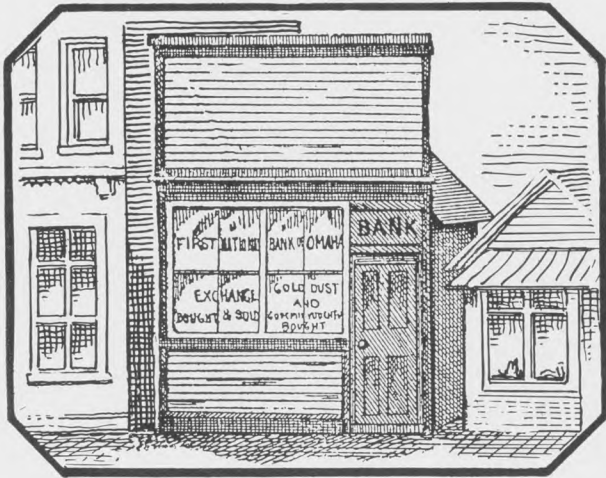


CENTRAL WESTERN BANKER *of Omaha*



AUGUST
1928

In and Out of the Texas
Guaranty Law



Now 71

On August 1, 1857, Kountze Brothers founded a banking house in the small wooden frame building pictured above.

This month that banking house—the First National Bank of Omaha—celebrates its seventy-first birthday.

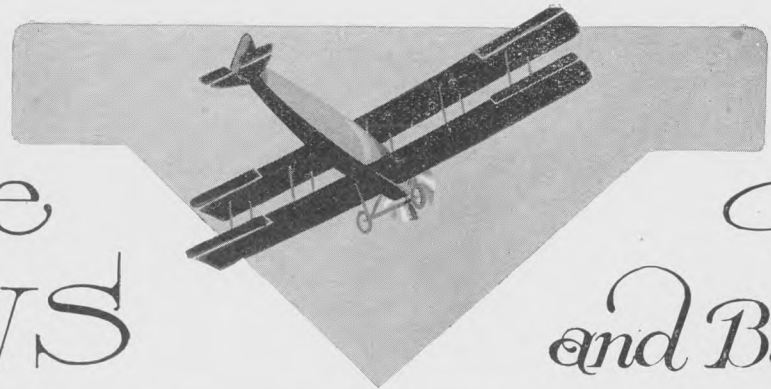
For nearly three-quarters of a century we have kept pace with the growth and development of Nebraska and the middlewest.

For three generations we have furnished our customer banks with a personal and friendly service. Many of our correspondent banks have been doing business with us for more than fifty years.



**First National
Bank of Omaha**
FIRST TRUST COMPANY

Last minute NEWS



of Banks and Bankers

CHAIRMAN FREDERICK H. RAWSON of the Union Trust Company of Chicago announces that the board of directors have passed a resolution increasing the bank's capital stock of \$1,000,000. Stockholders will vote on the increase in September. If approved the new stock will be offered to stockholders at \$400 per share, each stockholders being entitled to buy one new share for each three shares now held.

JOHN A. HARTFORD, president of the great Atlantic & Pacific Tea Company, has been made a director of the National Bank of Commerce of New York City.

ROSS DAVIS has been placed in charge of the Chicago office of J. G. White & Company, Inc., and will become western manager of the company. He was formerly associated with Paine, Webber & Co., and for some years was Northwestern representative of the Illinois Merchants Trust Company of Chicago.

RALPH A. STEVENSON, recently a partner of Redmond & Co., has been made a vice-president of the Guaranty Company of New York. He began his bank career with the First National Bank of Boston, and later joined the staff of N. W. Harris & Co., now known as Harris, Forbes & Co., remaining with that firm for 14 years. He spent six years at Montreal and Toronto, and later was affiliated with their London office.

THE OFFICES of the Investment Bankers Association of America, formerly at 33 South Clark St., Chicago, Ill., have

been moved to larger quarters in suite 531 First National Bank Building, Chicago. The official address of the Association will remain at 33 South Clark Street.

PRESIDENT C. T. JAFFRAY, of the Soo Line, prominent Minneapolis banker, accompanied by a group of Minneapolis business men, including bankers and grain men, recently spent a week on a tour of inspection of farming conditions in Minnesota, North Dakota and Montana. They reported excellent agricultural prospects throughout the territory inspected.

Among the bankers who made the trip were E. W. Decker, President of the Northwestern National Bank, and Lyman E. Wakefield, President of the First National Bank of Minneapolis.

F. E. HOVEY, president of the Stock Yards National Bank of South Omaha, returned recently from a trip to the Pacific coast. He stopped

en route at Billings, Montana, and reports a fine outcome for the Montana stock industry.

SCHLUTOR & CO., Inc., New York investment house, will enter the Western field soon, with Charles A. Crane, Vice President, in charge of Western operations. Mr. Crane was associated for seven years with the Bond Department of the Harris Trust & Savings Bank, two and one-half years with A. G. Becker & Company, and four years with Folds Buck & Company.

THE AMERICAN TELEPHONE & TELEGRAPH COMPANY reports that on August 1st, when rights expired to the Company's new stock issue of \$185,000,000, all but one per cent of it had been subscribed to. The Company has been putting this cash into high-class securities at the rate of \$10,000,000 daily.

W. C. MacFADDEN, Secretary of the North Dakota Bankers Association, announces that more than \$1,500.00 is being contributed by his association this year to educate young men and women to become bank officials. This is a part of the half million dollar fund contributed by the American Bankers Association as a foundation for education.

THE CALHOUN INVESTMENT COMPANY of Minneapolis has filed Articles of Incorporation with a capital of \$50,000. Incorporators include Willis I. White, John P. Costello, and Ben W. Clark, all of Minneapolis.

Vol. 23 No. 8

AUGUST, 1928

In This Issue

Legal Department	4
Giving Strokes to "Chick" Evans	5
Wheat Harvest Special Train	6
Making Our Christmas Club Profitable	7
BY VIRGIL D. ALLEN	
Jobs Seek Men	8
BY T. R. PRESTON	
"Ten Brain Teasers"	9
In and Out of the Texas Guaranty Law	11
Bonds and Investments	15
Insurance	21
Nebraska News	24
News of the Stockyards	27
South Dakota News	31
Colorado News	33
"Have You Heard This One?"	34

THE CENTRAL WESTERN BANKER OF OMAHA
Published monthly at 416 Arthur Bldg., Omaha, Nebraska
Subscription, 25 cents per copy; \$2.00 per year.
Entered as second-class matter at the Omaha postoffice.

THE FIRST NATIONAL BANK of Fergus Falls, the oldest National Bank West of St. Paul, recently celebrated its 56th anniversary. Elmer E. Adams has been its president since 1912.

J. P. MORGAN & COMPANY have arranged a private banking credit to be used by the Bank of Spain in connection with its plans for regulating Pesenta exchange. It is planned to conduct exchange operations gradually to raise the rate of exchange pre-

paratory to the return of the gold standard in Spain.

THE MISSOURI BANKERS ASSOCIATION, through Secretary W. F. Keyser, has paid three rewards of \$1,000 each for the death of one bank bandit killed in attempting to escape and for the arrest and conviction of two who were sentenced to 50 years each in the penitentiary. The reward offered by the Missouri Association was recently increased from \$300 to \$1,000.

THE FOREMAN BANK of Chicago announces the letting of a contract amounting to one-half billion dollars for the installation of a new vault in the new Foreman National Bank Building, which will be used for 25,000 safety deposit chambers in the Bank's cash vault now under construction.

HARRY SNYDER and associates, of Chicago, recently purchased for more than \$700,000 a 7,000-acre tract of land sixteen miles southeast of Sioux City.

The Payment of a Note to Person Other Than Holder

By The CENTRAL WESTERN BANKER Legal Department

A LOAN agent for a large Loan and Trust Company took a note and mortgage on farm land owned by Mone and his wife. This note and mortgage was sold by another agent of the Loan Company to a party by the name of Graham, at the place where he resided. The assignment of the mortgage was duly and properly recorded without delay, at the Court where the land was situated. As the Interest Coupons became due, the Mones paid the amount thereof to the Loan Company, which forwarded the money to the local agent in the city where Graham resided. Graham was notified by the agent upon receipt of the money, and then delivered the coupons to the agent, and received a check from him. The coupons were canceled, and returned to the Loan Company by the agent, and this Company in turn delivered them to the Mones.

A long time before the note became due, the Mones paid \$800.00 on the principal of the mortgage note to the Loan Company. The trust Company never remitted the \$800.00 to its agent to the place where Graham lived.

Legal Action Began

Legal action on the note was commenced, by Graham against the Mones who contended that they had paid \$800.00 on the indebtedness to Graham through his agent, The Loan Company. Graham denied that the Trust Company was at all times his agent.

The question up for decision is: Was the Trust Company the agent of Graham, or the Mones? This is the principal question to be determined.

To establish the agency between Graham and the Trust Company, the Mones rely upon the letter written to

"AT THE PAYER'S RISK!"

"The payment of a negotiable note before maturity to any one other than the holder thereof, or his duly authorized agent to receive such payment, is at the risk of the payer!"

them by Graham long after the Trust Company had gone into the hands of the receiver. The letter is as follows: "Mr. and Mrs. Atto Mone. Dear Sir & Madam: As yet I have not received the interest of \$600.00 due March 1, 1927, on the mortgage I hold against your farm. I have been informed that the Mortgage & Loan Association that has been attending to these affairs is not running just the way it should and thought possibly you might prefer doing business direct with me, which would save you any extra charge for the loan company collecting this interest as heretofore, and would cost you only the straight 6 per cent interest.

"I would like to hear from you as to how matters stand and what you think about this."

"Yours very truly."

This is the only communication that ever passed between Graham and Mones.

The purchase of this note and mortgage was made when Graham went to a loan broker in his own city, and brought this paper. He purchased this note with the coupons attached to it and nothing else was done by him in this matter, except to take the interest coupons to this broker, collected his interest, and to write one letter, the letter is an admission of anything, and

does not establish or show that the Loan Company is the agent of Graham. He doesn't give the exact name of this Loan Company and it is only by implication that it is possible to infer what Loan Company has been attending to these affairs. His letter did not say that the Loan Company had been 'handling it for me' or 'handling it for you.' There is nothing in this letter that would be an admission that they were his agents.

Money Was Paid

The money was paid by the Mones to the Trust Company, and the company in turn sent it to its loan agent at the place where Graham resided. The agent notified Graham of the receipt of the money and the coupons were turned over to the office of the local agent by Graham who received payment by the agent, and canceled the coupons. The coupons were never turned over to the agent where Graham lived for collection.

The state of facts presented were not even sufficient to raise an issue of fact in the question of agency.

The \$800.00 payment was made to the Trust Company by the Mones long before the note was due. The assignment of the mortgage in favor of Graham was of record, and the Mones were charged with notice that Graham was the owner of the note.

Payment of negotiable note before maturity to any one other than the holder thereof, or his duly authorized agent to receive such payment, is at the risk of the payer.

The Mones did not establish the fact that the Trust Company was the agent of Graham when they made the payment to the Trust Company, it was at their risk.

When a Banker Gave Strokes To Charles (*Chick*) Evans

*An interview with the veteran chairman of
the First National at Lincoln.*

ONE can travel the width and breadth of the land for years without discovering a more delightful, or more interesting personality than S. H. Burnham, veteran chairman of the board of the First National Bank of Lincoln, Nebraska. A dean of the banking world and business counsellor for all, Mr. Burnham is demonstrating how a young man of eighty years can find the whole world a place for peace, prosperity and happiness.

Speaking of his eighty years, Mr. Burnham says he fooled the world a bit for a while, many of his friends not realizing he was nearing eighty. Recently when his eightieth birthday rolled around, an enterprising Lincoln editor commented editorially upon it, and as a consequence, the bank lobby was overflowing that morning with well wishers bearing good wishes, flowers and gifts to the "young man of eighty." It was almost overwhelming, says Mr. Burnham.

Mr. Burnham has, until recently, been an ardent devotee of golf. "One



reason I'm so young," he says. (He also likes bridge and is said to play it in a way that would please even Mr. Work). He admits he was the first real golfer in Lincoln, at a time when no one knew a brassie from a mashie. He heard about golf first in Chicago, around 1890, when he accompanied two or three bankers there on a round. "The minute I saw them hit the first ball, I became a golf fan," he says.

He returned to Lincoln and immediately interested two or three friends in the game. Most people thought them crazy to chase a little white ball around the pasture, but they finally found a place for a nine hole course and began the game in earnest. "We

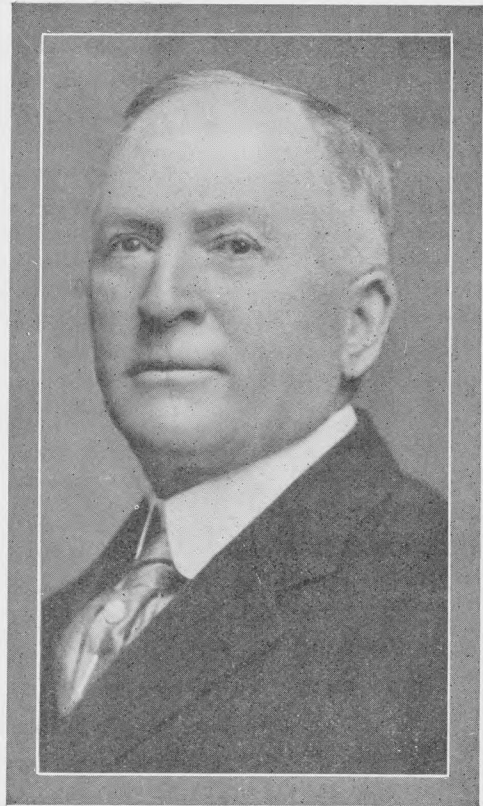
played then for five dollars a year. Now the golfer must spend a hundred times that to play the game on a private course," he says.

"Mum hearts" is the title of Mr. Burnham's favorite anecdote and could easily be converted into a screen comedy. Although possibly known to many Nebraska bankers, it is easily worth retelling here.

One of his early close friends was a Mr. Haskell, Beatrice creamery man, (now deceased), who was a great practical joker. Both Mr. Burnham and Mr. Haskell were fond of card games, and at a friendly gathering one time, Mr. Haskell asked Mr. Burnham if he had ever played "mum hearts." The banker said "no," but opined that he could play most any game that any one else could play.

The fun began. Mr. Haskell and two or three "confederates," with Mr. Burnham in their midst, began the game. It was explained that after the first play, the first man who said a word would forfeit five dollars or a word would forfeit \$5 or so. Also, if any one man took thirteen hearts, he would forfeit the same amount. The cards were dealt around, and Mr. Burnham, as the guest, was "permitted" to play first. Scenting a "nigger in the wood pile" he led the ace of clubs, expecting the rest to follow suit. Instead, every player, including Mr. Haskell, threw on a heart. Unable to complain by word of mouth on their general "renegeing" Mr. Burnham continued to lead and consequently received every heart and lost his forfeit.

The story of "mum hearts" with Mr. Burnham as the entertaining "sucker" was widely circulated among their friends by Mr. Haskell, the practical joker. The banker finally saw a chance to get back in a golf match. A foursome had been arranged, with Mr. Haskell as a spectator. A "blind" wager had been arranged, with each man putting up a few dollars by picking the winner, writing his name on



S. H. BURNHAM

a piece of paper and folding it so that no player knew who the other player had chosen as "low man."

The morning preceding the afternoon of the game, a Mr. Hill, friend of Mr. Burnham, an excellent amateur from Chicago, dropped into the bank. Recalling "mum hearts" Mr. Burnham told of his plans for the game, invited him in on it, at the same time telling Haskell and the players that Mr. Hill was just an ordinary "dub," but a good fellow.

The game was begun, Mr. Burnham secretly choosing Hill as the winner, the others including Haskell, ignoring him. After "dubbing" the first few holes, Hill began shooting par golf, and seemed sure to win. About that time, Mr. Burnham asked Haskell if he recalled "mum hearts" and the fun began, with Mr. Burnham doing most of the laughing.

The third and concluding episode of the "mum hearts" joke, was engineered by Mr. Haskell, who was out for revenge on Banker Burnham. A few months later, Haskell dropped in the bank, to tell Mr. Burnham his nephew from the east, a nice young lad, was about to make him a visit and that he would like to have Mr. Burnham meet him and possibly play golf with him. "Sure," says Mr. Burnham, "glad to meet the young chap. What sort of a golf game does he shoot?" "Oh, just fair," says Mr. Haskell, who was not a golf player.

Central Western Banker, August, 1925

"You can give him several strokes and still beat him."

The "nephew" arrived and was introduced to Mr. Burnham as young Evans. Scouting no dirty work, Mr. Burnham accompanied the lad and Mr. Haskell to the golf course, there to be met by other members of the foursome, and the game began, after Mr. Burnham had arranged to give Evans several strokes.

