

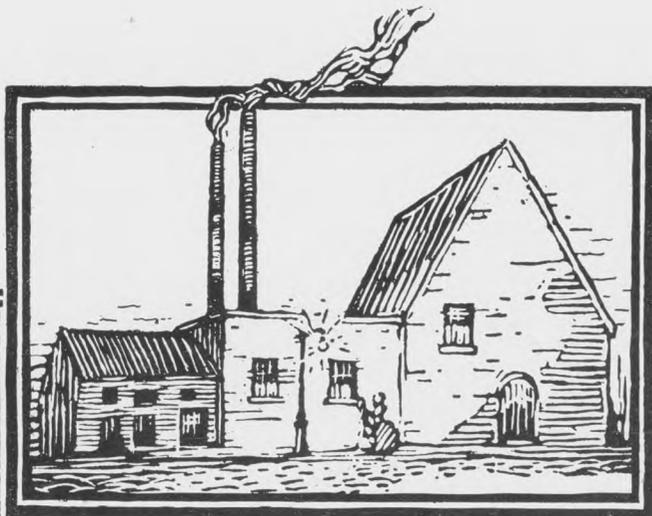
CENTRAL WESTERN BANKER *of Omaha*



NOVEMBER
1928

NEBRASKA STATE CAPITOL

THIRTY WAYS TO FIGURE INTEREST

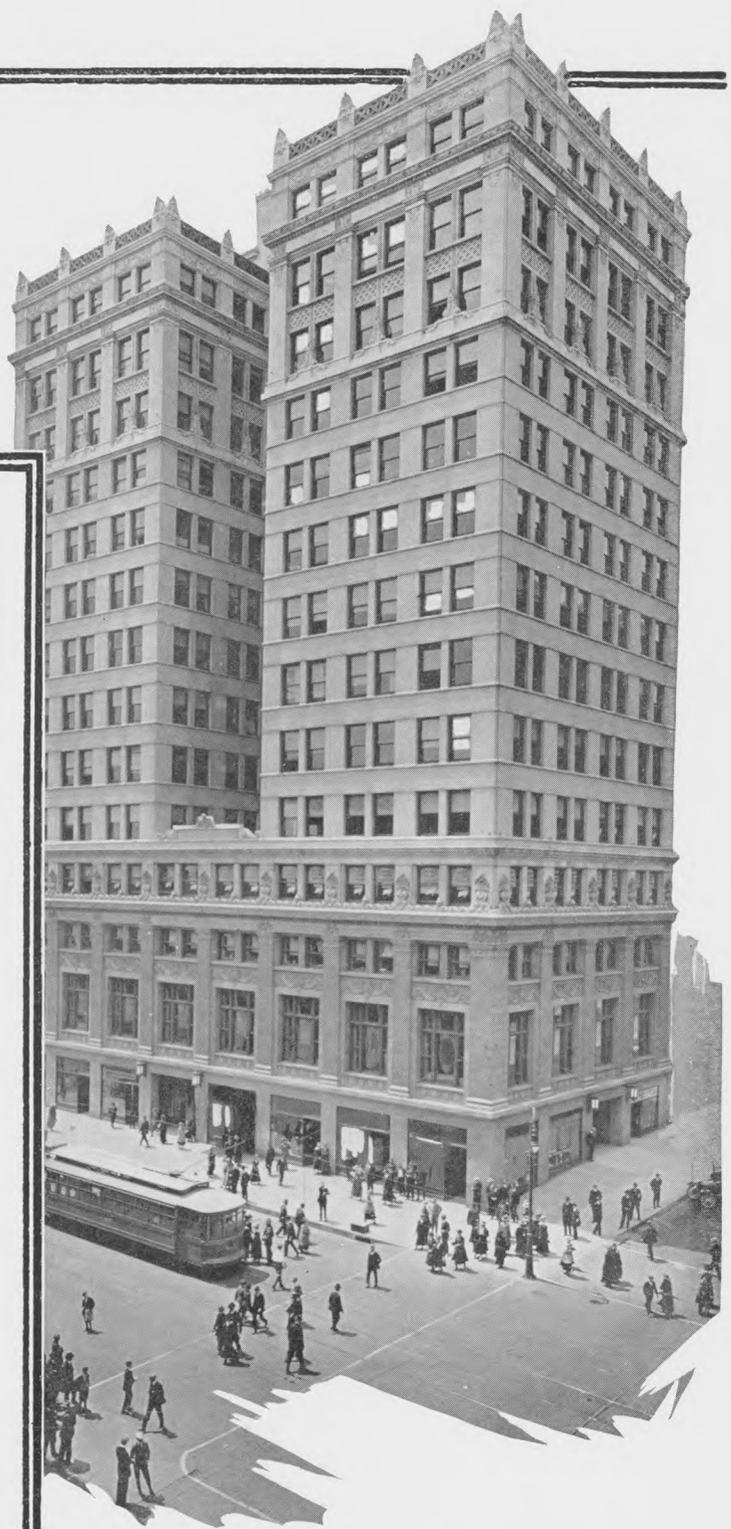


Electricity, 1883

The first electric light plant in Omaha was started in 1883. The power company has increased its efficiency steadily until today the Nebraska Power Company is rated as one of the best public utility companies in the United States.

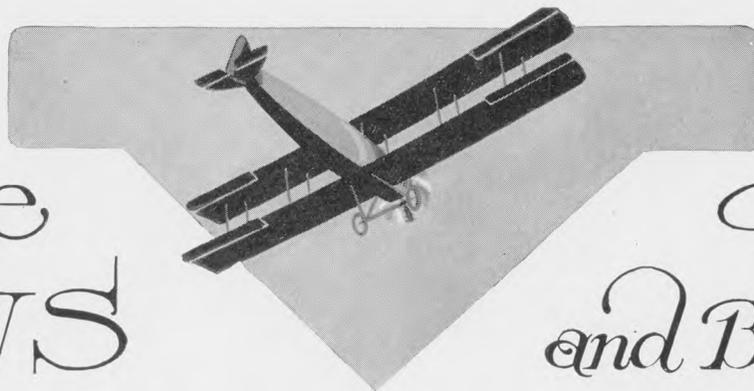
The First National Bank of Omaha began business in Omaha in 1857—twenty-six years before electric lights were inaugurated in Omaha.

Many of our correspondent banks have been customers for more than half a century.



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

Last minute NEWS



of Banks and Bankers

IN ORDER to make the increased dividend of Bancitaly Corporation effective before the stock is turned in for the Transamerica Corporation shares, a recent letter to stockholders states that the \$1 disbursement will be made to holders of record December 15. This is an increase over the former rate of 56 cents a share, and was to have been paid three months later.

THE BANKERS COMPANY of New York, recently formed to conduct the investment banking business previously carried on by the bond department of the Bankers Trust Co., has officially opened its doors for business. This establishment of a separate securities organization is in line with the trend of large financial institutions to segregate this division of their business.

PLANS HAVE recently been accepted by the American Irving Trust Company for its new 44 story building at No. 1 Wall street. The work of demolishing the buildings now occupying the site will begin early next spring and will provide an area of approximately 20,000 square feet for the erection of the new structure.

A RECENT ANNOUNCEMENT by Samuel P. Arnot, president of the Chicago Board of Trade, discloses that the board will deal actively in stocks, as well as grain. This would indicate that the proposed merger between the Board of Trade and the Chicago Stock Exchange

has been definitely abandoned.

A MERGER was recently consummated in Des Moines between the Bankers Trust Company and the Peoples Savings Bank. The business of the two institutions is now conducted in the quarters and under the name of the Bankers Trust Company. Combined resources are more than \$9,000,000.

PURCHASE BY THE New York Stock Exchange of the Blair & Company building and advanced negotiations for the purchase of the Postal Telegraph building near it, will give the New York Exchange an entire square block in their expansion program.

