denver packers have half of their day's buy "on the tab" before they ever make a bid on the hogs offered for sale, and it is only logical to expect that this same condition will eventually prevail at all markets if the packers are able to follow out their country buying plans unchecked. Very little imagination is required to see that if such a situation is ever allowed to develop, there isn't going to be a great deal of competition for hogs, either in the country or on what is left of the open market.

It Is Not Speculation; It's a Cinch.
Editorial taken from the Sioux City Live Stock Record of Wednesday, February 1, 1928

Having been summoned, a few days ago, to amble forth and discourse upon the subject of buying of live stock, we collected a few thoughts and put them into speech form. From these there have been culled a few lines and paragraphs as follows, and bearing upon the direct buying of hogs:

Lest there might be some misunderstanding as to my position in the live stock market world, I want to state that I am a live stock market paper man. I am not interested in any commission house; I do not belong to any live stock exchange, nor a stock yards corporation, neither do I own any stock in any of these. I represent the live stock market in the capacity of a market writer and as

(Continued on page 33)

MIDLAND BANK
LIMITED
Chairman:
THE RIGHT HON R McKENNA
Joint Managing Directors:
FREDERICK HYDE EDGAR W. WOOLLIE

Statement of Condition
December 31st, 1927

RESOURCES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in hand and Due from Banks</td>
<td>$342,025,233.56</td>
</tr>
<tr>
<td>Money at Call and Short Notice</td>
<td>130,545,385.25</td>
</tr>
<tr>
<td>Investments</td>
<td>177,177,650.44</td>
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<tr>
<td>Bills Discounted</td>
<td>246,573,891.31</td>
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<tr>
<td>Advances</td>
<td>1,032,439,551.29</td>
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<tr>
<td>Liabilities of Customers for Acceptances, Confirmed Credits and Engagements</td>
<td>184,987,972.37</td>
</tr>
<tr>
<td>Bank Premises</td>
<td>38,178,229.98</td>
</tr>
<tr>
<td>Investments in Affiliations</td>
<td>33,324,444.73</td>
</tr>
<tr>
<td></td>
<td>2,192,260,358.93</td>
</tr>
</tbody>
</table>

LIABILITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Paid up</td>
<td>63,328,990.00</td>
</tr>
<tr>
<td>Surplus</td>
<td>63,328,990.00</td>
</tr>
<tr>
<td>Deposits</td>
<td>1,880,614,406.56</td>
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<tr>
<td>Acceptances and Confirmed Credits</td>
<td>100,802,473.52</td>
</tr>
<tr>
<td>Engagements</td>
<td>84,185,498.85</td>
</tr>
<tr>
<td></td>
<td>2,192,260,358.93</td>
</tr>
</tbody>
</table>

Together with its affiliations the Midland Bank operates 2410 branches in Great Britain and Northern Ireland, and has offices in the Atlantic Liners Aquitania, Bencrur and Mauretanis. The Foreign Branch Office at 196 Piccadilly, London, is specially equipped for the use and convenience of American visitors in London.

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

HEAD OFFICE: 5 THREADNEEDLE ST., LONDON, E.C.2
The Midland Bank Limited

The audited Balance Sheet of the Midland Bank Limited, made up on December 31, 1927, compares as follows with the position shown by the Bank on December 31, 1925 and 1926:

| LIABILITIES                     | Dec 31, | Dec 31, | Dec 31, |
|---------------------------------| 1925    | 1926    | 1927    |
| Capital Paid up                 | £12,665,384 | £12,665,798 | £12,665,798 |
| Reserve Fund                    | £12,665,384 | £12,665,798 | £12,665,798 |
| Current, Deposit and other Accounts | £348,682,135 | £366,423,103 | £374,375,146 |
| Profit, Balance, etc., and Dividend payable | £1,725,074 | £1,736,939 | £1,747,735 |
| Acceptances and Confirmed Credits on account of Customers | £35,747,790 | £37,065,445 | £20,160,494 |

Total Liabilities: £411,485,767

The following statement, supplementing the above figures, shows the proportion of the principal assets to Current, Deposit and other Accounts:

| ASSETS                      | Dec 31, | Dec 31, | Dec 31, |
|-----------------------------| 1925    | 1926    | 1927    |
| Coin, Gold Bullion, and Currency Notes | %15.4    | %14.8    | %13.3    |
| and Balances with the Bank of England | 1,736,959 | 1,736,692 | 1,734,657 |
| Balances with, and Cheques in course of Collection on other Banks in Great Britain and Ireland | %4.9    | %5.0    | %5.0    |
| Money at Call and Short Notice | %5.3    | %6.2    | %7.3    |
| Investments | %10.0 | %10.6 | %9.5 |
| Bills Discounted | %12.0 | %12.7 | %13.2 |
| Advances to Customers and other Accounts | %56.4 | %54.7 | %55.1 |

Total Assets: £374,375,146

The Chase National Promotes

The annual election brought promotions to a number of officers of the Chase National Bank of New York City. Outstanding among these was the selection of Robert L. Clarkson as president of the institution.

Mr. Clarkson succeeds John McHugh, who became chairman of the executive committee, a position formerly held by Gates W. McGarrah, who resigned to become chairman of the board of the Federal Reserve Bank of New York.

Other promotions include the advancing to vice presidents of James H. Gannon, London representative, and of the following former second vice presidents: William H. Purdy, George H. Saylor, M. Hadden Howell and Joseph C. Rovensky. John C. Anderson and Charles F. Batchelder, formerly assistant vice presidents, were also promoted to vice presidents.

The following assistant cashiers became second vice presidents: S. Frederick Toleen, Otis Everett, William H. Moorhead, Harold H. Van Kleck, T. Arthur Pyterman, Ambrose F. Impy and Robert J. Kiesling. Other second vice presidents appointed were: Lynde Selfen, Thomas B. Nichols and George S. Schaeffer. Leslie W. Snow, formerly assistant secretary of the Chase Securities Corporation, was promoted to assistant vice president.

Mr. Clarkson, the bank's new president, who is but thirty-six years of age, began his business career as a runner for a local brokerage house at a salary of four dollars per week. Advancement came rapidly. He was promoted to bookkeeper, then he became a member of the bond department. Thereafter he joined another brokerage firm in which he soon was admitted to partnership.

With the outbreak of the War he enlisted in the navy and received an ensign's commission from Annapolis.

Following the War he entered the employ of the Chase Securities Corporation. Beginning in 1919 he spent a year in the credit department of the bank. Thereafter he was returned to the Chase Securities Corporation, of which, in 1925, he became a director and vice chairman of the executive committee. At the same time he was appointed a director and assistant to the president of the bank. In 1926 when the Chase National absorbed the Mechanics and Metals Mr. Clarkson was made vice chairman of the consolidated institution, of which he now becomes president.

The National Park Elects

The National Park Bank announces the election of Thomas L. Parkinson and H. C. Couch as additional members of its board of directors.

Mr. Parkinson is president of the Equitable Life Assurance Society of the United States; and Mr. Couch is president of the Southern Power & Light Company, Louisiana Power & Light Company, Mississippi Power & Light Company, Arkansas Power & Light Company, and a director of the Electric Power & Light Corporation.

All other directors were re-elected.

The bank also announces the election of Walter S. Jelliffe as vice president, he formerly having been assistant vice president.

Mr. Jelliffe was born in Mansfield, Ohio, June 18, 1886, attended public schools there and graduated from Oberlin College in 1908. That year engaged in the lumber business on the Pacific Coast with headquarters in Portland, Oregon. He came to the National Park Bank in June, 1918; elected assistant cashier in 1920, assistant vice president, 1924. Married Jean Brownlie of Portland, Oregon, and has three children.
Almost inevitably a bank becomes tangled up to some extent with real estate. This is, of course, only a minor matter with nationals but the great number of state banks making farm loans brings to their books many accounts that have considerable anxiety in these times over defaulted interest. Originally the bank believed, and rightly too, that real estate is the soundest of all security. A fertile farm well tilled is about as stable a security as anyone can ask. But the course of real estate values in the past seven years has been most erratic. The land situation is a very real condition in the crop-failure portions and nothing can be done about it but wait on events.

Very Monotonous.

"These hold-ups are becoming very monotonous," was the comment of a detective as he held a post mortem on a case where a bank had been robbed at the noon hour. The speaker, a detective, the bank, and the bandits enter, masked or unmasked, make everybody lie on the floor, gather the cash, herd the victims in the vault and ride away. The proceeding is so monotonous that there ought to be some way to meet it on the side of the bank. Vigilantes are handicapped by lack of a state system whereby roads can be blocked for 100 miles around; alarm systems seem seldom to be feasible, though ingenuity might help this; quick disguises and fast cars get the bandits far away in a brief time. Closing at noon has been adopted by some towns but there does not seem to be any way to avoid opening in the morning—though hold-ups occur at most any time "when the signs are right." Someone could make a fortune evolving a bandit alarm that could be worked without the worker being shot. In the meanwhile it is certainly "monotonous."

Checking the Bad Checks.

We were told the other day of a Kansas bank that having become weary of the bad check nuisance has advised its customers to prosecute in earnest and insisted that a jail sentence be imposed on those guilty of imposing on merchants. The usual proceeding of having the check drawner settle the case by paying costs, this being a form of making the state act as a collection agency, does not help much. The manager of a rural telephone company for twenty years remarked the other day: "Until before the war I never had a bad check. The farmers looked upon such a thing as a disgrace. Now I get them almost every collection day—what is the matter with folks? Seems as though they had no respect for their credit at all." Perhaps one cause of the bad checks is that the banks are more careful about overdrafts and do not grant them unless they are sure of the customer. At any event it is a most pestiferous evil.

That Old Adage.

Every westerner knows the old adage, "Times will be better in the spring." It is based not only on the eternal hope that lies in the human breast but in the consciousness that with winter past much of the tendency to brood on troubles will vanish. It will be so next spring. There is a tendency just now—perhaps because it is fed by pessimistic orations from Washington that are the result of political bickering—to look through a glass darkly. The whole Central West is pictured by the congressmen and other publicists as in the slough of despond and there is much discussion of "farm relief" as the very basis of any sort of prosperity, and the western readers of the material sent out are apt to pity themselves and think that perhaps things are very bad. As a matter of fact the Central West is in good hope and good spirits. It has its bad spots and it has some things that need repairing—and are being repaired. During the winter we have plenty of time to talk about them and they grow with the conversation. But soon the grass will be green, the trees in leaf, the fertile farms calling for laborers, cheerfulness will reign and, as is always the case, times will be better in the spring not merely in our mental conception of them but in actuality.

The banker will have plenty of chances to take a part in politics during the next few months. He should take the same interest in government that he does in business—for if we do not have good government we shall not have good business.
Arthur W. McCain has been elected a vice president of the National Park Bank of New York City. He will have charge of the bank’s foreign department and will assume his new duties on July 1st. Mr. McCain is now identified with the Buenos Aires branch of the First National Bank of Boston.

Schuyler B. Terry has been elected a vice president of the Chase Securities Corporation of New York and it is understood he will be placed in charge of an office to be opened in Chicago. Walter P. Chrysler and Charles A. Stone were recently added to the board of directors of the corporation.