The young man played badly on the first few holes, then began suddenly to lay out drives of nearly three hundred yards, and cutting down Mr. Burnham's lead. Also, a gallery of grinning spectators, summoned by the enterprising Mr. Haskell, began to follow the match, much to the discomfiture of Mr. Burnham, who scented a "double crossing."

To climax the story, Mr. Haskell began muttering something about "hearts" and at the end of the game, with Mr. Burnham badly snowed under by Mr. Evans, he was boisterously

informed that his youthful opponent was none other than "Chick" Evans, noted Chicago golfer, imported for the occasion by Mr. Haskell, as Mr. Burnham's opponent. (This is one of the favorite stories told by "Chick" Evans,



who is now one of Mr. Burnham's great friends).

Not all of Mr. Burnham's life has been golf and practical jokes. Banking is his life work. He started the American Exchange bank in Lincoln in 1888, forty years ago. "At the time I didn't know a single thing about banking but had plenty of confidence that I could learn," he says. So he hired a young chap named Wing to

keep his books. The "young chap" is now E. G. Wing, president of the First National Bank of Boston.

Almost fifty years in Nebraska and in Lincoln, Mr. Burnham has seen many changes take place in the life of the state and city. He was born in Maine, and became a practicing attorney, before turning to banking. Incidentally, he urges every young man to study some law, advising it particularly for the banker.

Confidence—confidence in your ability and confidence of others as to your ability, are stressed by Mr. Burnham, as the stepping stones to successful banking. "Know yourself and your customers and make them know you—that is the secret of intelligent banking," he says. Speaking more in detail on this subject, he says the customer, even though he is not a borrower, should submit to his banker an occasional statement, so that the banker may know him and be ready to loan intelligently if the occasion arises.

Wheat Harvest Special Train

NEBRASKA'S Wheat Harvest Special train of six exhibit coaches left Lincoln early Monday morning, August 13th, for a two week's run over the Union Pacific and Northwestern lines in central and eastern Nebraska.

The first stop was at Papillion Monday forenoon, the second at Elkhorn Monday afternoon, and the third at North Bend Monday evening. From there the special went west on the Union Pacific main line as far as Cozad, spent three days on the branch lines in south central Nebraska, and then on the Northwestern lines at Hastings for five days run. The last stop will be at Albion the evening of Saturday, August 25.

Local committees at the various stops have arranged harvest festivals, bargain days, old settlers' picnics, and various other local attractions to entertain the visiting farmers. Harvest queens will be crowned in practically all the towns as a feature of the special train's program.

One coach of exhibits is to feature control of wheat smut which is said to take a toll of two or three million dollars every year in Nebraska. It can be controlled by a simple seed treatment costing less than a nickel a bushel.

Another coach will feature good certified seed and show the value of it. Another coach will be devoted entirely to seed bed preparation methods and practices. The ladies are to have a home economics coach emphasizing handy kitchens, water systems, and convenient laundry facilities. All these coaches were prepared by the agricultural college. The Omaha Grain Exchange added a coach showing what happens to grain when it reaches the terminal market.

Two agricultural college men will work in each of the coaches and two women and one man in the home economics coach. Stops of three to four hours will be made in each town so everyone can stop, look, and listen until he has the complete message of the train. Loud speakers on the train will make it possible for everyone to hear every word of the short program from the open demonstration car.

The crowning of the local harvest queen will take place on the open demonstration car of the train. In all cases, she will be a rural girl chosen by popular vote as the most highly esteemed young lady of the community. She and her attendants will lead the visitors through the train.

The complete itinerary of the train follows. The first town listed under

each date is the morning stop, the second the afternoon stop, and the third the evening stop of the train.

Monday, August 13—Papillion, Elkhorn, North Bend.

Tuesday, August 14—Schuyler, Silver Creek, Central City.

Wednesday, August 15—Wood River, Gibbon, Kearney.

Thursday, August 16—Elm Creek, Lexington, Cozad.

Friday, August 17—Polk, Osceola, Mead.

Saturday, August 18—Cortland, Blue Springs, Fairbury.

Monday, August 20—Belvidere, Fairfield, Hastings.

Tuesday, August 21—Harvard, York, Gresham.

Wednesday, August 22—David City, Beaver Crossing, Seward.

Thursday, August 23—Geneva, Davenport, Superior.

Friday, August 24—Hooper, Dodge, Clarkson.

Saturday, August 25—Humphrey, Newman Grove, Albion.

Of all the heavenly gifts that mortal man commend,
What trusty treasure in the world can countervail a friend?

—Grimbold.

Buy Christmas Cheer Throughout The Year



"CHRISTMAS CLUBS HELP PAY INSURANCE PREMIUMS"

—Mr. J. L. Train

As Treasurer of the Utica Mutual Insurance Company, Mr. J. L. Train knows that a great many people use part of their Christmas Club money to pay insurance premiums.

Figures from all over the country also show that a large portion of Christmas Club funds are set aside for insurance purposes.

About \$23,000,000, of the Christmas Club fund distributed by banks in the United States, is accumulated for various kinds of property and life insurance payments.

More than 8,000,000 American people have Christmas Clubs. More than 23,000 people in Utica alone, use the Christmas Club. Join today at one of our three convenient offices. Pay your insurance premiums by the Christmas Club method.

Another good reason for a Christmas Club



FIRST BANK & TRUST CO. of Utica

An advertisement used by the First Bank and Trust Company advertising its Christmas Club

Making Our Christmas Club Profitable

By VIRGIL D. ALLEN,

Assistant Vice-President
First Bank and Trust Co., Utica

the legend "Interest at the rate of 2 per cent will be paid on 1928 Clubs" were placed in the Christmas Club teller's window.

When depositors objected to the reduced rate of interest, they were told that it was being done in order to place the Christmas Club on a paying basis. If they did not accept this explanation, they were then told that a regular savings account in the savings department still paid four per cent.

There were some who availed themselves of this service, especially those Christmas Club depositors who had

PRIZE CONTEST

To Select the Best Reasons

"Why I Have a Christmas Club"

Rules

The contest is open to everyone who intends to have a Christmas Club in 1928.

In seeking the Best Reasons why Christmas Clubs are so popular, the contest aims to determine the proportion of Christmas Club money spent for gifts, taxes, insurance, etc., and the proportion transferred to permanent Interest Accounts.

Best Reasons must be given in less than two hundred words, with the name and address of the author plainly written on the copy submitted.

Contestants may bring or mail their Best Reasons to the Christmas Club windows at any one of the three offices of the "First."

The contest will close at 3 p. m. o'clock, December 30, 1927. Winners will be announced January 10, 1928, and awards made as follows: first prize, \$25.00; second prize, \$15.00; third prize, \$10.00, and five prizes of \$5.00 each.

Judges

Mr. A. M. Dickinson Treasurer Onondaga County	Mr. J. L. Train Treasurer Utica Mutual Insurance Co.
Mr. W. F. Roberts Vice-President John A. Roberts & Co.	Mr. F. P. McGinley Vice-President Fell, Beck & Trail Co.

Send us your reasons for a Christmas Club

THE other day I was visiting with a banker in another city who made the statement that he did not consider his Christmas Club worth while, although the membership was approximately 10,000 with deposits of half a million. The reason for this statement was, of course, the fact that his bank is paying 4 per cent interest on these deposits and undoubtedly losing money in the present market.

I suggested to him that he cut this interest in half, but he did not think this possible without incurring a great deal of ill will and decreasing the membership to a large extent. Certainly there are many other bankers who feel themselves to be in the same difficult position, and for this reason it occurred to me that our experience might be particularly helpful.

Here is Our Experience

Eight months have passed since we reduced the interest rate on our Christmas Club accounts from 4 per cent to 2 per cent and yet deposits are 85 per cent of the amount in the Club a year ago.

Our Christmas Club was just a year old when we realized that to make it pay we would have to reduce the interest rate.

Further Complications

The situation was still further complicated because the local savings bank a mutual institution, could not conform to the clearing house agreement made by the commercial banks. The officers of the Savings Bank did agree, however, that they would not advertise the difference between their four per cent and the Clearing House two per cent rate in an aggressive way.

It was decided that no newspaper publicity or advertising would feature the change. Show cards bearing

maintained \$5 and \$10 Clubs. Many depositors failed to reopen their clubs, however, and yet in spite of this, our membership showed an increase over the previous year.

Our plan embodied two rather interesting features; first, a membership drive by employes; second, a prize essay contest for the public.

The membership drive was announced at a dinner meeting of the First Bank Club. The competition was for prizes offered by the directors of the bank and consisted of articles manufactured by concerns in which they were interested. The articles included furniture, underwear, breakfast food, and ginger ale.

The rules of the drive merely prescribed that the employes who obtained the largest number of new Christmas Clubs would have first choice of prizes and so on. The bank supplemented the prizes offered by the directors by providing ten gold awards to go by lot to employes who qualified with a certain number of new clubs to their credit.

How It Was Done

Each employe was provided with folders describing the Christmas Club and the prize essay contest for the public. These folders featured our attractive Christmas Club pass book and were designed to tie up with car cards and newspapers.

A signature card was made a part of each folder and on the back of each card was a map showing the three convenient offices of the bank. Introduction by means of these cards established credit for the account if an employe's name was noted.

These folders were distributed freely. Executives in local industries were induced to enclose the folders in pay

Central Western Banker, August, 1928

envelopes. The tellers who made up payrolls were able to help secure distribution in this way.

It was felt that the Christmas Club provided opportunity to get the name of the "First" before a great many people. Thus, from an institutional standpoint we were able to capitalize the "Buy Christmas Cheer throughout the year" appeal.

Of course interest in the personal solicitation work by employes was maintained by posting weekly scores on bulletin boards to which only the working force had access. The First Bank News, also functioned to keep solicitation efforts at a maximum, and several meetings were held.

The prize essay contest was somewhat of an innovation. And we did not plan it without full knowledge of the dangers lurking in a contest.

Provision was made for acknowledging immediately all essays received, and at the conclusion of the contest all participants received another letter thanking them for the effort they had made and enclosing a reprint of the first prize essay, together with the names of all winners.

Contest Rules Simple

The rules of the contest were not complicated or set forth in a technical manner and the cash prizes were kept low, purposely. While we wished to obtain a reasonable number of essays, the principal reason for the prize contest method of newspaper advertising was to get our advertising read and to induce readers to think. In other words, by seeking essays giving the best reasons "Why I have a Christmas Club" we raised the question in the mind of the reader which we answered in part by selection of the judges of the contest.

The four judges represented respectively the four main purposes for which Christmas Club funds were used, namely, gifts, taxes, insurance and savings. And following the first newspaper announcement of the contest, advertisements featured an article by each one of the judges which reads such as "Christmas Clubs help pay insurance premiums," followed with statistics showing the total number of local Christmas Club depositors in all banks and the portion of the na-

tion's Christmas Club fund used for the specific purpose described. This helped establish the Christmas Club as a popular and acceptable method of saving.

Copy Was Kept Busy

Of course each one of these advertisements incorporated the prize contest rules so that the news value of the copy was maintained. Reprints of the prize contest announcement were also posted on bulletin boards in the schools.

A number of essays were sent to us and one receiving the first prize was published. In this way and throughout the contest, we were able to bring the best reasons for having a Christmas Club to the attention of a great number of people who had never before realized the value of such a method of saving.

As a result of these efforts, our 1928 Christmas Club is larger than the Club of the past year in spite of the lower rate of interest and notwithstanding the fact that it had just passed its first anniversary when this radical change took effect.

Jobs Are Seeking Men

BIG business, instead of denying the individual his opportunity in life, opens new and better opportunities for him than existed in the days when large-scale operations were exceptional, says Thomas R. Preston, president of the American Bankers Association.

"A young man now has ten times as many opportunities as a young man had a generation ago," he writes, in a recent article. "There is proof of this everywhere. Formerly men sought jobs, now jobs seek men, and the most difficult task of every executive is to find men of character and ability, trained to a high state of efficiency.

"Thirty years ago people thought that because of mergers and combinations we had reached the age of big business. Mergers and combinations then seemed small compared with those of today. Some contended then as they do now that in the age of great combinations and consolidations an individual would become but an atom of an aggregation. Has not the reverse proven true?

"It is a fact that ninety per cent of all business is now done in corporate form. Corporations are the one means by which a multitude of individuals can mass all or part of their resources in an enterprise for the de-



THOMAS R. PRESTON, President
Hamilton National Bank
Chattanooga, Tennessee

velopment of the country and rendering service to the people. Large units of capital result in benefit to the public. We can have no real labor in this country without capital, and the

more capital the greater opportunities for labor.

"In banking it has been demonstrated over and over again that it is far better for the public that we have fewer and larger banks, which are capable of meeting adequately every demand, rather than multitudes of small ones struggling for existence. This is also true in other lines.

"Big business has been a great aid to labor. Would it be possible for a skilled mechanic to earn from \$8 to \$25 per day, except for big institutions? Would these men be able to go to and from their work in high-powered cars except for this? Would the standards of living be anything like as high as they are today except for these great institutions?

"From an investment standpoint Big Business has also been of great assistance to the masses. We must realize that these large institutions are now owned by the public. It is said that directly and indirectly fifteen million people own the corporations of this country, and one reason why demagogues do not get any further in their abuse of corporations is because they are talking to the very people who own them. Any man who desires to do so can own stock in the Standard Oil Company or any other of our great enterprises.

Central Western Banker, August, 1928

\$10 In Cash for the Best Answers to Ten Brain Teasers

CONTEST RULES

- 1—Ten dollars cash from the CENTRAL WESTERN BANKER to the reader sending in the best answers to the ten questions on this page.
- 2—Contest open to all readers of the CENTRAL WESTERN BANKER of Omaha.
- 3—Answers must be sent in by September 10th with the name and title of the contestant clearly signed at the bottom of the letterhead.
- 4—Contest letters should be addressed to Contest Editor, CENTRAL WESTERN BANKER, 416 Arthur Bldg., Omaha, Nebr.
- 5—Contestants need not repeat, in their letters, the ten questions, but should list their answers, 1, 2, 3, etc.

FOR the best answers to the ten "Brain Teasers" listed on this page, the CENTRAL WESTERN BANKER will pay ten dollars in cash. In addition, the prizewinning answers will be published in the September issue of this magazine under the author's name. This contest is open to all readers of the CENTRAL WESTERN BANKER. Send in your answers at once!

The ten questions listed on this page are submitted by a banker who has made quite a hobby of "brain-teasers," E. F. Folda, manager of the bond department of the Stockyards National Bank of Omaha. In fact, Mr. Folda's reputation for digging up questions of vital interest on banking problems has extended over a quarter of a century and his frequent "question boxes" conducted at Nebraska group meetings year after year, always prove a source of great interest.

At the request of the editor of the CENTRAL WESTERN BANKER, Mr. Folda has prepared twenty questions, the first ten of which appear on this page. A similar prize of ten dollars will be awarded to the best answers to the next ten questions that will appear in an early issue of this magazine.

What Mr. Folda Says

Anent the "brain teasers" Mr. Folda says:

"That certainly was a woeful day for me when I promised in an unguarded moment to write the 'Question Box' for the editor of the CENTRAL WESTERN BANKER because for a month or more I have said to myself more than once, 'Today is the tomorrow I worried about yesterday.' I have determined to stop worrying about it and let the editor do the worrying when he sees what happens to his circulation, after this article appears, provided he dares to print it. And right here I want to congratulate the magazine and its subscribers on the excellent publication now being issued as the CENTRAL WESTERN BANKER.

"And now—the Question Box—nothing more or less than a round

ers. Then that fact or case is mentioned.

"We do have some questions sent in that seem exceedingly simple. The Group meetings are attended by a number of the young bank clerks and officers and by some who are very new in the banking business and they really want the information or advice asked for.

"Remember, I make no attempt to answer the question myself, I simply read the question as taken from the box and nine times out of ten there is someone in the audience who has had some experience on that very sub-

The Ten Questions

1. Is it obligatory upon a bank to certify the checks of a depositor?
2. If one of our customers ships his fat cattle to Omaha, how can we make sure that our Bank will receive credit for the proceeds?
3. Can a post dated check be legally protested for non-payment?
4. Can a chattel mortgage be legally drawn to include after acquired indebtedness?
5. Is it possible to draw a chattel mortgage on stock of merchandise to include stock to be purchased in future?
6. Are the words "future advances" included in chattel mortgage protection on money later advanced?
7. Has a bank a right to charge back to the person depositing the same, a check found not good at close of the business day?
8. Are reconcilements from correspondent banks of any value as bank records? Should they be retained? Give reasons for answer.
9. Does a judgment filed in District Court Clerk's office take priority over a chattel mortgage filed at a later date? Give reasons for answer.
10. If an account is attached, does this include deposits made following attachment?

table discussion of question brought up at meetings of the Nebraska Group Conventions. The name was suggested by the manner in which the questions were brought out. Blank slips of paper were passed to those present during the meetings or during the intermissions, upon which each one writes out a question he would like to hear discussed and even some question that can be legally and rightfully answered by someone present, who has had actual experience on that very question. Another name for Question Box might well be Experience Meeting. The questions and answers are not prepared before hand unless it might be some new legislation recently enacted or some recent court decision that is vital and important to the bank-

ject and it is my aim and object to find that person and have him get up and relate his experience. Then, too, we practically always have some attorneys in attendance and call on them for their opinions on the question or to state what the law provides. Oftentimes the legislator who helped pass some law is present and sometimes we find that he does not know what is in the law or what it is all about.