CAPTURE OF A YOUTHFUL bandit who had robbed the Bank of Morrill, Kansas, recently, was the result of a child's scream. Entering the bank with her father, the little girl let out a scream of fright when

the bandit attacked her parent with the butt of his gun. This gave the alarm, and it was but two hours until the authorities had the young man in custody.

FRED W. SARGENT, president of the Chicago & Northwestern Railway, recently took an inspection trip over company lines, and reports business conditions in the Northwest to be sound financially, and to show indications of steady improvement. Mr. Sargent mentioned a number of expansion projects which his road were considering in the near future.

AN INTERNATIONAL corporation, which will have one of the largest initial capital structures of any yet organized in the United States, was announced recently by Dillon, Read & Company, coincident with an offering of \$50,000,000 of its preferred stock. The new company will be known as the United States & International Securities Corporation.

HARRY A. WHEELER, president of the Union Trust Company, Chicago, recently told members of the Automotive Equipment Association that he did not believe individual initiative would be throttled by chain store methods. He said that success came from intelligent merchandising and a close study of customers' needs, and that any one who exercised those facilities had an equal chance to succeed.

EIGHT DAY-LIGHT BANK holdups so far this year are chalked up against North Da-
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30—Ways To—30

Figure Interest

THE well-known Heinz company, with its 58 varieties, has nothing on the interest figuring habits of bankers of America, according to an exhaustive survey made by the Committee on Bank Facilities and Service, Savings Bank Division of the A. B. A. Exactly fifty-two methods are explained in a recent folder gotten out by the committee, which forms the basis for the article on this and the following page, although but thirty methods are given herewith. First of all, a typical account, Account No. 1, is shown in the box on this page. The thirty methods in question, are given as follows, together with the interest computed on this account, at the end of each method, in brackets. The thirty methods follow:

ACCOUNT No. 1

Date	Interest			Principal		
	Debit	Credit	Balance	Withdrawals	Deposits	Balance
Jan. 1						\$2,205
6					\$78	2,283
11					60	2,343
Feb. 16					65	2,408
24					20	2,428
28					20	2,448
Mar. 15					20	2,468
26					20	2,488
April 4					63	2,551
13					15	2,566
18					1,700	4,266
25				\$50		4,216
25				100		4,116
26					2,000	6,116
29				150		5,966
May 3				100		5,866
7				150		5,716
7				30		5,686
June 1				4,500		1,186

Deposits go in interest from first of each month, on all sums on deposit for at least one calendar month preceding interest date. Withdrawals deducted from latest deposits. No interest on withdrawals between interest periods. Compounded semi-annually. (\$23.72).

Deposits go on interest from first of each month on all sums on deposit for at least one calendar month preceding interest date. Withdrawals deducted from first deposits (beginning of six months period). No interest on withdrawals between interest periods. Compounded semi-annually. (\$7.90).

Interest from date of deposit to date of withdrawal. Compounded semi-annually. (\$60.86).

Deposits go in interest from first of each month on all sums on deposit for at least one calendar month preceding interest date. On withdrawals interest ceases from first of month preceding that in which withdrawal is made. Compounded semi-annually. (\$37.07).

Deposits go on interest from first of each month on all sums on deposit for at least one calendar month preceding interest date. On

withdrawals interest ceases from first of month in which withdrawal is made. Compounded semi-annually. (\$53.72).

Deposits go on interest from first of each month on all sums on deposit for at least one calendar month preceding interest date. Interest computed on lowest balance for each quarter, except when balance for second quarter is lower, then the lowest balance for one-half year is used. Compounded semi-annually. (\$23.72).

Interest is calculated by calendar months on the amount of credit shown by the account on the first day of the preceding month. Compounded semi-annually. (\$55.27).

Deposits go on interest from first of each month on all sums on deposit for at least one calendar month preceding interest date. Interest is calculated by calendar months on the amount of credit shown on the first day of the current month. Compounded semi-annually. (\$39.0).