At a recent meeting of the executive committee of the National City Bank of New York, Charles V. Sheehan and Henry A. Koelsch, Jr., were appointed assistant vice presidents, and Walter J. Hoffman was made an assistant cashier.

The name of William Crawford Ah Sheehan and Henry A. Koelsch, was made an assistant cashier.

One of the propositions submitted to the stockholders of the two largest banks of the country—the National City Bank and the Chase National Bank, both of New York City—was that of removing the shares of stock of these two great institutions from the New York Stock Exchange. The proposition carried in both instances. These stocks have been listed on the New York Stock Exchange for many years. The discussion which has now terminated in their removal has resulted from the belief that listing tended to invite speculative trading, which, under certain conditions, might prove detrimental not only to the banks immediately concerned, but to our banking structure as a whole.

Burnett Walker and Harold F. Green, vice presidents of the Guaranty Company, were recently appointed vice presidents of the Guaranty Trust Company of New York.

Further appointments recently announced by the Guaranty Trust Company included those of Herbert W. Bell, Edgar Lockwood and John K. Olyphant, Jr., as assistant vice presidents, and of Laurence E. Dalton as an assistant treasurer, all of the company’s Fifth Avenue office.

Announcement has also been made of the appointment of Robert B. Menapace as manager of the Foreign Division and of James H.ickersham as assistant manager of the Buying Department.

Sales by dealers to users of cars produced by the General Motors Corporation during 1927 aggregated 1,554,577. This total compares with 1,215,826 for the year 1926 and with 827,056 for 1925.
Elected Vice President.
Raymond A. Baur, for the past five years a representative of the Sinclair Oil Company in France, was last month elected a vice president of the Omaha National Bank and the Omaha Trust Company, and will assume his duties May 1. Mr. Baur is a son-in-law of Walter W. Head, president of the Omaha National Bank. He was born in California and lived in New York during his boyhood. He is a graduate of the University of Lausanne, Switzerland, and enlisted in the French ambulance service at the time of the war but with the entry of the United States into the war he enlisted in the American navy where he served two and a half years. He closed his service as a petty officer on the George Washington on its two round trips to Europe with President Wilson. Before going to Europe Mr. Baur was connected with the Sinclair corporation for several years in this country, first at Coffeyville, Kansas, and later at Chicago and Philadelphia.

First National Election.
At the annual meeting of the First National Bank last month, Denman Kountze, who has been assistant cashier, was made vice president. He is a son of Charles T. Kountze, former president and now chairman of the board. J. T. Stewart, 3rd, who was elected a director to succeed the late David Cole, was made an assistant cashier. All other officers and directors were reelected.

First Trust Company Election.
George H. Thummel, formerly vice-president and trust officer, was elected chairman of the board of directors of the First Trust Company at their annual meeting. F. H. Davis was named president; Will T. Graham, first vice president and trust officer; Charles T. Kountze, vice president; Lawrence Brinker, vice president; Robert W. York, secretary-treasurer; Frank S. Selby, manager mortgage department.

Promotions at United States National.
R. R. Rainey, who has been with the United States National Bank since 1905, was elected cashier at the annual meeting last month, and Gwyer Yates, who has served as both cashier and vice president for the past three years, was reelected vice president and named a director of the bank. Perry B. Hendricks, who has been with the bank for a number of years, handling its country correspondent business, was elected assistant vice president. H. M. Bushnell, vice president of the United States Trust Company, was elected to the board of directors of the bank.

Smith Promoted.
Victor B. Smith, formerly assistant to the president of the Omaha National Bank, was made a vice president at the annual meeting last month. Mr. Smith has been connected with the Omaha National staff for the past five years, previous to that time having been managing editor of the Omaha Bee. At a meeting of the Omaha Trust Company directors Daniel J. Monen, formerly assistant trust officer, was made assistant secretary and trust officer.

Observes Birthday.
Milton T. Barlow, chairman of the board of the United States National Bank, observed his eighty-fourth birthday January 31st in California, where he and Mrs. Barlow are making a six weeks' stay.

Joins Livestock National Staff.
Amos Gates, for twenty-one years connected with the Packers National Bank, the last ten being assistant cashier, last month joined the staff of the Livestock National Bank as manager of the department of new business.

New Treasurer Occidental.
John D. Brownlee was elected treasurer of the Occidental Building

OMAHA

"AN UNBROKEN RECORD OF SEVENTY YEARS
IS A GUARANTEE OF SAFE AND SATISFACTORY SERVICE"

OFFICERS:
M. T. BARLOW, CHAIRMAN OF THE BOARD
R. P. MORSMAN, PRESIDENT
G. H. YATES, V. PRES. AND CASHIER
J. C. McCOLLURE, VICE PRESIDENT
T. F. MURPHY, VICE PRESIDENT
C. F. BRINKMAN, ASST VICE PRESIDENT
R. R. RAINNEY, ASSISTANT CASHIER
P. B. HENDRICKS, ASSISTANT CASHIER
H. E. ROGERS, ASSISTANT CASHIER
E. E. LANDSTROM, ASSISTANT CASHIER
A. L. VICKERY, ASSISTANT CASHIER
V. B. CALDWELL, ASSISTANT CASHIER
and Loan Association last month to fill a vacancy which had existed for over a year. Other officers re-elected were Kirk Griggs, president; J. E. Davidson, W. R. McFarland and George T. Morton, vice-presidents; E. N. Bovell, secretary and H. O. Miller, assistant secretary. I. W. Carpenter was elected a director for four years.

Made Director.

Mrs. T. E. Nelson, secretary-treasurer of the Provident Loan Society of Omaha, has been elected a director to fill the unexpired term of the late Paul A. Kuhns. Mrs. Nelson has been with the society since its organization in 1916.

Guest from Indianapolis

Evans Woollen, Indianapolis banker and attorney, was the guest of Walter Head of the Omaha National Bank one day last month and in his honor Mr. Head gave an informal dinner for seventy-five bankers and other friends. Mr. Woollen spoke briefly advocating the advantage of a more liberal education of young men of today rather than that which prepares them solely for the business of money-making.

First National to Handle School Savings

A controversy in local banking and school circles as to the continuance of the school bank system was brought to an end by the First National Bank which announced that it would solicit and continue to pay interest at the rate of 3 per cent on school savings. Teachers and school authorities are particularly anxious to continue the school banks and it is understood that wherever the child has $50 or more on deposit an effort will be made to influence the child and its parents to invest the amount in sound securities bearing a higher rate of interest.

Death of Omaha Banker.

The death of Charles W. Hamilton, Sr., occurred last month at the age of sixty-eight. Mr. Hamilton was one of the oldest residents of the city and had been actively identified with the city's financial life for many years, his father, the late Charles W. Hamilton, having been one of the organizers of the United States National Bank. From 1887 to 1903 Mr. Hamilton was connected with this bank as vice-president and since then he had not been actively identified with any corporation but was financially intereted in several. He was a director of the Merchants National Bank before its merger with the Omaha National Bank and was a director of the Omaha and Council Bluffs Street Railway Company.

Former Dunlap Banker Dies.

J. H. Patterson, for many years a banker at Dunlap, Iowa, died January 1 at the age of sixty-six years at his home here in the Potter apartments following a paralytic stroke. He had made his home in Omaha for the past five years.

Agricultural Condition Good.

E. F. Daugherty, general counsel of the Federal Land Bank declared at the institution's annual "radio convention" last month that agricultural conditions are better this year than they have been since 1919 and signs are favorable for continued improvement. Mr. Daugherty asserted that while business and industry have been able to readjust their activities more quickly than agriculture to meet new conditions following the post war deflation and depression the farmers improvement has been "certain."

Credit Bank Gains

The Federal Intermediate Credit Bank in the year 1927, handled 4,753 rediscounts, aggregating $13,660,259, a substantial gain over 1926, the best preceding year. Direct loans to co-operative marketing associations dealing in wool, wheat and alfalfa seed, totaled $951,574 in 1927. On December 1st the bank reduced its interest rate from 4 1/2 per cent to banks and corporations in this district, making the lowest interest rate ever charged by the bank. The year 1927 was pronounced by the officers the most successful since the bank was established.

Stockyards Elects.

Ford Hovey, president of the Stock Yards National Bank, for the fourth consecutive time has been elected president of the Union Stockyards Company at the annual meeting last month. W. H. Schellberg was re-elected vice-president and general manager and M. L. Shawcross, secretary and treasurer.

Has Biggest Year

The Federal Land Bank of Omaha, which is credited with being the largest institution of its kind in the country, made total loans during the year past to 3,059 farmers and ranchmen of this state, Iowa, South Dakota and Wyoming, for a total of 23 million dollars. According to Secretary Carmody of the bank 15 per cent of the loans closed in 1927 were made for farm improvements and purchase of live stock and 85 per cent was used to pay off five to ten-year farm loans. Mr. Carmody stated in a recent interview that the money derived from the 1927 crops is being used to pay off debts gradually and that there are fewer collection troubles and fewer foreclosures at this time than in any of the three years preceding. At the annual meeting of the bank held last month all the officers and directors were re-elected as follows: D. P. Hogan, president; A. Kopperud and T. C. Hornby, vice-presidents; E. N. Bovell, secretary and general manager and M. L. Shawcross, secretary and treasurer.

WHY PAY MORE?

For a 24 hour service than an 8 hour day one.

We are always at your call at every tick of your watch, be it day or night—and if under our SAFE OR VAULT MAINTENANCE CONTRACT—at no cost to you.

Save money on new and used safe and vault equipment.

Fire Proof or Burglar Proof Safes
Safe Deposit Boxes—
Night Depositories

F. E. Davenport & Company
Official Safe and Time Lock Experts for the
Nebraska and Iowa Bankers Associations

2061 Farnam Street, Omaha, Nebraska

Tel. Office—Ju. 1821
Res.—Ke. 6382
or Ke. 3123
vice-presidents; John Carmody, secretary, and E. D. Morcom, treasurer. E. A. Burnet, Lincoln, Neb., P. F. Luchsinger, Columbus, Neb., and J. C. Underwood, Underwood, Wyo., were also re-elected directors. These officers also serve as officers of the Federal Intermediate Credit Bank.

**Other Bank Changes.**

Among other changes in the personnel of local banks was the election of L. K. Moore, assistant to the president, as a director of the Stock Yards National Bank succeeding R. J. Dunham of Chicago.

Carl A. Swanson was named a director of the Live Stock National Bank. The South Omaha State Bank made no changes in officers but added $20,000 to the surplus according to information given out by the president, John S. McGurk.

E. L. Lindquest, cashier of the Peters National Bank since its organization in 1920, was elected to the board of directors.

Frank C. Horacek, Jr., formerly auditor, was elected assistant cashier of the Union State Bank.

**Davis Heads Clearing House.**

Fred H. Davis, president of the First National Bank, was elected president of the Omaha Clearing House at its annual meeting January 17th. Robert P. Morsman, president of the United States National Bank, was made vice-president, and William B. Hughes, secretary of the Nebraska Bankers Association, was re-elected secretary-treasurer, his twenty-seventh year in that office. Members of the Clearing House committee were elected as follows: T. L. Davis, Walter W. Head, Robert P. Morsman, J. B. Owen and H. C. Nicholson.

