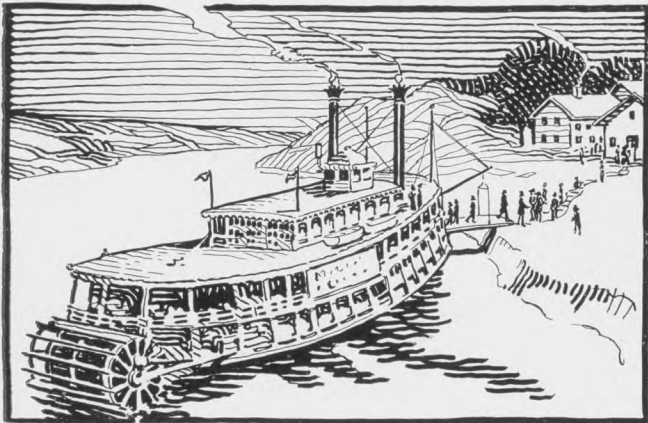


CENTRAL WESTERN BANKER *of Omaha*



SEPTEMBER
1928

Things We Fail To Do After
We Get His Account



STEAMBOATS 1857

The "Western Engineer" was the first steamboat to ascend the Missouri as far as the present site of Omaha. This was on September 19, 1819. By 1857, the year in which our bank was organized, there were fifty boats making Omaha a port of call.

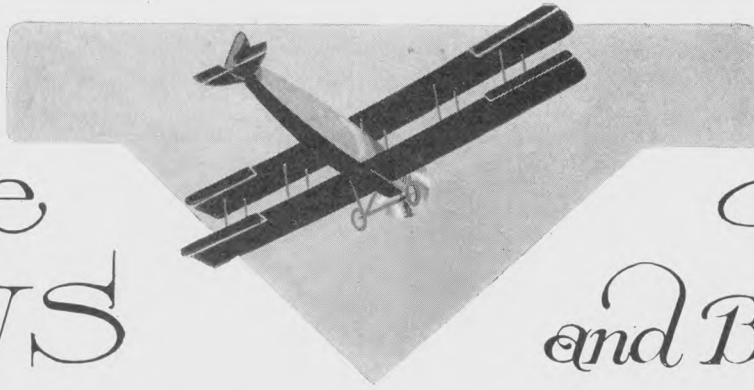
The arrival of the first steamer in the Spring was a great event. It was the custom to hold a Grand Ball on ship-board.

This bank has had dealings with some of its correspondent banks for more than a half-century. We invite your patronage.



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

Last minute NEWS



of Banks and Bankers

THE BUSINESS EXTENSION DEPARTMENT of the Union Trust Company of Detroit has a new head. Earl Adams Clark has recently joined the Union Trust Staff as vice-president in charge of that department. Mr. Clark comes to Detroit from Indianapolis, where he was in charge of the new business, public relations, and advertising activities for the City Trust Company of that city.

THE GUARANTY TRUST COMPANY of New York announces the opening of an office in St. Louis, which will be located in the Boatman's Bank building. This branch will operate through the company's Chicago office, with I. A. Wight, Jr., and D. E. Wight in charge.

ONE OF THE PRINCIPAL SPEAKERS at the recent meeting of the Mortgage Bankers Association of America held in Cleveland, O., was C. J. Claassen, of the Peters Trust Company of Omaha. Mr. Claassen spoke on "Experience in the Current Farm Real Estate Situation." More than 400 mortgage bankers attended the convention.

JOHN G. LONSDALE, president of The National Bank of Commerce in St. Louis, who is one of the most active members of the Chamber of Commerce of the United States, has been further honored by that body by being appointed as a member of a Special Foreign Commerce Committee which will carry out plans for coordinating the work

of the Foreign Commerce Department Committee of the Chamber with the work of the Finance Department of the American Committee of the International Chamber of Commerce.

THE MONTANA BANKERS ASSOCIATION held its 1928 convention at Yellowstone Park. The members held their sessions in Old Faithful Inn. Officers elected were: President, R. O. Kaufman, vice-president of the Union Bank & Trust Company, Helena; Vice-president, N. A. Telyea, vice-president of the National Park Bank at Livingston; Secretary, A. T. Hibbard, Helena.

A HISTORY OF SCHOOL SAVINGS banking in the United States has recently been issued by W. Espey Albig, deputy manager of the American Bankers Association. Mr. Albig reports school savings in 46 of the 48 states, with the aggregate net annual savings in the United States in excess of nine and one half million dollars.

E. A. PURDY, vice-president of Wells-Dickey Company, investment bankers of Minneapolis, has been appointed as a member of the advisory committee of the Democratic National committee. Mr. Purdy is now vacationing in Glacier National Park, and upon his return will go directly to New York to take up his political work.

EDWARD T. TOBEY, 44 years old, vice-president of The Federal Commerce Trust Company, Investment Division of The National Bank of Commerce in St. Louis, died recently at Barnes Hospital in St. Louis following an operation performed for tumor of the brain. Mr. Tobey joined The Federal Commerce Trust Company nearly four years ago, coming from Memphis, Tenn., his native city, where he had been engaged in the real estate business.

L. I. ESTRIN, of the American Exchange Irving Trust Company of New York, has recently returned from a three months business trip abroad. Mr. Estrin reports substantial improvement in the economic conditions of the countries of Central Europe. He quotes the progress made as being remarkable.

GOLFING BANKERS WHO ATTEND the American Bankers Association convention in Philadelphia will compete this year on the Philmount Country Club course, with Friday, Oct. 5, as the tournament day. The usual prizes will be offered, including the

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SEPTEMBER, 1928

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St. Louis Cup for the lowest gross score, donated by St. Louis bankers in 1919.

A. P. GIANNINI, California financier, has recently returned from Europe. Questioned regarding the wide fluctuations in the stock of the Bancitaly corporation, of which he is president, he said he warned investors in January to "get themselves in the clear." However, he says the institutions themselves were never in better condition.

A. B. A. DELEGATES on the Fall-
tonic enroute to Philadelphia are having an unusual spectacle prepared for them at Niagara Falls. The falls, one of the wonders of the world, are to have special night illumination in honor of the visiting bankers. Searchlights producing 1,320,000,000 candlepower will be used. If in doubt as to how much that is, just try it on your adding machine.

PUBLIC OFFERING HAS RE-
CENTLY been made by the United States treasury of about \$525,000,000 nine months $4\frac{1}{2}$ per cent treasury certificates, dated September 15, to fall due June 15, 1929.

HERBERT P. HOWELL has been elected as the senior executive of the new Commercial National Bank & Trust Company recently organized in New York. Mr. Howell was for ten years vice-president of the National Bank of Commerce, and at present is a director and member of the executive committee of the Bankers Trust Company.

A LARGE NUMBER OF THE
STOCKHOLDERS and some of the bondholders of the Chicago, Milwaukee & St. Paul Railway are apparently unaware of the fact that in the plans of reorganization since the company went into the hands of a receiver they stand to lose around \$2,000,000.

WILLIAM J. DOHERTY has recently become associated with the Rudolph Guenther-Russell Law Advertising Agency in its Chicago office. A complete advertising agency service is now offered to all financial institutions of the Middle West, comprising planning, research, copy, analytical surveys, art, and design.

BY THE ACQUISITION of the deposit assets of the Security National Bank of Fargo, North Dakota, the Dakota National bank of Fargo steps into second place, the First National's last published statement showing resources of over eight million dollars, and the published statement of the Dakota National of Fargo \$2,904,590.76. The credit for working out the plan for taking over the deposit assets of the Security National Bank by the Dakota National, and thus assuring all depositors in the Security National Bank that they would get every cent of their money, was worked out by E. J. Weiser, president of the First National Bank of Fargo.

When Usury Is a Defence To a Mortgage

By THE CENTRAL WESTERN BANKER *Legal Department*

A PROVISION in a mortgage was to the effect that the mortgagor agreed to pay the maximum legal rate of interest on the debt secured and, in addition, especially agreed to pay taxes upon the mortgagee's interest in the mortgaged premises. A foreclosure action was brought on this mortgage. Usury was pleaded as a defense to the mortgage.

The clause in question that was claimed contained such a requirement that a greater sum or rate of interest than is permitted by law could be collected provided that the mortgagor was to pay all taxes and assessments levied upon the mortgaged premises, or upon the mortgage or note which it secured, before the same would become delinquent, and a further proviso that after the mortgagor failed to pay the taxes the mortgagee might pay the same and the amount so paid or advanced for taxes should be secured by the mortgage and bear interest at ten per cent per annum.

When It Exceeds the Maximum

"When a contract, by its terms, requires, for the use of the money, the payment of a greater sum than the maximum legal rate of interest, it is in fact, usurious. The mortgage contract in question shows that there was an intent on the part of the borrower to give and an intent on the part of the lender to reserve and take, interest in excess of the maximum legal limit. This makes the contract in question usurious!"

Usurious, On Its Face

This mortgage contract, the makers thereof contend, is on its face, usurious, because, by its terms, it requires the mortgagor to pay, in addition to the maximum rate of interest permitted by statute, the taxes that may be assessed or levied on the note, and

mortgage or assessed on the mortgagee's interest in the mortgaged premises.

In some states of the Union, it is provided by statute that such a provision in a mortgage is valid. However, in the absence of statutory legislation, especially providing that a mortgage carrying the maximum legal rate of interest and the additional payment of such taxes is not usurious, the matter comes under the usury statutory law of the state, in which the real estate is located.

In determining the question in any state, the statutory provisions and former decisions of the courts of that state as to what constitutes usury are first to be considered. For instance, if the maximum rate of interest provided by statute that may be taken or reserved by a lender is eight per cent per annum, a mortgage, and mortgage note that contains a provision, whereby the total amount of interest that

(Continued on Page 23)

In and Out of the South Dakota Guaranty Law

THE history of the bank guaranty law and its operation in South Dakota is an interesting one, notable mainly for its many revisions and changes. Going into effect in 1915, the plan became so involved by 1926 that its liabilities reached the appalling total of more than forty million dollars, with possible assets of failed banks not more than half of that amount. Consequently drastic revisions were made necessary.

Considering first the most recent changes and present status of the law, in the fall of 1926 the South Dakota Bankers Association put on an educational campaign to inform the people of the exact status of the guaranty law. The state legislature had, the preceding year, repealed the law, but by petition, the action of the legislature was referred to the people in the 1926 fall election. The people then voted not to sustain the repeal, therefore it was still in effect when the 1927 legislature convened.

Law Was Revised

The 1927 legislature so revised the law that instead of paying into the old defunct guaranty fund, banks now continue to pay their old assessments to the state treasurer and the amounts so paid are credited to each bank's own fund. A definite cut-off has been made with the old fund.

Stating that many individuals think the revised law has many admirable features, Secretary George Starring of the state bankers association, has made this comment and explanation of the new law:

"You will recall that the legislature in 1927 revised the guaranty fund law providing that instead of the banks paying assessments into the old defunct guaranty fund, they shall from

One of a series of articles dealing with the history and final outcome of the bank guaranty measures that have been adopted by the various states. Another article will follow in the October issue of the CENTRAL WESTERN BANKER.

now on pay their regular assessment to the state treasurer, the same to be credited to each bank until the bank

the assets of each of said banks of one-fourth of one per cent of such average daily deposits as shown by such statement, which said assessments shall be continued from year to year until the sums realized from such assessments, together with the accruals and earnings thereof, shall amount, in the aggregate, to a sum equal to the capital stock of said bank; written notice of such assessment shall be given to each bank by the secretary of the commission and such notice shall be deemed legal and complete when the same has been placed in an envelope securely sealed, postage prepaid directed to such bank, and deposited in the United States mail. Upon the levy of such assessment and the giving of such notice, said bank shall forthwith pay to the treasurer of said depositors' guaranty fund commission the amount of such assessment, either in cash or in securities approved by said Depositors' Guaranty Fund Commission.

Deposits With State Treasurer

"The guaranty fund collected from each bank shall be deposited by the state treasurer in the manner that other state funds are deposited in dormant accounts, or at the option of the depositors' guaranty fund commission, shall be by said treasurer invested in securities selected by said bank with the approval of said Depositors' Guaranty Fund Commission, and the interest accruing therefrom shall be credited to the guaranty fund required of each bank until such fund shall equal the amount of the capital stock of said bank, and the entire fund shall be retained to secure and indemnify the creditors of such bank from which such guaranty fund shall be collected, against loss by the failure of said bank; and said fund shall at all times

Its Present Status

During the fall of 1926 the South Dakota Bankers Association put on an educational campaign in the state to inform the people relative to the exact status of the bank guaranty law. The 1925 Legislature repealed the law but by petition, the action of the Legislature was referred to the people in the fall election of 1926. The people, by small majority, voted NOT to sustain the action of the Legislature. Therefore the law was still in effect when the 1927 Legislature convened.

The 1927 Legislature so revised the law that instead of paying into the old defunct guaranty fund, banks now continue paying their old assessments to the state treasurer and the amounts so paid are credited to each bank's own fund. This is covered by Section 9011. A definite cut-off has been made with the old fund.

builds up a reserve equal to its capital stock. The payments may be invested in securities, the income from which is credited to the bank's fund.

"The new law also gives the Guaranty Fund Commission (or Banking Board) many new and wide powers.

"The portion referring to assessments, in particular, is section 9011, and reads as follows:

"On the first day of January of each year, every bank engaged in the business of banking in this state under the laws of this state shall make and file with the Depositors' Guaranty Fund Commission, a statement in writing, verified by the oath of its president, vice-president or cashier, showing its average daily deposits for the preceding twelve months; and such commission shall, on February first, thereafter, levy an assessment against

Why They Tried To Repeal It

(As outlined by M. G. Luddy, South Dakota farm paper editor, in 1926.)

1. Guaranty of Deposits has failed in nearly every state where tried. It is still on trial in Nebraska, where its future is doubtful.
2. Its operation has worked a hardship to depositors who eventually pay the losses.
3. Because of the delusion that a tax upon the strong will prevent the failures of the weak.
4. Guaranty of Deposits has proved to be an unsound and treacherous form of mutual insurance in which the rate is not based upon actual and local hazards.
5. Any guaranty or insurance plan is foolhardy where the cooperating insured gamble upon unknown risks as in guaranty of deposits.
6. The system has and always will place a tool into the hands of unscrupulous and inexperienced persons for reckless banking, with subsequent abnormal increase in deposits.
7. The system penalizes the good banker by making him pay for the follies of the "wildcatter."
8. What about protecting depositors in closed National banks also? They were hit by the same depression.
9. Why not a Guaranty for Agriculture and other lines of business which have been injured or ruined?
10. The guaranty System is a farce and can never pay out for the following reasons:

The liabilities of the Guaranty Fund in closed banks (estimated).....	\$41,000,000
Assets in closed banks will probably pay.....	20,500,000
<hr/>	
There will be a deficit of.....	\$20,500,000
Interest on deficit at 5 per cent.....	1,025,000
Deposits in open State Banks.....	\$100,000,000
Income from one-fourth of one per cent assessment allowed by law.....	250,000
<hr/>	
Deficit on interest alone (no payment on principal).....	\$ 775,000

be exempt from levy under executions or attachment and from garnishment and shall be exempt from taxation.