"Yes, we do sometimes have some funny questions and sometimes some that are not so funny. At one meeting a group had evidently been discussing how long a man could live without brains and at that meeting the first question in the box was: 'Folda, how old are you?' By the way, speaking of age, Jay Rising of the National

Central Western Banker, August, 1928

Park Bank of New York City wrote me last week that he remembers well the first time he heard me conduct a Question Box and that was in 1900. Several other good bankers now prominent in big city banks learned from the Question Box conducted in Group meetings in Nebraska. They got their start here in Nebraska and no doubt the question box had something to do with their success in after life? See? Get that?

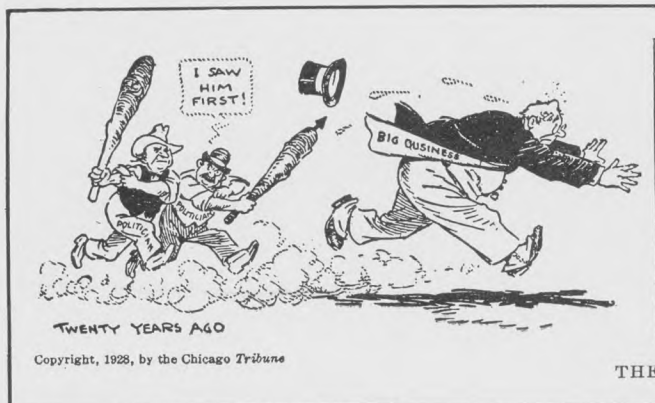
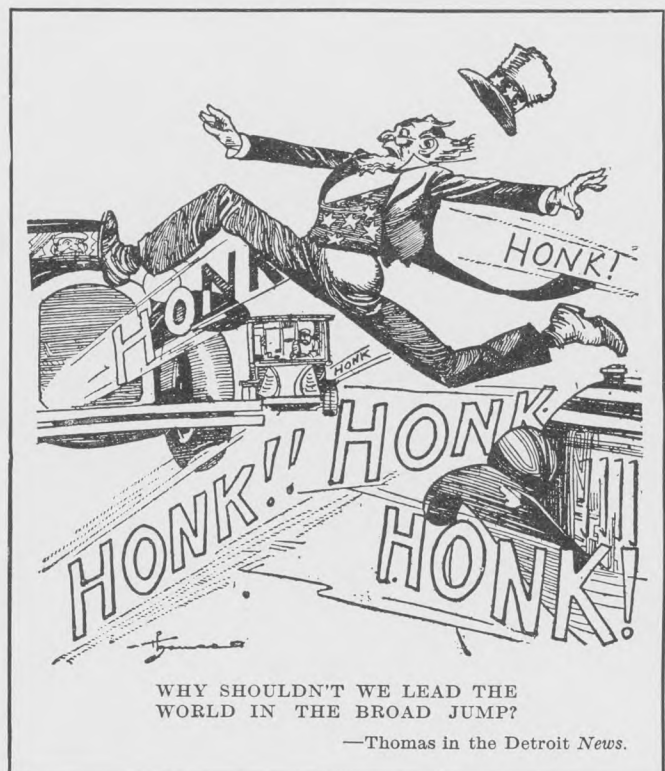
"Now, what were some of the questions? I will omit those referring to the Guarantee Fund of Nebraska. Naturally many state bankers here in Nebraska are interested in the Guaranty law and many questions about that are asked and where the question

asks how or what is being or was done with certain acts or rulings on the law, we simply ask those who did do it to raise their hands and those who did not do it to do likewise, and let it go at that. This simply gives those present an idea of the percentage of bankers attending the convention who favor or do not favor any certain act or rule of the Banking Department.

"By the questions asked, a few of which I list here, you will see that some of the younger bankers are asking for advice, for instance—"Can a banker legally charge a note that is due to a customer's account?" and many of the older and experienced bankers will answer, 'Yes, it can.' Then many times will follow: 'Can a

note that is not due be charged to the customer's account under any circumstances?' We then learn of many circumstances, some amusing and some not so amusing where it was or was not done. 'Should a note be protested when protest is waived in the body of note?' Naturally, this depends on whether the corresponding bank sending the note to you requests that it be protested. The same is true of checks that are inland bills of exchange or foreign. But here, Mr. Editor, I see I am getting into a discussion of the question, whereas all you asked and all that I promised was to send you some of the questions and you can use them as you see fit. So here they are."

Cartoon Laughs of the Month



In and Out of the Texas Guaranty Law

One of a series of articles on how other states that have passed guaranty of deposits laws have worked out from under their burdens

IN JANUARY, 1910, the Texas Guaranty Fund System became a law, and all banks could avail themselves of this protection for depositors, or "provide a bond policy of insurance, or other guaranty of indemnity in an amount equal to its capital stock" for the protection of its deposits.

The Guaranty Fund of \$2,000,000.00 was created by requiring all member banks to pay one per cent of average daily deposits the first year and one-fourth of one per cent of average daily deposits thereafter, one-fourth of this was paid in cash to the State Banking Board and three-fourths was credited on the individual ledgers of the member bank to "The State Banking Board." After the \$2,000,000.00 fund was created the law provided that member banks thereafter would not pay any further amount into said fund until said fund be depleted from any cause, below the \$2,000,000.00.

Available Fund Changed

About 1923 this available fund was changed to read \$5,000,000.00, as both Banking Commissioner and the bankers realized that with continued failures the \$2,000,000.00 would not take care of the situation.

This \$5,000,000.00 fund was kept available by constantly assessing all member banks to take care of each failure. The law provided that the maximum assessment in any one year be two per cent of the bank's average daily deposit.

When the Guaranty Fund became operative practically all State Banks became members of this system, only a few operating under the Bond Security System. Owing to few failures the Guaranty Fund System operated apparently very satisfactorily until deflation started in about 1921. Failures

This Article By
CLARK C. CAMPBELL,
Austin National Bank,
Austin, Texas

became numerous, and the bankers began to study this problem of guaranteeing deposits more seriously. This led to an amendment in 1925, which gave all State Banks the option of either continuing to protect their depositors by the Guaranty Fund or to

One of a Series

The article on this page, by Mr. Clark of the Austin National Bank, Austin, Texas, on the operation of the Texas bank guaranty law, is the first of a series of articles that will appear in early issues of the CENTRAL WESTERN BANKER dealing with the final outcome of guaranty laws in all states in which they have been adopted. The entire series should be of great help to Nebraska bankers in solving the problems that have arisen with respect to their own guaranty law. In each article, special emphasis will be made on the remedial legislation that has followed the adoption of the guaranty measures in each state, with last-minute information as to their final outcome and methods of disposal.—Editor's Note.

change to the Bond plan. This Bond Plan provided that banks furnish personal or surety bonds or approved securities to the amount of the bank's capital stock, said bonds to be made to the Commissioner of Banking for the benefit of depositors and must be approved by the Banking Commissioner.

A Mad Rush

When this option became effective there was a mad rush to get out from under the burden of the Guaranty Fund. This is clearly shown by the fact that out of approximately one thousand Guaranty Fund Banks there were about twenty-six Guaranty Fund Banks in January, 1927. It is needless to say that there was but one reason that these twenty-six did not make the change.

The amendment in 1925 allowing the banks the option of choosing the method of protecting their depositors was only the stepping stone to the final repeal of the Guaranty Fund Act.

In February, 1927, both the Guaranty Fund and the Bond Plan were repealed and now the State Banks of Texas are relieved of an unjust burden which cost many of them more than their earnings and in numerous cases was the cause of an impaired capital.

Member banks carried on the books as an asset the one-fourth of the one per cent paid the State Banking Board as "Interest In Guaranty Fund" and the assessments paid by member banks to make good the depleted fund was carried on the books as "Assessment in Guaranty Fund."

Will Show Loss

Owing to suits against the Guaranty Fund, it is conceded that the interest in the Guaranty Fund will show a loss of from five to fifteen per cent.

The assessment to Guaranty Fund is estimated to be worth not over fifteen per cent. Therefore, a bank having paid in \$1,000.00 to interest in the Fund and \$2,000.00 Assessment would now have a loss not less than \$1,850.00. In other words, the member banks are taking a loss of about sixty-five per cent of the amount paid for protecting their depositors.

The Guaranty Fund is all right when there are no failures, but when reckless and incompetent parties manage a bank, it is certainly not right for the conservative and careful bank to make good losses sustained in which they had no voice or management.

The writer is of the opinion that practically every state having the Guaranty Fund System found it unsound in times of stress and practically all have been repealed.

When failures were most frequent, some of the city banks greatly curtailed credits to the small banks, realizing that the assessments being called

Central Western Banker, August, 1928

for greatly exceeded the earning power of many banks, which must necessarily lead to an impaired capital.

Making Better Bankers

It might be of interest to know that the state banks of Texas paid out approximately \$20,000,000.00, and it is anticipated that some \$16,000,000.00 of this will be a loss. In the repeal of our Guaranty Law, the deposits in our state institutions seemed to suffer no loss. The funds heretofore paid to make good some other bank's losses are now used to strengthen the bank by building up a larger surplus and the profits once more go to the stockholders. We in Texas feel that the repeal of the Guaranty Fund Law is making better banks and better bankers, for each bank is now solely and directly responsible to its depositors, and they seem to be running their business on a more conservative basis.

The Executive Committee of the State Bankers Association has appointed standing committees to serve until the council meets in 1929, the committees, as nearly as possible, having a member of the council as chairman. The committees are:

Membership: C. F. Coffee, Jr., chairman, vice-president First National Bank, Chadron; F. A. Peterson, president, First National Bank, Madison; C. J. Mortensen, vice-president, Nebraska State Bank, Ord.

County Organization: O. A. Riley, chairman, cashier, State Bank of Hastings; M. H. Taylor, vice-presi-

dent, First National Bank, Elgin; R. H. Hastain, vice-president, Bank of Commerce, Louisville.

Protective Committee: Woods Cones, chairman, president, Cones State Bank, Pierce; C. F. Gund, president, First National Bank, Blue Hill; Jul Petermichel, vice-president, Oak Creek Valley Bank, Valparaiso.

Insurance: Frank Boyd, chairman, vice-president Omaha National Bank; A. J. Jorgenson, president, American Bank of Sidney; E. C. Cole, president, Ranchers State Bank, Cody.

Agricultural: T. H. Pollack, chairman, president, Farmers State Bank, Plattsmouth; Dan V. Stephens, president, Fremont State Bank; H. D. Miller, president, First National Bank, Stanton; F. R. Kingsley, Jr., cashier, Minden Exchange National Bank; C. S. Brown, vice president, Fidelity State Savings Bank, Aurora.

District Clearing House: H. A. Guttman, chairman, cashier, Bank of Murdock; A. J. Guendel, president, Nebraska State Bank, Grand Island; E. I. Ellis, president, First National Bank, Tekamah.

Service Charge: Arthur Jensen, chairman, vice-president, Minden State Bank; I. R. Alter, vice-president, First National Bank, Grand Island; C. M. Hitchman, vice-president, Farmers State Bank, Blair.

Time Lock: H. A. Guthmann, chairman, cashier, Bank of Murdock; F. H. Bruning, cashier, Bruning State Bank; George H. Gray, president, First National Bank, Columbus.

County Credit Bureau: J. A. Boyd, chairman, cashier, Farmers State Bank, Kearney; Harry Erickson, cashier, Boelus State Bank; A. P. Pilger, cashier, First National Bank, Stanton.

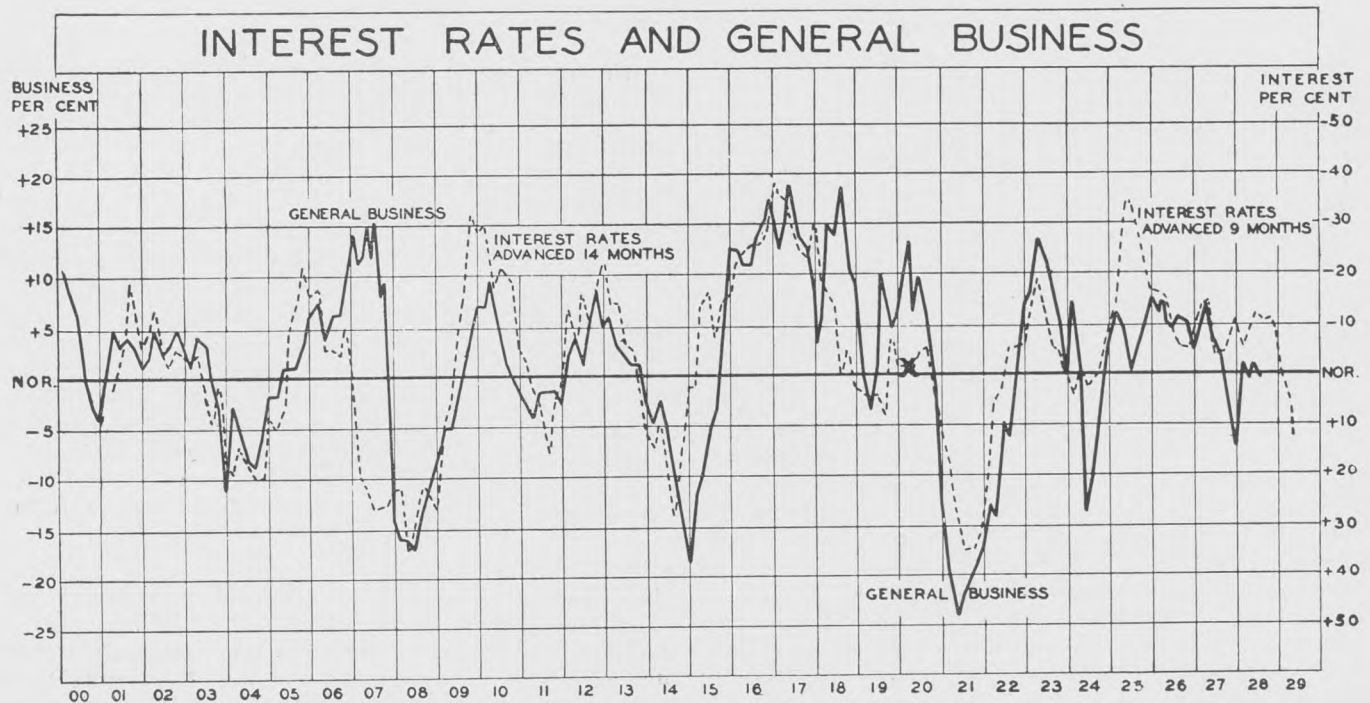
Education, Public Relations and Thrift: P. R. Easterday, chairman, vice-president, First National Bank, Lincoln; W. E. Henry, Chairman of Board, Loup City State Bank; C. A. Phillips, cashier, Cambridge State Bank; J. E. Conklin, president, Hubbell Bank; W. H. Dressler, cashier, Stockyards National Bank, Omaha.

Legislative: Dan J. Riley, chairman, cashier, Dawson bank; George W. Woods, cashier, Lincoln National Bank and Trust company; Howard A. Clarke, cashier, Columbus State Bank.

Taxation: Elmer Williams, chairman, president, Commercial State Bank, Grand Island; C. E. Burnham, president, Norfolk National Bank; C. R. Hart, president, Prosser, State Bank; George W. Holmes, vice-president, First Trust Company, Lincoln; J. R. Cain, Jr., vice-president, Peters National Bank, Omaha.

Publicity: C. J. Claassen, chairman, vice-president, Peters Trust company, Omaha; Fred D. Stone, First National Bank, Lincoln; P. L. Hall, Jr., president, Greenwood State Bank, Greenwood.

Finance: C. A. Smith, chairman, vice-president, Tilden National Bank; F. R. Haggart, vice-president, St. Paul State Bank; A. L. Coad, cashier, Packers National Bank.



—From Bulletin, Cleveland Trust Company.

About Nebraska Banks and Bankers

H. H. Bratt, who for 32 years was connected with the Citizens Bank of Bennett, Neb., died at the age of 67. He had been president of the bank since January, 1927.

Omaha bank debits (total check transactions on banks) for the 26 weeks ending June 27 were 8.9 per cent larger than for the same period in 1927, according to the monthly bulletin of the Federal Reserve Bank of Kansas City. Savings deposits in reporting Omaha banks were \$9,251,913 on July 1, compared with \$8,082,451 on July 1, 1927. An increase of 993 local savings accounts was reported from July 1, 1927 to July 1, 1928.