Deposits go on interest from first of each month on all sums on deposit for at least one calendar month preceding interest date. Interest is figured monthly on lowest balance carried each month during six months period. In case

of withdrawals thru-out the six months which cause the balance to be lower at any time during the six months then the interest is figured on the balance for the entire period. Compounded semi-annually. (\$23.72).

Deposits go in interest the first of each month on all sums on deposit for at least one calendar month preceding interest date. Interest is calculated on minimum monthly balances. Compounded semi-annually. (\$54.78).

Deposits go on interest from first of each

month on all sums on deposit for at least one calendar month preceding interest date. On withdrawals interest ceases on first day of quarter in which withdrawal is made. Monthly system on deposits—quarterly system on withdrawals. Compounded semi-annually. (\$35.18).

Interest is calculated on the average monthly balance regardless of dates of deposit or withdrawals. Compounded semi-annually. (\$58.61).

Deposits go on interest from first of each month on all sums on deposit for at least one calendar month preceding interest date. Withdrawals made between the 30th of the current month and the 15th of the subsequent month are charged back to the first of the previous month. Withdrawals made between the 15th and 30th of the current month are charged back to the first of that month. Interest compounded semi-annually. (\$27.18).

Deposits go on interest from first of each month on all sums on deposit for at least one calendar month preceding interest date. On withdrawals interest ceases on the first of the month during which notice of withdrawal has been given. Two months' notice is re-

Four Methods of Computing Interest

Adopted by

EXECUTIVE COMMITTEE, SAVINGS BANK DIVISION
TO SECURE UNIFORMITY

- "A** Interest to be compounded semi-annually. Deposits to draw interest from date of deposit, on all sums on deposit for at least one calendar month preceding interest date. Year to be divided into four quarters. *No interest to be allowed on withdrawals made during the quarter.* Withdrawals to be deducted from latest deposits.
- "B** Interest to be compounded semi-annually. Deposits to draw interest from date of deposit, on all sums on deposit for at least one calendar month preceding interest date. *No interest to be allowed on withdrawals made during the six months period.* Withdrawals to be deducted from latest deposits.
- "C** Interest to be compounded semi-annually. Deposits to draw interest from first of each month on all sums on deposit for at least one calendar month preceding interest date. Year to be divided into four quarters. *On withdrawals interest to cease on first day of quarter in which withdrawal is made.* Withdrawals to be deducted from latest deposits.
- "D** Interest to be compounded semi-annually. Deposits to draw interest from first of each month, on all sums on deposit for at least one calendar month preceding interest date. Deposits made after the first of each month to draw interest from the first of the following month. *No interest to be allowed on withdrawals between interest periods.* Withdrawals to be deducted from latest deposits. On savings accounts remaining dormant for two years, where the balance is \$5.00 or less, it is recommended that payment of interest cease.
-
- quired. Compounded semi-annually. (\$38.19).
- Deposits go on interest from first of each month on all sums on deposit for at least two calendar months preceding interest date. Interest is calculated on minimum monthly balances. Compounded semi-annually. (\$54.80).
- Deposits go on interest from first of each month on all sums on deposit for at least two calendar months preceding interest date. Withdrawals deducted from first balance of six months period and subsequent deposits. Compounded semi-annually. (\$8.43).
- Deposits must remain three full calendar months or no interest will be paid thereon. If withdrawals exceed amount on deposit prior to April 10 no interest will be allowed on the account. Same applies to October 10 for second half of year. Compounded semi-annually. (\$0).
- Interest is calculated on deposits which are in bank full three months during six months period. Do not use calendar quarter as a basis for calculations. Compounded semi-annually. (\$43.84).
- Deposits go on interest from first of each month on all sums on deposit for three months or more. Interest figured on minimum balance on deposit for each three months period. Compounded semi-annually. (\$34.69).
- Deposits go on interest from first of each month on all sums on deposit for three months or more. Interest figured on lowest monthly balances carried in bank for three months or more. Compounded semi-annually. (\$54.48).
- Deposits go on interest from first of each month on all sums on deposit for three months or more. Withdrawals charged back to first month in which drawn. Interest earned during last quarter carried over until next six months period. Some do not carry over credit to following period, hence this is mentioned. Compounded semi-annually. (\$54.80).
- Deposits go on interest from first of each month on all sums on deposit for three months or more. Withdrawals charged back to first of month in which drawn. Interest earned during second quarter is not carried over to next six months period. Compounded semi-annually. (\$43.59).
- Deposits go on interest from first of each month on all sums on deposit for three months or more. When no withdrawals have been made during quarter interest figured on low balance for each quarter. Compounded semi-annually. (\$35.46).
- Deposits go on interest from first of each month on all sums on deposit for three months or more. Withdrawals deducted from first posits. Compounded semi-annually. (\$7.92).
- Deposits go on interest from first of each month on all sums on deposit for three months or more. No interest allowed on withdrawals made during first quarter. On withdrawals made during second quarter interest ceases first of month in which withdrawal is made. Compounded semi-annually. (\$43.86).
- On deposits interest starts ten days after deposit is made, and ceases ten days before withdrawal is made provided ten days' notice of withdrawal is given before making withdrawal. Interest is calculated only on such amounts as remain on deposit for three months or more. Compounded semi-annually. (\$7.36).
- Deposits go on interest from first of each month on all sums on deposit for three months or more. Withdrawals deducted from latest deposits. Compounded semi-annually. (\$23.72).
- Deposits go on interest from first of each month on all sums on de-