"In case said bank shall be closed as insolvent, or for any other reason shall liquidate and the assets of said bank are insufficient to pay its obligations in full, then the amount in the guaranty fund for said bank, or so much thereof as shall be withdrawn from the state treasury upon the order of the guaranty fund commission and applied to the payment of the creditors of said bank.

"The annual assessment shall be paid by each bank before the payment of any dividend or any distribution of profits to stockholders, and upon such assessments being paid into the said fund, the amount thereof, as the same accumulates from year to year, shall become and at all times remain, the property of the stockholders of said bank as the individual ownership of said stock shall be disclosed by the books of said bank; subject, however, to the uses provided by this act."

So much for the present status of the law. A glance back at the events leading up to its attempted repeal will also be of interest.

One of the best surveys of conditions leading up to the attempted repeal of the entire measure in 1926 was given by M. G. Luddy, editor of the South Dakota Farmer and Breeder. Referring to the original measure, which went into effect in 1915, Mr. Luddy said, in 1926:

Dangers Recognized

"At the time of the adoption of the Guaranty Law by the South Dakota legislature, the leaders who were responsible for its passage and enact-

ment into statute recognized its dangerous features. The danger at that time was two-fold. Based upon the deposits in the state banks of the state at the time of the passage of the law the maximum fund that could be raised was not as large as the deposit liability of the one largest state bank in the state at that time and it was apparent that if the largest state bank should fail the assets in the hands of the Guaranty Fund Commission would be insufficient to pay the liabilities of that one bank. There was the further collapse of the financial conditions as the result of which many banks would fail, leaving the fund entirely inadequate to meet the demands upon it. The law in South Dakota provided for an assessment of one-fourth of one per cent upon the average daily deposits of each state bank. With the increase in the amount of business which was done during the war period and the increase of bank deposits, this fund reached a maximum total of

about \$3,500,000.00. During this period bank failures were confined solely to isolated institutions in which unusual conditions existed with reference either to management or character of investments, the result being that subsequent to the creation of the Guaranty Law and prior to the period of deflation following the war some fifteen banks in South Dakota failed. For the purpose of paying the depositors of failed banks where failure was an isolated incident due to the specific, extraordinary conditions existing in individual banks the Guaranty Fund was sufficient to take care of the deposit liability. The depositors of the banks which failed during this period were paid in full

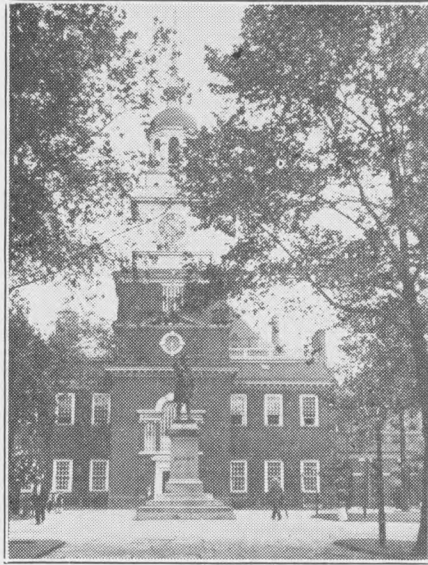
and the Guaranty Law was heralded as a very valuable institution."

Bringing the history of the law down to 1926, Mr. Luddy made this comment:

Liabilities of \$43,000,000

"Examination of the records indicates on January 1, 1926, the date of the last official report of the Guaranty Fund Commission, a liability of approximately \$43,000,000. The income of the Guaranty Fund Commission from assessments is approximately \$250,000 per year. Continuing the assessments would enable the Guaranty Fund to make payments upon the liability of the fund only to the extent of six-tenths of one per cent annually. To the creditor of the closed bank this is an unusually insignificant fund. To the remaining institutions, however, upon whom is placed the burden of creating the fund for the purpose of paying depositors, the burden becomes a very severe one. It amounts to approximately 3 per cent of the capital

(Continued on Page 30)



Independence Hall, Philadelphia

QUESTIONS of general public moment such as the farm problems, the Presidential campaign and changing business conditions will mingle with technical banking discussions on credit, the spread of group banking, bank taxation and bank administrative problems in the various sessions of the American Bankers Association convention which will be held in Philadelphia October 1 to 4.

The program as announced by F. N. Shepherd, Executive Manager of the association, shows that among the leading speakers will be: Thos.

R. Preston, President American Bankers Association, President Hamilton National Bank, Chattanooga, Tennessee; Edwin A. Alderman, President University of Virginia, Charlottesville, Virginia; James A. Bacigalupi, President Bank of Italy National Trust and Savings Association, San Francisco; H. L. Russell, Dean College of Agriculture, University of Wisconsin, Madison, Wisconsin; Roy A. Young, Governor Federal Reserve Board, Washington, D. C.; L. T. McFadden, Chairman Committee on Banking and Currency, House of Representatives, Washington, D. C.; Leonard P. Ayres, Vice President Cleveland Trust Company, Cleveland, Ohio, and J. W. McIntosh, Comptroller of the Currency, Washington, D. C.

The Schedule

The schedule of meetings of the various committees, commissions, divisions, sections, and general sessions to be held in connection with the annual convention of the American Bankers Association at Philadelphia is announced as follows:

The general sessions of the association as a whole will be held at the Academy of Music the mornings of

Section Board of Control—1:30 p. m.; State Legislation Committee and State Legislative Council—2:15 p. m.; Agriculture Commission—2:30 p. m.; conference of bank auditors auspices Clearing House Section—2:30 p. m.; conference of clearing house examiners auspices Clearing House Section—2:30 p. m.; Public Education Commission—2:30 p. m.; Savings Bank Division general meeting—2:30 p. m.; Federal Legislation Committee and Federal Legislative Council—3:30 p. m.; Executive Council—9 p. m.

Tuesday, October 2d, Bellevue-Stratford: State

Bank Division general meeting—2:30 p. m.; Nominating Committee—5 p. m.; Resolutions Committee, call of chairman.

Wednesday, October 3d, Bellevue-Stratford: State Secretaries Section general meeting—2 p. m.; conference of clearing house managers auspices of Clearing House Section—2:30 p. m.; National Bank Division general meeting—2:30 p. m.; Trust Company Division general meeting—8:30 p. m.; Resolutions Committee, call of chairman.

Thursday, October 4th, Bellevue-Stratford: Executive Council—9 p. m.; Administrative Committee, call of chairman.

Each day of the convention period there will be open in the Bellevue-Stratford Hotel press headquarters, joint headquarters for state secretaries having no separate headquarters, booths for the hotel committee and information bureau, a bank library exhibit, registration headquarters, office of the general association, golf committee desk, a postoffice and a ticket validation desk.

In addition to the many attractions of Philadelphia as a historical city, excellent amusement features will be provided visiting bankers.

National Problems *up to* A.B.A. Convention

Tuesday, Wednesday and Thursday, October 2d to 4th, opening each day at 9:45 a. m.

Sunday, September 30th, at the Bellevue-Stratford Hotel, which will be the convention's headquarters' there will be a meeting on call of the chairman of the Protective Committee; on Reorganization of the American Bankers Association—10:30 a. m.; Clearing House Section Executive Committee—1 p. m.; Savings Bank Division Executive Committee—2:30 p. m.; Finance Committee—8 p. m.; Administrative Committee—9 p. m.

Monday, October 1st, Bellevue-Stratford: Insurance Committee—9 a. m.; Clearing House Section general meeting—9:30 a. m.; Economic Policy Commission—9:30 a. m.; Federal and State Taxation Committees joint meeting—9:30 a. m.; 50th Anniversary Committee—9:30 a. m.; National Bank Division Executive Committee—9:30 a. m.; Public Relations Commission—9:30 a. m.; Trust Company Division Executive Committee—9:30 a. m.; Educational Foundation Trustees—10:30 a. m.; Commerce and Marine Commission—12:15 p. m.; Membership Committee—1 p. m.; State Bank Division Executive Committee—1 p. m.; State Secretaries



Above, Philadelphia bankers who will help guide the destinies of the 1928 A. B. A. convention in the Quaker City October 1-4. Left to right, Chas. S. Caldwell, president Corn Exchange National Bank and Trust company, chairman of the publicity committee and member of the executive committee; Joseph Wayne, Jr., president Philadelphia National Bank and chairman of the executive committee; E. E. Shields, assistant cashier Philadelphia National Bank and chairman of the arrangements committee.

A smoker at the Arena Tuesday evening, October 2nd is an entertainment feature planned for the delegates to the 1928 Convention of the American Bankers Association.

Arrangements have been practically completed to secure an announcer, Eddie Cantor, blackface comedian and star of many musical comedies. There will be three boxing bouts and it is expected several theatrical stars as well as excellent vaudeville entertainment.

Arrangements have also been practically completed for a Concert of the Philadelphia Orchestra, conducted by Leopold Stokowski to be presented Wednesday evening, October 3rd, at the Academy of Music for the Members of the A. B. A.

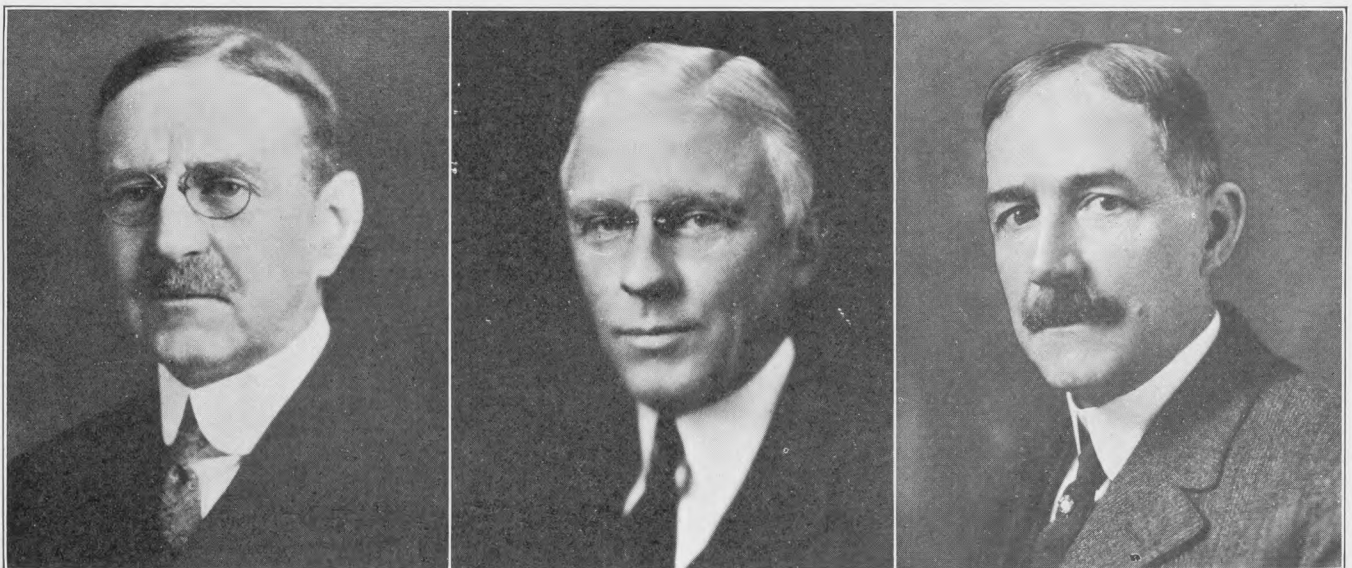
This proposed concert will mark the first public appearance of Dr. Stokowski in Philadelphia after his year's absence in Europe, and the Orient, where he was collecting data on eastern music forms.

To Have Financial Exhibit

A complete financial library exhibit will be presented by the financial group of the Special Libraries Association at the American Bankers Association Convention in Philadelphia, October 1 to 4, 1928, according to announcement by the committee in charge, consisting of Ethel Baxter, librarian, American Banker's Association; Emma Boyer, librarian, Union Trust Co., Cleveland; Edna Caserline, librarian, Mellon National Bank, Pitts-

burgh; and Florence Wagner, librarian, Wall Street Journal. The exhibit, which is sponsored and financed by the various banks, is presented to assistant bankers in obtaining the latest and most authoritative financial information.

The exhibit, which will be a model both in point of equipment and arrangement, will consist of representative financial books for reference and general use as well as files of newspaper clippings and pamphlet material showing best methods of filing and the valuable use of such files. There will also be samples of financial periodicals. A special pamphlet is being prepared for this exhibit which will show how the library may serve the bank.



Some of the Quaker City bankers who will make delegates happy at the A. B. A. convention in Philadelphia October 1-4. Left to right O. Howard Wolfe, cashier Philadelphia National Bank, chairman of the clearing house section and hotel committee; A. D. Swift, vice-president of the Central National Bank, chairman of the information committee; and Harry J. Haas, vice-president First National Bank of Philadelphia, chairman of the National Bank division, vice-chairman of convention executive committee. *Central Western Banker, September, 1928*

"As bankers whose business brings this important subject to your attention so frequently you have an important duty to perform and not many of you are performing it. If we know that economic errors are daily being committed by our people we should undertake to correct them by educational processes!"

Things We Fail To Do After We Get His Account

By RALPH O. KAUFMAN,

Vice-President and Cashier, Union Bank and Trust Co., Helena, Mont.

FOR many years, as most of you know, I have advocated a banker's program of education of the public in economics, particularly that phase of economics relative to banking. It has been gratifying to note the progress which has been made in this work in many states, even though Montana, as the result of peculiar conditions, has not been in the forefront in its prosecution.

I still think that a vast amount of good could be accomplished if bankers devoted more time to this matter, and today I wish to speak upon an important phase of economics which has had pitifully small attention from either the banker or the layman in this section of the country.

We pride ourselves upon the great service we render to our communities in the fostering of business, livestock and farming enterprises, and frequently boast of how we have stood by some worthy individual until we have made him financially. We boast of conservation of credit and the protection of our affairs and the affairs of others with helpful advice and financial assistance. If we know a man has wealth we cultivate his friendship and try our best to gain his confidence to the end that we may handle his money and thus add to our volume and our profits.

We believe that we have performed a real service, and profitable too, when we have gone this far, and our de-

posits have increased to a satisfactory figure. But, in my opinion, we are not going far enough to render service and discharge our obligation to the communities we represent.