The profits in following a program of soil improvement were discovered by the Nebraska Bankers Association from the records of 44 farms in Frontier county, Nebraska, which followed a program of soil improvement with legumes and live stock. The average labor income on the farms which followed the program was \$2,641 a year or \$245 a month. As for the farms that did not follow the soil improvement program, the labor income for the year was only \$157 or \$14 a month.

Omaha South Side banks are actively engaged in promoting the Ak-Sar-Ben Live Stock and Horse Show to be held in the new livestock pavilion at Ak-Sar-Ben field November 3 to 9.

Nebraska's bank guaranty fund is in better condition today than at any time since bank failures, in large numbers, began eight years ago, says Van E. Peterson, secretary of the guaranty fund commission, in replying to published criticisms from other states, of the guaranty system.

Almost all of the 47 millions of dollars that depositors in weak or failed banks have received from the bank guaranty fund are for losses in the last seven years, Mr. Peterson pointed out.

"The depositors in the state banks of Nebraska have not lost a single dollar, nor will they lose one," said Mr. Peterson. "Losses are being liquidated by the commission today at the rate of a million dollars a month."

Mr. Peterson explained that as soon as a bank was closed, 50 per cent of the losses were paid as soon as the depositors' claims are passed upon by

the courts, another 20 per cent in about six months, and the remaining 30 per cent over a period of three or four years.

Total claims against the guaranty fund at the present time total a little more than 24 million dollars. The commission expects to reap 8 million dollars in cash from the listed assets of the failed banks of 40 million dollars.

On August 1, the **First National Bank of Omaha** celebrated its seventy-first birthday. The bank, in an announcement of its anniversary, said:

"On August 1, 1857, Kountze Bros. founded a banking house in a small wooden frame building.

"They had faith in the progress of the city. They appreciated the importance of the location, the sturdy stock of the settlers, the rich soil suitable for agriculture and live stock.

"This week that institution—the First National Bank of Omaha—celebrates its seventy-first birthday.

"For nearly three-quarters of a century we have kept pace with the growth and development of Nebraska.

"For three generations we have furnished our customers with a personal and friendly service."

Fred Thomas, vice-president of the First National Bank of Omaha, has returned from a visit to eastern points, including New England and the city of New York.

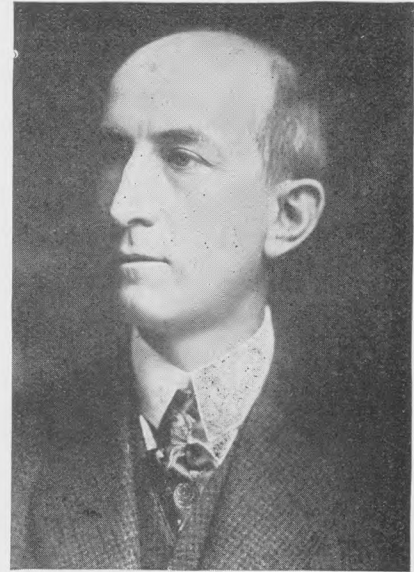
Denman Kountze, vice-president of the First National Bank of Omaha, is spending his summer vacation at Wianno, Mass.

The bank guaranty fund commission of Nebraska has retained Van E. Peterson as secretary; C. M. Skiles of general counsel; G. A. Bryant as manager of the real estate department; G. R. Buckner as assistant secretary; and C. G. Stoll, assistant secretary.

The Nebraska Regional Clearing House Association, organized recently at Fremont by the bankers of the five counties in the Fremont district, has attracted nation-wide attention. Not only have various financial publications printed articles about the clearing house and its work, but Dan V. Stephens, president of the Fremont State Bank and the guiding spirit in the organization of the clearing house, has been much in demand in eastern

and southern states, as a speaker to tell about the work that is being done.

Frank Boyd has been made chairman of the general committee in charge of the arrangements for the annual convention of the Nebraska Bankers association, which will be held



FRANK BOYD

at the Fontenelle hotel in Omaha October 17 and 18.

He will be assisted by Denman Kountze, Gwyer H. Yates, C. L. Owen, J. F. Coad, W. P. Adkins, C. F. Anderson, J. R. Cain, Jr., Emil Kavalec, John S. McGurk, M. D. Cameron, Lawrence Brinker, C. W. Mead, H. M. Bushnell, E. D. Morcom and G. A. Gregory.

J. B. Owen will head the entertainment committee and F. C. Horacek will be chairman of the reception committee.

Among the speakers who have already been secured by Secretary W. B. Hughes are Dr. O. R. Sweeney, head of the chemical engineering department of the Iowa State college of agriculture at Ames, Iowa, who will tell about the model plant he has built for the conversion of cornstalks into useful commercial products; and F. R. Smith, commissioner of banking of the state of South Dakota.

F. M. Wetherald, president of the Thayer county bank of Hebron, Nebr., and formerly a state senator and representative, and founder of the Hebron flour mills, died July 19 at the age of 73.

Central Western Banker, August, 1928

John J. Vlasak, organizer and cashier of the Bank of Prague, and formerly president of Group No. 2 of the Nebraska State Bankers association, died July 14. He had come to America from Czecho-Slovakia in 1868. He organized the Bank of Prague in 1906.

The annual Nebraska potato tour August 13 to 16 inclusive, started in Kimball county and moved north across the state to end the fourth day in Sheridan county, according to Prof. H. O. Werner of the agricultural college, and Wm. Morrow of Alliance,

manager of the Nebraska Certified Potato Growers Co-operative, who were in charge.

The tour included Kimball, Scottsbluff, Morrill, Box Butte, Dawes and Sheridan counties. Stops were made at many farms and test plats.

Plans were made to furnish transportation and otherwise entertain delegations from the southern states to which Nebraska has been sending certified seed potatoes in the past and also to other parties interested in future supplies. Many southern states have been well represented in the past. Nebraska certified seed potatoes are said to be the best that can be pur-

chased for the southern growers, so these growers are interested in methods used in western Nebraska, to keep up the high standard of quality.

Among the features of the tour was the seed improvement plats and the disease study plats raised this year in the potato district under the direction and observation of Professor Werner and Dr. R. W. Goss of the University. The effect of planting and harvesting dates and of cultivation methods on the value of the crop for seed is also being studied.

In the seed improvement work, Professor Werner is developing the best of seed for Nebraska growers to use. He will have a large supply available for use next spring, and should have enough to supply all certified seed growers with all their seed in 1930. Dr. Goss is studying prevention and control of such common diseases as spindle tuber, mosaic, wilt, and scab.

Interest is running high in western Nebraska in the certified seed potato business. About 200 growers from all over the district gathered at Scottsbluff recently to get the latest first hand information about cultural methods and disease control. They went right out into the 275 test plats with Professor Werner and studied the work that is being done for their benefit. Certified seed plats showed up well over those from uncertified seed.

Irish Cobblers are being grown more extensively for certification now in the western potato district. This means that eastern and southern Nebraska will have a fine source of good seed stock in the future. Previous to this year, most of the potatoes have been of the Triumph variety, a kind that will not do well in eastern and southern parts of Nebraska.

Reports Record Resources

Total resources of the Chase National Bank of the city of New York established a new high record for the bank of \$1,103,742,061 as of June 30, according to the statement of condition published in response to the call of the comptroller of the currency. This represents a gain of \$40,623,432 over the previous record reported on February 28 and compares with \$1,042,513,993 as of June 30, last year.

The current statement does not give effect to \$40,000,000 of new capital funds, \$30,000,000 of which were paid into the bank's capital and surplus as of July 2, and \$10,000,000 of which were added to the capital funds of the Chase Securities Corporation.

The Market Trend

With the tremendous sums which insurance companies and other large institutions of today have to invest any short vacation from buying means an enormous accumulation.

During the past few months there has been a cessation of buying and also a large reduction in the total amount of new offerings.

Such a situation should mean extremely heavy buying this fall with few bonds on the bankers' shelves.

All this should have a beneficial effect on the bond market and at present low prices, investors should be able to make profitable purchases.

We have prepared a list of bonds which we believe are unusually good values at prevailing prices and will be pleased to send this list upon request.

SMITH, LANDERYOU & CO.

640 First National Bank Building

OMAHA, NEBRASKA

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BONDS AND INVESTMENTS

The Middle Man In the World's Money Market

By JOHN P. MULLEN,

Assistant Educational Director, Investment Bankers Association of America

"JEALOUS OF ITS GOOD NAME!"

"The Investment Bankers Association is very jealous of its good name. It sedulously seeks to exclude houses of questionable character from its membership; the house seeking membership today must have a high record of honesty, experience and ability. Perhaps there is a bit of selfishness in this vast work of the association in finance. Certainly there is a laudable pride."

PUBLIC confidence, the foundation stone of all business, is particularly the determinant in the work of the investment banker. He stands as essential middleman in the money markets of the world, an agent whose function it is to gather from all parts of the land the savings of individuals and the profits of business and to direct this capital into channels from which legitimate governmental and corporate enterprises can draw the funds necessary for their development. He is a reliance in enterprise, a guardian in prosperity and a dependence for relief in times of political and corporate financial stress. But only in the measure in which the investment banker invites and retains confidence in his ability and integrity is he effective in the very necessary service he seeks to perform.

It was to foster and to justify the almost universal confidence which the business of making and selling securities has won for itself in this country that the Investment Bankers Association of America was formed in 1912. It was conceived to have two main functions: to test and determine the most efficient and equitable methods of supplying long-term credit to established, worthy enterprises, and to draw together the recognized, reputable investment firms of the country into a co-operative organization. More specifically, it sought, in the words of its constitution, "to promote discussion of subjects of importance to investors and to dealers in securities, to afford protection against loss through negligent or irresponsible dealers, to surround the offerings of its members with greater safeguards . . ." Thus it premised its very existence on a high sense of the duty of the investment banker to the investing political divisions of the world.

Lacked Much Background

Up to the period of the organization of the Investment Bankers Association of America the investment business lacked much in background. Although that element of moral responsibility to the borrower and the lender, which characterizes the investment business of the present day, was generally evident in the practice of recognized firms, there was great need of established precedent and of a standardization in the methods and principles of the profession to insure its sound growth. Co-operation between individual houses or between the various groups lacked correlation. On the other hand the business of investment banking was expanding amazingly. The industries and the numerous political subdivisions were demanding capital in larger and larger amounts. Among investors there was evident a growing understanding of finance and credit and a better appreciation of those "intangible essentials" which the investment banker has to sell. With this rapid expansion of the business, the need of more thorough and systematic investigation of the securities for which the investment dealers assumed sponsorship grew. But no one firm could afford the expense entailed in determining, correlating and applying all the necessary and complex practices and principles that are a part of the business of underwriting and distributing securities. Here lay the opportunity and problems for an association.

It has been, and is, the work of the Investment Bankers Association of America to find and apply the soundest practices and principles of finance

and credit and to submit them to the public. In this effort it has become what has been aptly termed a great financial laboratory and bureau of standards.

Through its nineteen standing committees a vast amount of research is carried on, and the findings are made available to every interested investor, business enterprise and political subdivision in the world. To its business conduct committee come such questions as touch upon ethics and the practices of the investment houses in their day-to-day relations with the investing and the borrowing public. This committee is in a manner disciplinary, but, since the association is in no way paternalistic, it must rely entirely upon the might of right. Actually, this committee is a very effective moral force. The business problems committee concerns itself with the internal functions of the bond house, and endeavors to determine methods of greater efficiency. The committees on industrial, foreign, government and farm loan, irrigation, public service, railroad, municipal, real estate and investment trust securities comprise men who are specialists in these particular classes. Respectively, they study the problems that develop from time to time in connection with these types of securities. Often they employ technical help—attorneys, accountants, engineers, and, when their findings are complete, they lay before the Board of Governors a thoroughly scientific statement of the problems, together with such solutions as seem practical and thorough. Other committees have to do with taxation, commercial paper, by-laws, education, finance, membership, publications and legislation.

Seventeen Groups

All of these committees function under the supervision of a Board of Governors in which is vested the admin-

Central Western Banker, August, 1928

istration of all affairs of the association. Geographically, the association is divided into seventeen groups, including Canada, for the purposes of greater co-operative organization and the more direct handling of problems peculiar to their localities.

Space does not permit more than a few suggestions of the dollar-and-cents value of the work of this association and its committees. The municipal securities committee, for example, has saved literally millions of dollars in taxes for the people of this country. Through the efforts of its public service committee impartial, dependable and competent service has been rendered the public service commissions throughout the country, and, where formerly uncertainty was common, there is now efficient regulation

that has been of direct benefit to all the people. Its legislation committee is ceaselessly active in an effort to bring about more effectively designed laws against fraud and the security charlatan. Many of the more workable Blue Sky Laws and Fraud Acts now in force are directly traceable, in part, to the efforts of this committee, working with capable and public spirited officers and legislation.

In each class of financing the association has been of similar service. In its scientific research into the different types and classes of securities and the legislation governing them, it has always evidenced a fair and conservative policy. Its service has reached directly with tangible value into every household and every line of business in America and, in some degrees, into

Europe and Latin America. And, although most of this work, because of its technical nature, has been little appreciated by the general public, the efforts which have been felt directly, like the association's active and unremitting fight against fraud and the service of its educational department in broadcasting practical and sound information on all investment subjects, have been fully repaid in the confidence which the government, business and the public have extended to the association and its members.

The Investment Bankers Association of America is very jealous of its good name. It sedulously seeks to exclude houses of questionable character from its membership; the house seeking membership today must have a high record of honesty, experience and ability. Perhaps there is a bit of selfishness in this vast work of the association in finance. Certainly there is a laudable pride. But it is that kind of pride and selfishness which has extended benefits to every form of government and enterprise and to every investor in the nation.



FEW depositors are investment-wise

Many bank depositors know little about investment, and need advice from bank officers in putting their surplus funds to work. Bankers can depend upon The National City Company for bond offerings because National City bonds are carefully selected and worthy of recommendation. Experienced bond men at our offices in over fifty leading cities are always ready to make helpful suggestions. Our special Bankers' List will keep you in touch with attractive current offerings. We will gladly send it to you regularly.



The National City Company

National City Bank Building, New York

Offices in more than 50 leading cities throughout the world

BONDS · SHORT TERM NOTES · ACCEPTANCES

Club Events Changed

The eight-day Nebraska state fair this year will change the order of events considerably in the boys and girls club program, according to L. I. Frisbie, state club leader and superintendent of Class R. Entries for the 4-H club baby beeves and all other live stock, except poultry, must be in Saturday, August 11. Poultry and other 4-H club entries close Saturday, August 25.

Judging of all 4-H exhibits begins Saturday morning, September 1, this year. Formerly all judging started on Monday. Last year's Wednesday program, which consisted of the health contest, pig showing contest, baby beef showing contest, and dairy showing contest, has been changed to Monday, September 3, this year.

The Tuesday and Thursday programs, consisting of all demonstrations, the baby beef sale on Tuesday, parade before the grandstand, and the announcement of winners of demonstration and judging contests Thursday, will be the same as in past years.

All judging contests, which were always on Thursday other years, will start at 7:30 Wednesday morning, September 5. The style show, weed and weed seed identification contest, the style show in front of grandstand, and the presentation of the health champions will also be on Wednesday.

A new feature of the 4-H club program on Friday, September 7, will be the oral reasons given by the champion judges of all the contests.

The Telephone Industry *and* Banks

By R. B. JOHNSON,

Treasurer, Northwestern Bell Telephone Co.

WHILE our revenues may seem enormous, I will break them down into smaller units. The average monthly revenue per telephone in the Bell System for last year was \$5.76, expense \$3.92, taxes 48c, leaving a net earning of \$1.36, from which was deducted 32c for interest and 70c for dividends, leaving a balance available for contingencies and surplus of 34c, or slightly more than 1c a day per telephone. This balance remaining was re-invested in the business and accrues to the benefit of the telephone users. This shows the small margin of safety on which we operate.

There is a great difference between the telephone business and that of a manufacturing or industrial business. A manufacturing company's fixed capital investment is relatively small compared with the volume of its business and ordinarily has but a small portion of its total capital tied up in plant and machinery. It may extend, diminish or discontinue its business as it desires. It is under no obligation to continue in business. During periods of unusual business activity it turns over its working capital a number of times and generally makes large profits. Correspondingly, during periods of depression, its profits may be little or none, but its requirements for new capital are practically none. The telephone business is, however, different. It is permanent in its character and available chiefly for telephone purposes. It must remain in the same place and in the same kind of business and be ready to extend its services when and where the needs for it demand. It can not turn over its capital as does a manufacturing company, to permit large earnings. Practically its entire capital is invested in fixed assets, such as toll lines, buildings, and central office equipment. Its growth and construction are continuous and it must provide additional facilities in good times or bad, so that large sums of money are necessary annually to take care of the growth of the Telephone business. The amount which the Bell Companies plan to spend during the single year of 1928 on gross additions to their facilities for giving telephone service, is more than \$420,000,000, which is considerably more than the entire cost of the Panama Canal. The expenditures for these additions will be made in thousands of different communities covering every state in the Union.