(Continued on Page 28)



At last year's International Live Stock Exposition in Chicago, Nebraska live stock won many honors. Above is shown "Vinetta," the grand champion Red Polled female owned by Graff Brothers, Bancroft, Nebraska.

THE Horn of Plenty will be tipped toward Chicago the last of this month, when the best products of the fields, feed-lots, and farms of America will be sent to Chicago to compete for the high recognition that the great International Live Stock

Exposition offers. It is to be in session this year from December 1 to 8.

Opening, as it does, always on the first Saturday following Thanksgiving, it both symbolizes and crystallizes the real spirit of this holiday season, with its big amphitheatre, and its numerous supplementary barns and sheds full to overflowing with the cream of the year's crop.

In the mammoth Grain and Hay Show, products of the fields of Saskatchewan will be seen along those from Australia and New South Wales, while those from the slopes of the Pacific will vie for the visitor's attention with those from the tidewater country of the Atlantic. It is the most truly international exhibition of the harvests of the agricultural world, with entries numbering about 5,000 samples of the world's choicest crops on display.

Chicago the Mecca for Live Stock Growers

Finest animals from all parts of America will compete for ribbons at International Live Stock Exposition to be held December 1 to 8 in Chicago

Farm Youth in Spotlight

Of recent years, the International Live Stock Exposition has fostered the National Boys' and Girls' Club Congress within its gates. This gathering comprises, as a rule, some 1500 girls and boys from all parts of the country, who have won their trips to this national congress by reason of their outstanding excellence in one or more lines of club work in their home state and county fairs.

Railroads, fair boards, breed associations, and various other organizations interested in the progress of Farm development are instrumental in paying the expenses of these outstanding young people of the farm to the International Club Congress, where they meet and further compete for national honors in the many exhibits and demonstrations open to them.

Chicago people in particular are looking forward to this first week in December. For over a quarter of a century, this has become the established time when the country comes to town. The International brings them;

animal life is the loadstone. Humanity swarms to the great pavilion out at the Chicago Stock Yards, that houses these blue-bloods of stud, feed-lot and range.

Here the millionaire fancier of the East meets and mingles with the cowboy from the range. This is the common ground where the breeder of pedigreed stock and the feeder for the market strive for a place at the ring side. Over 11,000 of the finest beef cattle, horses, sheep, and swine, comprising some 40 breeds of live stock are here assembled and appraised by the most expert judges who can be had.