**SOUTH DAKOTA**

B. A. Bozell.

Elk Point.—B. A. Bozell, vice-president and director of the First National Bank of this city, recently died at the age of 65 years.

**Elect New Director.**

Hurley.—At a recent meeting of the stockholders of the Turner County Bank of this city, Arthur Nelson was elected to the board of directors, succeeding Leo Visser who has removed from this city. Officers of the institution are F. E. Jackson, president; W. H. Benson, vice president, and E. G. Breen, cashier.

**To Increase Surplus and Capital.**

Huron.—Chas. E. Barkl, president of the Farmers and Merchants Bank here recently announced that on May 1st the capital and surplus of the institution would be doubled. This will bring the surplus to $10,000 and the capital, $100,000.

**Adds to Board.**

Sioux Falls.—At the annual stockholders' meeting of the Citizens National Bank here, L. J. Boyce was added to the board of directors. W. E. Stevens was re-elected president.

**7 Per Cent Dividend.**

Springfield.—At the annual meeting of the stockholders of the Springfield State Bank, a dividend of 7 per cent was declared, and more than $3,000 was added to the surplus and undivided profit account.

Of course you will waste a lot of time making out income tax blanks as usual—why does not the government let the postmaster take over that job? He is not generally overworked.
Turner Succeeds Coffman.

Adams.—At the annual meeting of the stockholders of the First National Bank of this city held recently, Dr. J. W. Turner, was elected president of the institution to succeed J. B. Coffman. Other officers were reelected.

Cashier Resigns.

Ainsworth.—Announcement was made recently of the resignation of T. E. Ritter as cashier, and the election of C. T. Bowen to succeed him.

Nationalizes.

Arcadia.—Permission has been received by the officers of the Commercial State Bank of this city to nationalize and the First National Bank of Arcadia is the result. Officers remain the same as heretofore. They are: G. H. Kinsey, president; H. S. Kinsey, vice president, and A. E. Haywood, cashier.

Resources Increase.

Beatrice.—According to statements recently published, resources of all the national and state banks, with building and loan associates, in Gage County reached the total of $19,631,706.57. This compares with $18,586,018.96, at which the figures stood a year ago.

New Charter.

Bennington.—The charter for a new state bank at Bennington has been issued to take the place of the Mangold & Clardt Bank which has been in the hands of the guaranty fund commission for nearly three years. Charles F. Roe of Omaha is president of the new institution; T. E. Roe is vice president; H. E. Roe of Bennington is cashier, and Helen and J. Roe are stockholders. The capital stock is $25,000. A second bank, the Bennington State Bank, is still being operated by the state guaranty fund commission.

J. D. Wolf.

Clarkson.—John D. Wolf, president of the Farmers State Bank of Clarkson who died in 1905, was elected a vice president of the State National Bank here, C. B. Fricke being president of the new institution.

New Vice President.

Columbus.—At the annual meeting of the directors of the First National Bank here, C. B. Fricke was elected a vice president of the institution.

C. W. Weckback.

Crete.—Charles W. Weckback, president of the City National Bank of this city, recently resigned that position and was appointed postmaster at Clarkson, and 23 years ago he organized the Farmers State Bank and was its active president till his death. His funeral was one of the largest ever held in Clarkson.

Bancroft Resigns.

Curtis.—H. D. Bancroft, assistant cashier of the Curtis State Bank of this city, recently resigned that posi-

The First National Bank

OF LINCOLN, NEBRASKA

Established 1871

OFFICERS

S. H. BURNHAM, Ch. of Board.
H. S. FREEMAN, President.
P. B. EASTENDAY, Vice-President.
J. L. BURNHAM, Vice-Pres.
W. B. RYONS, Vice-President.
B. D. CAMPBELL, Jr., Vice-Pr...
sition and has accepted the cashier-

ship of the Venango State Bank at
Venango.

Charter Granted.

Dannebrog.—A charter was re-
cently granted for a new bank in
this city, to be called the State
Bank of Dannebrog. Definite plans
will be completed soon.

Purchases Stock.

Dodge.—John E. Sidney, who re-
cently purchased an interest in the
Dodge State Bank of this city,
have been made active vice presi-
dent of the institution.

Cashier Resigns.

Dunbar.—Earl Seyfer, cashier of
the Dunbar State Bank of this city,
recently resigned to accept a posi-
tion with the Farmers Bank of Ne-
braska City.

Election Held.

Falls City.—At a meeting of the
stockholders of the Falls City State
Bank of this city, the directors were
all reelected, who in turn held a
meeting which resulted in the fol-
lowing elections: L. P. Wirth,
president; K. R. Biles, vice presi-
dent, and C. W. Thornton, cashier.

Joins Bank.

Fordyce.—Miss Elizabeth Schooll,
of Wynot, has accepted the position
made vacant by the resignation of
Miss Hilda Lammers in the Fordyce
State Bank of this city.

Hee Resigns.

Grand Island.—Carl Hee, assist-
ant cashier of the Grand Island
National Bank, in which institution
he has been employed for the past
eight years, recently resigned. Mr.
Hee has accepted a position as
superintendent of agents with the
Standard Oil Company.

Newell Resigns.

Grand Island.—A. B. Newell, vice
president of the Grand Island Na-
tional Bank of this city, recently
announced his resignation from the
institution.

Changes Banks.

Greeley.—M. J. Harrahill, who
has been identified with the Gree-
ley State Bank of this city for some
time, was recently elected cashier
of the First National Bank here.
Mr. Harrahill succeeds J. F. Mc-
Dermott.

Directors Meet.

Humboldt.—At a recent meeting
of the directors of the Nebraska
State Bank held in the bank's
rooms, officers were elected as fol-
loows: R. W. Clark, president, to
succeed R. A. Clark, his uncle; H.
H. Avery, reelected vice president,
and R. V. Clark, cashier. Mr. R.
W. Clark was advanced to the presi-
dency of the bank from the cash-
iership. R. A. Clark recently dis-
posed of his interests in the bank
and desired to be released from ac-
tive duty.

Bank Organized.

Laurel.—The Security National
Bank has been organized here by
J. J. DeLay and others, and will do
business in the former Laurel Na-
tional Bank building.

Weil Addresses Club.

Lincoln.—M. Weil, president of
the National Bank of Commerce,
recently addressed the Knife and
Fork club at its regular meeting at
the Lincoln Hotel. His subject was
“The Financial Future of Ne-
braska.”

Report Out.

Lincoln.—Fourteen hundred cop-
ies of the 1927 annual report of the
state banking bureau, for the fiscal
year ending June 30, have been
printed and distributed to the state
banks of Nebraska.

Under the regular semi-annual
assessment on deposits of 727 state
banks, $128,642 was added to the
state guarantee fund January 10th,
the total now amounting to $263,902. The assessment was made at the rate of one-twentieth of one per cent on average deposits of $259,156,438.

Applications for refunds of intangible taxes were filed last month by two Lincoln banks, the Continental State bank, asking for $680 refund, and the Lincoln Trust Company, for $315.00. The refund demands are based on the claims by the banks that the state intangible tax law is unconstitutional.

**Taken by Guaranty Fund.**

**Lindsay.** — The Lindsay State Bank of this city was recently taken over by the state guaranty fund commission. The bank will continue its operations until such time as its affairs shall be liquidated.

**Changes Made.**

**Madrid.** — H. G. Ihbrig, who has been president of the Madrid Exchange Bank of this city for some time, recently disposed of his interests in that institution and resigned as president. Two new directors have been added to the board of the institution. They are G. B. Bullock and T. C. Kunkel. Miss Esther Brenneke, who has been assistant cashier, resigned that position to become identified with the First National Bank of Great Bend, Kansas.

**Disposes of Interest.**

**Milford.** — Elmer Yost, who has been cashier of the Nebraska State Bank of this city for some years past, recently disposed of his interest in the institution, and severed active relations with the institution. He remains on the board of directors.

**Fire Damages Home.**

**Norfolk.** — Fire recently damaged the building which houses the Durand Trust Company.

**Pilger.** — Lee Bare was added to the directorate of the Farmers State Bank of this city at the annual meeting of the stockholders. Officers reelected for the coming year are: Walter Chase, president; James Doty, vice president; Robert Larson, cashier, and Mr. Bare, assistant cashier.

**Transferred.**

**Plainview.** — Fred Messman, who has been working in the Security State Bank of this city since it was taken over by the State Banking Department last fall, was recently transferred to another bank in western Nebraska.

**Increase Surplus.**

**Plattsmouth.** — It was agreed at the annual meeting of the stockholders of the Plattsmouth State Bank to increase the surplus fund from $10,000 to $25,000. All officers and directors were reelected. Officers are: Henry A. Schneider, president; Henry Horn, vice president; Phil Thierolf, vice president, and F. A. Cloidt, cashier.

**Pays Dividend.**

**Scottsbluff.** — The American State Bank, which was taken over by the guaranty fund commission some months ago, recently paid a 20 per cent dividend to depositors.

**Taken by Guaranty Fund.**

**Scribner.** — The Scribner State Bank was taken over last month by the State Banking Commission which will operate it. The bank was established over thirty years ago, and about twenty years ago the interest of George C. Bowles was purchased by Fred Volpp, former state senator, who continued in charge until last summer, when he moved to California.
Declare Dividend.

Scribner.—At the annual stockholders' meeting of the Farmers State Bank of this city held recently, a dividend of 6 per cent was declared. The bank's undivided profit account was also increased to $16,000. A nice increase in business was reported by the cashier.

Heads Institution.

Seward.—At the annual meeting of the directors of the First National Bank of this city held recently, Lewis Berry was chosen president of the institution to succeed J. E. Swanson, resigned. William Vogt, vice president; J. L. Carter, cashier, and A. J. Trute, assistant cashier, were re-elected.

New Cashier Named.

Sidney.—At the annual meeting of the board of directors of the American Bank of this city, Russell Dedrick was elected cashier of the institution to succeed the late John L. McCarthy. Mr. Dedrick is a former resident of this city. Some years ago he became associated with the Farmers State Bank of Dalton, in which institution he remained for nearly ten years. Mr. Dedrick resigned his position with the Farmers State Bank last August to become manager of the Western Securities Company, which position he now resigns.

Wagner New Cashier.

Stella.—At the annual meeting of the directors of the State Bank of Stella held recently, Earl Wagner was elected cashier of the institution, succeeding to the vacancy left by the resignation of H. V. Davis. Other officers were re-elected as follows: R. A. Tynan, president, and J. F. Weddle, vice president.

Receive Dividend.

Summerfield.—Depositors of the defunct State Bank of Summerfield recently received a 30 per cent dividend. F. G. Bergen is in charge of the bank.

Celebrates Anniversary.

Superior.—The Citizens State Bank recently celebrated the fourteenth anniversary of its establishment, having been organized in 1914.

New Director Named.