Permit me to illustrate. Let us assume that one of the most successful customers you have should slip into your bank tomorrow and tell you something like this. "Well, Mr. Banker, you know that I have worked hard and given close attention to my business and that I have accumulated quite a fortune. I guess I'll go away for a few years and take just enough with me to last me as long as I wish to be gone."

You would ask, "Who will take charge of your affairs while you are gone?"

What if he replied, "Oh, I don't know, I think my wife will handle everything all right. I have given her a power of attorney, and she can use

"Does your wife know the value of your business and property?"

"No."

"Has she executive ability?"

"No."

"Is she in good health and strong?"

"Not very."

"None of your children know anything about it, do they?"

"No."

"Are they going to communicate with you from time to time for advice and direction?"

"No, I expect to be so far away that they cannot reach me—they won't even know where I am."

Now, can you imagine anything more startling or stupid than this? Yet, it is being done every day, exactly, except the customer does not announce his departure. Death takes care of that.

Here is a great nation boasting of wealth estimated at about 300 billion

dollars with 80 billion dollars in life insurance in force. Statistics carefully compiled show that 90 per cent of all wealth, including life insurance, left by deceased persons, is absolutely consumed or dissipated within seven

years from date of death. And here we are confronted with the unpleasing prospect, that during the next generation we will see wasted or consumed all but 10 per cent of this vast wealth. Oh, but some say it makes a difference, somebody will get it. When a fortune is lost through ignorance, inexperience or dishonesty, who gets it?

Conservation Essential

"Conservation of our wealth and its availability for use is just as necessary to our happy economic life as health, reserve strength always available to our physical makeup if we would have long life!"

her own judgment, it's a matter of indifference to me."

In astonishment you exclaim, "What does your wife know about your business, she never had anything to do with it, did she?"

"Oh, no," your customer replies, "but I told her she could ask anyone she wished for advice. She has plenty of friends."

When a bank closes by reason of poor management, who profits? When an immense industry fails, its land, buildings, and machinery lie idle and its employes scatter, who benefits, and when property or credit is thrown to the winds, who profits? Waste is disastrous in business. Nature sets the example by decreeing that she will allow nothing to go to waste. Conservation of our wealth and its availability for use is just as necessary to our happy economic life as health, reserve strength always available is essential to our physical makeup if we will have long life. We do not profit by waste and failures—we profit by conservation and successes. We are vying with each other to serve and profit from the successful man of wealth, either moderate or great, but what are we doing for those fair enough for the average case, they cannot possibly be wisely relied upon in many, many instances, as you have had occasion to observe.

Men and women, especially those of wealth and most of those whose wealth is only moderate, should by all means be taught to give this most important

Qualities No One Possesses

- 1—Sound business judgment.
- 2—Investment ability.
- 3—Thorough investment information.
- 4—Financial standing.
- 5—Well organized clerical facilities.
- 6—Continuing existence.

matter more intelligent thought. They spend a lifetime accumulating, seeking comfort for themselves and those dear to them, spending hours and days in the consideration and manipulation of the affairs of one business transaction alone, and then devote either no time at all, or just an hour, often postponed until Death's hand is reaching toward them, in the preparation of a document which is to bring good fortune and happiness or misfortune and sorrow to those for whom they have worked incessantly.

(Pardon me if I refer to one of the most unfortunate cases that has come to my attention in many years. I refer to the Largey case.)

If a man dies intestate, one-third goes to his wife if he has two or more children, and if none, she usually gets only one-half.

Every man should make a will or

some other intelligent carefully planned disposition of his estate. How many of you bankers ever discuss this vitally important matter with even your closest customers and how many of you know whether your prosperous customers have ever made a will and have any idea of how they have planned for the future of those whom they will some day leave behind?

"Oh," say many, "this is a private matter—it's too delicate to discuss," besides many people are too superstitious, they dread the thought of these things and feel that they are signing death warrants when they execute wills. Many are deliberately decreeing misery and want to their loved ones when they do not, and life today, with its many risks, is more than ever uncertain.

If you can advertise or write about a subject, why cannot you talk about it?

The protection and preservation of men's estates is becoming more important with the development of our economic progress. Fortunes are not so easily made by the average man and

(Continued on Page 12)



MISS CARRIE HUDNALL

How a personnel worker helps 300 women employes with their business, personal and social problems

MISS CARRIE HUDNALL, personnel worker among the women employes of the Commerce Trust Company, Kansas City, occupies the only position of its kind among the

Creating Good Will Among Women Employes

By KATHERINE SCHENCK
Kansas City, Missouri

Kansas City banks. Such a position is quite an innovation in financial institutions, and it is said the Commerce Trust Company set a precedent in the middle west several years ago when it employed Miss Hudnall for this work.

Miss Hudnall was employed in a similar work in Boston before coming into her present position.

A Changing Mein

Time was when a woman qualified to be on a bank's payroll was considered much too capable to need assistance in establishing her business career. This was due mainly to the fact that few women were employed and these women were highly trained workers and particularly proficient in some special line of banking. But with the rapid growth of financial institutions today a large number of women and girls are employed in every department and the heads of the in-

stitutions are doing all possible to aid women employes in developing business character and discernment. While the daily problems which frequently disconcert a woman employed in a banking institution are a little different from those of a mercantile or industrial employee, she has the same bit of business rough way to travel. The daily contact with a woman of sympathetic understanding in smoothing these vexations is one of the ways in which the women employes of the Commerce are especially favored.

There are more than 300 women and girls employed in the Commerce. Many of them are young girls filling their first positions. Quite a number have come from the small towns adjacent and it is especially to environ these girls with a wholesome influence in their business life that the Commerce employs Miss Hudnall.

Central Western Banker, September, 1928

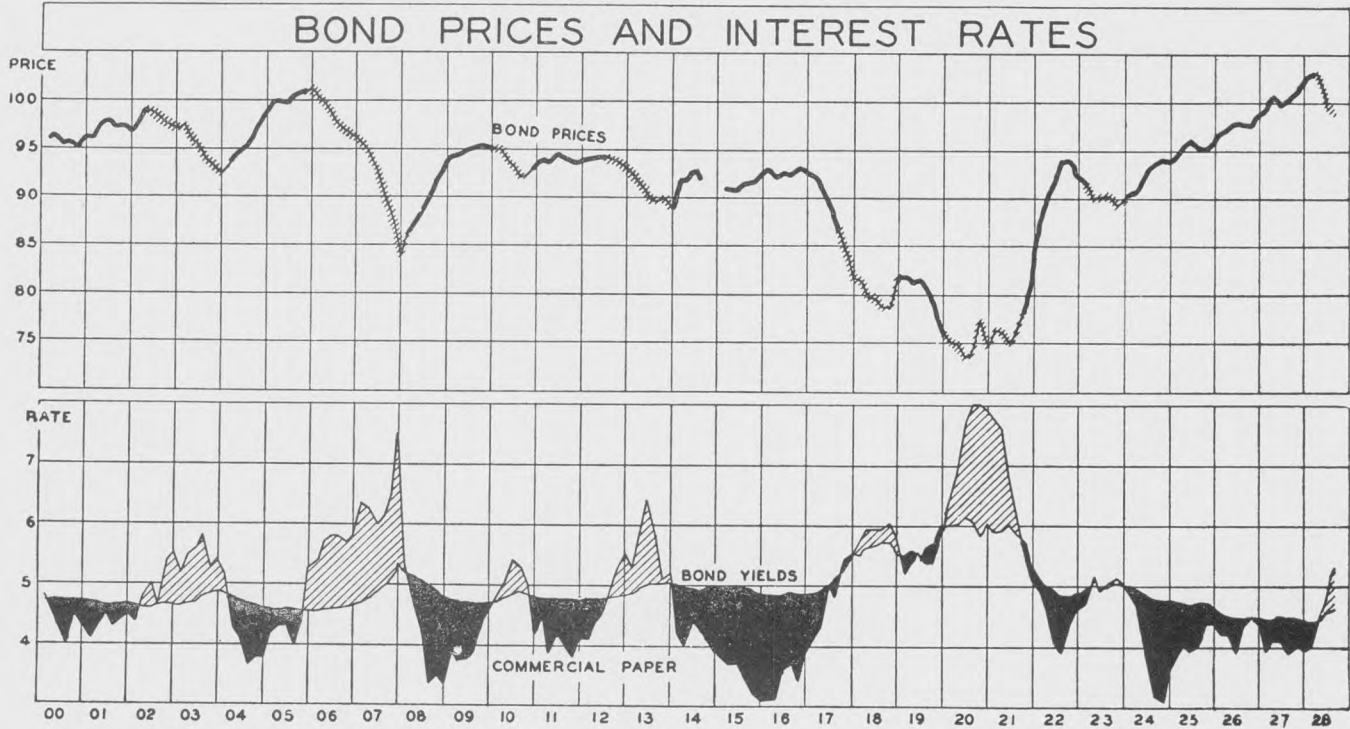
Her Duties

The duties of her position cannot be enumerated in items or hours. The girls feel perfectly free to ask advice on any of their affairs whether personal, social or business. The advice asked for includes all subjects from how to budget incomes to aid in selecting clothes or on matters of daily business department.

Whenever an employee is ill, either man or woman, Miss Hudnall visits that person offering sympathy and more material aid on the part of the bank if necessary. It is the same with any case of distress of whatsoever kind among the Commerce "family," Miss Hudnall's time belongs to that case until everything is right again.

The personal influence and good will

department of the bank does not limit its working hours to the period indicated by a time clock's stamp. Miss Hudnall makes daily report of her work to one of the bank's officers and frequently holds a friendly discussion with department heads on things not only for the general, but the individual well being of those grouped under the friendly title of the Commerce Family.



—From Bulletin, Cleveland Trust Co.

Bond Prices and Interest Rates

BOND prices have declined sharply this year, and now many people are asking whether it is not probable that the falling trend is about at an end. Of course no definite forecasts as to their future course can be made, but the evidence afforded by the records of the price changes of bonds in former years seems to indicate that the termination of the decline is not very near.

In the diagram on this page the line in the upper portion shows the course of bond prices each month during the past 29 years. For the first 20 years of the period the prices are those of 30 high grade industrial and utility bonds, while for the last 9 years they are those of 60 issues divided equally among the industrials, the utilities, the rails, and the municipals.

Represent Yields

In the lower section of the diagram the slightly irregular line running almost horizontally across the page represents the yields of these same

bonds, while the line of wider fluctuations falling below, and rising above the bond-yield line, represents the course of the rates on high grade commercial paper. Both the bond-yield data and those for commercial paper are from figures published by the Standard Statistics Company, while the bond prices are made by capitalizing the bond yield data at four and one-half per cent.

In the lower part of the diagram the periods when the commercial paper rates were lower than the bond yield are shown in solid black, while those in which the commercial paper rates were above the bond yields are cross-hatched. In the upper portion of the diagram the bond price line has been cross-hatched during the periods that are cross-hatched in the lower part, and is in solid black in those periods that are solid black below.

The evidence of the diagram shows that except for a part of the abnormal war and post-war period bond

prices have had a declining trend when commercial paper rates have been above the bond yields, and have had a rising trend when commercial paper rates were lower than the bond yields. At the present time commercial paper rates are well above the bond yields, and will probably remain above them for some months to come. Bond prices are falling, just as they have in similar previous periods, and it seems probable that their decline has not yet been completed.

Relatively High, Also

When commercial paper rates are relatively high other short-time interest rates such as those for time loans on collateral, and on call money, are relatively high also. At such times banks customarily put available funds into such loans so as to take advantage of the high rates, and reduce or suspend their purchases of bonds. Many corporations, and some individuals, pursue similar policies with the result that the demand for bonds is greatly reduced.

Central Western Banker, September, 1928

After We Get His Account

(Continued from Page 10)

one thing is almost certain, that is this—the families of the well-to-do man accustomed to reasonably luxurious living find it harder to retain and increase what has been left to them than those who have been accustomed to less. The wife and daughters seldom seem to realize that when the father has gone, the family income will no doubt be less and the conservation of the fortune, large or small, left to them is vitally necessary to their comfort and support. It is likewise true that most men fail to give this matter serious thought and seem to feel that what may occur after they have gone is a matter in which they have no particular interest. (No two cases alike.)

This lack of thought, the inability of families to plan and execute and the economic value of conservation through intelligent and responsible management, has brought into existence our numerous and most successful trust companies throughout the United States. These companies are rendering a most remarkable service, the value of which is fast becoming recognized by successful business men everywhere. As a result, figures have been compiled from questionnaires mailed to trust companies which show an increase of 374 per cent in the use of trust company services during the past four years.

Men and women should be urged to make wills, but above all things they should have impressed upon them, the wisdom of giving this matter careful and intelligent consideration. There are so many ways in which property

may be legally disposed of that each case should be carefully analyzed before the drawing and execution of a testamentary instrument. Likewise, there are so many things that cannot be legally done, that care should be exercised in selecting an attorney and where unusual provisions are made the will should be checked by two men competent to pass upon such documents.

For instance, the Montana laws provide that a man may not suspend the power of alienation of property by will for a longer time than during lives in being at the date of death.

A man cannot dispose of more than a third of his property to others than his wife, without her written consent, nor can a wife do so without the like consent of her husband. These two provisions are frequently violated and contest after contest has been fought as a result. It is, of course, impossible to treat this subject exhaustively in the limited time available to me, but I mention these two, stressing particularly the frequent violation of the statute, relative to power of alteration.

Has Grown Greatly

The creation of trusts by will has grown greatly in use and importance in a comparatively few years. Men who make wills have begun to think more of who will handle their estates for them, and how they should be disposed of. No man can possibly predict what changes will occur in the attitude of his family after he has gone nor can he foresee the economic changes which may occur within one

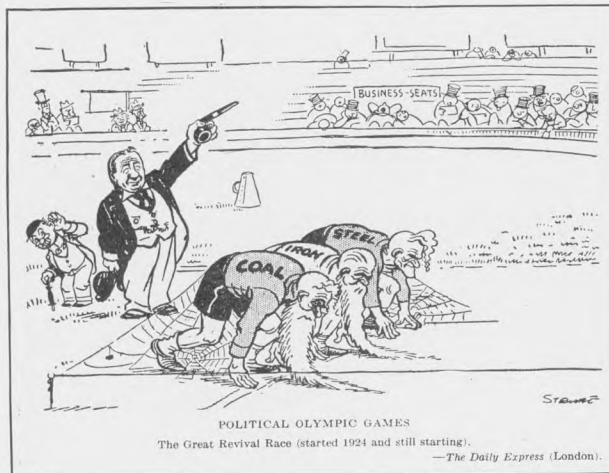
or two years after death. As an illustration, what man could have imagined changes so great and far reaching as those which took place from 1914, say, to 1921—and from 1921 to 1928?