How Financed

Probably the question arises in your minds as to how we find the funds to build this vast amount of additional plant each year. A portion comes from the provision made by charges against earnings to cover depreciation, a part from undivided profits, or the one cent per day per telephone, previously referred to, while some comes from salvage of plant removed

from service. A substantial portion, however, remains which must be financed. There is only one source from which these funds may be obtained and that is from the conservative investor. From the savings of several hundred thousands of these people have been built the plant of the Bell System. To attract the savings of these investors we must have their confidence that the business will



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Central Western Banker, August, 1928

be well conducted, that it has a sound financial policy and that they will be fairly paid for the use of the money which they put into the business.

The Bell System accepts its responsibility for a nation-wide telephone service as a public trust. Its duty is to provide the American public with adequate, dependable and satisfactory telephone service at a reasonable cost. To attain this end, it is the policy to pay only reasonable regular dividends. Earnings must, of course, be sufficient to permit the best possible Telephone service at all times and to provide a reasonable payment to stockholders with an adequate margin to insure financial safety. Earnings in excess of these requirements

will either be spent for the enlargement and improvement of the service furnished, or the rates charged for the service reduced. This is fundamental in the policy of the management.

Who owns the Bell System? The American Telephone & Telegraph Company owns and operates the Long Distance business and owns for the most part a large majority, and in many cases, all of the common stock of the Bell Operative Companies, of which the Northwestern Bell is one. The capital stock of the American Telephone & Telegraph Company, however, is owned by thousands of telephone users. Its stockholders numbered 7,500 in 1900 and more than

423,000 at the end of 1927. No one person owned as much as one per cent of the capital stock, 37 per cent of the stockholders owned from 1 to 5 shares, and 80 per cent from 1 to 25 shares. The total securities of the Bell System in the hands of the public on December 31, 1927, amounted to nearly \$2,272,000,000.

A MILLION COPIES

Over a million copies of agricultural and home economics educational material are now issued and distributed per year to people of Nebraska by the agricultural college extension service, according to a summary of the past two year's activities made in the office of W. H. Brokaw, director of the extension service.

The entire service is furnished as a part of the educational program of the University of Nebraska. It is given without direct cost to the people who receive the information. It amounts to about eight copies or circulars, leaflets, lists, report blanks, etc., per farm family in the state. It includes informational material for boys' and girls' clubs, women's clubs, co-operators with the extension service, and individuals who request specific information. It covers all phases of farming and home making applicable to Nebraska.

In addition to the material issued by the extension service, this organization distributes several thousand technical bulletins and reports of the Nebraska agricultural experiment stations and also keeps on hand a local supply of all United States Department of Agriculture bulletins that are applicable to Nebraska.

An analysis of the summary shows that during the past two years 386,000 copies of extension circulars have been mimeographed. Almost an equal number of leaflets and posters have been printed and mimeographed. Extension service projects requiring definite reports from co-operating farmers and their families have used over 600,000 copies of report forms and blanks.

It has been the policy of the organization to send copies of new printed circulars to libraries and individuals on a permanent mailing list. After this is done, circulars are distributed only upon request thru an organized project or by personal letter or visit to the agricultural college or county extension agent's offices. This policy cuts down waste as much as possible.

County Extension Agents have been entirely responsible for the distribution of material within their counties.

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Volume of July Financing Small

THE volume of new investment financing in July was the smallest for any single month since August, 1925. This decline was due partly to the usual slackness during the summer months and partly to present conditions in the general bond market.

New bond and note offerings in July totaled only \$277,356,200, according to the compilation of Lawrence Stern & Company, Chicago investment bankers. This compares with total offerings of \$422,765,800 in July, 1927, and \$619,183,800 in June, 1928.

It is interesting to note that last month's financing was led for the first time by real estate offerings, totaling \$82,193,000 and consisting of 110 separate issues. Only in the real estate field did new offerings hold up to the level of former months. All other classifications showed declines when compared with July a year ago and with the preceding month.

The volume of real estate offerings is evidence of the fact that real estate bonds are less affected by general market conditions than other classifications.

The total of all offerings for the first seven months of 1928 fell below the total for the corresponding period in 1927 by slightly less than 10 per cent. This decline resulted from substantially fewer offerings in the last three months.

Last month's offerings, excluding tax exempts, included 173 separate issues. This compares with 184 such issues offered in July a year ago and with 174 in June, 1928. There were 63 major issues of a million dollars or more brought out in the market last month compared with 81 in June and 108 in May.

Of the 63 corporate and foreign issues in the million dollar class offered last month, New York investment bankers underwrote 23, totaling \$91,100,000, compared with 32 totaling \$304,400,000 offered in June. Chicago dealers regained second place with the underwriting of 18 issues totaling \$52,650,000 in June. San Francisco took third place while Boston followed in fourth.

Lawrence Stern & Company monthly bond review concluded as follows: "The general downward tendency of the bond market which has been in evidence for some time continued during July, and the lowest prices for

two years were registered in high-grade corporate issues and government bonds.

Reasons For Decline

"The reasons for the decline and the factors which may bring about either a recovery of a continuation of the current weakness in the bond mar-

ket are too well known and have been too thoroughly discussed in financial circles to justify repetition at this time.

"A number of observers have pointed out that the present price of high-grade issues (many of which have registered declines of from five to ten points) apparently represents a greater drop than is justified by underlying conditions, and believe that the present is an excellent time to pick up bargains in the bond field or to accumulate holdings against the inevitable future rise. In this connection, it has been stated that a num-

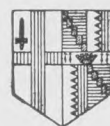
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ber of large insurance companies have appeared in the market recently, making substantial purchases at present levels, and it may be that this institutional investing is a precursor of a buying movement, initiated to take advantage of present low levels.

"Many originating houses have been holding important issues with the expectation of bringing them out when market conditions become more favorable. Probably the first step toward a recovery in the general bond market will be the decision on the part of such institutions to release these issues at the present level of prices. Such action would probably be fol-

lowed by very considerable buying, in recognition of the obvious cheapness of the bonds; and a buying movement, once started, would probably carry the price of such issues one or two points upward, which, in turn, would have a stimulating effect on the whole list. Many observers believe that this will happen during August or September."

Septic Tank Demonstrations

Arrangements have now been completed to hold septic tank building demonstrations in five more counties of Nebraska. Farms have been selected and other details arranged for good meetings at each place, according

to H. T. Baker, assistant agricultural extension engineer of the agricultural college.

Mr. Baker and H. J. Young of the Portland Cement Association help the farmer put in the forms and run the concrete for the tank in one day, and then invite in the general public for the second day's meeting and demonstration.

R. E. Talich, who lives one mile north of Giltner in Hamilton county, put in a tank July 17 and 18.

Gerhard Ohmstede, five miles southwest of Guide Rock in Webster county, put in a tank on July 24 and 25. Geo. O. Loos, six miles south of Lincoln on the First street road put in a tank on the same two days, July 24 and 25.

Fred Anderson, living one-half miles east of Walton, put in his tank on July 26 and 27. Lloyd Glover, 22 miles northeast of Broken Bow, in Custer county, was on the schedule for July 30 and 31. Frank W. Jenkins, 10 miles southwest of Broken Bow, put in his tank August 1 and 2.

The last demonstrations were in Thayer county, one at E. B. Stauber's farm August 13 and 14, and the other at G. B. Archer's farm August 15 and 16. Mr. Stauber lives four miles south of Hebron and Mr. Archer lives 2 miles north and 1 3-4 miles west of Belvidere.

The septic tank and tile line make a sewage disposal system that is reasonable in first cost and without any expense for upkeep. Those farmers who have put them in in co-operation with the extension service are well pleased with the results.

To Consolidate

Announcement of the association of C. F. Childs & Co. with the American National Co., to effect one of the most important arrangements taking place in investment banking circles, was made recently by officials of the latter organization.

Reports of the agreement between the two companies were confirmed at the Denver offices of Childs & Co., and of the American Securities Co., investment banking subsidiary of the American National Co.

Childs & Co. has built up the largest private wire system in the country and last year dealt in the huge total of \$4,000,000,000 par value of bonds, or more than were traded on the New York Stock Exchange.

He ought not to pretend to friendship's name
Who reckons not himself and friend
the same.—*Tuke.*

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Insurance

What Happens When the Policy is Lapsed?

Should a policy with a heavy loan be cancelled or should it be replaced?

By WM. L. NISSENSON,
New York Life

THE answer seems to depend on who answers. The average insured does not like to continue paying interest in addition to premium and often answers "Yes." Some insurance agents with a chance of selling new insurance if the old is cancelled will say "Yes." Experienced insurance men will say "No." Suppose we ask plain dollar and cents figures and see what answer they give.

Let's take the case of John Doe. He took out a policy ten years ago when he was 35. Last year he had some sickness in his family and borrowed all he could on this policy (and glad he was that it was there to borrow). He does not see his way clear to repaying the loan so he is

faced with the problem of either canceling and replacing—or continuing and accepting the fact that he must pay the interest. He knows that if he dies the amount of the loan will be deducted from the settlement, so he feels that his protection has been reduced. (It has not, of course, because he has already received the amount of the loan and should credit the policy with that amount). But he is not interested in bookkeeping. What he wants to get definitely settled in his mind is—what will my family get and what am I paying for it? Now we come to the figures.

Statement of the Case

His premium is \$281.10* a year (\$10,000 Ordinary Life Age 35). He had borrowed the full loan value of \$1,370. The loan interest is \$82.20 and over and above the loan the amount of \$8,630 will be paid when he dies. Is that amount of protection worth \$281.10 premium; \$82.20 loan interest; total, \$363.30.

Any commodity is worth what it will cost to replace it. Mr. Doe cannot buy insurance as advantageously now as when he secured this policy. He is

ten years older. He must pay the higher premium rate and start the dividend scale all over again on a new policy. Of course, it may be argued that since his family would receive

Dividends next 5 yr	617.60	347.96
Net payment (Gross payment less dividends for next 5 years)	1,198.90	1,358.64
Increase in cash value next five years	870.00	793.96
Net cost next 5 yrs.	328.90	564.68

(Dividend figures from the latest (1928) dividend scale and are not guaranteed as they are dependent on future earnings.)

"Don't Cancel a Policy"

"If any one at any time, suggests the cancellation of any policy for any reason, reflect that such advice may be colored by self interest. Think over this quotation from the Insurance Commissioner of New York state: 'The laws against twisting, if properly enforced, protect the insured from the loss that inevitably follows the lapsation of insurance in any reputable company!'"

only \$8,630 at his death he need purchase a new policy for only that amount. Well, how much must he pay for that and how does that cost compare with the net cost on his old policy?

COMPARISON

Cost of Continuing a Policy Against Cost of Replacement		
Age at Issue of Policy.....	35	
Number of Years in Force.....	10	
Amount of Policy.....	\$10,000	
Amount of Loan (Maximum)	1,370	
Cost of Replacement		
Basis Age 35	Age 45	
\$10,000	\$8,630	
Ord. Life		
Premium per \$1,000	28.11	39.55
Prem. per \$10,000	281.10	
Prem. per \$8,630..		341.32
Int. on loan at 6%	82.20	
Gross payment per year	336.30	341.32
Gross payment next five years.....	1,816.50	1,706.00

*All figures taken from current rate book and dividend scale, New York Life Ins. Co.

Cost of Continuance

Let us analyze this table of figures. First we have this fact; that on the ten year old policy the premium is \$28.11 per thousand per year. The premium plus the loan interest total \$363.30 a year or \$1,816.50 in

the next five years. That is the total of the premium and interest charge. That is not the cost. To find the cost we must deduct that part of the payments returned by the Company—the dividends. Over this period the dividends amount to \$617.60 (according to the 1928 dividend scale.) Deducting this from the gross payments we find that \$1,198.90 is the actual cash to be paid during the next five years. In the meantime the paying of this amount automatically increases the cash value by 870.00. This \$870.00 will be available as a straight loan, toward payment of premiums due or on cancellation of the policy.

Now we come to the analysis of the figures for replacement. Premium per thousand at present age is \$39.55 as against 28.11 ten years ago.

If the insured feels that he now has protection for only \$8,640 we will figure what that amount costs. (Experienced, unbiased insurance men dispute the contention that the loan acts as a reduction of protection. However, the case against replacement is so strong that we can afford not to argue this. We can concede, for the sake of argu-

ment, the reduction of protection theory. We will allow every contention that can be brought against keeping the old policy and still show that it is more economical to continue than replace.)

Supposing that since the insured now has only \$8,630 protection he needs to buy a new policy for only that amount to keep his insurance at its present status. Our table shows that this will call for a yearly premium of \$341.32. Now the dividends on the new policy must be figured on the same basis. He pays premiums on only \$8,630 and receives dividends and cash value increases on the same amount. Of course he is relieved from the payment of loan interest and there is no loan on the new policy. But—just what does that actually benefit him? In either case the same amount will be paid, \$8,630, and it will be seen that if the old policy is continued the net cost will be \$328.90 for the next five years as against replacement net cost, \$564.68.

Should the policy be continued in spite of loan and loan interest? Emphatically Yes!

In closing, just a word of general discussion. If any one at any time suggests the cancellation of any policy for any reason; reflect that such advice may be colored by self interest. Think over this quotation from an opinion of the Commissioner of Insurance State of New York,—The laws (against twisting)—if enforced—protect the insured from the loss which inevitably follows the lapsation of insurance in any reputable company." Paste that quotation where you can see it if you are ever tempted to cancel a policy.

Insurance Companies Surest Pay

The record shows that in one year 821,052 Life Insurance claims were filed in the United States, representing an amount totaling \$531,819,000. Of these claims 820,681 in number, representing a total of \$521,284,000 were paid without question. The cases compromised, rejected or settled by suit, owing to differences of opinion as to their legality, amounted to only one-half of one per cent of the total number and to only one and one-quarter per cent of the amount claimed. If the insured fills the condition of his policy, no contract is more certain of fulfillment—both in letter and spirit—than is the contract of the Legal Reserve Life Insurance Company.—*James A. Beha.*

Storm Loss in Nebraska

Heavy loss was caused by a recent hailstorm in the vicinity of McCook, *Central Western Banker, August, 1928*

Neb., where a tornado and hailstorm caused \$1,000,000 damage. The wheat was largely in the shock and the amount of damage has not yet been computed. The standing corn was badly shredded by the hail, but a part of it will be able to make a shortened crop if the frost does not catch it.

Life Insurance

The question of a sum of money available immediately as a cash estate for dependents left behind is an urgent one which every man should face squarely. Low rates and the chances of being accepted as a good risk favor the young man. Get insurance while you can and while it is cheap for you is the advise which should be given young men with wives, children or aged parents looking to them for support.—*South Bend (Ind.) Tribune.*

Kansas Meeting

Chas. K. Foote, secretary of the Kansas Association of Insurance

Agents, has announced the date for the annual gathering of the association as Oct. 18-19. The meetings proper will be confined to one day, Oct. 19. However, registration will start the night of Oct. 18, when a smoker will be given by the agents at Pittsburg, where this year's meeting is to be held. Headquarters will be the Besse Hotel, only recently completed, which will be the scene of all meetings. Charles G. Blakely, Jr., president of the Kansas association, has charge of the program but has not yet completed it.

Mr. Foote also announced recently that the Kansas association has practically reached its quota of new members as outlined by the National association at the New Orleans meeting. The membership campaign has been under the direction of William J. Bauerle of Dulaney, Johnson, Yankee & Priest Agency of Wichita, who has been assisted by Mr. Foote in putting over a "mail order" campaign for the increased membership.

Insurance Tax Decision Helps Bond Market

LIFE insurance companies operating in the Northwest are again in the market as liberal purchasers of municipal bonds, due to a recent decision of the United States supreme court which relieves the companies from having to pay an income tax on the earnings received from municipal securities.

The decision was rendered in the matter of the action of the National Life Insurance Company against the United States. The company maintained that the method of determining the taxes due from the company as followed by the collector of internal revenue was such as to amount to exacting payment on account of its exempt securities.

The court of claims had decided the case in favor of the United States. The supreme court, however, reversed the judgment of the court of claims, thus prohibiting such method of determining life insurance company taxes as would actually bring income from tax exempt securities within the range of the imposition of the tax on corporation income now fixed at 12 per cent.

The Case Involved

With the companies assured of freedom of the income from municipal securities from taxation, a tax exempt bond yielding 4.25 per cent becomes equivalent to purchase of a taxable bond returning about 4.80 per cent.

In the case of the National Life Insurance Company the collector of internal revenue treated interest plus dividends plus rents as gross income and allowed as deduction the amount of interest from tax exempt securities increased by the difference between 4 per cent of the reserve fund and interest received from tax exempt securities. Had all the company's interest been received from taxable securities the tax levied would have been the same, thus according to the company there was no advantage by reason of ownership of tax exempt securities.