Men who are noted for their ability to spot and rank relative merits of animal form are brought to this great exposition from the four corners, to perform the work of picking the best

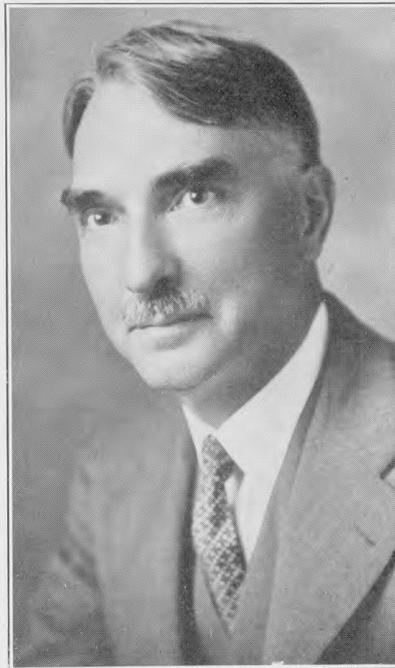
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Protecting Your Banks from Excessive Taxation

By THORNTON COOKE

President, Columbia National Bank
Kansas City, Mo.

(From address before Nebraska
Bankers Association
Convention)



THORNTON COOKE

SOMETIMES, studying the geography of taxation, I think bank tax methods are catching. No state in New England relies wholly upon the general property tax, while almost all of the Central and North Central states use, or until lately have used, little else. And now, under recent decisions, Minnesota, South Dakota, Kansas, Oklahoma, Montana and Nebraska, a great empire here in the Central West, have no legal right to tax their national banks except at the preferential rates granted to moneys and credits. None of these commonwealths, of course, wishes to tax its state banks substantially more than their national competitors.

How It Happened

You know how this condition has come about. The states have no inherent right to tax the national banks at all, and to make sure that taxation should not be used to destroy the national banking system, Congress, ever since it granted limited power 64 years ago, has limited taxation of national bank shares to rates not greater than those imposed upon competing moneyed capital in the hands of individuals.

But the general property tax has broken down as to everything except real estate and banks, or rather it was

“Nebraska banks have not arrived at a final solution of their tax problem. You are not sitting pretty but have work to do to safeguard your banks against excessive taxation!”

never efficient as to anything else. The day has passed when almost all wealth was tangible and when the general property tax therefore fell upon the citizens in accordance with their ability to pay. Economic progress has created wealth in many forms, and there are men of large means who own relatively little tangible property. The flour mill, for instance, is no longer a small water-power affair owned by the miller himself, but a structure costing a million to build and equip, much of the million furnished by hundreds of people who have bought its bonds. Bonds are easy to hide—are hidden if we try to tax them like real estate—and men of wealth then escape with taxes less than they could afford to pay. Many of the states, including Nebraska, therefore, in order to

broaden the tax base and reach more of the citizens who were able to pay, began some years back to tax bonds and other forms of credit at rates much lower than those imposed upon tangible property, 2½, 3, 4 and 5 mills, the latter being the Nebraska rate. The courts hold that no higher rate than that can be imposed upon the shares of any kind of Nebraska banks. You are, as the saying is, “sitting pretty.”

Or, are you? The American Bankers Association will never initiate any movement to change the tax system of any state against the wishes of the bankers there; but I assume that you wish your own tax situation discussed, rather novel and rather unusual as it is. And I assume that you want my honest judgment. It covers six points and I shall take twenty-five minutes to explain them.

1. Nebraska banks have not arrived at a final solution of their tax problem.

2. You are *not* sitting pretty, but have work to do to safeguard your banks against excessive taxation.

3. The aggregate of taxes will not come down.

4. A change in your system of bank taxation is inevitable, and is coming soon.

5. The change should be to an excise measured by net income.

6. Bankers must be active for this change, or there will be a different change that will subject banks to all but unbearable tax discrimination.

Why do I say that the aggregate of taxes will not come down? Why? Because all over this country we are doing in a public way things that we did not attempt to do governmentally or as communities a few years back, and we are expanding beyond anticipation such enterprises as were already functions of state and local government.