The advent of the trust company and the trust department have made the creation of trusts wiser and more effective than ever before. A corporate executive or trustee does not die, and has every incentive to properly conduct the affairs of an estate or trust successfully, and it is better prepared by far than any individual could possibly be. A testator wants a successful, capable man to handle his estate. His friends from whom he might make a selection are too busy, if successful, handling their own affairs and if not busy they are usually not successful and therefore not qualified. Some say why not any lawyer? I maintain, with all due respect to the lawyer, that his profession does not usually qualify him to handle more than the legal features of estate matters and his business of itself does not train him in matters of investment. That is a line of work for more generally understood by trust company and bank officials you must admit, as they make this their particular business and study.

Your lawyer should draw your will and see to its proper execution—that's his field. He should guide the executor in all legal matters pertaining to the settlement of your estate, and the importance of his work, and his responsibility is great, especially in the

(Continued on Page 14)

CARTOONS OF THE MONTH



WHERE correspondent
bankers receive definite
help with those problems
of bank management and
investment on which
banking profits depend



FREDERICK H. RAWSON
Chairman of the Board

HARRY A. WHEELER
President

CRAIG B. HAZLEWOOD
Vice-President

**UNION TRUST
COMPANY
CHICAGO**

Things We Fail To Do After We Get His Account

Continued from Page 12)

framing of the instrument before execution. I know trust companies are regarded by some attorneys as interlopers who have invaded their long occupied field, but they are fast realizing that the services these companies both executive and trustee, and are urging clients to do likewise. No individual has all these essential qualifications:

- 1.—Sound business judgment.
- 2.—Investment ability.
- 3.—Thorough investment information.
- 4.—Financial standing.

5.—Well organized clerical facilities.

6.—Continuing existence.

Trust companies do not mingle with their assets the assets of an estate. These are carefully marked and set aside where they are immediately available to be turned over to a successor should the company cease to do business for any reason.

As a result of this highly developed and reliable service, a person may now with safety provide for the creation of short or life estates for members of his family and rest assured that his wishes will be respected and carried out to the letter in so far as it may be possible to do so.

One form of very valuable trust

which the existence of trust companies have made possible, is the so-called life insurance trust. This is comparatively new and back of the year 1920 was rarely heard of. It has resulted in bringing to the life insurance companies a vast amount of new business because of the advantages it offers. One of the great insurance companies in this country in its annual report for 1927 states that the life insurance trust was one of the two outstanding features in its business for that year made possible by the co-operation of trust companies throughout the United States. Its development has been rapid, and will be far more rapid as men learn of its advantages. I dare say that not 50 per cent of the men in the country have ever considered the wisdom of investigating this new method of conserving wealth, and perhaps no more than half of you have even heard of the plan.

Life insurance policies are payable to beneficiaries either in lump sums, in installments over a life or a period of years, or income is paid for the same periods. All installment payments are fixed by contract and may not be altered after the death of the insured.

If the insured should leave the full amount of his insurance in a lump sum to a wife or family, the sum seems larger to the beneficiary or beneficiaries, and, being deprived of the guiding hand of the deceased father, it is very probably soon spent and unwisely spent, too. If let to beneficiaries in installments, frequently much less than the beneficiary has been accustomed to live upon, hardships frequently follow.

A man taking out life insurance frequently remarks that the installments of say, \$200 more or less per month, will be sufficient to keep his family from want at least. But, if long illness should attack a member of the family, or costly operations should become necessary, or unusual educational costs for the child or children should arise, there is no way to take care of these emergencies, except, possibly through work by the wife, if she be able, or long painful economy. The insurance company has no discretion whatever—it can and will pay only what the contract calls for.

By means of the insurance trust it is now possible for a man to create an estate of which he can dispose in a manner just as wise and as satisfactory as though he now had that much of it intelligently and advantageously for his family by a last will and testament.

THE
HANOVER
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BANK
OF THE CITY OF NEW YORK
Established 1851

Capital \$5,000,000
Surplus and Profits 26,000,000

BONDS AND INVESTMENTS

Fighting Securities "Fakers"

LET me give some examples and effects of these American tariffs, state against state. Some years ago one state adopted a law levying a two per cent tax on securities bought by its citizens and originating outside the state. The erroneous theory was that the law would keep money at home for development of home industry. Popular misconception fostered it against any and all sound counsel. The very next session of the legislature, however, repealed the law. It had kept capital from coming into the state and had hindered home capital in obtaining that safety of employment which lies in broadly diversified investment. Meanwhile the state's industrial progress and the pocketbooks of its citizens paid a heavy penalty while the law was in force.

State Laws Vary

In that same state there is a great, nationally known enterprise that has been built up by many years of honest, tireless endeavor. It has been the means of providing employment for thousands within the state and has added greatly to the wealth of the community and to a higher standard of living. As a process in its wholesome growth this enterprise recently issued some millions of dollars in bonds, securities of such soundness and desirability that, although the interest return was only four and one-half per cent, the issue was at once over-subscribed by reputable securities dealers throughout the country and sold to investors—large and small.

Now let us see what may happen when such a bond of the highest and soundest type known to the business world goes into capital channels among the different states. First, however, let me call to your attention the fact that all the states, except two, have laws especially pertaining to the selling of securities and that almost every variety of regulatory provision may be found among these acts. In almost all the states where the bond was offered, the authorities did not question its soundness and honesty. It was the kind of security that they liked to see in their states. In state A,

By HENRY R. HAYES
Retiring President, I. B. A.

in the Middle West, for example, a broad minded, and much-experienced securities officer quickly approved the bond. In state B, adjoining state A, both with almost identical economic and social conditions, the securities



HENRY R. HAYES

commissioner, also a wholly upright man and capable official, refused to allow the bond to be sold in the state. I repeat the incident as told to me by a well-known securities dealer within the state and an officer of one of the soundest financial institutions of that state.

When this local securities dealer in State B subscribed for these bonds to sell to his customers, he made application to qualify them in the state; that is, he sought official approval, as the law requires. Then, as the law in that state permits, pending final approval, he sold the bonds, knowing well that they were among the highest type of securities obtainable. He even had difficulty placating several experienced investors because he could not obtain

sufficient bonds to satisfy the demand. Then to his surprise, the state authorities asked a certain form of appraisal of the enterprise's properties. He could not give it because the business had been built up steadily year by year to such a huge sum that no one but the company had information as accurate as the information they desired.

"In the absence of that particular form of valuation," said the state official, "an earnings statement would suffice." "Splendid," replied the dealer, "we can tell you the complete history of every dollar the enterprise has or ever has had." "Yes, but we must have it divided up as from each individual unit of the enterprise," was the official reply. The dealer wished to know what good that would do, so long as the earning records accounted for every penny and the information on hand established the absolute soundness and honesty of the enterprise and the security. To supply the information in the form desired would have required months of hard work and an expense greater than the dealer's scanty profits. Rather than submit to this greater loss he bought back the securities at considerable trouble and expense and shipped them out of the state.

This incident may seem of small consequence, but if you multiply them by scores and scores of kindred incidents, repeated day after day in many states, it becomes apparent how great is the expense in money, time and effort inflicted needlessly and wastefully, upon the business of the country. When we add a consideration of how the unequal, varied and peculiar tax laws of the different states impose additional unnecessary burdens upon the capital market and the thrift of individuals, we can begin to comprehend the hugeness of the economic waste arising therefrom. For example, state H, which is one of the richest in the Union, favors stocks, as against bonds, in its tax laws. As a result, state H is less interested in bonds.

I trust that I have not given the erroneous impression that I oppose any legitimate effort or law to curb the

traffic in fraudulent or worthless so-called securities. Next to the victim of a securities fraud, it is the investment banker who suffers most when fraud is perpetrated in a sale of securities, or alleged securities. He has no part in or knowledge of the fraud, but the impaired public confidence reacts on his business, no matter how honest or how conservative.

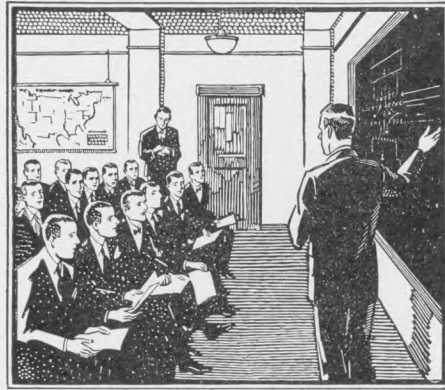
Fighting the "Fakers"

As an investment banker and as a member of the Investment Bankers Association of America, I have for years fought unceasingly in the war against securities fakers. I know personally or by reputation the securities commissioners of many of the states and I have a profound respect for

them as an official class of high character, earnest endeavor and ability. The point I wish to make is that their tools, i. e., the laws, are often inadequate, and public misconception makes it slow and difficult to improve them. The securities commissioners should be on the same high plane as the judiciary and as nearly nonpartisan in their position as is possible. Instead we find them, as a whole, inadequately paid, their tenure of office subject to the mercurial exigencies of politics and the capable, upright official not infrequently turned out of office to make a place for a uniformed person whose training in the duties of his office will require years.

It is not especially onerous that a new issue of bonds may require the

paying of a small fee in each of as many as forty states before the issue can be sold in those states. Although the total of such fees may amount to a large fortune in the course of a year, it is money well spent if it measurably lessens the traffic in fraud. When, however, the law gives most of its attention to policing honest business instead of apprehending and punishing fraudulent dealers, when throughout the many states the reputable investment banker is compelled to supply elaborate information in one form here, in another there and is continually bound with useless red tape, then I must protest that the law has strayed far from its purpose and the millions of dollars of unnecessary expense it imposes on honest business is little less than an outrage on the public that it should protect, not penalize.



The largest training school in the industrial world

THE Bell System employs more than 350,000 people; and throughout the System training courses are provided not only for the details of the every-day work, but for the new duties and new responsibilities which telephone expansion and improvement are creating each year.

Why conservative investment counselors recommend American Telephone and Telegraph Co. securities

Bell System Service has grown and

is growing with the nation. Its management is far-sighted, conservative, and yet progressive. The System has a plant investment of more than \$3,000,000,000. It operates more than 59,000,000 miles of wire, of which more than 39,000,000 miles are in underground cables. American Telephone and Telegraph Company owns more than 93% of the combined common stocks of the Associated Companies in the Bell System which furnishes an indispensable service to the nation.

Write for booklet "Some Financial Facts"

BELL TELEPHONE SECURITIES CO. Inc.

195 Broadway



New York City

Larger Bank Quarters

In remodeling its main banking room so as to provide more space and increased accommodations for its patrons, the Lincoln National bank and Trust Co., of Lincoln, Nebraska, is installing a new type of fixtures that will eliminate the old wire cages behind which its tellers and other employes have heretofore transacted their business with the public.

The lobby has been enlarged by setting up the new counters 4 feet back from where the old ones stood. It is now 42 feet long by 12 wide, making 504 square feet of space for the use of the public, which is 200 feet more than there were previously. Officers of the bank will have their desks in the front part of the room, as hitherto, with a partition between them and the lobby. This low wall will be faced on the outside with marble, and the top slab will also be of marble 18 inches wide. A strip of black marble will serve as the baseboard.

The marble front will continue toward the rear, across at the back, joining the west wall. Rising above it will be a mahogany counter for the receiving and paying tellers, 52 inches above the floor at the top. Four "deal plates," taking the place of the old barred windows, will serve for receiving deposits, paying out money, issuing drafts, handing out statements, etc. These will be 42 inches high.

It is planned to make the lobby more ornamental, one of the new features being a tile floor consisting of square slabs alternating mahogany and and red coloring.

Financing for August Shows Decrease

IN CONTRAST with many months in the past two years which produced record-breaking volume of new investment financing, August showed the smallest total for any month in the last five years.

New note and bond offerings in August totaled only \$183,363,200 according to the compilation of Lawrence Stern & Company, Chicago investment bankers. This compares with offerings of \$473,464,300 in August, 1927, and \$283,456,800 in July, 1928.

The fall-off in last month's financing was chiefly at the expense of foreign offerings in which class there was not a single new issue. Railroads also failed to produce a single new loan. Less than \$12,000,000 of industrial issues were brought out on the market last month. In the public utility field there were offerings totaling \$77,340,000; this was the only classification to show an increase over July, 1928.

The total of all offerings for the eight months of 1928 amounted to \$4,714,883,400 compared with \$5,419,583,200 for the corresponding period in 1927. This is a decline of about 13 per cent.

Last month's offerings, excluding tax-exempts, included only 83 separate issues. This compares with 137 such issues offered in August a year ago, and with 173 in July, 1928. There were only 20 major issues of a million dollars or more released in the market last month compared with 63 in July, 81 in June, and 108 in May.

Exceeds New York

Of the 20 corporate issues in the million dollar class offered last month, Chicago investment bankers underwrote six totalling \$63,200,000 and for the first time surpassed New York. New York dealers were forced to take second place, underwriting only four large issues totalling \$13,400,500. Boston with a single issue of \$2,650,000 took third place.

The Lawrence Stern & Company monthly review concluded as follows:

"Although in volume of new financing, August was the dullest month that the bond market has known for several years—there are many signs that the month marked the bottom of the recession which has been witnessed in recent months.

"In the face of curtailed trading on the stock exchange and an almost to-

tal absence of new issues, the average price of a selected group of high-grade listed bonds registered a price increase during the month of more than .25. In addition to this tendency toward firmer prices—the fact that the flow of new issues has been drastically curtailed in recent weeks has created a more healthy condition in the market; and in many cases the dealers' shelves are clean and such dealers are expected to be alert to take

advantage of attractive new offerings during September.

"The general feeling among bond men has become markedly optimistic; and while it is not expected that the price level prevailing last spring will be regained in the near future, there seems to be every indication that the bond market during the autumn months will be an active one."

Defends Use of Brazil's Gold

In a statement made public in the July Federal Reserve Bulletin, the president of the Bank of Brazil defends the action of the Brazilian government in making use of the gold



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OMAHA

reserves against the notes of the Bank of Brazil to meet a serious emergency last year. The statements says: "The economic and financial condition of the country, which had shown some tendency toward improvement in April 1927, became unsettled again in October, as a result of insufficient funds for financing the various crops, especially the coffee crop, the yield of which exceeded all previous amounts and required the employment of considerable sums for its financing.

"In view of the situation, the government resolved to make use of the resources (that is, the gold reserve against notes of the Bank of

Brazil), put at its disposal by the law of December 18, 1926. This action, although absolutely necessary and perfectly legal, gave rise to much entirely unwarranted criticism. That the criticism was unwarranted was proved by the fact that within a short time the reserve fund of £10,000,000 was completely restored, after part of it had been employed in the urgent task of averting the ruin of producers, which both the government and the bank were under obligation to do."

"SAVE CONSISTENTLY"

"Save consistently and plan your investments."

In those six words, John P. Mullen, assistant educational director of the Investment Bankers Association of America, answers a question uppermost in the mind of practically every man and woman in this country: How can I gain financial independence?