Tekamah.—C. E. Grothe was elected to the board of directors of the Farmers State Bank to succeed H. C. Stork, who declined re-election.

Declares Dividend.

Wausa.—At a meeting of the stockholders of the Commercial State Bank of this city, a dividend of 3 per cent on the capital stock was declared. Besides the dividend paid, a sum of $2,500 was set aside as surplus.

Increases Surplus.

West Point.—The West Point National Bank recently increased its surplus from $80,000 to $100,000, making capital and surplus now $150,000.

Less Junk Gifts.

The country banks are not giving away so much junk as in the old days. We all remember when every bank was distributing expensive calendars, monkey wrenches, can openers, kodaks and a whole list of presents on the theory that it would make friends for the bank. Such goods cost more now for one thing and besides it has rather dawned on the banker that maybe the thing that is most worth while in the bank is banking service, and that presenting a customer with a combination lid-lifter and shaving set does not win his deposits so much as does a good statement and accommodation. The bank is not now in so much danger of imitating the drug stores as once was the case—the bank is a bank and not a notion shop.

With a Background of More than a Third of a Century's Service to Bankers

—and the distinction of being Northwest Missouri's outstanding financial institution, this bank solicits your business in the St. Joseph territory.

First National Bank

Felix at Fourth

SAINT JOSEPH, MISSOURI

Capital and Surplus $800,000

The Strongest Capitalized Bank in the state outside of St. Louis and Kansas City
Milton Tootle III Promoted.
Milton Tootle III, formerly assistant cashier of the Tootle-Lacy National Bank, became vice-president of that institution at the annual election of officers held recently.
It was almost ten years ago that Mr. Tootle was appointed assistant cashier of the bank. He then succeeded Otto W. Croy, now vice-president of the Conqueror First National Bank of Joplin. The account of this change in the bank's officers appeared in the WESTERN FINANCER of July, 1918, and concluded by saying Mr. Tootle "has since been called to the colors and left for his camp June 22."
During the years that have passed since Mr. Tootle returned to resume his duties in the bank he has built up a wide circle, not of acquaintances, but of friends among the bankers in this territory. To these his promotion will bring pleasure.
The remaining officers of the bank: Milton Tootle, Jr., president; Graham G. Lacy and E. H. Zimmerman, vice-presidents; B. R. D. Lacy, cashier, and F. T. Burri, assistant cashier, were re-elected to their respective positions, while R. E. Wales was elected an assistant cashier.

To Insurance Board.
Walter W. Head, president of the Omaha National Bank of Omaha, but better known in the St. Joseph territory because of his former connection with the American National Bank of this city, of which he is still a vice-president, was recently elected a director of the New York Life Insurance Company.
Mr. Head is also president of the national Boy Scout organization, which celebrated its eighteenth anniversary early this month, at which time an address delivered by Mr. Head in New York City and broadcast over one of the chains of the National Broadcasting Company, was heard by a large number of his friends in this territory.

Following the Winners.
St. Joseph bankers are taking a keen interest these days in the city's championship basket ball team — Hillyards. They're "Go-getters."

Elected to Railway Board.
F. L. Ford, president of the First National Bank of this city and a director of numerous other corporations, has recently been elected to the board of the Q. O. and K. C. Railway, one of the several "Burlington" lines operating in this territory.

Bankers and Citizens.
The officers of the Tootle-Lacy National Bank have been undergoing a "siege" of jury service rather recently. E. H. Zimmerman, vice-president, was drawn on the Federal Grand Jury, to the work of which he devoted the same energy, which, on other occasions, is employed in his business.
Milton Tootle, Jr., the bank's president, was drawn in the list of petit jurors in the circuit court. His serving without argument elicited comment from the presiding judge, who made it an occasion to remark on the duties of citizenship and to point out the need for more able representation on our juries in a way that was most favorably received by the local press.

Addresses A. I. B. Class.
L. D. James, president of the James Investment Co. of Kansas City, was a recent guest speaker before the advanced credits class of the local A. I. B. Chapter. Mr. James' address on the subject of Finance Companies was well received by the members of the class.
The St. Joseph chapter numbers one hundred twenty-five members.

Live Stock Receipts Increase.
Receipts at the local stock yards of all classes of live stock, save calves, showed a marked increase during the month of January as compared with the corresponding month of last year. The increase in mature cattle amounted to 2,088 head, in hogs to 14,217 head, in sheep to 37,656 head and in horses and mules to 1,361 head.

The St. Joseph market is one of the strategic points where it is highly desirable for your bank to have a dependable connection.
And in St. Joseph this bank occupies a strategic location, right at the Stock Yards and next door to the Post Office—and has developed a Correspondence and Transit Service that is known far and wide.
Route your St. Joseph items this way!
Made Chairman.
Algona.—Joseph W. Wadsworth was recently elected chairman of the board of directors of the Kossuth County State Bank of this city, to succeed L. H. Smith, and H. E. Rist was named president of the institution to succeed Mr. Wadsworth. T. H. Wadsworth was elected first vice president to succeed Mr. Rist.

Three Banks Merge.
Ames.—The Union National, Commercial Savings and the Union Trust Company, all of this city, were recently consolidated under the name of the Union National Bank.

Allen Resigns.
Anamosa.—At the annual meeting of the directors of the Citizens Savings Bank of this city, Chas. Allen resigned as cashier of the institution and has retired from active service after having been connected with it for the past several years. W. F. Hellberg, a former cashier of the institution, has been named to succeed Mr. Allen.

Bank Opens.
Cambridge.—The Cambridge State Bank, a newly organized institution, recently opened its doors for business with the following officers: Ole Langland, president; C. A. Neel, vice-president; H. H. Lexvold, cashier, and H. R. Lexvold, assistant cashier.

New Vice President.
Cherokee.—At the annual meeting of the stockholders and directors of the Security National Bank of this city, John Goeb was elected a vice president. W. P. Goldie was re-elected president as was W. E. Spinhalney, cashier.

New Cashier.
Corydon.—At the annual meeting of the directors of the Commercial National Bank of this city held recently, J. I. Young was elected cashier to succeed to the position formerly held by F. B. Fry who retires.

Cashier Promoted.
Davenport.—I. J. Green, who has been cashier of the First National Bank of this city for some time, was, at the annual stockholders' meeting of the institution, promoted to vice president. Mr. Green also retains the title of cashier. Other officers are J. A. F. Dawson, president; J. R. Lane, vice president, and C. F. Schmidt, assistant cashier.

Green Promoted.
Davenport.—I. K. Green, who has been cashier of the First National Bank of this city for a number of years, was advanced to the vice presidency of the bank at the annual meeting of the board of directors. Mr. Green will hold both titles—cashier and vice president. Other officers were re-elected as follows: A. F. Dawson, president; Joe R. Lane, vice president, and C. F. Schmidt, assistant cashier.

CONSTRUCTIVELY CONSERVATIVE
FOR THIRTY-NINE YEARS this bank has served an ever-widening circle of satisfied customers. Its business has been built on a foundation of constructive conservatism. Its policy is to practice the fundamental virtues of sound banking. On the basis of its traditions it solicits the accounts of banks in this territory.

The
TOOTLE-LACY NATIONAL BANK
of SAINT JOSEPH, MISSOURI
Flynn Retires.
Des Moines.—Frank P. Flynn, vice president of the Peoples Savings Bank of this city, recently retired to devote his time to other personal interests, and at the annual stockholders' meeting, Edward A. Slininger, former cashier, was elected to succeed him. Carl W. Mesmer, assistant cashier, was promoted to succeed Mr. Slininger as cashier.

Barlow Resigns.
Des Moines.—L. M. Barlow, who has been with the Iowa Trust and Savings Bank of this city for the past twenty-three years, recently resigned and has accepted a position as secretary and treasurer of the Des Moines Joint Stock Land Bank. George D. Jorgensen, assistant cashier, has been elected to succeed Mr. Barlow as cashier and Clarence Mickelson, assistant cashier, has been promoted to the vice presidency.

Cashier Elected President.
Dyersville.—Henry F. Kremer, who has been cashier of the United State Bank of this city for some years past, was recently made president of the institution, to succeed D. A. Gehrig, who died some time since. The election of officers resulted as follows: Henry F. Kremer, president; Frank Stieber, vice president, and Herbert A. Gehrig, cashier.

Plans Completed.
Dysart.—Plans for the consolidation of the First National Bank and the Dysart Savings Bank, with a combined capitalization of $65,000, were recently completed.

Kuhlman Resigns.
Garnavillo.—George Kuhlman, who has been a director of the Farmers State Bank of this city since the bank's organization, recently declined reelection, and H. H. Kuhlman, cashier of the bank, was elected to succeed him on the board and also made president of the institution. R. A. Milewsky, who has been assistant cashier of the bank, succeeds to the cashiership.

Carson Resigns.
Iowa City.—Frank C. Carson, who has been vice president of the Johnson County Savings Bank on account of ill health. At the annual meeting of the directors of the institution, W. H. Stewart was elected to succeed to the vice presidency. George L. Falk was re-elected president, as was George H. Walker, cashier.

Kliebenstein Resigns.
Kingsley.—L. F. Kliebenstein, who has for the past fourteen years been connected with the Farmers National Bank of this city as stockholder, director and cashier, recently resigned.

Changes Made.
Lansing.—Julius Boeckh, cashier of the State Bank of Lansing for the past twenty years, recently was promoted to vice president of the institution. Carl Bechtel, who has served in the capacity of assistant cashier of the institution for some time, was promoted to the cashiership to succeed Mr. Beoekh.

Christy Resigns.
Malvern.—At the annual meeting of the stockholders of the Malvern National Bank, held recently, C. B. Christy, who has been president of the institution for the past thirty-three years, resigned. Fred Durbin, who has been cashier of the bank since its organization, was elected to succeed Mr. Christy as president, and F. R. Chantry was re-elected vice president.

Walton Retires.
Milo.—Nat Walton, who has been cashier of the Citizens Bank of this city, and is well known in this part of the country, recently retired from active service. Ben Hicks has been elected to succeed to the cashiership.

Banks Merge.
Ottumwa.—Merger of the Iowa National and the Iowa Savings Banks, both of this city, was announced recently by Cyrus K. Blake, president of the Iowa Savings Bank.

Heads Institution.
Rockwell.—The final steps in the work of reorganizing the First National Bank of this city were taken recently at a meeting of the stockholders of the institution, when the following officers and directors were elected: President, W. F. McClelland; vice president, W. D. Gibson; cashier, Paul W. Grunmon. Directors, D. N. Campbell, H. D. Kruggel, W. F. McClelland, F. C. Siegfried, Dr. J. F. Meany and E. E. Roland. The 250 shares of new stock are held by twenty-one of the citizens of this community.

New Vice President.
Sheldon.—The new Security State Bank of Sheldon recently opened its doors for business in the building formerly occupied by the First National Bank, which building has been entirely redecorated. Officers of the new bank are: Gus L. Schneider, president; C. L. Schneider, vice president; O. J. Frey, cashier, and R. A. Schneider, assistant cashier. The bank has a capital of $50,000 with surplus of $15,000.