The insurance company maintained that "the result of the collector's action was unlawfully to discriminate against it and really to exact payment on account of its exempt securities, contrary to the constitution and laws of the United States. Also that diminution of the ordinary deduction of 4 per cent of the reverses because of interest received from tax exempt securities, in effect, defeated the exemption guaranteed to their owners.

The opinion of the supreme court as delivered by Justice McReynolds said: "The portion of petitioner's income from the three specified sources which congress had power to tax—its taxable income—was the sum of these items less the interest derived from tax exempt securities. Because of the receipt of interest from such securities and to its full extent, pursuing the

plan of the statute, the collector diminished the 4 per cent deduction allowable to those holding no such securities.

"Thus, he required petitioner to pay more upon its taxable income than could have been demanded had this been derived solely from taxable securities. If permitted, this would destroy the guaranteed exemption. One may not be subjected to greater burdens upon his taxable property solely because he owns some that is free. No device or form of words can deprive him of the exemption for which he has lawfully contracted.

"The suggestion that as congress may or may not grant deductions from gross income at pleasure, it can deny to one and give to another is specious, but unsound. The burden from which federal and state obligations are free is the one laid upon other property. To determine what this burden is requires consideration of the mode of assessment, including of course, deductions from gross values. What remains after subtracting all allowances is the thing really taxed."

Judging Team Back Home

M. L. Flack, Nebraska dairy extension agent, who has been with the

American champion dairy judges on their trip to England, reported for work at the agricultural college recently. The party landed the 26th of July. Everyone was feeling fine and glad to be home again.

Boone county celebrated in honor of the boys Monday, August 6. They had a big 4-H club picnic and invited club members from adjoining counties to attend also.

While the English team won, Nebraska should feel proud of Jesse Bilyeu, the Albion boy who can now be called the champion judge of his age in the world. He was the high individual judge of the English contest, and also won the same high honor at the National dairy show at Memphis last fall.

The other two boys, Joe King and Russell Hughes, placed fourth and fifth in the contest. The English team with second, third, and sixth individual places, came out 12½ points ahead of the Nebraska boys, Mr. Flack said.

Members of the party wrote letters faithfully and sent them back for publication in the papers of the state. Mr. Flack plans to pick out the most interesting parts of all the letters and have them printed for distribution to everyone interested. Copies will be sent to

anyone who requests them, but the bulletin will not be ready for a few weeks.

Another chance to take such a trip will begin with the annual state fair dairy judging contest. Nebraska's champion team this year will again compete at the national contest at the National Dairy Show. It would be hoping for almost too much to expect to win again, but the Nebraska team will try, Mr. Flack says.

Becomes Assistant Cashier

D. W. Woolery has been elected assistant cashier of the Drovers National Bank of Kansas City, Mo.

Mr. Woolery has had fifteen years of banking experience, starting as a young man with the old Kansas National Bank, Wichita, Kansas, in 1913, where he spent five years, leaving there to accept active management of the First National Bank, Channing, Texas, where he was vice-president and cashier. He spent seven years at Channing and the past three years has been special assistant bank commissioner of Kansas.

Mr. Woolery is married and has two children and is now living in Topeka, Kansas, but in the near future will make his home in Kansas City.



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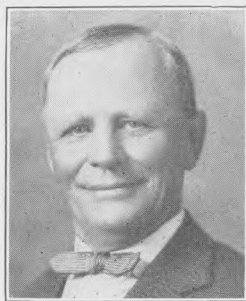
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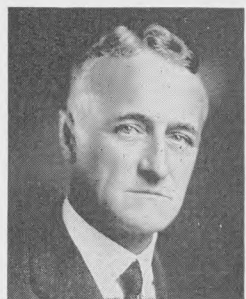
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C. A. SMITH, President
Nebraska Bankers Association



W. M. B. HUGHES, Secretary
Nebraska Bankers Association

Will Add To Building

The First National Bank of Omaha, which occupies the principal corner in the business district at Sixteenth and Farnam streets with an office building, will erect, beginning this summer, a four story addition, Vice-President Charles T. Kountze has announced. The addition will join the present building on the west, and will take up the south half of two lots, and will cost approximately \$300,000.

The bank took a 50 year lease on the ground at an annual rental of \$12,600, together with certain tax payments.

A part of the addition will be used to enlarge a store occupying a portion of the bank structure, but all the rest of the additional space will be used by the bank, Mr. Kountze says. Various departments will be rearranged and the lobby extended to the southwest.

Poultry Production

"There seems to be more difference in poultry flock managers than in the breeds of chickens they keep," says J. R. Redditt, extension service poultryman of the agricultural college in commenting upon the records of the University record flock project.

The project year started November 1, 1927, hence the year is half over. The average hen laid 64 eggs in the six months. The best flock averaged 99 eggs, and the poorest less than one-third that many.

Difference between the most common breeds was less than five eggs per

Nebraska News

hen, and medium weight farm breeds like Rocks, Reds, Orpingtons, and Wyandottes laid as many eggs during the winter and early spring as the light breeds such as Leghorns and Anconas.

Mrs. Clarence Jensen of Bennett has the high record of the state to date. Her Buff Orpingtons have averaged 99 eggs per hen. The White Wyandotte flock owned by Mrs. Elton Lux of 5204 Colby street, Lincoln, is close behind with 98 eggs per hen. Other flocks with averages above 90 eggs are those owned by Mrs. Carl N. Collister of Paxton who has White Leghorns, and Mrs. F. W. Mack of Sutton, who has White Plymouth Rocks.

In contrast to these records, the lowest record among Orpingtons is 27 eggs per hen, among Wyandottes 37 eggs, among Leghorns 31 eggs, and among Plymouth Rocks 35 eggs.

Practically all the flocks are owned by farmers' wives or by people living on the edge of town. The owners keep the records of egg production and sales, of poultry production, sales, and losses, and of expenses for feed and equipment. They send reports to their county extension agents once each month, and the reports are sent in to the poultry department of the agricultural college where they are summarized and returned each month.

In addition to high production, poultrymen want proof of that production, Mr. Redditt says, and the University record flock project affords Nebraska poultrymen the necessary forms and blanks, and the incentive to keep the daily and monthly records.

With Hotel Company

Edward F. Pettis, vice-president of the Omaha Trust company, has resigned to become finance officer for the Eppley Hotels company. Besides owning a number of hotels in Omaha, Nebraska, and Iowa, the Eppley chain was recently extended to include two hotels in Pittsburgh.

President Walter W. Head of the Omaha National Bank expressed regret at the loss of Mr. Pettis, but said that a larger opportunity was offered him in his new field.

Becomes Cashier

M. L. Baker, who for the past four years has had charge of the animal husbandry work at the Nebraska

School of Agriculture, has accepted the position of cashier with the Security State Bank of Curtis.

Mr. Baker is a graduate of the Kansas State Agricultural College at Manhattan, from which institution he holds both his bachelor's and master's degrees. He has also done some graduate study at the Iowa State College at Ames.

Catches Big Fish

W. S. Weston, vice-president of the Peters National Bank & Trust Company, is laying claims to being Omaha's champion fisherman of '28 as a result of catching a 35-pound "muskie" recently at Sabaskong bay, an arm of the Lake of the Woods.

The "muskie," Mr. Weston said, was caught after a two and a half hour fight.

"My guide told me the 'muskie' was the fightingest fish he had ever seen caught," said Mr. Weston. Mr. Weston is having the fish mounted in Chicago. Later it will be placed in his office.

No Bank Assessments

The total assessed valuation of Lincoln, Nebraska, property this year will be only \$337,534 higher than last year, tabulations of P. H. Mathews, city tax commissioner revealed recently. This year's valuation is \$116,855,639. The small increase was said to be due to the loss of all bank assessments, smaller value of Lincoln Traction company property and a falling off of personal property because of smaller stocks carried by merchants.

Buy Bank Stock

A business deal was completed recently whereby the Havens, Nebraska State Bank was reorganized, J. P. Gleason purchasing the Chamberlin stock and assuming full control of the institution.

M. Shonsey was elected president of the bank; J. P. Gleason, cashier and Mrs. J. P. Gleason, assistant cashier.

Ranks Twentieth

For the first time in two years, Omaha ranks twentieth among cities of the country in bank clearings, according to a report by Bradstreet's to the Chamber of Commerce. The ranking is based on clearings for the week ending July 19, which were \$48,080,502 compared with \$40,328,640

for the same corresponding week last year, or a gain of \$7,751,862.

Last year, Omaha averaged twenty-second in clearings, and in 1926 was twenty-first, according to Chamber figures.

Thus far this year, Omaha has had four days in which clearings exceeded 10 million dollars.

Favor Standing Reward

Three hundred and twenty-two banks in Nebraska have favored the plan of contributing to a standing reward of \$5,000 offered for each bank bandit killed in this state. At least seven hundred banks must favor the plan if it is to be put into operation. Each bank agrees to pay \$7.25 every time the protective committee of the association authorizes the payment of a \$5,000 reward.

Banks in seventeen counties are 100 per cent in favor of the plan, as follows: Adams, Butler, Cherry, Douglas, Fillmore, Garfield, Hamilton, Hayes, Hooker, Nemaha, Nuckolls, Otoe, Pierce, Thomas, Thurston and Washington.

Rules of the association provide that in no case shall the reward be paid for the robbery or burglary of a bank that is not a party to this agreement.

Savings Deposits Gain

Savings deposits in Omaha banks reporting to Federal Reserve bank of Kansas City, showed a gain of 1,169,462 since July 1, 1927, according to the Reserve Bank's Monthly review of August 1. On July 1, 1928, the banks had \$9,251,913 in deposits; July 1, 1927, only \$8,082,451; June 1, 1928, \$9,033,336.

An increase of 993 savings accounts during the year was reported. On July 1, 1928, accounts numbered 38,031, and 37,038 on July 1, 1927.

Bank debits for 26 weeks ending June 27, 1928, were \$1,263,366,000, or \$100,523,000, 8.9 per cent larger than for the similar 26 weeks of 1927.

Visits David City

J. Rising, vice-president of the National Park Bank, New York City, was a recent visitor in David City, Nebraska. Mr. Rising began his banking experience in the First National Bank of David City.

New Equipment

The Bank of Creighton, Nebraska, has purchased and installed a new electrically motorized posting machine with which to facilitate the big volume of business transacted. All depositors will be issued balance sheets the first of every month. The instal-

lation of the automatic machine will expedite the work heretofore done by hand.

Meet In Stella

At the meeting of the stockholders of the Stella, Nebraska, State Bank, the following were elected as di-

rectors: R. A. Tynan, J. R. Weddle, C. I. Johnson, Joe Wagner and Dr. E. W. James. Dr. James is the new member of the directorate. The old officers were re-elected as follows: President, R. A. Tynan; vice-president, J. F. Weddle, cashier, Earl Wagner; assistant cashier, Miss Edna Hoppe.

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Stock Yards National Bank of South Omaha

The Only Bank in the Union Stock Yards

Meet In Emerson

The stockholders of the First National Bank of Emerson, Nebraska, held their semi-annual meeting at the bank recently. The meeting was presided over by the president, James F. Toy. They declared their regular dividend and transacted other general business. The stockholders were much pleased with the showing made by the local officers and the healthy condition of the bank.

Among the out-of-town people present were James F. Toy, Earl Hoffman and James Van Dyke of Sioux City.

Pioneer Banker Dead

Chris Hirschmann, president of the First National Bank of West Point, Nebraska, died at his home from heart failure.

Mr. Hirschmann was connected with the First National Bank for more than 35 years and for the past ten years was president of the institution. He was one of the early settlers of West Point and has been engaged in various occupations. He gained his largest acquaintance over the country while serving in the court house as deputy county clerk and county treasurer for twelve years.

In Good Condition

Omaha bankers who recently returned from a 2,000-mile soil and crop study through Nebraska and South Dakota declared that Nebraska Banks are in better condition than they have been for a number of years.

Seven hundred of the 777 banks in the state are in good condition, C. J. Claassen, vice-president of the Peters Trust company, said.

Co-operative creamery concerns are especially active throughout the state, Claassen said. He told of seven cash land sales in the last year near Crawford, where tracts running from 120 to 320 acres were sold from \$40 to \$60 an acre.

Prague Banker Dies

John J. Vlasak, resident of Prague, Nebraska, passed away recently at his home. Mr. Vlasak was prominent in banking circles, having been president of Group Two, Nebraska Bankers Association.

Goes To Creighton

Ed Pochop of Anoka, Nebr., has accepted a position as bookkeeper and teller at the Bank of Creighton, and has already taken up his work. Mr. Pochop was formerly employed in a bank at Anoka for several years. His family will join him in the near future.

News of the Omaha Stock Yards



The Cycle of Cattle Prices

Farmers, feeders, and bankers over the state seem to be greatly puzzled over the prospects of feeding live stock this season. Nebraska is blessed with bountiful crops this year. Summer rains have been numerous enough and evenly enough distributed over the state to practically assure a bumper corn crop everywhere, but with the high price of feeders this fall, many inquiries are coming to Professor H. J. Gramlich, head of the animal husbandry department at the University of Nebraska, for advice as to the prospects for feeding cattle and sheep this fall. Professor Gramlich and Harold Hedges of the rural economics department, college of agriculture, answer the inquiries in this way:

"Judging from previous market trends, cattle prices are on the upturn and will likely reach the peak sometime between 1929 and 1932. These high peaks are reached every 14 to 16 years, according to market statistics that have been followed for nearly 50 years. Beef steer prices may have been very close to the top last winter, however," says Mr. Hedges.

Takes Much Time

"It takes time to get in and get out of the cattle business. There has been a steady decrease in the number of beef cattle in the United States since 1919. At that time there were over 36 million head, or a decrease of one third. Last year was the first time lighter runs had any noticed effect on the values of livestock. The increased demand for lighter cuts of beef the last few years has been a great factor in breeders discontinuing to develop their steers until mature.

"There is no definite information that the ranges are being restocked. The memory of past happenings and high current prices tend to slow up the

expansion of production. The tendency to hold back more female stock to increase herds the next few years gives assurance that the market supply is not likely to be too heavy. The fact that hog prices are also on the upturn of a price cycle is still another sustaining factor in the cattle market for the next year or two.

"Sheep production is on the upturn of the present production cycle. The 1928 lamb crop for the United States was estimated to be 8 per cent larger than the 1927 crop and 9 per cent above the 1926 lamb crop. Nebraska feeders draw most of their feeder lambs from the west, where the largest increase in lamb crop occurred. The good prices at which feed lots were cleared last winter and spring should not influence feeders when making their bids for supplies this coming winter."

Visit Omaha Yards

On the last lap of a two weeks' tour which has given them a glimpse of the West, particularly the great sheep and cattle ranch section, and also enabled them to spend four days in Yellowstone Park, a delegation of about 40 Ohio farmers and stockmen were guests of the livestock interests of South Omaha recently. The trip enabled them to get a close-up of the second largest stock yards in the world and they left, high in praise of all that they saw.

At noon the Ohioans were guests of the Union Stock Yards company and the Live Stock Exchange. F. S. Rickard, secretary of the Exchange, acted as toastmaster. Mr. Rickard told the visitors something of the work of the Stock Yards company and the Exchange. He stated that the Omaha market was the second largest in the world and that it drew on the finest cattle country of the nation for its cattle supplies. He expressed the hope that the Ohio Stockmen would appreciate Omaha's strategic location as re-

gards cattle supplies and would become better acquainted with it.

Walter Dearth, vice-president of the Exchange, called attention to the facilities of the Stock Yards, saying that no Stock Yards could boast of better equipment. He said that the commission firms on the Omaha market were of exceedingly high calibre and that any dealings the Ohio Men might have in the future with the Omaha market could be relied upon as being highly satisfactory.

Bruce McCulloch, of the Journal-Stockman, said that it was an unusual privilege to have such a representative delegation of live stock men as guests of the market. He called attention to the fact that one of the men making an investigation of conditions in the Middle West following the depression, became impressed with the fact that every man who had followed a careful and consistent program of corn and alfalfa and cattle and hogs, was on the best of terms with his banker. Mr. McCulloch pointed out the great importance of Omaha's market from the standpoint of live stock supplies.

Editor Kelsey of the Ohio Farmer thanked the live stock interests for their hospitality and stated that the Ohio folks would long remember the heart-felt welcome of Omaha. Following luncheon a tour of the yards was made with F. S. Rickard, Bert Roberts and H. L. Van Ambaugh in charge.

This is the second tour of its kind, sponsored by the Ohio Farmer of Cleveland and arranged by the New York Central lines. It is known as the Western Range, Ranch and Pleasure Tour of Ohio Live Stock Feeders and Farmers. Ray T. Kelsey, associate editor of that publication, is the tour manager.

Nebraska Grain Crop

The Nebraska crop report compiled by the state bankers for the state and

Central Western Banker, August, 1928

federal division of agricultural statistics in mid-July, estimated an average yield of wheat for the state, at 18 bushels an acre. The quality of wheat being harvested was reported excellent in spite of high moisture content. Nine counties of the state only, reported a farm labor shortage for the harvesting of the crop. Only the sandhill counties were found to be in need of rain.