"Perhaps there is no great necessity today to stress the importance of saving consistently," Mr. Mullen said. "A greater percentage of our citizens is doing so than has ever been the case at any time, anywhere, in history, but it is important that these savers realize the need of a well-considered plan and policy on which to proceed in the making of investments.

"No business man who hopes for success would leave the future of his business to chance. No sensible contractor would attempt construction of even a common dwelling without the guidance of blue prints complete to the minutest detail. Yet hundreds of investors attempt to rear a financial structure which will be sound and adequate without the semblance of an investment plan or policy.

"It is obviously impossible to set up any single program which will meet the requirements of every individual. The value of an investment involves more than questions of safety and yield; in each case its adaptability to the needs and purposes of the investor must be given consideration. There are, however, a number of broad, general principles upon which the investor can formulate his own program. First, determine your investment objective—whether it is to build up a fund to finance retirement, to provide means for education and travel, or to create an estate. Second, consider what investments will best help you to reach that goal, keeping in mind the degree of safety and marketability your condition requires and the amount you can save and invest regularly. Finally, remember that sound investments are not confined to stocks and bonds. One individual may make his best investment in a savings account; another in a home. The investment goal of one man may be best accomplished through life insurance. Others may profit most by taking all of these steps.

"The important thing is that some definite, well-balanced program be outlined, which will enable the individual to make the most of his investment opportunities. It should go without saying that the man or woman with a well-fitting, workable investment plan gets farther along the road to financial independence than those who make their investment purchases haphazardly."

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

The Trend for 593 Corporations

A comparison of the composite records of 593 leading American corporations, for 1927 to 1926, according to John Nickerson & Co., Inc., reveals an increase in property accounts, but a decrease in net profits, accompanied by larger disbursements to bondholders and stockholders.

To the investor, these figures emphasize the importance of thorough analysis of his holdings, in line with the *recommendations of banks or investment houses* whose standing merits confidence. Investments should be carefully studied with the aim of selecting securities of those companies whose operations reflect either—

- (1) Such development of products, properties, and markets as to indicate clearly a steady growth of earnings in the future; or—
- (2) Current results at least more encouraging than the average.

Important items from the balance sheets and income accounts of the 593 corporations have been combined and published in a recent bulletin of Standard Statistics Company, Inc. The results are so significant as to merit interpretation. These companies, considered as a unit, increased their property accounts by \$1,349,000,000 in 1927 as compared with 1926, and their outstanding bonds and stock by a still larger amount—\$1,436,000,000.

Obviously, such increases can be justified only by larger operations at the present rate of profit or by larger profits on the present scale of operations. Otherwise, difficulties may be experienced in meeting interest charges and maintaining present dividend rates on the increased total of securities outstanding.

But 1927 results, as compared with those of the highly prosperous preceding year, did not reflect such improvement. Net profits of these 593 corporations declining \$267,000,000, or 8 per cent. And of the net profit 77 per cent was paid out in the form of interest and dividends of 66 per cent for 1926. Only 20 per cent in 1927, as against 28 per cent in 1926, was carried to surplus.

Fixed Charges

Fixed charges were earned 6.4 times in 1927 compared with 7.6 times in 1926. Preferred dividends were earned 9.0 times instead of 9.7 times. Common dividends were covered 1.4 times instead of 1.8 times.

The ratio of total current assets of all these companies to current liabilities improved from 4.1 to 1 in 1926, to 4.3 to 1 in 1927. Current assets

declined \$21,000,000, 1-5 of 1 per cent while current liabilities declined \$168,000,000 or 5½ per cent. The total cash account increased \$93,000,000 or 2½ per cent. Accounts receivable decreased \$294,000,000 or 9 per cent; and inventories declined \$32,000,000 or 6-10 of 1 per cent. The total amount owed to banks, however, was \$37,000,000 more than in 1926, representing an 8½ per cent increase.

It may be assumed that to some extent the improvement in composite net tangible assets resulted from new financing during the year, as earnings were insufficient to provide for both this improvement and the increased disbursements to the holders of securities.

This composite picture of the position of nearly 600 leading corporations is not necessarily a cause for alarm. In many cases the added investment in property will make for greater efficiency, larger sales and increasing profits. Some corporations are in all major respects in a better position than ever. The point is that no one corporation can continue, for several years, to follow the average trend of all these corporations—without effect on the investment value of its securities.

It is increasingly important for the investor not to act merely on "tips" or hopes. He should insist on definite facts—and *recommendations from dependable sources.*

Market Outlook

DURING the past five months we have been suggesting the purchase of short term bonds because the market did not indicate that bond values had reached the bottom, and the longer maturities did not look attractive at the prevailing prices.

At this time we believe good Foreign Government bonds are a good purchase and in this field we suggest:

State of San Paulo 6s due July 1, 1968 @ 94½

Republic of Bolivia 7s due March 1, 1969 @ 97½

Roman Catholic Church Welfare

Institutions in Germany 7s due March 1, 1946 @ 99.

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POSSIBLE TAX TROUBLE

That section of the new Federal income tax law relating to withholding against interest paid on tax free covenant bonds will probably cause more complication than any other provision, declares the Commerce Monthly, issued by the National Bank of Commerce in New York. The bank says:

"Because the new law was enacted so recently nothing in the way of official explanation of ruling has yet been formulated to guide withholding agents and bondholders through the complexities that have sprung up over night.

"Under the 1926 act and prior law, it will be remembered, there was a uniform withholding requirement relating to tax free, covenant bond in-

terest generally. An amount of tax equal to two per cent of the interest was to be paid over to the United States Government at the source in the case of all tax-free covenant bond coupons, unless the owners of such coupons happened to be a corporation domestic to the United States or a foreign corporation doing business in the United States or having an office or place of business therein.

Become Greatly Complicated

"With the revenue act of 1928 the withholding situation with respect to tax-free covenant bond interest became greatly complicated. Under the new law it is provided that in the case of bonds containing tax-free covenant clauses of two per cent or less the full

normal tax shall be paid at the source on interest paid on and after May 29 to non-resident alien individuals, non-resident foreign partnerships and non-resident foreign corporations.

"In the case of two per cent tax-free covenant bonds under the new procedure when the indicated owner is a non-resident alien individual or a non-resident foreign partnership, the paying agents now remit only 97 per cent of the face amount of the coupons. The three per cent thus deducted, together with the two per cent assumed by the companies issuing the bonds, is paid over to the Government in full settlement of the five per cent normal tax due from the bond owner. Similarly, when the indicated owner of such bond coupons is a non-resident foreign corporation the paying agents remit only 90 per cent of the face amount. The 10 per cent thus deducted, added to the 2 per cent assumed by the obligor company, constitutes the 12 per cent tax due from the foreign corporations.

"Where bonds contain a 1½ per cent tax-free covenant clause the procedure no doubt will be to pay 96½ per cent on coupons owned by non-resident alien individuals and non-resident foreign partnerships and 89½ per cent on coupons owned by non-resident foreign corporations.

"In the case of bonds containing tax-free covenant clauses of more than 2 per cent, the new law provides that an amount of tax equal to only 2 per cent of the interest is to be paid over to the Government at the source. In the absence of any official explanation to date, this is generally understood to mean that the procedure in the case of 3 per cent, 4 per cent or unlimited tax-free clause bonds will be the same as that followed under the previous law. If this is correct the obligor companies will doubtless pay to the Government the 2 per cent required of certain bondholders and remit to the latter the difference between 2 per cent and the amount assumed by the covenant.

Procedure Unchanged

"The withholding procedure followed with respect to tax-free covenant bond interest payable to citizens and residents of the United States and to partnerships maintaining offices or doing business therein is unchanged by the new law. Moreover, interest paid on tax-free covenant bonds owned by corporations domestic to the United States and by foreign corporations doing business in the United States or having an office or place of business therein continues under the new law to be free from withholding requirements."

Vanishing Bank accounts

After you have put in hard work in building up deposits it is particularly discouraging to see them melt away as a result of speculations or carelessly made investments. By using The National City Company as a source of bond offerings you can render a timely investment service to your depositors. At the same time you will be making a legitimate profit for your bank.

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BONDS • SHORT TERM NOTES • ACCEPTANCES

Insurance

Protecting Business Interests Through Life Insurance

How life insurance can solve the four major problems that arise upon the death of a business man.

THE service of Life Insurance in increasing the net worth of terminated business ventures, and to provide funds with which to buy out a deceased partner's interest (which is really returning to him his contributed capital with its accumulations) has been so consistently preached that its usefulness in this respect is now conceded. But the contingency this insures against is, after all, deemed a remote one as to its happening, and the current prosperity of the enterprise dims the prophesy of the problem presenting itself. Life Insurance has a great value in promoting the success of a going concern as it is conceded to have in minimizing disaster or as a shock absorber. Our obligation is to present it in this light—as an ally to business success.

Business success rests upon three factors. First: ample and elastic capital—expanding and contracting as required to meet the demands of the business. Inelastic capital demands dividends even in slack times and a shortage of it sometimes limits profits. Second: the capacity to manage that capital—both ability and opportunity must be present. Ability limited in opportunity by apprehension yields no profits. Third: A prospect of permanency in the venture undertaken—both creditors and patrons distrust an enterprise obviously temporary or which presents a constant threat of dissolution. These three basis factors of Capital, Capacity and Continuity are not only closely interrelated but are in a degree transmutable notwithstanding the fact that capacity, which is a human attribute, seems to stand at the apex of the triangle.

As An Aid to Capital

Capital, which is usually regarded as made up of tangible resources, Life

By CHAS. J. ROCKWELL,
*Director, Rockwell School of
Life Insurance*

(From address before National Life Underwriters Association Convention)

Insurance can stabilize, liquify or augment. The tendency of such capital is to become frozen into fix-

has its limitations as to maximum. When used to produce materials which freeze into inventories this reduces the amount still free. Nor does the best type of credit bear any fixed ratio to the tangible resources. It depends on the faith, confidence and judgment of the one granting it in the capacity to use it profitably of the persons to whom it was extended. Capacity then brings credit and credit is capital—hence capacity is itself capital. Only

by Life Insurance, then, can an enterprise avoid impairing its working capital because of lost capacity in its management. We convert the intangible into the tangible, avoid loss by making it unnecessary to liberate the credit frozen into inventories and make its expansion to the wildest degree required safe for both the grantor

and receiver of it.

Capacity Is Actually Capital

Capacity, then, is capital when it attracts credit, but it brings capital of a type that intensifies the menace unless steps have been taken to offset the effect of its loss. On the other hand to get the best results from capacity it must be allowed opportunity. Capacity is not always due to the ability of a particular individual—it may be the result of a combination of highly specialized experts. Allowing every man fullest opportunity to exercise his ability makes for great gains but presents the danger of disaster should the combination be dissolved. It may be long before his associate or successors can familiarize themselves with his activities—they may never do it. Momentum is checked, sometimes never regained; profits are not made and even present value imperiled. We cannot prevent the loss of such capacity by Life Insurance but we can offset the effects of that loss and transform capacity capital into money capital. We can assure the profits that

Removing Doubt

"No institution that is always on the verge of dissolution can ever be wholly successful, no matter how excellent the capacity of its management or the type of its capital. Within and without its organization there is hesitancy and doubt. Lack of credit hampers capacity, uncertain future limits plans . . . Life insurance can assure two things which, in effect, give continuity to any enterprise."

tures, inventories or accounts receivable. It is always limited, its amount fixed as to maximum and minimum and subject to sudden recall. Only forced sales will release frozen inventories, and these entail losses either of profit or cost of goods, unless offset by cash from other sources; accounts are only partially collectable by a liquidating concern and pressure from a going concern embarrasses and drives away its customers. Whether the need for cash is to meet liabilities or replenish capital withdrawn by an owner it is preventable by life insurance. To meet the problem of capital limitation and fixation another form of capital than money or goods is necessary. Credit, which has been defined as machinery invented to take the place of tangible capital, must be made safe to use, safe to be depended upon and any chance of its loss offset by transforming the capital it supplies (intangible) instantly into cash capital, when its supporting bases are lost. But while credit is elastic capital it

capacity would have created. We can even distribute financial responsibility where it now rests on one individual.

No institution that is always on the verge of dissolution can ever be wholly successful, no matter how excellent the capacity of its management or the type of its capital. Within and without its organization there is hesitancy and doubt. Lack of credit hampers capacity, uncertain future limits plans. Nothing can assure the duration of a life, but Life Insurance can assure two things which, in effect, gave continuity to an enterprise. We can make possible such a quick succession in ownership as to make the transfer no stoppage in momentum; it can arrange for the transfer of that ownership to trained successors whether they have or have not, funds of their own to acquire it; it can equip successors with the capital to continue even if known capacity capital be lost and the capacity capital of the successor unknown, removing the necessity to depend on the credit capital the former capacity brought; and

it can help to select, attract and secure the precise individual needed to substitute for any lost executive.

Four Major Problems

Even so hasty a survey of the fabric of business as we have thus far made discloses that four major problems present themselves singly or in combination in the solution of which Life Insurance can best meet the situation where death causes the problem to arise. First: the enterprise may lose an important man, who may be an owner or merely an employee. His value to the concern may be due to his technical knowledge or skill, his managerial ability, his financial responsibility or to his advice because of his experience. But in many cases it may arise because of the good will he holds or the business he controls even though he be not active. Again he may stand between the firm and attack from unfriendly or hostile interests. Second: the present possessions and credit of the concern may be impaired by sudden efforts to meet,

almost on demand, the liabilities of the enterprise with no help forthcoming from the deceased, and this demand may be the more insistent where any important factor in the business is removed. Third: the difficulty of retiring the interest of the deceased in the enterprise is ever likely. While this is optional, though desirable, in a corporation, in a partnership it is a right of the deceased's representatives against which the survivor has no defense. Fourth: the disastrous shrinkage in the value of every asset the firm owns where liquidation and distribution of the net worth of the enterprise is suddenly made necessary. Not only are the assets of almost every business today valued only as those of a going concern, which values are always tinged with hope, hence overvalued, but all liabilities mature unexpectedly at par. No extension of time is possible and credit favor is withdrawn. The resulting disaster may even operate to lower the credit standing of the survivors in any future venture they may undertake.

Business Indications Good

By O. J. ARNOLD

*President American Life Convention
and President Northwestern
National Life Insurance Co.*

IF LIFE insurance sales may be accepted as a barometer of general business trends the last quarter of 1928 will be the very best this country has ever enjoyed in a presidential election year. Clearly the curves are upward and the improvement is so general there is every reason to feel optimistic about the outlook for the remainder of this year and the early months of 1929.

"With the national elections just around the corner it is truly remarkable the prevailing feeling of security that is manifest everywhere. The old tendency to hold back until after the votes have been cast has been discarded generally, so that there is comparatively little uneasiness in business circles anywhere.