Heads Clearing House.
Sioux City.—A. G. Sam, president of the Live Stock National Bank here, was recently elected president of the Sioux City Clearing House Association.

Name Is Changed.
Swisher.—At the annual stockholders' meeting of the Swisher Savings Bank held recently, the name of the bank was changed to the Swisher Trust and Savings Bank. The change in name was made in order to give the institution power to act as trustee, handle estates, etc. Officers were reelected as follows: W. J. Netolicky, president; Jos. C. Coufal and W. H. Pudil, vice presidents; Chas. J. Koss, cashier, and Jerry Byys, assistant cashier.
24 HOUR

Transit Service

On January 20, 1928, twenty-four hour transit service was established at the Commerce Trust Company.

A day's time will be saved in clearing many of your transit items, and thereby increase your available balance.

Mail will be received from and delivered to the Post Office every half hour during the day and night.

Commerce Trust Company

Resources Exceed 100 Millions

Kansas City, Missouri
Bankers to Meet Here.

Chicago.—The Fifth Annual Mid-West Regional Savings Conference will be held in Chicago on March 15 and 16th with headquarters at the Congress Hotel. This conference is attended by savings bankers from states including Arkansas, Illinois, Iowa, Kansas, Louisiana, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Texas and Wisconsin.

Traylor Heads Golfers.

Chicago.—Melvin A. Traylor, president of the First National Bank was elected president of the United States Golf Association at its annual meeting held in New York on January 7th.

Union Trust Meets.

Chicago.—At the annual meeting of the stockholders of the Union Trust Company, the following new members of the board of directors were announced by Frederick H. Rawson, chairman of the board; Colonel Robert R. McCormick, president of the Tribune Company; Charles R. Walgreen, president of the Walgreen Company; W. H. Allford, vice-president of the Nash Motors Co. and Walter J. Kohler, president of the Kohler Company.

Administrative Committee Meets.

Chicago.—On January 19th the Administrative Committee of the Illinois Bankers Association met in the West Ball Room of the Stevens Hotel, attended to routine business and prepared its report for submission to the Executive Council. The meeting was called to order by the president, J. M. Appel. M. A. Graettinger, secretary, reported a very healthy condition of the finances of the organization.

First National Adds.

Chicago.—Robert Allerton, whose father, the late Samuel W. Allerton, was one of the organizers and for more than fifty years a director of the First National Bank of Chicago, and Chauncey McCormick of the Miami Corporation, were elected directors of the First National Bank at the annual meeting of the stockholders held January 10th. At the meeting of the board of directors following, Edward M. Tourtelot, manager of the Credit and Statistical Department, was made assistant vice-president; P. M. Riesterer, Norman G. Stockdale, Clarence E. Carlson, Edward J. Jennett and Charles H. Wood, Jr., were appointed assistant cashiers. Elmer E. Schmus, who has been assistant cashier of the First Trust and Savings Bank, was transferred to the First National Bank with the same title.

Election Held.

Chicago.—At the annual meeting of the Central Manufacturing District Bank, the following elections were announced: D. E. Shannahan, chairman of the board; Frank L. Webb, executive vice-president; F. C. Hoebel, assistant vice-president, and W. R. Costello, cashier. Wm. N. Jarnagain was re-elected president.

Banks Show Huge Growth.

Chicago.—The Continental National Bank and Trust Company in its annual letter to its stockholders says in part: Net earnings for the year were $7,452,265.67 after setting aside $2,000,000 for taxes and other contingencies. Regular dividends at the annual rate of $16 per share have been paid during the year on both the old and new stock. The company has handled a large volume of business during the last year and is growing in importance and influence in the field which it occupies.

In his annual address to the stockholders of the First National Bank and the First Trust and Savings Bank of Chicago, Melvin A. Traylor, president, said: “The last two annual reports gave an account of our building operations and we are glad to report that both the new construction and the reconstruction are practically completed. We find that this cost will be approximately $8,000,000, instead of a maximum of $7,500,000 as previously stated.”

To Have New Home.

Elgin.—A fifteen story bank building is to be erected in the spring by the Home National Bank and Home Trust and Savings Bank, at a cost of approximately $600,000. It will be of reinforced concrete and steel with a front of Indiana limestone. The building will occupy the entire block in Chicago street between Douglas and North Grove avenue.

A Specialized Service

for Banks and Bankers which is the result of more than sixty years of experience is offered by

The First National Bank of Chicago and the First Trust and Savings Bank

FRANK O. WETMORE
Chairman

MELVIN A. TRAYLOR
President
To Consolidate.

La Grange.—Directors of the La Grange Trust and Savings Bank and the La Grange State Bank, both of this city, have agreed on terms to consolidate the two institutions. The consolidated bank will have a capital of $400,000, with deposits of over $4,000,000. A. N. Sanquist will be its president.

Fire Burns Home.

Lomax.—Fire caused by defective wiring recently almost destroyed the home of the Commercial Trust and Savings Bank of this city.

Change Made.

Moline.—At the annual meeting of the stockholders of the Moline State Trust and Savings Bank, Mrs. J. F. Ryan resigned as a director and was succeeded by Oscar Odell.

New Cashier.

Mt. Vernon.—At the annual meeting of the stockholders of the Ham National Bank of this city held recently, Marlin C. Rich was elected cashier of the institution succeeding H. J. Crossing, and J. W. Primnell was elected assistant cashier to succeed Mr. Rich. Mr. Crossing has other plans for the future but will remain at the bank for the present. He was re-elected a director for the coming year. Other officers were re-elected as follows: Dr. Todd P. Ward, president; S. A. Thompson, vice-president and W. B. Phillips, assistant cashier.

Banks Consolidate.

Mt. Vernon.—An announcement was recently made by the officers of the Third National Bank of this city, that that institution had taken over the business of the Divide State Bank of Divide. The Divide State Bank was organized fifteen years ago and operated as a private bank for a period of eight or nine years.

White Resigns.

Pana.—After ten years as president of the Pana National Bank, during which period the assets increased from $300,000 to $1,000,000, Ernest L. White retired and the board of directors elected C. B. Parrish as his successor. Mr. White will not entirely sever his relations with the institution but will remain on the board as chairman. Other officers of the bank are: John Gillespie and A. J. Johnson, vice presidents, and J. A. Werner, cashier.

New Cashier Named.

Rockford.—At the annual election of officers for the First State Bank of this city, held recently, Miss Adelaide Jenkinson, formerly assistant cashier, was advanced to the cashiership of the institution. Miss Jenkinson succeeds F. J. Jorgensen.

Organize New Bank.

Rock Island.—Organization of the Manufacturers Trust and Savings Bank to take over the business and affairs of the closed First Trust and Savings Bank which closed its doors in November, was recently completed. Officers of the new bank are as follows: Carl A. Hallgren, president; Harold W. Litten, vice-president; John H. Hauberg, Robert D. Marshall and Charles A. Beers, vice presidents, and Robert P. Gilloley, cashier. The bank has a capital of $200,000.

New Director.

Zeigler.—At the annual meeting of the stockholders of the Zeigler State Bank held recently, Fred Stotlar was elected a director to fill the vacancy on the board caused by the death of R. H. Zoller. The officers were all re-elected as follows: Harry Stotlar, president; D. T. Ashby and Geo. P. Baggott, vice presidents, and A. M. Carter, cashier.
WYOMING

A Wedding.

Casper.—Carl F. Shumaker, vice president and cashier of the Wyoming National Bank of this city, was recently married to Mrs. Iona B. Hinton of Douglas. A trip to St. Louis was taken by the couple.

New Vice President.

Casper.—The annual meeting of stockholders of the First Trust and Savings Bank was held recently. Alfred J. Mockler was elected to succeed W. O. Wilson as vice president of the institution. C. H. Townsend was renamed president, as was W. O. Ratcliff, as cashier.

Cronland Promoted.

Cheyenne.—Albert Cronland, who has been cashier of the Stock Growers National Bank of this city for sometime, was recently promoted to vice president of the institution, and Harold Kerrigan, assistant cashier, was elected cashier to succeed Mr. Cronland. All other officers were renamed for the coming year. A. V. McIvor, who has been manager of the Stock Growers National Company, was elected vice president of that organization.

Named President.

Laramie.—C. D. Spalding, formerly vice president of the Albany National Bank, was recently chosen to head the institution as president to succeed R. H. Homier, deceased. Other officers are: Lewis Tyvold, vice president; R. G. Fitch, cashier, and Bert Miller and H. A. Baumbach, assistant cashiers.

Honorable Banker.

Laramie.—Laramie's newest street is Ivinson Avenue, recently named after Thurnburg Ivinson, who was Laramie's first banker. Mr. Ivinson is now 97 years of age and is very active in all municipal affairs.

Wagman Succeeds Fair.

Laramie.—D. H. Wagman was recently elected cashier of the American National Bank of this city to succeed W. E. Fair who resigned to accept a position as vice president of the Bank of Commerce at Sheridan. Other officers were reelected as follows: John W. Hay, president; H. T. Weston and C. J. Ohnhauser, vice presidents; and D. T. Morris, assistant cashier.

New Assistant.

Rawlins.—At the regular meeting of the stockholders of the First National Bank here, the same officers and board of directors were elected with the exception of H. L. Williamson who was elected to fill the vacancy left by R. D. Newell as assistant cashier. Other officers are as follows: J. E. Cosgriff, president; John Mahoney, vice president; E. M. Tierney, vice president, and Geo. A. Bible, cashier.

Cunningham Resigns.

Sheridan.—Elden E. Cunningham, teller at the Sheridan National Bank, recently resigned that position after six years of service, to enter the insurance business as general agent for the Montana Life Insurance Company of Helena. Mr. Cunningham will make his headquarters at Sheridan.

MINNESOTA

Elect New President.

Adams.—At the annual stockholders' meeting of the First National Bank of this city, Wm. W. Dean was elected president of the institution to succeed the late Mrs. S. Dean.

Bank Opens.

Alexander.—After having been without banking facilities for three years and eight months, this city again boasts a bank. The Bank of Alexander recently opened for business in the former quarters of the First National, which building has been purchased by the new institution. Officers are: C. E. Burdick, president; Andrew Urseth, vice president, and Sigurd Bue, cashier.

Hilpert Succeeds Miller.

Bertha.—The First National Bank of this city recently held its annual meeting and the election of officers resulted in the selection of the following: F. B. Coon, reelected president; Herman Schroeder, reelected vice president, and A. J. Hilpert, formerly assistant cashier of the bank, was elected cashier to succeed J. C. Miller, resigned.

Building Sold.

Glenwood.—Leigh Cary, cashier of the closed First National Bank of this city, recently announced the sale of the former bank's building, and another bank is expected soon by the depositors.

Banks Merge.

Jeffers.—The Farmers State Bank of this city was recently taken over by the State Bank of Jeffers. This gives the combined institution total deposits of nearly one-half a million dollars. Officers of the State Bank of Jeffers are: F. E. Duroe, president; L. A. Duroe, vice president, and C. R. Duroe, cashier.

Wilke Resigns.

Little Falls.—Will Wilke recently resigned his position of cashier of the American National Bank and left for his home in Minneapolis. Paul Gillespie of St. Paul has been elected to succeed him.