According to the banker's reports, corn generally is in excellent condition, with a state average of 93 per cent. The state yield of oats is estimated at 34.8 bushels; of rye, 18.9 bushels and of barley, 34.5 bushels per acre.

State Fair Judges

The complete List of cattle judges who will award the premiums at the 1928 Iowa State fair and National Live Stock show in Des Moines, August 22 to 31, was announced by Secretary A. R. Corey. The judges include men of national prominence in this field. They are as follows:

Herefords—Henry W. Marshall, LaFayette, Ind.

Shorthorns—John Tomson, Dover, Kansas.

Angus—H. H. Kildee, Ames, Ia.

Polled Shorthorns—John Tormey, Chicago, Ill.

Milking Shorthorns—John Tormey, Chicago, Ill.

Holsteins—L. L. Gillette, Fostoria, Ia.

Guernseys—L. V. Wilson, Excelsior, Minn.

Jerseys—J. A. McLean, Chicago, Ill.

Ayrshires—J. A. McLean, Chicago, Ill.

Brown Swiss—L. V. Wilson, Excelsior, Minn.

Premium offerings in the cattle department of the Iowa State fair this year reach the grand total of \$40,926 one of the largest sums ever offered by this or any other state exposition for such classes. Indications are that the show will be the biggest in many years.

Sheep Feeders Picnic

The Central Nebraska Sheep Feeders' association took a day off recently and held a picnic at Riverside park, Central City, that was attended by about 150 people, including quite a few from Omaha. There was fried chicken for everybody, and it is reported that several of the prominent lamb feeders demonstrated exceptional ability as cooks and waiters.

Another enjoyable feature of the affair was an absence of speeches. The entire program was of an informal character and wound up with a dance.

Of course there was more or less shop talk. There always is at these gatherings of sheep feeders, but there was nothing to indicate any material change in the feeding operations this fall. Members of this organization are regular feeders, not in-and-outers.

It seemed to be the concensus of opinion that, while feeder lambs would undoubtedly be high this summer and fall, there would be plenty of feed, and it would probably be cheap. The encouraging feature of the situation is the greater consumption of lamb throughout the country.

THE WORLD'S RICHEST

According to Stuart Chase writing for the New York Times, the following list comprises the individuals, with an estimate of their estate value, who make up the world's wealthiest men:

Henry Ford, Edsel Ford, motor cars, \$1,200,000,000.

J. D. Rockefeller, J. D. Rockefeller, Jr., \$600,000,000.

Andrew W. Mellon, R. B. Mellon, banking \$200,000,000.

Duke of Westminster, England, real estate, \$200,000,000.

Edward S. Harkness, Anna R. Harkness, oil, \$200,000,000.

Sir Basil Zaharoff, England, munitions, \$125,000,000.

Gaekwar of Baroda, India, inheritance, \$125,000,000.

Thomas B. Walker, lumber, \$100,000,000.

Payne Whitney railroads, banking, \$100,000,000.

George F. Baker, George F. Baker, Jr., banking, \$100,000,000.

Vincent Astor, real estate, \$100,000,000.

F. W. Vanderbilt, railroads, \$100,000,000.

Baron H. Mitsui, Japan, shipping, \$100,000,000.

Simon V. Patino, Bolivia, tin, \$100,000,000.

Alfred Loewenstein, Belgium, mines, steel, shipping, \$100,000,000.

Favor Brand Inspection

Members of the executive committee of the Nebraska Stock Growers' Association met in Alliance and went on record as favoring the present brand inspection as being handled at the public markets on cattle shipments. They expressed the opinion that a condition bordering on chaos for the cattle industry would result if this inspection was removed, they declaring that such a move would cause the market of beef cattle to go down.

L. K. Moore of the Live Stock Na-

tional Bank of Omaha was one of the principal speakers at the meeting.

Members of the committee in attendance here were Robert Graham of Alliance, president of the Stock Growers' association; Daniel Adamson of Cody, Nebr.; E. P. Meyers of Omaha; Reuben Lisco of Lisco; C. L. Kilpatrick of Alliance; Herman J. Krause of Alliance; F. Carrothers of Whitman; Chris J. Abbott of Hyannis; E. A. Hall of Alliance; Elmer E. Low of Hyannis; George Christopher of Valentine; Thomas F. Arnold of Merriam; S. P. Delatour of Lewellan; Henry P. Hansen of North Platte.

Calves Best Bet

"With all feeding cattle selling relatively high, calves look like about the safest buy that a feeder can make," observed Frank Foy, North Bend stockman, an Omaha market visitor recently.

Mr. Foy already has a good sized string of calves bought for feeding the coming winter and here is the way he figures the situation. "Even if good calves cost \$50 to \$55 a head, they can't eat over 50 to 60 bushels of corn by the time they are fat. Corn isn't going to be more than 60 cents a bushel if the present fine prospect materializes, which means that it will not take over \$36 worth of feed a calf. Add \$10 more for hay, all for your shipping expense, balance your interest and such charges against the hog feed, and you can sell a 1,000 pound yearling for \$10.00 per hundred and still break even. That sort of a deal is hard to beat."

Free County Fair

Johnson county will try its first free county fair this year, and Secretary Elmer J. Lamb said the exhibits in all departments of the fair promise to be the best ever shown. No charge of admission for either automobiles or persons will be made at the gate.

Johnson county has made donations to the fair operating fund, and the Tecumseh Chamber of Commerce has donated \$1,000. The event will be held from August 13 to 17.

On the Sunday preceding the opening a sacred concert will be given by the combined bands of Elk Creek, Sterling, Cook and Tecumseh. In the evening, Union church services will be held, with music furnished by the Tecumseh orchestra and a chorus of 200 voices.

Friendship is the cement of two minds. As of one man the soul and body is.—*Chapman.*

Vice President Resigns

W. L. Pier, vice-president of the Stock Yards National Bank of South Omaha recently tendered his resignation to the board of directors of the bank, to take effect on September 1. On that date, Mr. Pier will assume his new duties as vice-president and director of the Stock Yards National Bank of Fort Worth, Tex., and vice-president and director of the Fort Worth Cattle Loan Company.

Mr. Pier is considered a young man for so responsible a position, being now only 40 years of age. He began his banking career in 1909 at Mitchell, S. D., serving as bookkeeper in the First National Bank at that place. In 1915 he went to Midland, S. D., as president of a bank, and in 1920 came to South Omaha. During his banking experience he has been connected with banks concerned with the livestock industry.

Annual Meeting

The annual banquet and election of officers of the Custer County Bankers Association was held at Broken Bow Nebraska, recently, with representatives in attendance from Callaway, Oconto, Arnold, Comstock, Sargent, Berwyn, Ansley and Broken Bow. The banquet was held in the dining room

of the Grand Central hotel and following a discussion of the state tax law the association went on record as being in favor of the Five Thousand Dollar reward for dead bank robbers and burglars as recommended by the state bankers association. New officers elected for the ensuing year were: J. C. Kiker, Broken Bow, president; G. O. Perkins, Arnold, vice-president and R. Severin I. Arp, Broken Bow, secretary-treasurer. H. D. Huntington of Long Beach and Edward Chamberlain of Clarks, Nebraska, were guests at the meeting which was attended by E. J. Crawford, Comstock; L. W. Wilson, Broken Bow; W. F. Powers, Ansley; A. B. Turner, Berwyn; E. R. Logan, Callaway; R. S. Kuns, Broken Bow; J. I. Christensen, Callaway; Joe Boyer, Callaway; P. G. Richardson, Broken Bow; J. C. Kiker, Broken Bow; George Mary, Oconto; R. E. Harris, Jr., Arnold; G. O. Perkins, Arnold; Ira Mills, Arnold; Claude Kiker, Sargent; E. S. Holcomb, Broken Bow; Ted Forsyth, Broken Bow and R. Severin I. Arp, Broken Bow.

Reports On Tattooing

Dr. W. T. Spencer, live stock commissioner, Omaha Live Stock Exchange, reports 13,808 tattooed hogs

received in the Omaha and Nebraska City markets during July, the first month since the regulation requiring all the hogs to be identified by tattoo marks, on which the premium of 10c per hundred pounds is paid. Premiums over and above the regular market price amounting to \$3,995.26 were paid on these hogs, the average amount being about \$17.00 per car load.

This is a fairly good showing for the first month, although several thousand hogs were received from accredited counties on which the premium might have been collected had they been tattooed but they were not, and therefore no premium was paid.

Advocates Mineral Feeding

John M. Evvard, Iowa State College: "After experimenting for a number of years with minerals for beef cattle we have come to the conclusion that they are, when properly compounded, a paying proposition.

In the many experiments conducted, we have secured approximately \$5 greater margins over all feed costs per steer when we feed an ounce of minerals per head per day, as contrasted with no mineral feeding. In these experiments we have allowed the salt-free choice style in addition to the special minerals given. The



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salt factor, therefore, was eliminated because both groups, the mineral and the non-mineral fed ones, received plenty of this essential ingredient."

"In the practical tests we allow one ounce of minerals per steer daily. This is approximately the correct amount for 2-year-old and older. For calves we would not feed quite so often. We like to feed the minerals on the corn or the silage. Of course, when out on pasture the grain feeding bunk is the proper place to feed the minerals.

The animal mixture with which we have been securing such good results is made up in quite simple fashion. It consists of equal parts by weight of "High calcium carbonate," limestone and bone meal. To 100 pounds of this mixture we add a very little potassium iodide in order to secure the iodine which is so essential for the maximum functioning of bovine animals."

Larger Wool Crop

Nebraska sheep owners have 14 per cent more wool to sell this year than last and the United States as a whole has 6.5 per cent larger wool crop than in 1927, says the state and federal division of agricultural statistics. The average fleece weight in Nebraska this year was 7.9 pounds, while that for the country was but 7.8 pounds.

Wool production in the United States this year totals 296,114,000 pounds, as compared with 278,037,000 pounds last year. The fleece weight has increased .1 pound the past year; in Nebraska the weight of fleece has increased .2 pounds over 1927.

Nebraska's wool crop of 2,370,000 pounds is smaller than that of any other of the corn belt states, except Kansas, because Nebraska is mainly a sheep feeding state, filling her feed lots from the ranges to the west. During the winter she had more lambs on

feed than any other state save Colorado, but these went to market before shearing time.

Texas sheared the largest wool clip of any state this year, having a total of 35,591,000 pounds; Wyoming was second with a crop of 25,370,000 pounds, and Montana third with a crop of 25,370,000 pounds. Over 59 per cent of all the wool grown in the country was shorn from flocks in the eleven western states—states west of the Dakotas, Nebraska, Oklahoma and Texas boundaries.

Meet In Yellowstone

The twenty-fifth annual convention of the Montana Bankers Association will be held this year jointly with the Wyoming Bankers Association at Old Faithful Inn, Yellowstone Park, Wyoming, on September 3rd and 4th. The program for Montana bankers will be in charge of E. H. Westbrook, who is president of the Montana Association and a committee consisting of Chas. Vandenhook of Bozeman, chairman, N. A. Telyea, C. H. Hefferlin, A. R. McDermott and W. R. Waldron. Four speakers have already been engaged and more may be added to the list later. The speakers already engaged are men of national prominence who will discuss banking economics, industrial, commercial and agricultural conditions and other interesting topics. The public is invited to hear these instructive addresses.

Dies In Hebron

F. M. Wetherald, pioneer banker and business man of Hebron, Nebraska, died recently at his home.

He came to Hebron in 1872 in the early days when this community was being developed. Together with his brother, Charles M., he built the Hebron Roller Mills. This mill was operated for 36 years by the Wetherald brothers. Shortly after the starting

of the present Thayer County Bank he became actively engaged in its administration and for the past 35 years has served in the capacity of its president. He was also very active in state politics in the late '80's and the early '90's, serving both as state senator and representative.

Assistant Cashier

Olie C. Lewis of East Prairie, Mo., is the new assistant cashier at the American State Bank of Loup City, Nebraska.

He has had twenty months' experience in the banking business and should be a valuable assistant.

Semi-Annual Meeting

The semi-annual meeting of the First National Bank of Osmond, Nebraska, was held recently. Mr. James F. Toy, president, of Sioux City, attended the meeting and was accompanied by his grandson, James Van Dyke and E. A. Hoffman, chief auditor.

The usual dividend was distributed among the stockholders, who expressed themselves as well satisfied with the business in the past year.

Directors Meet

The directors of the Page, Nebraska, State Bank held their semi-annual meeting recently and elected the following new officers: E. C. McElhaney, president; T. A. Drayton, vice-president and Hilda Stauffer, cashier. They added \$2,000 to their surplus which increased that amount to \$5,000.00.

Kindly shopkeeper (as small boy enters)—What does my little man wish to buy—chocolates?

Small boy—Bet your life I do; but I've got to buy soap.

BANK OF NEW SOUTH WALES	
AUSTRALIA	
PAID-UP CAPITAL.....	\$ 37,500,000
RESERVE FUND.....	28,250,000
Reserve Liability of Proprietors.....	37,500,000
ESTABLISHED 1817	
Aggregate Assets 30th September, 1927	\$438,905,640
AGENTS—FIRST NATIONAL BANK, OMAHA, NEBRASKA GENERAL MANAGER, OSCAR LINES	
HEAD OFFICE, GEORGE ST., SYDNEY	LONDON OFFICE, 29 THREADNEEDLE ST., E. C.
518 Branches and Agencies in all Australian States, New Zealand, Fiji, Papua, Mandated Territory of New Guinea and London. The Bank Collects for and Undertakes the Agency of Other Banks, and transacts every description of Australian Banking Business.	

South Dakota News

To Locate In Huron

Clarence W. Ott, who has been assistant superintendent of the South Dakota banking department since 1925, recently entered the employ of the Minnesota Loan & Trust Company, following his resignation from the South Dakota department.

Mr. Ott will work in Minneapolis for a time, after which he will be located at Huron.

Meet In Centerville

Guests of honor at a banquet held recently in Centerville, South Dakota, were W. R. Manley, president of the Security National and John L. Mitchell, president of the First National bank at Sioux City. Invited guests from Irene, Lennox, Wakonda and Beresford were also present. All cities in Turner county were represented.

Robert Peterson, cashier of the First National of Centerville, acted as toastmaster at the banquet. Mayor Struble, a director of the First National, welcomed the visitors to Centerville and the two guests from Sioux City both gave talks.

After the spread and the program a permanent county organization was effected. Robert Peterson was chosen president; Geo. Nelson, president of the First National bank at Viborg, vice-president and Dan Jantz, of Monroe, secretary. The bankers elected no treasurer.

Clearings Increase

Increase of \$100,417.43 is noted in Sioux Falls, South Dakota, bank clearings for the month of July this year as compared to the same month in 1927. Bank clearings for the month just passed are \$7,360,050.54 as compared to \$7,259,633.11 last year.

The 1928 bank clearings are showing a considerable increase over last year to date. The figures for July show a gain over June of \$3,575.22, the June clearings being \$7,276,457.32. Better general business conditions and a greater confidence in the banks is given as the cause of the big increase in clearings.

Deposits Make Gain

No better index of the prosperity of a community could be cited than that shown by the increase of individual deposits in the banks of Belle Fourche, South Dakota. The two banks of Belle Fourche in their report of June 30, 1928, show that deposits exceeded

those of the same date in 1927 by more than a quarter million dollars, the exact figures being \$288,976.30, more than enough to pay all the expenses of the county for the coming year.

Deposits Gain

According to the last statement of the Springfield, South Dakota State bank, the prosperity of the bank and the Springfield territory is witnessed by the fact that deposits have grown an even \$100,000 and a little more within the past year, and from all indications the present deposit mark of \$350,000 is going to be passed before fall arrives.

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Madison Square and 26th Street

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The seventy-two years' experience of this bank should be a vital factor in your selection of the right institution to administer Corporate and Personal Trusts.

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William Vincent Astor
Joseph D. Oliver
Lewis Cass Ledyard, Jr.
David M. Goodrich
Eugenius H. Outerbridge
Kenneth P. Budd
Frank L. Polk
George M. Moffett
James Forrestal
Charles S. McCain
Thomas I. Parkinson
Harvey C. Couch

Capital, Surplus and Undivided Profits \$35,000,000

FACILITIES TO MEET ALL BANKING REQUIREMENTS



FIRST NATIONAL BANK OF CHICAGO

Affiliated

FIRST TRUST AND SAVINGS BANK

Resources Exceed
\$450,000,000.00

Frank O. Wetmore, Chairman
Melvin A. Traylor, President

Central Western Banker, August, 1928

Banker Dies

David M. Finnegan, 53, Yankton, South Dakota banker, resident there since early childhood, and prominent in lodge work, died recently following an illness of several months.

He had suffered a break down in health after the tragic death of his wife, daughter, little grandson, and his wife's mother in an auto accident and burning near Beresford about three years ago, and has never recovered from the shock.