"New life insurance of all classes written during the first eight months of this year have shown a persistent and consistent growth over the same period in 1927. During this year to date more than \$5,700,000,000 of new ordinary life insurance has been placed in this country, about \$1,900,000,000 of new industrial and almost \$1,000,000,000 of new group insurance. A very pleasing factor in life insurance has been the improvement in general conditions in the rural sections of the Middle West, Northwest and South. The outlook in those sections is most promising.

"Coming through the summer
Central Western Banker, August, 1928

months general business and financial conditions were above the average the best available statistics indicate. The industrial and trade activity in July



O. J. ARNOLD

and August was more than the usual volume in the Mid-Summer season and the general level of commodity prices held firm or slightly advanced.

"Credit and money conditions being satisfactory, commercial concerns came through the hot weather period in splendid shape, and general business should be accelerated with the closing of the vacation periods.

"Forecasts for good crops are very pleasing to the agricultural districts of the country and insurance agents in the rural sections report an increasing interest in life insurance and an improvement in the lapse situation. When the farmer is buying life insurance in volume you may be sure he regards the immediate future as secure. It is one of our very best business indicators.

"Employment is on the increase and there is every reason to feel that more workers will be on the country's payrolls in October, November and December than at present.

"For many years life insurance has been accepted as a very good barometer of general conditions. With hundreds of thousands of life insurance agents working in the field daily, entering practically every home, factory and business house, life insurance figuratively has its hand on the pulse of the nation. So we are not far wrong in accepting life insurance trends as a good indicator of general conditions.

"Viewed as a whole the immediate outlook for the entire country is very good. Here and there we find some bad spots but these are rapidly disappearing."

When Usury Is a Defence to a Mortgage

(Continued from Page 4)

should be paid by the lender amounts to more than the maximum statutory interest rate, could be shown to be a usurious contract.

To make a contract usurious, there must be an agreement between the borrower and lender by which the latter receives or reserves a greater rate of interest than the law allows. There must be an intent on the part of the borrower to give, and of the lender to receive, interest in excess of the legal limit.

"Usury" is reserving or contracting to reserve and taking for use of money a greater sum or rate of interest than is permitted by law.

Mortgagor Had To Pay

Had the mortgage in question not contained the provision relative to the payment of taxes, the mortgagee would have been liable for the tax on his mortgage interest in the mortgaged premises, and the mortgagor would have been liable for the tax on his interest therein, which would have

been the full value of the premises, less the amount of the mortgage. The insertion of this clause in the mortgage had the effect of shifting the burden of the tax on the mortgage interest from the mortgagee to the mortgagor. This clause, therefore, required the mortgagor to pay, in addition to the maximum legal rate of interest, the amount of the tax so transferred to him.

When a contract, by its terms, requires, for the use of money, the payment of a greater sum than the maximum legal rate of interest, it is, in fact, usurious. The mortgage contract in question shows that there was an intent on the part of the borrower to give, and an intent on the part of the lender to reserve and take, interest in excess of the maximum legal limit. This makes the contract in question usurious.

The holder of the mortgage, although a provision in said mortgage makes it a usurious contract, is still entitled to recover the principal amount of the mortgage note if this part of the obligation is not tainted with usury. There was no agreement to pay an illegal rate of interest on the debt so created.

A mortgage containing such a clause as has been herein referred to is not usurious, where the stipulated rate of interest exclusive of the taxes is less than the legal maximum of rate.

How They Do It!

*You wonder how they do it
And you look to see the knack;
You watch the foot in action
Or the shoulder or the back,
But when you spot the answer
Where the higher glamors lurk,
You'll find with concentration
Mixed with much determination
That the most of it is practice—
And the rest of it is work.*

*They all have certain canny ways
Who reach the topmost round;
And most of them have certain styles
At getting over ground;
But when you spot the reason,
Though the fellow is a Turk,
You will find in moving higher
Up the laurel-covered spire
That the bulk of it is practice—
And the rest of it is work.*

—Selected.



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**C. A. SMITH, President
Nebraska Bankers Association**



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

Becomes Cashier

With the election of O. J. Nelson of Genoa, Nebraska, as cashier of the Battle Creek Valley bank, Kinely F. Hogrefe, cashier for the past three years, is promoted to the vice-presidency of the institution.

Mr. Nelson has been employed by the state banking department for some time, his work being largely with the guarantee fund commission. His work at Genoa being completed, resigned to accept the position offered him by the Hogrefes. There will be no immediate change in the personnel of the Battle Creek Valley bank, it is announced.

Consolidated

The bank of Beaver City, Nebraska, was consolidated recently with the First State bank, which assumes all liabilities. The Bank of Beaver City was organized in 1905. It had deposits amounting to \$200,000.

The First State bank has been under the same management for forty-two years. It is one of the strongest banks in this part of the state. The consolidation meets the approval of the business interests of Beaver City.

County Bankers Meet

The quarterly meeting of the members of the Deuel-Garden County Bankers' Association was held at Chappell, Nebraska, recently. About twenty-five bankers were present, representative of the banks at Oshkosh, Lisco, and Lewellen and Chappell, there being also included in the number two representatives of Colorado banks, Mr. Johnson, of Ovid, and

Nebraska News

Mr. Gillette, of Crook. A. C. Peterson, of the Cheyenne County bank, at Lodge Pole, was also a visitor at the meeting. A dinner was served to the bankers in the evening, after which they gathered at the Chappell State Bank for their regular business meeting. The next meeting of the association will be held at Lisco.

Bank of Monroe Elects

At the regular semi-annual meeting of the board of directors of the Bank of Monroe, Nebraska, the following changes in officers and board were made:

Walter French who has served in the capacity of assistant cashier, was promoted to the position of cashier, also a member of the board to fill the vacancy of A. L. Pollard. Paul Gertsch, Jr., was also elected a member of the board to fill the vacancy which occurred upon the death of C. L. Gerrard.

Interest in Charter Law

Bank supervising officials attending the meeting of the national association of bank commissioners at New York were much interested in the Nebraska law which authorizes the state banking bureau to refuse new bank charters where existing facilities are deemed sufficient in a community. Clarence Bliss, secretary of the state department of trade and commerce, said upon his return from the New York meeting.

They also were interested in the system of licensing bankers which has been in effect in Nebraska for a number of years, he said. Less interest was shown in the bank guaranty law than in former gatherings, he said.

"A strong sentiment was brought out in favor of restricting credit for speculative purposes in Wall street," Mr. Bliss declared. "The federal reserve bank in New York has been exerting itself in that direction by raising the rediscount rate and in other ways, but its effort to check speculation is handicapped by the fact that western banks have been sending money east to be loaned to stock brokers on account of the high interest rates available for such loans."

The campaign to cut down all loans, which have reached the unprecedented amount of \$5,000,000,000, will be continued, Mr. Bliss asserted. New York banks may assist by inaugurating a scale of service charges for handling such transactions.

New Banker

A new State bank has been chartered by the state department of trade and commerce, it was announced recently by Secretary Bliss. The bank will be located in Madrid, Neb., will have a capital stock of \$25,000 and will be known as the State Bank of Madrid.

U.S. National Bank U.S. Trust Company

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T. F. MURPHY, *Vice-President*

C. F. BRINKMAN, *Ass't V.-President*

P. B. HENDRICKS, *Ass't Vice-President*

R. R. RAINEY, *Cashier*

H. E. ROGERS, *Assistant Cashier*

E. E. LANDSTROM, *Assistant Cashier*

A. L. VICKERY, *Assistant Cashier*

V. B. CALDWELL, *Assistant Cashier*

Elected President

W. S. Collett, who for the past twenty years has been first vice-president of the Crete State bank, has been made president, succeeding to the place made vacant by the death of T. H. Miller, who organized the bank. The latter's son, James G. Miller, has been made vice president and will continue the insurance business.

Back From Abroad

F. H. Davis, president of the First National bank, of Omaha, accompanied by Mrs. Davis, returned recently from a three-month trip during which they visited Italy, Switzerland, Austria and France.

This was the fourth trip abroad for Mr. and Mrs. Davis, but their first visit to Austria. Their daughter Miss Elizabeth and Mrs. Henry Bohling, who accompanied them to Europe, remained in the east to visit friends. Mrs. Bohling stopping in New York and Miss Elizabeth in Hoopston, Ill.

"One of the most impressive things about the trip was the remarkable way in which Italy has progressed since our visit there two years ago," said Mr. Davis. "Most of the credit is due to Mussolini. He works between 18 and 20 hours a day, I understand, and he is making everybody in the country work. There has been a marked absence of beggars on this trip in Italy and progress can be noted in every part of the country. They are building fine roads.

"In Austria we were surprised to find almost a deplorable state of affairs. The country still is suffering from the effects of the war."

On the trip across the Atlantic, aboard the Italian steamer Roma, the Davis' met and chatted with the governor of Rome and members of his party who were returning from a visit to this country.

"The prince is a splendidly educated man and spoke excellent English," said Mr. Davis. "We got very well acquainted. He and his party were quite impressed with their reception in this country."

With Cones State Bank

Hugo Holm, of Clarks, Neb., has accepted a position as bookkeeper in the Cones State Bank and entered upon his duties. Mr. Holm is a stenographer by profession and has had some experience in banking.

Establish Fur Farm

One of the largest fur raising farms in Nebraska will be established at Enola lake, near Norfolk, Robert E.

Driscoll, Omaha, announced recently. Driscoll is head of a company capitalized at \$100,000 which will be devoted exclusively to raising of muskrats, foxes and other fur bearing animals. A tract of 190 acres which includes the lake, has been purchased by the company. Frank Warner of Norfolk is secretary of the company, and Mrs. Hazel C. Driscoll is vice-president.

Reorganize

Plainview, Nebraska, people are enthusiastic over and are backing to the limit a proposal to reorganize the First National bank of that city

At a meeting of thirty-five depositors in the First National bank, \$83,000 was pledged to start the new bank on its way and indications are that the bank will be operating within a short time.

Dies at Blakesburg

Walter Abegg, 60, president of the First National Bank of Alliance, Nebraska, passed away at his home at Blakesburg, Iowa, recently. Banks in Alliance were closed during the hours of the funeral as a mark of respect.

Mr. Abegg had been in failing health for some time, but had not

been considered dangerously ill. His son, Edward, who had been connected with the Alliance bank, was called home two weeks ago to take charge of the Blakesburg bank, and at that time Frank accompanied him. It was said that the father's condition was not serious, but that he would retire from active work.

Mr. Abegg purchased control of the First National bank following the death of R. M. Hampton some years ago, and had been a frequent visitor to Alliance.

Savings Increase

Savings in Omaha banks reporting to the Federal Reserve bank of Kansas City, showed an increase of \$1,151,440 over savings at the same time last year, according to the monthly federal reserve bulletin for this district. An increase of 1,460 savings account was shown. Bank deposits (total check transactions) of Omaha banks for the five weeks ending August 1 also showed a substantial gain over the same period in 1927.

July production of Omaha flour mills was 100,717 barrels, a gain of 17,920 barrels over production of 82,797 barrels in July, last year, the report says.

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SINCE 1891

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You may list them in your regular
remittance letter.

Stock Yards National Bank of South Omaha

The Only Bank in the Union Stock Yards

Resigns

Miss Lydia Peters resigned her position at the First National Bank, of Crofton, Nebraska, and left recently for Yankton, to accept a position there.

Selis Interest

Will C. Dahnke has announced that he has sold his interest in the State Bank of Stratton, Nebraska, to Louis Stolte, and he will confine his efforts in the future to serving the public along the line of Real Estate and Insurance.

Ted Masters will become the new cashier of the bank.

Fremont Banker Dies

Henry Tiegeler, president of the Union National bank of Fremont, Nebraska, and of the Fremont Creamery company, died at his home, 1306 North Broad street, recently.

Mr. Tiegeler was taken seriously ill with a heart attack, but responded to the treatment of his physician and was feeling fairly well, though he was not able to get up. He suffered a second attack and died very suddenly.

In 1921 when the First National, the Commercial National and the Farmers & Merchants National of Fremont merged, Mr. Tiegeler assumed the presidency of the Union National bank and had been active in its management since, dividing his time between the bank and the Fremont Creamery company. For a number of years he had been connected with the First National bank as director and vice president.

Married

Albert Stelling, assistant cashier of the Bank of Gretna, Nebraska, was married recently at Uniontown, Missouri, to Miss Eleanor Franke of that place. They will make their home in Gretna.

Resigns

Earl H. Smith of Genoa, Nebraska, will take the place of L. D. Miles at the Security Bank of Creighton. Mr. Miles has resigned and expects to attend the University of Nebraska, taking a course in electrical engineering.

Cashier at Battle Creek

O. J. Nelson of Genoa, Nebraska, is soon to assume the cashiership of the Battle Creek Valley bank.

O summer friendship,
Whose flattering leaves, that shadowed
us in our
Prosperity, with the last gust drop off
In the autumn of adversity.

—Massinger.

News of the Omaha Stock Yards



CAUTIONS AGAINST CATTLE SPECULATION

"Although feeder cattle prices are excellent and the breeder is finally able to liquidate some of the burden of indebtedness he has borne during the last ten years," said J. H. Mercer, chairman of the National Live Stock and Meat board, in an interview recently, "the immediate outlook for the feeder deserves the best thought that can be brought out. The reduced supply of cattle all through the country and the prospects of a large corn crop have combined to introduce a speculative feature which may have an unfavorable reaction later in the season.

"Federal-inspected slaughter of cattle for the month of July was 10.8 per cent less than a year ago, while for the seven months, January to July, inclusive, it was 10.53 per cent less. Prices for beef steers average \$15 at Chicago for the month of July, or \$3.25 more than a year ago. Other classes of cattle are proportionately as high. With such a record existing the scramble for feeder cattle has been intense and there has been considerable trading and rehandling of cattle before they have ultimately been sent to the feed lot. I am informed that the sales of feeder cattle for one week at one of the important feeder markets were two and one-third times as great as the actual number of feeder cattle received. The effect of such demand was to place feeder cattle materially higher, according to the class of animal, above what the packers were paying for similar animals for slaughter purposes.

"The result of such competition has been to bring on to the public market quite a percentage of the feeder cattle which were available in the country. For the first seven months of this year there has been a decided increase in feeder movement over a year ago—the increase being from 1,327,000 in 1927 to 1,617,000 in 1928, nearly 20 per cent. Coupled with this, stocker

and feeder prices have risen from one to three dollars per hundredweight at Chicago for the seven months' period in 1928, over the corresponding period in 1927.

"At Kansas City the same situation has prevailed with an increased movement of feeders and a price increase corresponding to the Chicago market.

"As a matter of fact, at the current price levels there is plenty of beef for the distributive outlets. It is not probable that a greater shortage will develop. Such a shortage does not seem reasonable with the increased number of feeders going to the country this year as compared to 1927 and 1926, and the further stimulus of a big corn crop."