Retires as Vice President.

Minneapolis.—William Weisman recently retired as vice president of the Gateway State Bank, and at the annual meeting of the directors of the institution, Theodore Weisman was elected to succeed him.

Advertising Head Promoted.

Minneapolis.—Frank Merrill, director of advertising and publicity of the Northwestern National Bank, was recently appointed assistant cashier of the institution. Mr. Merrill also will continue in the capacity of advertising manager.

Buys Control.

Minneapolis.—The First National Bank of this city recently took over the Produce State Bank, located at First Avenue North and Seventh street. The Produce State was organized in 1923 and has a capital of $100,000, with surplus and undivided profits amounting to about $35,000. S. T. McKnight, president of the Produce bank, becomes chairman of the board of directors with other officers as heretofore.

Promoted.

St. Paul.—P. A. F. Smith, who has been assistant cashier of the American National Bank of this city, was at the annual stockholders' meeting, promoted to the cashiership.

Cotherman Resigns.

Vernon Center.—A. R. Cotherman recently resigned as cashier of the Vernon Center State Bank. Herbert Tonnesson has been elected by the directors to succeed him.
Elections Held.
Boulder.—Annual meetings were held by the banks in this city recently. At the Commonwealth Industrial Bank T. A. McHarg was elected as a member of the board to replace Tom Harrington. One change was made in the personnel of the National State Bank whereby A. W. Border replaces D. R. McNaughton as assistant cashier. C. G. Buckingham was elected president of this institution for the fifty-second time.

25 Per Cent Dividend.
Crawford.—A dividend of 25 per cent, the largest ever declared by that institution, was paid recently to stockholders of the Crawford State Bank of this city. Earnings of the bank during the past year amounted to fifty per cent, according to a statement by Leslie J. Savage, cashier. The remainder of the earnings were applied to the undivided profit account. All officers of the institution were re-elected as follows: W. B. Roe, president and Leslie J. Savage, cashier.

To Chairmanship.
Denver.—Emil Desserich, formerly president of the West Side National Bank here was recently promoted to chairman of the board of directors, and Albert E. Upton, formerly vice-president, was made president. N. O. Vosburgh was added to the directorate and Elmer H. Peterson was elected vice-president of the institution, to succeed Mr. Upton.

Some Changes Made.
Denver.—Clarence H. Adams, president of the Ice and Cold Storage Company was recently added to the board of directors of the International Trust Company here, increasing the members of the board to sixteen.
W. H. Leonard, head of the Gardner-Denver Company was added to the directorate of the United States National Bank, and J. M. Acheson was made cashier.
W. J. Edwards was promoted from assistant trust officer to assistant cashier and J. A. Nyberg was made trust officer of the Denver National Bank.
W. F. Rogers, who has been assistant cashier of the First National Bank, was promoted to the vice-presidency, while W. S. Larson and F. J. Dawson, formerly clerks, were made assistant cashiers.

Clarence Green.
Denver.—Clarence Green, vice-president and trust officer of the Denver National Bank, was recently elected as a member of the board to replace Tom Harrington. One change was made in the personnel of the National State Bank whereby W. S. Larson replaces D. R. McNaughton as assistant cashier. C. G. Buckingham was elected president of this institution for the fifty-second time.

Banks Pay Dividends.
Denver.—Dividends of four banks in the process of liquidation were paid out recently by Grant McFarren, state bank commissioner. These dividends totaled $29,751.88, and one was a final dividend of the Farmers State Bank of Springfield. Checks totaling $96,199.97 were sent to the depositors of the Bank of Gypsum, representing a 10 per cent dividend. A 10 per cent dividend was also paid to the depositors of the Colorado State Bank of Haswell.

Mayborn New Cashier.
Port Morgan.—C. Harry Mayborn, former cashier of the First National Bank of Brush, and former mayor of that city, was recently named cashier of the Peoples State Bank here, to succeed W. E. Smith, who died some time ago. C. M. Stitt was re-elected president for the coming year.

Loses Only Bank.
Frederick.—The First State Bank of this city was recently taken over by the Colorado Bank and Trust Company of Longmont, and the First State Bank has moved to that city. This leaves Frederick without banking facilities.

Goes to Lamar.
La Junta.—Harry Hooker, who resigned as teller and assistant cashier of the La Junta State Bank, after having been connected with the institution for the past eight years, has recently accepted a position with the Valley State Bank of Lamar. Walter H. Schertz has been elected to succeed him.

Increase Shown.
La Junta.—Total deposits of three banks of this city were 20 per cent greater in 1927 than in 1926, according to reports issued by the three institutions. At the annual meeting of the three institutions, the Colorado Savings and Trust Company, the La Junta State Bank and the First National Bank, all officers and directors were re-named.

Stockholders Meet.
Loveland.—The annual meeting of the stockholders of the Larimer County Bank and Trust Company was held recently with a large number of stockholders present. It was decided that the board of directors should be decreased from nine to five members. All officers were re-elected as follows: A. J. Swanson, president; L. G. Foote, vice-president; O. C. Lovett, cashier and L. B. Blair, trust officer.

18 Per Cent Dividend.
Loveland.—At a meeting of the board of directors of the First National Bank of this city, an additional 12 per cent dividend was declared, which with the semi-annual dividend of 6 per cent paid last June, makes the total 18 per cent for the year of 1927. The present quarters of the bank are proving inadequate and the directors have decided that it is necessary to erect a new home which will be begun in the next few months.
The Bankers’ New Responsibilities

Something of the Transition That Has Occurred in Commercial Banking, Its Benefits and Obligations

By HUGH H. SAXON, Second Vice-President, Continental Nat’l Bank & Trust Co., Chicago

When commercial banking was strictly commercial banking, that is, when loans were all short time loans, sixty to ninety days or less, it was comparatively easy to safeguard depositors, if one had the necessary credit experience to determine the quality of the commercial credit risk.

But today commercial banking is not merely commercial banking. Commercial bankers to an increasing degree have bought long time investment securities for the investment of their funds. Thus, on June 30, 1922, 18,232 State Commercial Banks held investment securities amounting to $2,289,487,000, including governments, while four years later, June 30, 1926, 16,493 State Commercial Banks held investments totaling $3,192,850,000, including governments. So, under these changed conditions, we have commercial banking with a dash of investment banking.

A number of people have recently been alarmed over the increase in collateral loans and investment holdings by commercial banks. I do not share the feeling of alarm that has been expressed. But I do feel that those of us who are commercial bankers must put ourselves in a position to appraise investment securities as part of our earning assets and as part of our secondary reserve.

It is not my intention to try to talk to you in the jargon of the investment banker or bond salesman. I couldn’t if I wanted to. But I’ve found myself in a position where I have had to learn more about investment securities than was the case some years ago, and a lot of my friends have told me that they are finding themselves in much the same position.

The old order of commercial banking has changed, at least for a time. The new order means new problems to study, but the old responsibilities continue—the responsibility of safeguarding our depositors. We simply have to face this age-old responsibility with the application of new investment principles.

Roughly speaking, investment securities go up in price when money rates go down, and vice versa. When money is easy and security prices are rising, there is always the temptation to speculate with bank funds—that is, buy investment securities with an idea of making a profit. The only trouble with such procedure is that most of us are not able to foretell exactly what is going to happen to the money market, and none of us has the right to speculate with depositors’ money if we are going to adhere to the cardinal principles of commercial banking—safety first for depositors.

So far as I know, there is no mechanical forecaster that will tell us when to buy investment securities and when not to buy them, or when to sell them. One of my economist friends tells me that there never has been a decline in the securities market when prime commercial paper rates have not stood above 4½ per cent for more than a seasonal period. But as for blast furnace tests or any one of the thousand and one mechanical forecasters, I take no stock in them and maintain the old, conservative position that when a banker is buying investment securities he should buy them as investments and not for a quick profit.

While it is true that investment security prices move inversely with money rates, and that when investment securities are rising all investment securities tend to follow the procession, still it is also true that some investment securities move more rapidly than others and they do not all move at the same time. Some even break loose and run in the opposite direction from the course of the big parade. So, as a commercial banker looking into the matter of investment securities, I find it necessary to ask and get answers to certain questions just as if I were the ordinary bond buyer: What is the capital structure of the borrower? What is the earning record of the company over a period of years? What is the quality of the management of the concern? What are the conditions in the particular line of business, if the security is an industrial one? What have been the conditions in the past and what are the future prospects of the industry? These questions, at least, must be answered to my satisfaction before I feel that I can invest.

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Frankly, I do not believe most commercial bankers are equipped to answer these questions on their own. I know I am not. And I feel sure that the best way is the normal way, namely, to establish investment banking relations with a high-grade, or several high-grade, security houses which can provide us with detailed analyses. Then we must use our own best judgment. Few men have the power to judge 100 per cent accurately all of the time, and I know of no cut-and-dried rule to follow. It is no professional secret that every banker at some time in his career has rejected loans that later turned out to be perfectly good, and conversely, has made loans which he felt at the time of making were sound, but which later turned out to be sour. But the prize comes to him who makes few losses, and we cannot yield to the lure of high interest rates without facing a hazard.

If the investment bankers from whom you buy securities have a connection with commercial banks and understand the problems of a commercial banker, so much the better.

If buying securities to hold to maturity, it would not do to load up with everything maturing in, say, 1940 or 1945, because we cannot foresee what conditions will be in that particular year. We should have our maturities spreading over a period of years. Yet you would be surprised to know how many commercial bankers overlook this fundamental point of considering maturity dates when buying securities.

A proper investment account for commercial banks cannot any more be built up in a year than can an acorn grow into an oak in that period. I would not attempt to lay down a formula or strict rule or even to suggest how much of certain classes of securities should be held in your portfolio, but I have found that some very able bankers in starting to build up an investment account have restricted themselves to bonds of approximately five-year maturity for 20 per cent of what they might expect their investment account ultimately to be. The other 80 per cent is put into municipals and corporation bonds of a shorter maturity of those that have been called.

The second year about 20 per cent is put into approximately five-year maturities and 60 per cent in short term obligations, and so on into the third and fourth years.

At the end of that time, they have 20 per cent of these bonds maturing each year, and have an automatic, revolving investment account.

This plan, of course, may be extended to longer maturities with the same general principle in mind. A bank will always find a commercial market for its one, two and three-year maturities.

Liquidity, of course, ties in with the matter of marketability. Even though maturity dates are well planned, something unforeseen may happen that will cause us to need funds. If we do not have commercial paper maturing at that time, we have to dispose of some of our security holdings. Sometimes we even have to dispose of them without making a profit, but the point is that when we have to sell we should be able to sell. Frequently, listed securities are the most marketable investment securities. On the larger exchanges, such as New York and Chicago, there are usually buyers for the securities offered. Listing on such exchanges is then an indication of marketability, but it is not an infallible indication. Sometimes listed securities move very slowly. Sometimes trade in unlisted securities is very active. In other words, there is no ready-
made formula to guide us in our testing of a security for market-ability, and herein lies another of our problems in discharging our obligation to safeguard depositors.