Mr. Finnegan was born in Wilkesbarre, Penn., on Sept. 12, 1874, and came to Yankton with his parents while still a child. He served four years as county auditor, later entering the banking business and became vice-president of the First National bank, from which position he retired about a year ago owing to poor health. He had served a year as president of the South Dakota Bankers Association.

Best Advertising Displayed

When financial advertisers meet in Utica, N. Y., this September, hundreds of specimens of current financial advertising in America and foreign countries will be displayed. Great interest is shown in this Exhibit which is an annual affair visited by some five hundred delegates representing banks and investment houses, large and small.

This year an exhibit of advertisers of financial institutions in foreign countries promises to draw special attention. A number of countries outside of the United States will be represented.

The purpose of the annual advertising exhibit is to enable delegates to check ideas on art, layout and copy with the productions of others engaged

in similar work in other communities. To this end, exhibits are often accompanied by typewritten explanations of the plans embodied in various campaigns as well as results obtained. This is particularly helpful.

The program of the Convention also offers opportunity for delegates to discuss personally various questions arising from study of the exhibits.

Other features of the program are departmental discussions on investment advertising, trusts, savings, business development, and advertising fundamentals, led by speakers on topics pertinent to these various subjects. Noted speakers also feature the luncheons and banquets during the time the convention is in session.

Members of the 1928 Exhibit Committee of the Financial Advertisers Association are:

Edwin A. Moore, Savings Bank of Utica, New York.

Robert L. Flather, American Security & Trust Co., Washington, D. C.
Walter Distelhorst, First National Bank, Louisville, Ky.

Virgil Allen, Chairman, First Bank & Trust Co., Utica.

Protective Department Active

The work of the protective department of the Colorado Bankers Association has been greatly augmented during the last year by the issuing of monthly bulletins from the office of the secretary, for the purpose of keeping member banks fully posted and forewarned, as far as possible, of such schemes as were being used by bank crooks of various kinds to defraud banks. Number of cases handled by the official representative of the association, the De Lue Detective Agency of Denver:

Number of cases handled.....	163
Number of forgeries handled.....	44
Number of overdrafts, raised checks, forged endorsements stopped payment, etc.....	32
Bank robberies and hold-ups.....	4
Number of short and no account checks	67
Arrests made.....	17
Cost to the association.....	\$ 797.38
Amounts recovered from	

members of the assn.....	\$3,891.00
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February 18, 1928, at a meeting of the protective committee, called by President Joslyn, it was decided to offer a standing reward of \$1,000, to be paid upon the arrest and conviction of any person or persons robbing or holding up a bank, providing that 200 banks authorized the protective committee to draw sight drafts on them at any time this money was needed for paying the above rewards. Up to March 20, 1928, there were 215 banks which signed authorization slips, authorizing the protective department to draw on them for \$5 at any time the above reward was due and payable.

Deposits Gain

The three Longmont, Colorado, banks had total deposits of \$2,808,000 on June 30, 1928, according to statements issued to the comptroller of currency. The deposits of the banks gained \$147,000 since February 28, the date of the issuance of the last previous statements.

This is a substantial gain in bank deposits and is the more encouraging by the fact that a gain has been made before any crops have been harvested and sold. All three of the Longmont banks show gains in deposits of \$3,-297,000.

A friendship formed in childhood, in youth—by happy accident at any stage of rising manhood—becomes the genius that rules the rest of life.
—Alcott.

If a man does not make new acquaintances as he advances through life, he will soon find himself left alone. A man, sir, should keep his friendship in constant repair.
—Dr. Johnson.

Every artist dips his brush in his own soul, and paints his own nature into his pictures.—Beecher.

How unspeakable the lengthening of memories in common endears our old friends.—Eliot.

NATIONAL BANK OF COMMERCE

LINCOLN, NEBRASKA

M. WEIL, President

CARL WEIL, Vice-President

BYRON DUNN, Cashier

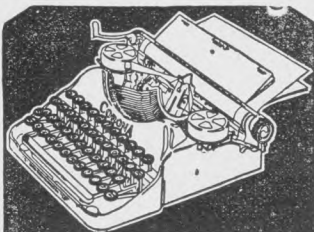
ERNEST C. FOLSOM, Vice-President

B. G. CLARK, Ass't Cashier

Capital \$300,000.00

Surplus \$100,000

Undivided Profits \$100,000



CORONA FOUR
Standard Four Bank Keyboard
—Wide Carriage

TYPEWRITERS AND ADDING MACHINES

EVERY MAKE—LARGE OR PORTABLE

7 Col.	"CORONA"	10 Col.
\$60	Adding Machines	\$100

F. J. WEISS

GEO. F. PINNE

Central Typewriter Exchange, Inc.

1912 FARNAM ST.

(Established 1903)

OMAHA, NEBR.

Colorado News

Become Partners

August Belmont & Co., Denver, Colorado, announce the admission of two new partners, John Speed Elliott and David T. Wells. This is interesting to the financial world in that it indicates a new departure of the business in the distribution of securities, both wholesale and retail, and an extension of the activity of this old house in the financing of corporations and the origination of securities.

Both the new partners have had many years of experience in investment banking and it is to the broader expansion of this branch of the business of August Belmont & Co. that their chief efforts will be directed. They are the first partners that the house has admitted from outside its own ranks.

The history of the business of August Belmont & Co., which dates back to the year 1837, includes the financing of the federal government during the civil war, the flotation of the gold resumption loan of 1878, taking a leading part in the syndicate which floated during the Cleveland administration the largest gold loan ever marketed for the United States government up to that time, and financing, among other enterprises, the old Westinghouse Co., the Louisville & Nashville Railroad, and the construction of the first Interborough subway in New York.

Show Increase

The recent statement of the Montrose, Colorado, National Bank is the best statement the bank has issued since September, 1921.

The total resources and the deposits are considerably increased over the statement of December as well as that of a year ago.

Deposits June 30, 1928, were \$431,753 against \$357,161 a year ago, showing a gain for the year of \$74,592 in deposits. The gain since December 31, 1927 was \$30,384. The gain since



December is unusual, as very little money has come into the valley since then as the money from crops usually comes in during the last six months of the year.

Urges Co-operation

Strong co-operation of the sheep feeders and breeders of Nebraska with those of Colorado and Wyoming is being urged in a move fostered by S. K. Warrick, of Scottsbluff, Neb., who represented Nebraska at a meeting held at Casper, Wyo., of the Nebraska and Colorado representatives of the wool growers organizations. Mr. Warrick advocated a co-operative spirit between the feeding organizations and growers.

There are 787 members in the six marketing associations of Colorado and Nebraska representing a feeding of two million sheep and lambs annually, according to Mr. Warrick. For the purpose of advertising lamb products through the National Live Stock and Meat Board of Chicago in an extensive way, the payment of a cent per head on sheep and lambs marketed is favored by Warrick and other organized officials.

State Reports

Total resources of \$75,531,797.60 for Colorado banks and trust companies were revealed in the recent report of Grant McFerson, state bank commissioner.

The report, covering 148 state and savings banks, one private bank and 13 trust companies, shows the condition of the institutions last July 10 and is slightly below the total resources reported in the previous call March 6.

This, however, McFerson explained, is due to large loans made by banks in the farming communities, normally made at this period of the year.

The report lists resources as follows:

State and savings banks, \$48,868,519.38; one private bank, \$87,722.67; 13 trust companies, \$34,575,055.61.

Total checking accounts July 10, were \$33,638,452 and savings accounts, \$20,670,898.18.

The average reserve for the banks was 24.34 per cent, comprising bonds, cash and Liberty bonds.

The First National Bank OF LINCOLN, NEBRASKA

Established 1871

OFFICERS

S. H. BURNHAM, Ch. of Board.
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W. B. RYONS, Vice-President.
STANLEY MALY, Vice-Pres.
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E. H. MULLOWNEY, Cashier
HOWARD FREEMAN, Ass't Cashier.
FRED D. STONE, Mgr. Service Dept.

CAPITAL & SURPLUS

\$1,050,000.00

ASSETS OVER \$14,000,000.00

24 Hour Continuous Service

Always alert, ever ready to serve banks on Safe, Vault and Timelock Equipment. An organization built on service with a personnel of trained experts thoroughly competent to render efficient and satisfactory workmanship on any make of equipment.

Reduced Rates to Members Under the Nebraska and Iowa State Bankers Associations

Fifty-four Field Experts in constant touch with us and always available to you.

F. E. DAVENPORT & COMPANY

Official Safe, Vault and Timelock Experts for
Nebraska and Iowa Bankers Associations

2061 Farnam Street

Omaha, Nebraska

Telephones: Office, Ja. 1821; Res. Ke 6382 and Ke 3123

Have You Heard This One?

Effective Words

Neither mother or the tired photographer could make Willie sit still for his picture. After an hour or more of "See the birdie, darling," and "That's mother's good boy, the photographer suggested that perhaps Willie would keep quiet if mother left the room. She did and the picture was successfully taken. On the way home mother asked sweetly, "What did the nice man say to little precious to make him be such a nice still boy?"

"He thed, 'You thit thtill, you little brat, or I'll knock your block off', tho I that thtill."

A Poor Example

"Pop, did you go to Sunday School when you were a boy?"

"Yes, son, regularly—never missed a Sunday."

"Well, I bet it won't do me any good either."

Safe

Workmen were making repairs on the wires in a school house one Saturday, when a small boy wandered in.

"What you doin'?"

"Installing an electric switch," one of the workmen said.

The boy then volunteered: "I don't care. We've moved away, and I don't go to this school any more."

'Way Behind

Si Brown stood on the corner of the main street in the busy city and gazed with open-mouthed astonishment at the stream of vehicles moving past. Finally he turned to his companion and said in an awed voice:

"Jee-rusalem, Hiram, they shore are behind with their haulin' ain't they?"

She Probably Could

"My dear young lady," said the clergyman, in grieved tones as he listened to an extremely modern young woman tear off some of the very latest jazz on the piano, "have you ever heard of the Ten Commandments?"

"Whistle a few bars," said the young lady, "and I think I can follow you."

Aint It The Truth?



Observant Salesman

"I want some collars for my husband," said the woman, "but I am afraid I have forgotten the size."

"Thirteen and a half, ma'am?" suggested the shop assistant.

"That's it. How did you know?"

"Men who let their wives buy their collars for them are always about that size, ma'am," explained the observant salesman.

Life's Darkest Moment

The return to the home town of the "local boy" who has made good in the big city is rarely, we have understood, what it might be. In connection with this we have to report the particularly sad experience of a young banker who, after eight years' absence, alighted at the station of the town of his birth. There was, despite his expectations, no one on the platform whom he knew. No one. Discouraged, he sought out the baggage master, a friend since boyhood. To him at least he would be welcome, and he was about to extend a hearty greeting, when the other spoke first.

"Hello, George," he said. "Goin' away?"

Clever Man

Wife: "John, will you match this piece of silk for me before you come home."

Husband: (Suddenly struck by a happy idea) "Oh, at the counter where the sweet little blonde works? The one with the soulful eyes and—"

Wife: "No. On second thought, I won't bother you. You're too tired to shop for me when your day's work is done, dear."

Lost—Presbyterians

A Presbyterian preacher stopped at a Kentucky mountain cabin one day, where a gaunt, ragged woman leaned on the dilapidated gate. "Where is your husband today?" inquired the preacher.

"Out huntin',"

"Any Presbyterians around here?"

"Wal, now, thet I don't know, stranger, but the hide of every kind of animal thet my husband ever killed is tacked up yander on the back of the smoke-house. You might step thar an' look."

The West

Men look to the East for the dawn-ing things,

For the light of the rising sun;

But they look to the West, to the crimson West,

For things that are done, are done!

The eastward sun is new-made from

The dark of the night distilled;

But the westward sun is a sunset sun,

Is the sun of a hope fulfilled!

So out of the East they have always come,

The cradle that saw the birth

Of all of the heart-warm hopes of men

And of all of the hopes of earth.

For out of the East a Christ arose,

And out of the East there gleamed

The dearest dream and the clearest dream

That ever a prophet dreamed.

Yea, into the waiting West they go

With the dream-child of the East,

And find the hopes that they hoped

of old

Are a hundredfold increased.

For there in the East we dream our

dreams

Of the things we hope to do,

And here in the West, the crimson

west,

The dreams of the East come true!

—Douglas Malloch.

All Alike to Her

He: "Honestly, now do you women like egotistical men as well as other kids?"

She: "What other kind?"

THE CENTRAL WESTERN BANKER OF OMAHA, PUBLISHED BY DEPUY PUBLISHING COMPANY
416 Arthur Bldg., Omaha, Nebraska

CLIFFORD DEPUY, Publisher

GERALD A. SNIDER, Associate Publisher

R. W. MOORHEAD, Editor

H. H. HAYNES, Associate Editor

Wm. H. Maas, 1221 First National Bank Building, Chicago, Vice-President



HOTELS OF HOSPITALITY

OMAHA
Hotel Fontenelle

LINCOLN
Hotel Lincoln

SIOUX CITY
Hotel Martin

CEDAR RAPIDS
Hotel Montrose

SIOUX FALLS
Hotel Carpenter

And in
Los Angeles,
Hotel
Alexandria
\$2 Up.

COUNCIL BLUFFS
Hotel Chieftain

and ELEVEN others

Operated for Your Comfort by

EPPLEY HOTELS COMPANY

The Chase National Bank

of the City of New York

57 BROADWAY

Capital_____ \$ 50,000,000.00

Surplus and Profits_____ 57,462,411.15

Deposits (February 28, 1928)_____ 857,757,013.97

OFFICERS

Albert H. Wiggin

Chairman of the Board

John McHugh
Chairman of the Executive Committee

Robert L. Clarkson
President

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Vice-President and Cashier

William P. Holly

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Joseph Pulvermacher	Harold L. Van Kleeck	George S. Schaeffer
Leon H. Johnston		

Comptroller

Thomas Ritchie

THE BANKER'S OPPORTUNITY

Presenting a Few of the Possibilities Open to Him

No.	State	Size Town	Surplus and Profits		Monthly Salary\$	Investment	
			Capital	Deposits			
CHA	Missouri	150	\$10,000.00	\$5,800.00	\$70,000.00	\$115.00	\$ 1,000.00
WAD	Oklahoma	500	10,000.00	1,700.00	60,000.00	150.00	4,500.00
DHB	Kansas	250	10,000.00	5,150.00	85,000.00	100.00	5,000.00
GJB	Kansas	100	10,000.00	6,700.00	80,000.00	135.00	6,000.00
KLD	Oklahoma	600	15,000.00	500.00	84,000.00	175.00	7,500.00
PBB	Kansas	200	16,000.00	2,000.00	90,000.00	150.00	9,500.00
HSA	Missouri	200	10,000.00	22,500.00	125,000.00	145.00	10,000.00
KO2	Kansas	250	15,000.00	1,800.00	75,000.00	150.00	11,000.00
JAA	Missouri	500	15,000.00	4,000.00	90,000.00	175.00	11,000.00*
SMB	Kansas	2,000	25,000.00	2,000.00	140,000.00	150.00	14,500.00
RKA	Missouri	1,500	20,000.00	28,000.00	250,000.00	175.00	15,000.00
HPB	Kansas	500	25,000.00	13,000.00	200,000.00	200.00	19,000.00
HRB	Kansas	300	10,000.00	5,500.00	100,000.00	240.00	(2)19,600.00*
EBE	Iowa	600	25,000.00	5,000.00	250,000.00	150.00	20,000.00
MFA	Missouri	5,000	50,000.00	32,000.00	650,000.00	200.00	20,000.00
HGA	Missouri	1,800	25,000.00	25,000.00	550,000.00	‡	20,000.00
MMB	Kansas	3,000	30,000.00	12,000.00	300,000.00	‡	20,000.00
VPD	Oklahoma	600	25,000.00	10,000.00	175,000.00	‡	20,000.00
BDB	Kansas	300	17,500.00	6,000.00	120,000.00	200.00	20,000.00
FLC	Colorado	1,500	25,000.00	30,000.00	600,000.00	225.00	21,000.00
MRA	Missouri	400	20,000.00	13,000.00	175,000.00	200.00	21,000.00
KOB	Kansas	200	20,000.00	12,000.00	200,000.00	150.00	24,000.00*
MCA	Missouri	10,000	35,000.00	25,000.00	160,000.00	‡	33,000.00
HGB	Kansas	2,000	25,000.00	25,000.00	800,000.00	‡	44,000.00
BKB	Kansas	Large	30,000.00	35,000.00	500,000.00	‡	70,000.00

§Substantial commissions from well established "side line" business also included in many of above.

*Includes desirable dwelling.

‡Salary to be agreed upon.

BANKERS BROKERAGE COMPANY

(Successor to the C. C. Jones Investment Company)

919 Baltimore Avenue

ALWAYS CONFIDENTIAL—ALL WAYS

Kansas City, Missouri



The Omaha National Bank

FARNAM AT

SEVENTEENTH



RESOURCES OVER

FORTY MILLIONS