Plan Livestock Show

Tremendous interest in the coming Ak-Sar-Ben Live Stock show at Omaha the week of November 3 to 9, is evident, according to Professor Howard Gramlich of the University of Nebraska animal husbandry department. People are talking about the coming show from coast to coast. Some of the biggest cattle breeders in the country will be at Omaha with their herds. Professor Gramlich was at the fair at Aurora, Ill., not long ago and found breeders from Kentucky, Tennessee and also from eastern states, talking about the show and planning to come. Nebraska breeders are taking a keen interest and there is every indication that when the show opens up, there will be a big event in every way.

Mrs. J. F. Coad Dies

Mrs. John F. Coad, wife of the president of the Packers National bank of Omaha, passed away recently following a lingering illness. Death came to Mrs. Coad at the family home in Omaha. She was 44 years of age.

Mrs. Coad came to Omaha from Berkeley, Calif., at the time of her marriage in 1912. She had a host of personal friends, as she was particularly active in the work of St. Ce-

celia's church and in charitable organizations.

Besides the husband, the survivors include two sons, John F. 3rd of Atlanta, Ga., and Ernest, of Omaha; two daughters, Mrs. C. A. Jeffrey and Mrs. George C. Wigert of Omaha; Mrs. Coad's parents, Mr. and Mrs. Timothy Dyer of Berkeley, Cal., three brothers, James, Brian and Joseph Dyer, and a sister, Miss Ethel Dyer, all of Berkeley, Calif.

Cattle Buyer Dead

Funeral services were held recently at Sioux City, Ia., for Charles Thomson, 50-year-old cattle buyer, who died at Mankato, Minn., where he had made his home recently.

Mr. Thompson bought cattle for Armour & Co., for many years in Omaha and Sioux City, and also spent several years in South America, and was well known on this market. Since his return from South America in 1924, his health had not been good.

Surviving are a wife and two children, a son and a daughter.

Fight Tuberculosis

Forty-three counties in Nebraska, containing 41 per cent of the cattle in the state, have been accredited as established areas for the eradication of tuberculosis in animals as a result of the work carried on by the state bureau of animal husbandry in co-operation with the federal authorities.

Twenty-nine of the 43 have been sufficiently certified as to be classed as modified accredited areas, which means that in these counties the last complete tuberculin test of all herds showed less than one-half of one per cent of the cattle to be infected.

Clark H. Hayes, chief of the bureau, reports that during the period between June 1, 1925 and June 30, 1928, 118,583 herds, including 1,463,571 head of cattle were tested. Cattle found to be infected with tuberculosis numbered 16,491 in 9,183 herds. These were slaughtered under official supervision.

Central Western Banker, August, 1928

The work is divided into co-operative work and private work done by local practicing veterinarians. The co-operative work is divided into the county area plan and the accredited herd plan, all directed toward the same goal, the eradication of the disease.

Oppose Rate Increase

The state railway commission brief, just filed in opposition to the application before the Nebraska state inter-commerce commission of railroads in the western district to be allowed to increase livestock rates, strongly urges the justice of first requiring the railroads to put their passenger business on such a basis that it is not necessary for freight revenues to be used to make up the deficit in returns.

Nebraska is the third state in the district in the production of live stock. In 1926 Nebraska stations forwarded a total of 141,000 cars of live stock of all kinds. Of this number 84,200 were consigned to markets within the state. The commission insists that while the live stock situation has been greatly improved, it yet has a considerable distance to go before it has reached stable foundations. To raise rates now would turn back the progress now being made. The commission wants a distance tariff put in, and feeders carried on a 75 per cent rate basis.

Testimony of U. G. Powell, commission rate expert, is quoted to show that the rate of return on total business in this state in 1926 was 5.83 per cent, and that while the freight business taken by itself returned 7.88 per cent, there was a return of only .45 per cent on the property devoted to handling passengers. Similar figures were shown for the 18 railroads in western trunk line territory.

A considerable portion of the brief is devoted to showing that the cost of handling all trains in Nebraska, by reason of the fact that the trains run in the valleys and on the plains and have no expensive cuts and fills or high elevations to climb, is lower than it is in other states, whereas the live stock rates are higher in Nebraska.

The commission asks that the present minimums on carload shipments be continued and that the Nebraska rule as to carload shipments of mixed stock should be established for the trunk line territory.

Checks for Baby Beeves

Checks for \$75,090 worth of baby beef shown and sold at the recent Nebraska State Fair have been sent to the boys and girls who owned the calves.

The 472 head sold in the annual auction sale at the fair averaged \$159.10 above the marketing cost. From this amount and the premiums won at the state fair the boys and girls must deduct the original cost of the calves, the feed bills, and other expenses.

The beeves averaged approximately 925 pounds as they were weighed up recently in the stockyards. It is estimated that the animals will dress an average of 61 per cent. Packer buyers are quite well pleased with the lot as a whole.

The grand champion of the show, an Angus fed by Frederick Rottler of Madison, dressed 67 per cent, an unusually high figure. The reserve champion, a Hereford fed by Louis Harris of Butler county, was not far behind with a percentage of 66.1.

C. S. Maddox, O. O. Waggener, Wm. J. Loeffel, and Prof. H. J. Gramlich of the agricultural college animal husbandry department have all been following the calves and studying the carcasses. Mr. Loeffel, who has charge of the meats work of the college, has been particularly interested in the carcasses. Meat on the platter is the final goal of all beef production, he says, and boys and girls should learn to produce the kind that will satisfy the most particular palate.

Boys and girls are back home looking for the grand champion of 1929. Those who have learned their lesson well will get their calves early and feed them long and well. They will pick the right type of calf at the start, and probably more than one of them.

Interest will soon shift to the coming Ak-Sar-Ben show at Omaha where officials are looking for about 400 Nebraska baby beeves and several hundred from Iowa. Many boys and girls who did not exhibit calves at the state fair will show them there.

Some Surprising Statistics

1. *Twice as much insurance is paid to living policyholders as to the beneficiaries of deceased of deceased policyholders.*

2. *\$2,250,000 in claims is paid out every day by life insurance companies.*

SCHOOL FOR FARMERS

A school for farmers is at last realized in "The Farm Operator's Course" which will be offered next winter at the University of Nebraska, College of Agriculture. This is a new and very practical agricultural course that should appeal to young farmers—too old for high school and yet not pre-

pared for college, says Professor H. E. Bradford, principal of the school of agriculture.

The remarkable thing about this new course is that it trains men for farming and nothing else; no college credits or degrees are given; and no high school or prerequisite work in any school, except an eighth grade education is required. Dates for the courses have been arranged to fill in the dull season between cornhusking and the opening of spring work, as nearly as possible. Professor Bradford says, "the courses are packed full of information regarding farm practices which every young farmer needs, such as: judging, feeding, and the management of live stock, crop production, rotation of crops, farm management, and many other courses which any farmer would find worthwhile."

The Farm Operator's Course will open Monday, November 26, and continue for 16 weeks, closing March 22, 1929. One week of vacation, December 22-29, will be given. For convenience, the work for each winter is divided into two terms of eight weeks each.

Requirements

Requirements for admission are that students must be at least 17 years of age, and everyone is required to have had at least one year of farm experience. Students who have completed the work of the eighth grade or its equivalent in the common schools will be admitted without examination. Special arrangements for mature men with less than an eighth grade education will be made upon application.

Certificates showing the approval of the College of Agriculture faculty, will be given students upon the successful completion of the two-year Farm Operator's Course.

The Farm Operator's Course is a regular part of the College of Agriculture instruction and the subjects are taught by members of the College faculty. All College buildings, class rooms, laboratories, shops, and gymnasiums will be used by instructors and students in this new course. The College herds of cattle, hogs, horses, and sheep will be used for judging and demonstration purposes, as well as the poultry farm which affords an excellent opportunity for a study of poultry problems.

No rooster would crow very long if he stopped scratching.

Take advice but do your own deciding.

Henry E. Hovey, son of President Ford E. Hovey of the Stock Yards National bank of Omaha, has been elected assistant cashier of the bank. Henry Hovey has been assistant cashier for the past three years of the State Bank of Sterling, Colo. He began his new duties in Omaha September 15.

Omaha livestock and banking interests recently gave a dinner for William Pier, former vice-president of the Stock Yards National Bank. Mr. Pier resigned his Omaha position to become vice-president of the Stock Yards National Bank of Fort Worth, Tex. At the dinner talks were given by Ford Hovey, Arthur M. Coad and Herbert Johnson. Richard Laverty was chairman of the meeting and John R. Hughes was toastmaster. Mr. Pier was vice-president of the Omaha bank for eight years.

Thomas W. Bowers, vice-president of the National Bank of Commerce of New York, and State Senator Martin Saxe, attorney for the New York bank tax committee, were guests of the Omaha Clearing House Association at luncheon at the Omaha club recently. The New Yorkers were on their way to a Pacific coast convention of tax experts.

Hold Fifth Annual Corn Show

A CORNSTALK sixteen feet ten and one-half inches in height exhibited by Dave Sullivan of Endicott, took the cash prize for the tallest corn at the fifth annual corn show sponsored by the Harbine Bank at Fairbury, Nebraska, which took place there recently. This prize stalk was nearly two feet taller than the prize stalk in 1923, which held the previous record and was fifteen feet three and one-half inches in height. The second prize was awarded Joe Banahan, also of Endicott, whose exhibit was sixteen feet six inches in height.

A crowd of between one and two hundred people viewed the measuring and judging. Perhaps 3,000 people viewed the exhibits at the bank. The tall cornstalks reached almost to the second story windows.

Louis Regnier of Kesterson took first prize for the longest ear of corn which measured fourteen and three fourth inches plus. W. H. Bennett, Endicott, won second with an ear exactly fourteen and three fourths inches long.

The heaviest ear was exhibited by C. A. Sheeley, Endicott, two pounds and two ounces. W. H. Bennett, second, with an ear weighing two pounds.

Entries this year had from one to three ears on the stalks, some of the ears being as high as twelve feet from the ground. There were one hundred entries with twenty stalks measuring more than fifteen feet, 20 ears which weighed more than one and one-half pounds, and twenty ears more than thirteen and one-half inches long.

In speaking of the corn show, H. H. McLucas, vice-president of the Harbine Bank, says:

"This corn show is something that we have had for several years back and we find that sufficient interest is taken in it by both the farmers and townspeople to make it worth while.

"We keep away from "quality" so we do not enter into any controversy with our good friends regarding which particular corn is the best. Every year in the afternoon of our show the sidewalks around the bank are lined with people. The exhibits remain at the bank for several days and a great many local people view them.

"I do not know that there is any particular value to the bank in having this show except that it keeps our name favorably before the people of the community, and it gives us something new to talk about to our customers."



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Union Stock Yards

OMAHA

BOND INVESTMENTS

Write for Our Attractive List of Carefully Selected Bonds

Central Western Banker, September, 1928

In and Out of the South Dakota Guaranty Law

(Continued from Page 6)

stock of every open state bank in the state of South Dakota. If there were any advantage accruing to the institution that was being assessed this 3 per cent there might be some justification for arguing for the continuation of the assessment, but there is no advantage. There can never hope to be. Shall the depositor of the open bank of this day ask the bank with which he is continuing to do business and the bank with which he must do business in the future, to assume a burden for which there can be no compensation and in the payment of which

there is to be found no reciprocal advantage to the end that the safety of the institution of the future and of the present time is impaired if not burdened? The bank existing at the present time has existed in spite of and not because of the existence of the Guaranty Law. Shall it be assessed to pay the losses of banks that have succumbed under conditions that make the payment of the assessment an element of loss and danger to the depositor of the present and future? The payment of 3 per cent of capital annually to the Guaranty Fund establishes the necessity for increased profits in the institution from which the payment is demanded. From what source do these increased profits

come? Does not the customer of the present and of the future have to bear the burden of the payment of this assessment if the assessment is paid without impairing the capital stock of the institution paying? That certainly is true. Shall the charges to be paid by the customer of the present and of the future be increased either through the medium of the decreased interest rates upon deposits or of increased interest rates on loans for the purpose of paying an assessment from which he, the customer, can hope to secure no possible benefit either now or in the future?

"This is the status of the South Dakota Guaranty System. Its failure has not been an incident of South Dakota political or economic life alone. Its history has been the normal history of similar systems in other states. The sole question remaining is: Shall there be a continued assessment upon existing state institutions the payment of which involves either the ultimate payment by the customer of the bank in the present and the future, or the impairment of the capital stock of the bank of the present and of the future for the purpose of creating a fund, the distribution of which to the creditors of the Guaranty Fund by reason of the bank failures of the past is so small as to be almost negligible? Shall there be continued a system that is a burden not only to the bank of the present and future but to the customer of the bank of the present and future, to all of those who do business with state banks for the tacitly admitted purpose of creating a burden which it is hoped will become so onerous that assistance may be expected from those affected in attempting to force the state of South Dakota to assume the Guaranty Fund deficit?"

Walter W. Head, president of the Omaha National Bank, has returned from a five weeks' vacation trip to Alaska.

F. H. Davis, president of the First National Bank of Omaha, is home from a trip to Europe, in which he spent much time in Italy.

My doctern is to lay aside
Contensions and be satisfied;
Just do your best, and praise or
blame
That follers that, counts jest the
same:
I've allus noticed grate success
Is mixed with troubles, more or
less,
And it's the man who does the best
That gits more kicks than all the
rest.

SHORT TERM INVESTMENTS FOR BANKS



OUR *short term*
obligations have been pur-
chased by more than 6,000
banks in the United States.



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South Dakota News

Move to Ohio

Some time, about the first of October, F. W. Pierce, assistant cashier of the First National Bank of Highmore, South Dakota, will move with his family, to Alliance, Ohio, where he expects to make his future home.

Mr. Pierce has accepted an offer of the Stewart Bros. Paint & Oil Co. and about the first of October he will become identified with this company.

Mr. Pierce and family have been residents of Highmore for a number of years, during which time he has been connected with the First National bank.

Deposits Increasing

Financial conditions are showing a steady improvement, it is revealed by a report made by the Lake Norden, South Dakota, National bank, which opened its doors for business July 1. During the period of two months the bank obtained more than \$72,000 in deposits. When the crop movement starts in earnest it is expected it will not be many weeks before the deposits are more than doubled, and that within a year from the opening of the bank, the deposits will be not less than \$250,000 or \$300,000.

New Money

To go into circulation probably July 1, 1929, tons of the new bills to be issued by the government, are pouring from the government presses. The new currency is said to be of entirely new design and only two-thirds the size of the present bills, making for greater convenience in handling.

It has been the opinion of currency experts for some time that the many kinds of currency in circulation were unnecessary, and that there was no proper relation between the bills. For

instance, there are now five kinds of \$10 bills. A system making currency more convenient and uniform has been devised, and the result about to be realized throughout the country.