In the fall of 1924, when money rates were unseasonably easy, due in part to the open market purchases of governments and bankers' acceptances by the reserve banks, many banks throughout the country found it difficult to do much more than cover expenses. They were particularly interested in yield and disinclined to give proper consideration to liquidity.

The feeling was perfectly natural and was one that bond salesmen could have used to considerable advantage, but many of the bankers I know felt that it would be unwise, even under such conditions, to give over the standard of liquidity.

And so, under changed conditions commercial banking that have been due in part to the Federal Reserve System, that have been due in part to the tremendous inflow of gold from abroad, that have been due to the building up of enormous corporate surpluses, that have been due to a hundred and one other causes—many of us who were jogging along comfortably, making short time commercial loans, find that we have new problems thrown at us for the employment of our funds, whether we will or no.

The old obligation continues; that is, to safeguard depositors. But under changed conditions, we have become security buyers. We are investing part of our bank funds in securities as a secondary reserve. We are asked to buy securities for customers and give them investment counsel. And whether we like it or not, in the discharge of these obligations, we must know about securities.

In the investment of our banking funds, we must consider market-ability, liquidating maturity dates, as well as price and yield. It is not enough to know what security markets are doing generally; we must know the facts as to each security that we consider. And frankly, there is no ready-made rule that we can follow. We must have connections such that we can get at the facts behind securities, and we must learn how to exercise that same quality of credit judgment that we have long been accustomed to exercise in the case of commercial loans. Admittedly, the job of forecasting what is going to hap-

pen five or ten years from now is more hazardous than is the task of forecasting what is likely to happen within a period of thirty to ninety days, just as it is more difficult to forecast the weather for 1928 than it is to say what the weather will be tomorrow. However, the very difficulty of this task of exercising credit judgment with respect to long time investments is merely a challenge to our sources of information and to our intelligence.

THE AGRICULTURAL SITUATION

(Continued from page 8)

pany which had just been released. Said Mr. Grace: "Business is being carried on largely by deferred credits or installment buying. If we have to reduce the purchasing power of the working man it will have serious consequences."

If you will analyze for the past nine months, railroad earnings, the state of the building trades, and the unemployment situation, you will find that it is not satisfactory. Buying has been from hand to mouth, inventories are slim and business does not require anything like the funds available for loans in the bank. Again, it is evidence of the old adage that when trade is brisk, money is firm, and that slowing up of industry means the backing up of funds in the fiscal reservoirs. In one sentence, it is merely again the old rule of supply and demand. As I see it stocks as a whole are entirely too high and are bound to react and seek their correct level. When that time comes, and with the huge surplus of money on hand, it seems to me that much of it is going to seek investment in high grade bonds, and the old rule may prevail of "low priced stocks and high priced bonds." It is traditional that in every fourth year when the country elects a President, everything tends to mark time. In many lines, that policy has been in vogue for some weeks and the extent to which it will change with seasonal development will be closely watched. Basic conditions are sound, however, our prosperity has begotten some very unfortunate habits, particularly in the stimulus given many lines of industry by installment buying as I mentioned before. Therefore, let us continue business, go right along in the usual way, but be what we might term "Conservative Optimists."
The messenger boy flipped the yellow envelope across the desk, and the president of the Brundage State Bank lost no time in absorbing the contents thereof.

"If it was the legislature passed the branch bank bill last night," he averred.

"So we'll lose no time in opening a branch at Bristol," Vice President Sam Vassie declared.

"Sure—and who'll we decide on for the man in the saddle?" queried a branch at Bristol. "Vice President, or me?"

"But it seems to me that you over—I don't know what you call it—but it's a dependable sort of a chap, and his loyalty to the bank's chap, and his loyalty to the bank's business isn't the only pebble on the banking beach, by any means."

"Well, give me loyal employees, and, as a general rule, our competitors are welcome to the smart ones."

"Loyalty's all right as far as it goes," demurred Vassie, "but you've got to have something besides mere loyalty. If a man can't do his work and can't learn, fire him—I say."

"Sam, you're going to manage this Bristol affair, and I wouldn't pretend to interfere with your handling the details, but, speaking quite frankly, it does seem to me that the loyalty of our employees don't receive the consideration that it deserves."

"I take it into consideration as one factor—among others, of course, but it seems to me that you over-emphasize its importance, that's all."

"Well, there's one general rule that's worth following in starting the Bristol venture," the president retorted, "and that is to keep up appearances and keep expenses, no matter who you send."

Ten minutes later Vassie summoned Preston Blackmore and went over the Bristol situation very carefully.

"I have you slated for first choice for the position," Vassie announced.

"You are familiar with my theory, and I don't intend hampering you with any stereotyped instructions. All I want is results, and it's up to you to produce them in your own way."

"I'll make a bold try, anyway."

"I did get a point, however, about an hour ago, and from an unexpected source, to keep down expenses and keep up appearances."

"That's a good rule and sounds like something you'd say when he was V. P."

"That's where I got it," replied Vassie, "and it strikes me as being good. It's general enough to leave you a perfectly free hand, and at the same time it's sound banking logic."

A few weeks later the Bristol branch of the Brundage State Bank was "running full blast," as the leading local paper proudly announced. The offices wore an air of affluence, the furniture and the fittings were the latest thing in their line, and every morning and evening a colored retainer, in a quiet but expensive uniform, washed and polished the big plate glass windows.

For the first two months, however, Blackmore's reports were pretty discouraging, warning for himself and far from cheerful reading for Vassie, who on his part, asked no questions—indulged in no complaints. He curtly acknowledged Blackmore's regular and discouraging reports, merely adding the playful postscript: "Keep expenses down and appearances up."

"Preston knows how to play the game, and not approach me, and I'll not go near him till he makes it go or demonstrates conclusively that it's a rank failure," Vassie told himself.

And Blackmore's reports did not overdraw the situation, by any manner of means. Business simply refused to come in anything like the required volume, and the "staff meetings" to discuss the situation failed to evolve an adequate solution.

"Keep down expenses," Blackmore urged.

"We've come to the last straw," cashier Jenkins averred. "We've skimmed on everything but the colored youngster and his uniform."

"Fire him."

"We can't do it," the teller protested. "The moment we do it, it would be a dead give-away—a public advertisement that we're up against it."

"Fire him, and keep the public in the dark some unknown criminal from the same kind of motive as far as I know tried to break into the Fox National Bank down on Hartley Street. The watchman caught him in the act, so he says, and they chased him into the alley back of our offices. They're not content to beat me in the banking game, and three of their employees swore they recognized me as the guilty party. Astle, their president, took out a warrant 'hot foot'—and here I am...,"

"Well, it's my affair, and I'll work it out some way," Blackmore declared.

"There's one general rule, and I don't intend hampering you with any stereotyped instructions. All I want is results, and it's up to you to produce them in your own way."

"If I can't clear myself of the word. If I can't clear myself of the word."

"The best in the world, from the little law I know. An alibi I think they call it—at least I can prove by Jenkins and two or three others on our staff that I was in the office the whole evening, but the defense isn't available."

"Jenkins tried to tell me something along that line, but if your witnesses are all here—and I know Jenkins is at any rate—why don't you put them on the stand and clear yourself?"

"I won't do it, and I ordered Jenkins and all hands of them to keep their mouths closed till I gave the word. If I can't clear myself without calling on them I'll take what's coming to me, that's all."

"Well, it's this way," Blackmore said.
explained earnestly. "When I came down here you gave me a sort of chart to go by—to keep expenses down and appearances up—and the only how you took of my weekly bulletin of defeat was to repeat the same thing."

"Certainly."

"And nobody but myself and the bank staff knows how hard I tried to live up to your suggestions, or what an almighty poor showing we were making. The twists and turns I've made and the makeshifts I've been driven to trying to keep my financial see-saw in the position you ordered would make a man laugh or weep, depending on whether he was my competitor or my boss."

"But you never told me anything about this."

"Sure not. Didn't I know that you didn't want to be bothered with trifling details."

"That's true, too, but what has all this got to do with the stubborn fact that you refuse to avail yourself of a perfectly good and legitimate defense?"

"For the plain and simple reason that the defense I spoke of grows out of the business rule I was trying so almighty hard to live up to," replied Blackmore. "In other words, I and Jenkins and the others can go on the stand and prove that I wasn't there that night—not unless I've got a double personality, but—"

"Then, in the name of all that's good and great, why don't you do trifling details." "In my boss."

"Why, why, Blackmore— I'd admitted readily enough."

"Then, in the name of all that's good and great, why don't you do trifling details."

"Sure."

"And if Blackmore'd O. K. a check and I'd come into the bank, and tell you not to pay it, whom would you obey?"

"Why, you, of course," Jenkins admitted readily enough."

"Well, then, as the vice president of the bank and your superior officer, I order you to tell me just why Blackmore is taking the insane stand he is."

"The irresistible force of this argument, coupled with his evident anxiety to help Blackmore out of a deep and dangerous hole of his own digging, appealed strongly to Jenkins, and he plunged headlong into the explanation of the mystery."

"You see, Mr. Vassie," he explained, "when Blackmore took charge he laid down the law that we were to keep down expenses and keep up appearances. And said that you said for him to, so we fitted up the new bank in apple pie order—got a colored chap to wash the windows and that sort of thing."

"I'm entirely in the dark as yet." "The colored man?"

"Yes—you see when business failed to go as we knew it ought to Blackmore says, 'We can't afford not to keep up appearances, but we've got to keep expenses down, and what he did along that line would read like a fairy tale."

"I've been expecting it every day," replied MacKenzie coolly, while Jenkins danced about the office with suppressed gleefulness."

"Oh, joy," he exclaimed. "Old Preston'll be back digging into the work by the time I get there."

"I'm sorry, but Blackmore's days in the Bristol branch are. over," Vassie announced."

"But surely, Mr. Vassie, you don't hold this against him," faltered Jenkins."

"Vassie's refusal admitted of no appeal."

"Preston's going back with me this afternoon," he declared. "There's a job up at the head office that pays $1,500 more salary, and it's his if he'll take it. It's about time that our employees began to realize that loyalty, like virtue, brings its own reward."
such, I claim that the best interest of the man who raises and sells live stock is the only excuse there is for men to occupy the positions of live stock market reporters and editors. If the live stock market reports, as represented in these live stock market papers, do not serve first and only the man out in the feed lot, then there is no excuse for their existence.

The live stock raiser and the markets of the country are confronted, not with a new idea, but with an idea and practice that has been rapidly assuming menacing proportions within the past few years, to-wit, that of country buying live stock directly from the farm feed lot to the packing house. Arguments have been advanced in favor of this plan of selling, and the alleged saving of certain marketing charges, has been set up in defense of this direct selling. And, I want to call your attention to some of these marketing costs that have been claimed, and many men honestly believe, are being saved in the practice of selling hogs, or other live stock, at the farm gate or at the concentration point.

One of the first items that is being held up as being saved to the farmer by selling his hogs direct, is that of the commission charged by live stock commission men at central markets for the service of selling your live stock. When you consign your hogs to a central stock yards market, just how much of the sale price of your hog goes to pay commission service for the work of receiving, selling and accounting in the commission house office? It will not average as much as 25 cents per head, taking the country over. I have had it figured by the most experienced and intelligent of commission men, and men engaged in different branches of the stock yards trade, and based on a per hundred pound basis, the commission and yardage combined does not figure over 15 cents per hundred pounds. Now does this compare with what has been sacrificed by farmers in this effort to do something in the way of eliminating marketing costs?

Hogs today are $3.75 to $4.00 per hundred lower than they were a year ago. How much of that difference is possibly chargeable to the selling of more than one-third of the country's hog crop direct to packers during the time intervening between one year ago and now? With one-third of his needs of live hogs secured at the concentration point or at the farm, the packer has not been an active competitor for hogs on the central market— and where he admits the prices for your hogs at the farm gate are based.

Another item of cost at central markets, and one which has been the subject of much discussion, I want to touch upon briefly. That one is the feed charge. I have heard the stock yard companies and the commission man accused and damned for the price that is charged for corn fed to hogs and hay to cattle in stock yards markets. I want to say to you right here, and impress it upon you, that the commission man has no more to do with the price charged for corn and hay in stock yards than you have. It is simply an accommodation to you that the commission man carries that charge on his account of sale rendered to you. That is a stock yards charge and one that is regulated by the Department of Agriculture at Washington. The stock yards company...
cannot charge its feed price at will. It must file an application in Washington and get a permit when it wants to advance the price of corn or hay fed to your stock in stock yards pens and while it is awaiting same. Personally I hold that the feed charge is not a marketing cost. There is not a scratch of a pen, nor a gentlemen's agreement at any public market stock yards in this country that compels you to feed a pound of grain or hay to live stock in stock yards. It is purely optional with you and you can order your stock sold without the "fill" if you so desire. In fact, I have seen cases where a buyer would ask the seller what he wanted for a load of hogs. Hypothetically the price asked was, say $7.90. And I have been standing alongside when the buyer has said, "I'll give you that price providing you weigh them without feeding." There is nothing surer than that the packer takes the fill into account when he bids on your stock. It is primarily a humane provision and, on the basis of today's market, it is a case of buying the corn at 2½ cents per pound to sell it at the price per pound paid by the buyer for your hogs, and does not figure in the cost of marketing. It is not even speculation on the part of the seller—it is a cinch. I may be wrong in this, but it is my way of analysis.

There has been more or less talk of laws to govern the movements of packers in their purchasing operations. Candidly I do not believe the congress of the United States will ever enact a law that will tell a packer, or anyone else, engaged in legitimate industry, where he shall go to spend his money, nor how much of it he shall spend. Any such law would not stand in supreme courts. I have little faith in the bureaus that have been created in Washington of recent years for the government and regulation of affairs connected with the agriculture of this country. In my observation of nearly forty years in market writing I have seen but one bureau created that has had anything to do with that, and that one, in short, is the present inspection system operated by the federal government through the Bureau of Animal Industry. I do think the inspection of live stock in stock yards and of meat carcasses in packing houses is a splendid thing, although I am fully aware that there are many people who think it is simply an imposition. But I would like to see one of that kind attempt to get by the federal inspection agency in packing houses with a carcass of meat that had been condemned and tagged by them.

What Instructions Did Our Hog Buyers Get?

Editorial from the Kansas City Drovers Telegram of February 6, 1928.

What do you suppose the packing house bosses said to their hog buyers this morning before they came to the yards to buy hogs? Do your own guessing, but what do you think they said under these circumstances:

Hogs received direct at packing houses, 250 carloads, about 17,000 head.

Hogs on sale at the open market, 105 carloads, about 9,500 head.

Now these 17,000 head received direct outnumbered the hogs on sale nearly two to one.

If you were a packer and had your pens full of hogs before the market opened, what would you tell your buyers?

WHY NOT TRY WHAT WE HAVE?

Among the recent proposals for national legislation—and one that is reported to have the sanction of the American Bankers Association—is one intended to disarm the nation, so far as fire arms capable of being concealed are concerned.

What are we striving to do, make it still easier for the highwayman? It surely is axiomatic that the peaceable, law-abiding citizen complies with the law. Otherwise he would not be law-abiding. Equally axiomatic is that the law ficts all laws. The immediate effect of such an enactment, then, would seem to be that of placing good citizens even more completely at the mercy of the outlaws.

Perhaps it will be more pleasing to have our bank and pay roll hold-ups "pulled off" with sawed-off shotguns, while, for the sake of variety, the filling station and drug store robberies, as well as those of the lone motorist on the highways, might be accomplished through the use of knives and billies.

Surely in our bulging statute books we already have about enough regulations intended to govern the conduct of our citizens. The difficulty seems to lie, not in the want of a rule, but rather in the lack of enforcement thereof. Each new law produces its own harvest of law violators. Each new violation of one law adds to the disrespect for all law. We cannot all be placed on the pay roll of organized society as law enforcement officers. Moreover, even our juries cannot always be depended upon to return verdicts that the evidence seems to justify. Let's have at least a half holiday on law enactment and devote our attention to trying to "catch up" a bit on the enforcement of existing laws. We might find them adequate.

Pens that will not write, ink that will not flow, stationery and blanks irregularly placed are mighty poor adornments for a bank lobby.

The Municipal Bond Trading Post

Every year something like ten thousand different issues of State and municipal bonds aggregating in excess of $2,000,000,000 change hands. Dozens of dealers participating actively in this trading, testify to the value of advertising columns of THE DAILY and WEEKLY BOND BUYER in stimulating interest in specific offerings and bringing together buyers and sellers.

Rates gladly furnished upon request.

THE BOND BUYER
The Authority on Municipal Bonds
67 PEARL ST. NEW YORK
Central Western Banker

Returning Prosperity in the Central West

Spells Opportunity for the Ambitious Banker Who Possesses Courage, Capital and Ability

The following suggest the variety of openings available:

WCB. Cashier wanted for a bank with over one million and a half deposits and located in a town of about 10,000 population, 150 miles from Kansas City. No investment required.

HGB. This bank has combined capital and surplus of $30,000 and deposits in excess of a half million dollars. Is located in a good Kansas county seat town and pays regular dividends equal to about 9% of the asking price for the stock. $35,000 handles the deal.

VCD. The banker who wishes to locate in a northern Oklahoma county seat town of about 5,000 population can secure the controlling interest in a national bank with $25,000 capital at a reasonable price.

BAC. A $25,000 bank in a 1,000 population town, splendidly located in a very productive section of Colorado. Bank has a large surplus and profit account and deposits of more than $350,000. An investment of less than $30,000 carries the presidency at a very attractive salary.

MDB. A Kansas bank organized in the late nineties shows good earning power and stock offered carries a wide trade territory and located in that portion of Kansas where 10% is the ruling interest rate. Bank has capital, surplus and profits slightly more than $50,000 and deposits in excess of a quarter million dollars. Is located in a good Kansas county seat town.

SMB. By investing about $5,000 in the stock of the bank at reasonable figure, a young man who has had experience in the banking business can obtain an active position in a small bank near a large city in Kansas.

EBE. A National Bank with $25,000 capital and over $250,000 deposits in a good Southern Iowa town of 500. 130 shares of stock carrying management can be bought at fair price. Paper guaranteed.

KOB. A $20,000 state bank in a good, one bank town in eastern Kansas. Bank has deposits of nearly $200,000. Its minimum earnings during any calendar year in the present decade were 19½%. Earnings last year, 27.9%. 104 shares of stock carrying management offered with residence of cashier for $24,500.

MRA. The only bank in a 300 to 400 Northern Missouri town. Bank has capital of $20,000 and deposits in excess of $175,000 with surplus and profits of more than $12,000. Bank has a good earning power. Pays cashier $200 a month. 100 shares offered at $21,000.

HRR. A $10,000 state bank in western Kansas which has not missed a dividend in thirteen years, and during that time has earned more than 30% of its capital. Stock invoices above $200. 67 shares and residence of president offered at $19,575.

ACD. $25,000 capital, $5,000 surplus and $250,000 deposits. The active president of this bank wishes to sell about 75 shares of stock to a capable man who would take the Cashiership. This is located in an Oklahoma town of over 4,000 population.

RKA. A $20,000 bank in a northern Missouri, county seat town. Bank has $210,000 capitalized profit account, and deposits in excess of a quarter million dollars. Salary $2,100, side lines $300 to $600. 60 shares offered at $250.

BBB. This is an unusually attractive bank with small capital in a good, thoroughly modern, eastern Kansas town of more than 1,000 population. The bank shows good earning power and stock offered carries two salaries aggregating $3,000. $14,000 required.

GTD. Only bank in a 500 population town in eastern Oklahoma. Capital $15,000, surplus and profits over $4,000 and deposits well over $100,000. Annual dividend 8%. President's salary $3,000. 90 shares of stock carrying presidency offered at $135, together with president's residence.

CMB. $10,000 state bank in a one bank Kansas town. Bank has $75,000 deposits. Pays a good salary. Control offered at slightly above book value with residence of president. Investment required, $11,000.

JAA. Only bank in 400 population town in western Missouri. $15,000 capital, more than $85,000 deposits. Salary $180, plus outside earnings. 49 shares offered at slightly above book value with cashier's residence. Investment required $11,000.

MSB. Only bank in small eastern Kansas town. Bank shows very good earnings. Salary and commissions approximate $2,400 a year. 47 to 52 shares of the stock offered very slightly above invoice value. Requires investment of $10,000 to swing.

HSA. $8,000 will purchase 25 shares of stock carrying the position of cashier in bank in small, one bank town in western Missouri. Bank has over $100,000 deposits, $15,000 surplus and earned 38% last year.

SMR. Control of the only bank in a good town having a wide trade territory and located in that portion of Kansas where 10% is the ruling interest rate. Bank has capital, surplus and profits slightly more than $50,000 and deposits in excess of a quarter million dollars. Good salary and side earnings. Requires an investment of $26,000.

Bankers Brokerage Co.

"Bank Stocks Carrying Positions"

Always Confidential—All Ways

919 Baltimore Ave.

Kansas City, Mo.
OFFICIAL STATEMENT
December 31, 1927

RESOURCES

Loans—
Commercial Paper .......... $3,255,500.00
Loans to Customers ....... 1,810,477.18
$5,065,977.18

Banking House and Real Estate .. 215,000.00
Federal Reserve Bank Stock .......... 15,000.00
United States Obligations .......... 1,495,156.25
5% Redemption Fund .......... 7,500.00
Cash and Sight Exchange .......... 2,625,298.54
$9,423,931.97

LIABILITIES

Capital Stock .. $ 200,000.00
Surplus and Profits .......... 318,271.87
Circulation .......... 150,000.00
Deposits

| Individual | $5,403,623.52 |
| Banks | 3,352,036.58 |

$8,755,660.10
$9,423,931.97

AMERICAN NATIONAL BANK
ST. JOSEPH, MISSOURI

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—the Attractive Rates
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Room with Bath ............ $2.50 and up
Double Room and Bath ....... $4.00 and up
Room with two single beds and bath ... $5.00 and up

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