Adopt Service Charge

The Vermillion County Bankers Association at its meeting at Vermillion, South Dakota, recently voted to adopt the service charge on unprofitable checking accounts. This makes a total of 194 banks in South Dakota which have adopted the charge. At least the South Dakota Bankers Association has a record of that many banks. How many banks have adopted the charge without notifying the Association is unknown.

Meet in Huron

About 60 representative bankers from all parts of South Dakota met with the Executive Council of the South Dakota Bankers Association at Huron recently. Senator Martin Saxe of New York City and Thomas W. Bowers, vice-president of the National Bank of Commerce of New York City, were present and assisted in the discussion of taxation with special reference to the proposed change to Section 5219 of the United States statutes.

Max Royhl, attorney for the South Dakota Bankers Association, will attend the joint meeting of the committees on State and National Bank Taxation of the American Bankers Association at Philadelphia on October 1.

August Drouth Injurious

August drouth injured corn this year to an extent seldom recorded, according to a report issued by the state and federal bureau of agricultural statistics.

On the first of August the unusually high condition of 93 per cent indicated a record corn crop. The acreage was large, stands exceptionally good with few exceptions, and the upper subsoil was fairly well supplied. But the sudden change to drouthy conditions with high temperatures and high winds made too great a demand on the reserve subsoil moisture supply. Heavy stands and growth of shallow rooted corn made it very susceptible to injury from the sudden change to adverse weather conditions.

The damage during the last month was reported as 31 per cent and the new forecast predicted a yield that will be for below normal. All small grain crops, however, will turn out exceptionally well, the report said. The commercial potato crop was considerably reduced, and alfalfa and pasture conditions were reduced heavily also by high temperatures and August drouth.

The present condition of corn—62 per cent—indicates a crop of 197,672,000 bushels as compared to 291,251,000 bushels. Of the leading corn sections, only about a dozen counties have promising conditions, the balance ranging from slight to most severe damage. Southwestern and west central districts have suffered some injury but have fairly good corn, it was said.

The condition of spring wheat at harvest time was 90 per cent and forecasted at 3,240,000 bushels against 2,958,000 bushels last year and the five-year average of 2,833,000 bushels. This, and the winter wheat crop of 64,372,000 makes a wheat crop of 67,612,000 bushels as compared to 73,826,000 bushels last year.

Oats were rated at 88 per cent at the time of harvest, which indicates a crop of 78,936,000 bushels, as compared to 69,813,000 bushels last year and the five-year average of 79,220,000 bushels. Yields were good except in north-central counties.

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	\$103,069,600
	\$438,905,640



AGENTS—FIRST NATIONAL BANK, OMAHA, NEBRASKA
GENERAL MANAGER, OSCAR LINES

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Kansas News

To Attend A. B. A.

A number of Kansas bankers are planning to attend the A. B. A. convention in Philadelphia in a body. The trip will be made over the Santa Fe with departure headquarters at Kansas City. Stop-overs will be made at Detroit, and Niagara Falls with side trips to Chicago and New York.

Vigilantes Meet

The vigilantes of Osage and Cowley counties, Kansas, have recently held their usual picnics. The Osage organization met at Lindon and those from Cowley County met in Arkansas City.

Elected President

John Martin has been promoted from the vice-presidency of the Exchange State bank of Parsons, Kansas, to the presidency of that institu-

Cashier Resigns

J. O. Wilkins, cashier of the Farmers & Merchants Bank at Oxford, Kansas, has resigned his position because of poor health. His duties for the time being will be taken over by Albert Watkins, who is at present the assistant cashier.

Report Good Conditions

E. P. Bradley, vice-president of the American National Bank of Hutchinson, Kansas, recently made a trip through the western part of the state and reports conditions good financially in that part of the country.

Named Cashier

H. A. Van Dyke has been elected cashier of the State Bank of Plainville. He succeeds the late George Meier. Mr. Martin has been a member of the Board of Directors for the

past 10 years. Two new vice-presidents were elected, namely, H. W. Koeneke and J. S. Vance.

H. A. Van Dyke has been elected cashier of the State Bank of Plainville, Kansas. He was formerly connected with the Woodson State Bank. The Plainville bank is a new institution which opened recently.

Banker Dies

E. R. Ward, a civil war veteran, died recently at his home in Wetmore, Kansas. Mr. Ward was president of the First National bank of Wetmore and vice-president of the Goffs National bank. He had been associated with banking for a number of years.

Heads Board

W. R. George, formerly president of the First National Bank of Garden City, Kansas has retired from the presidency and has been named chairman of the Board of Directors. Conrad Gabriel was elected to the presidency of the institution.

Observes Anniversary

The Riverview State Bank of Kansas City, Kansas, recently observed its 25th anniversary. The capital of the institution now stands at \$100,000 and has been increased ten times since the bank was first organized.

County Bankers Meet

The Kingman County, Kansas bankers Association met recently in one of their regular scheduled gatherings with all but one of the bankers of the county represented. The bankers discussed the farmer and his relations to what the farmer can contribute to the community. It was the opinion of the bankers present that farmers should be given every possible assistance in their business.

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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.

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

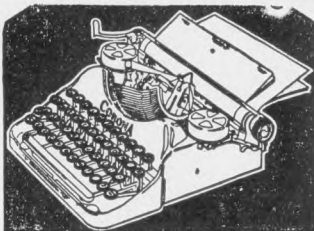
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Nebraska and Iowa Bankers Associations

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ADDING MACHINES
EVERY MAKE—LARGE OR PORTABLE

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

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P. R. EASTERDAY, Vice-Pres.
W. B. RYONS, Vice-Pres.
STANLEY MALY, Vice-Pres.
JOE L. BURNHAM, Vice-Pres.
LEO J. SCHMITTEL, Jr. Vice-Pres.
B. O. CAMPBELL, Jr. Vice-Pres.
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

Colorado News

Meet in Denver

Directors of the Federal Reserve Bank of Kansas City met in Denver recently with directors of the Denver branch. These meetings are held annually for the purpose of transacting routine business and getting acquainted with local conditions.

Directors of the Kansas City bank who attended the meeting were C. C. Parks, Denver; F. W. Sponable, Paola, Kans.; E. E. Mullaney, Hill City, Kan.; J. N. Bernardin, Kansas City; T. C. Byrne, Omaha; M. L. McClure, Kansas City; E. M. Brass, Grand Island, Neb.; and William L. Petrikin, Denver.

The following directors of the Denver branch were also in attendance: H. Swan, Murdo MacKenzie, H. W. Farr, Merritt W. Gano, Sr., Robin H. Davis, Harold Kountze and J. E. Olson.

Savings Increase

Savings deposits in federal reserve banks in Denver recently showed an increase of \$3,000,000 over previous deposits, it was revealed in a report issued from Kansas City.

The seven reporting banks showed consistently greater gains than in any other city and far outstripped the nearest rival city, Kansas City, Mo., with nine banks reporting.

Denver, with a population approximately half of that of the Missouri city, placed more than \$54,000,000 on deposit, as compared to the \$16,600,000 total in Kansas City.

The phenomenal increase was not matched in any other section of the 10th Federal Reserve District, which showed a net decrease of 1.4 per cent.

Local depositors led in the number of accounts with 124,227 reported to lead by more than 33,000 the Kansas City record.

Unprecedented demand for commercial and agricultural loans was adequately and easily met, the report indicated. Most of these loans were

paid back before they had matured and interest was rebated.

Growing Rapidly

The new bank building just erected in Loveland, Colorado, by the First National Bank, is a credit to both the bank and the town. It is not often that as fine a banking home is to be found outside the larger cities. It is an evidence of the prosperity of the bank and the Loveland community and the substantial basis upon which the business of the bank is conducted.

The First National Bank is a home institution established in 1905 and has been growing rapidly since. The first statement of the bank, issued May 27, 1905, showed total resources of \$63,416.00. The resources of the First National Bank today are approximately a million and a half dollars.

Clearings Increase

An increase in the bank clearings in Pueblo, Colorado, for the first eight months of 1928 show an increase over

the same period last year of more than \$3,000,000, according to figures compiled by R. G. Dun & Co.

The increase in the August clearings of this year over the same month of 1927 is \$258,896.39. This month's total was \$6,325,146.33.

The figures on the year's clearings are \$47,994,382.48, as compared with \$44,885,848.80; an increase, of \$3,108,533.68.

Banking conditions are generally steady, with slight weekly fluctuation. Each month has shown a gain over the corresponding month of 1927.

New Executives

Official announcement was made recently of the appointment of three new assistant vice-presidents to the executive staff of the First National bank of Denver. The new positions were created to provide a better executive staff, officials said.

H. M. Beatty, former assistant cashier of the First National Bank, W. E. Fair, former vice-president of the Bank of Commerce of Sheridan, Wyo., and previous to that, cashier of the American National Bank of Cheyenne, and L. G. Kennedy, until recently national bank examiner, were named assistant vice-presidents and have assumed their duties.

NATIONAL BANK OF COMMERCE

LINCOLN, NEBRASKA

M. WEIL, President

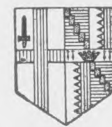
CARL WEIL, Vice-President
BYRON DUNN, Cashier

ERNEST C. FOLSOM, Vice-President
B. G. CLARK, Ass't Cashier

Capital \$300,000.00

Surplus \$100,000

Undivided Profits \$100,000



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The Midland Bank offers exceptional facilities for the transaction of banking business of every description. Together with its affiliations it operates over 2400 branches in Great Britain and Northern Ireland, and has agents and correspondents in all parts of the world. The Bank has offices in the Atlantic Liners *Aquitania*, *Berengaria* and *Mauretania*, and a foreign branch office at 196 Piccadilly, London, specially equipped for the use and convenience of visitors in London.

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Have You Heard This One?

Ach!

"I don't like de looks of dot janitor," said Mr. Heinie. "He tole me dot he has made luff to effery womans in dis apartment house except von."

Mrs. Heine thought a moment. "Ya," she said, "an' I betcha I know who she iss. It's dot stuck-up Mrs. Snitzzel opp on der fourth floor!"

A Punning Guide

The sweet young thing turned to a polite young man who was showing her through the factory and said, "What is that big thing over there?"

"That is a locomotive boiler."

"Why do they boil the locomotives?"

"To make the locomotive tender."

And the polite young man continued to look straight ahead.

His Eyes Need Attention

"Poor ole Bill. 'E's so shortsighted 'e's working 'imself to death."

"Wot's 'is short-sight got to do with it?"

"Well, 'e can't see when the boss ain't looking, so 'e 'as to keep on shoveling all the time."

At the Auction

The auctioneer, who had been whispering to an excited man in the audience, held up his hand for silence.

"I am requested to announce," he said, "that a gentleman here has had the misfortune to lose a wallet containing five hundred dollars. He offers a reward of twenty-five dollars to anyone returning it."

There was a silence for a moment. Then a man in the crowd shouted, "I'll give thirty-five dollars."

This Holy of Holies

Pat was hired in a lumber office. The proprietor was a young man and he decided to have some fun with the new hand, so Pat was left in charge of the office, with instructions to take all orders which might come in. Going to a nearby store, the proprietor called up the office.

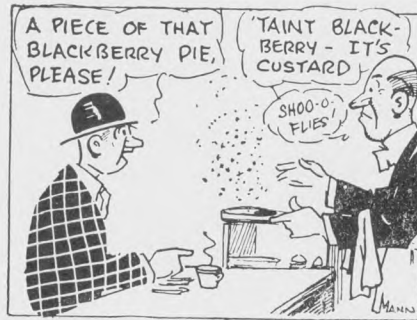
"Hello! Is this the East Side Lumber Company?"

"Yis, sorr."

"Send me up 1,000 knot holes."

"Well, now, ain't that a shame? We are just out of them. Sold them all to the vinegar works."

The Art of Salesmanship



"To the vinegar works? What do they want with them?"

"They use them for bungholes in barrels."

That's Telling 'Em

There was a fearful crash as the train struck the car. A few seconds later, Mr. and Mrs. Pickens crawled out of the wreckage. Mrs. Pickens opened her mouth to say something, but her husband stopped her:

"Never mind talking," he snapped; "I got my end of the car across. You were driving the back seat and if you let it get hit, it's no fault of mine!"

Some Bugler

Two soldiers in a negro regiment were boasting about their company buglers:

"G'long wit' you, boy," said one; "you ain't got no booglers. We is got the boogler, and when that boy wraps his lips around that horn and blows pay call, it sounds jest like a symphony band playin'."

"Well, if you like music, that's all right; but if you is yearnin' fo' food, you wants a boogler with a hypnotic note, like we is got. Boy, when Ah hear o' Custard-Mouth Jones discharge his blast Ah looks at mah beans and Ah says:

"Strawberries, behave yo'selves! General Lee and his surrendered at Ap-out mah dish!"

Did He Catch Cold?

History Teacher: "Tell me about General Lee and his surrender at Appomattox."

Co-Ed: "General Lee looked oh so handsome standing erect with a beautiful jeweled sword and clothed in a gorgeous Confederate full-dress uni-

form, while General Grant stood in front of him clad only in a ragged old Union suit."

Sounds Better

"Doctor, if there's anything the matter with me, don't frighten me half to death by giving it a long scientific name. Just tell me what it is in plain English."

"Well, sir, to be frank, you are lazy."

"Thank you, doctor. Now tell me the scientific name for it. I've got to report to the missus."

"Bare" All Right

Two bluejackets were watching the bathing girls at Atlantic City when one of them pipes up: "Do you think the girls could wear their bathing suits much smaller?"

"I don't know," said his shipmate, "but there's a bare possibility."

No Sharp-Shooters

"I see you have a notice, 'We aim to please,'" remarked the irritated customer to the chain store manager.

"Yes," replied the manager, "that is our motto."

"Well," said the customer, "you ought to take a little time off for target practice."

There Is Still Hope

"I've been doing duty on these lips about as long as I want to," asserted a lipstick microbe peevishly.

"Aw, be a little bit patient," counseled his best friend and severest critic. "We've got a good chance of being transferred."

How to Get a Rest

Doctor (to wealthy patient): "Yes, you're all run down. I suggest that you lay off golf for a while, return to business, and get a good rest at your office."

Advantages of Thinness

"I'm glad my wife is built long and thin, sorter like a shoestring, as you might say," stated Gap Johnson of Rumps Ridge.

"Why?" inquired an acquaintance.

"Well, she don't shade the corn while she's hoeing of it like a fat woman would."

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Surplus and Profits..... 77,000,000.00

(July 2, 1928)

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THE BANKER'S OPPORTUNITY

Presenting a Few of the Possibilities Open to Him

No.	State	Size Town	Surplus and Profits		Deposits	Monthly Salary\$	Investment
			Capital	Profits			
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.

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