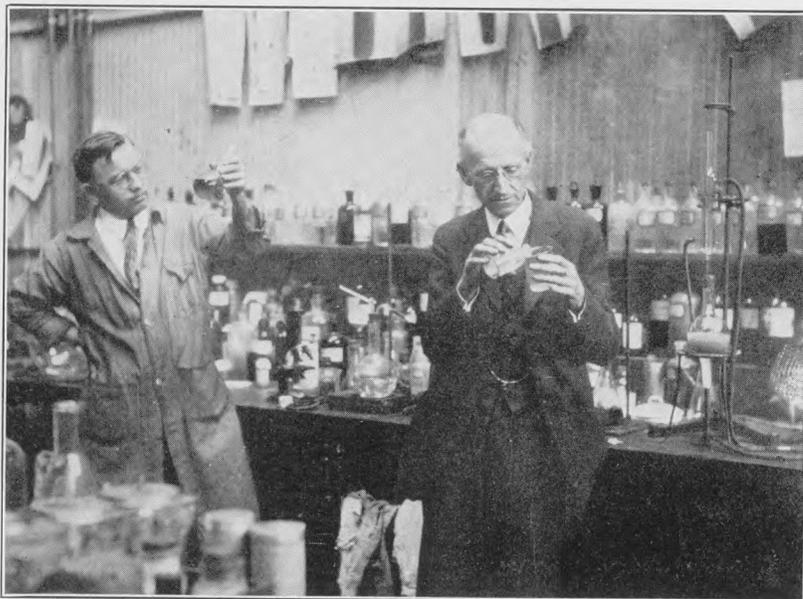
The Exact Situation

What is the exact solution? In 1926, \$8,555,000,000 of taxes were collected in this country. Thirty-seven and one-half per cent of this amount was for the general government, and 62½ per cent for state and local governments. The latter, indeed, cities, counties, school districts and other administrative divisions, collected more than three times as much as the states. According to the National Industrial Conference Board, from whose publications much of the statistical information in this address is drawn, one-tenth of all the national income, that is, one-tenth of all the wealth that you and I and our fellow citizens produce, goes to public administration and for public works. Are we satisfied with that proportion? Or do we want it reduced? What functions would you curtail? "Where, precisely," asks Eric Englund, "is the waste of taxpayers' money?" about which you and I and everybody else have complained? Education? Shall we curtail that? It accounts for 25 per cent of the total tax burden. Shall we reduce our expenses for the protection of persons and property and for national defense, including provision for the costs of past wars? Twenty-four per cent goes for these purposes. Highways? They take 18 per cent of all taxes.

Perhaps, as to taxes for education, something might be done. A Kansas cattleman complained to the writer one day that the taxes on his ranch had been raised in order to send out a bus each morning to fetch the children of the township to school. And on the same day a rich city resident dropped in to complain because money was being spent in the new high school for a swimming pool and a gymnasium. But are we likely to take swimming and athletics out of our educational programs? Or cooking? Or sewing? Or carpentry? They belong there as much as any studies. The teaching of

(Continued on Page 12)

Science Declares War on Crime



Burgess Smith (right) and his assistant in the anti-forgery department at Rochester, New York

IN A laboratory at Rochester, New York, Burgess Smith, formerly in charge of the anti-counterfeiting measures of the U. S. Bureau of Engraving and Printing, has been working for the last ten years to erect obstacles in the path of the horde of check criminals that now exacts an annual tribute of approximately \$100,000,000 a year through check forgery and alteration.

When Smith, in 1919, resigned from the Bureau which prints all of the Government's bank notes and securities, he was convinced that it was entirely possible to produce a check that would reduce the opportunities for wholesale forgery, and that would be as hard to alter by means of erasures as a \$100 bill. His objective, he says, was a check that could not be counterfeited and that would come as close as possible to yelling "Murder!" when anyone tried to tamper with it.

Smith's first difficulty was to discover an ink that would be made darker, instead of being bleached out, by the application of acid. No such ink existed and it took a year and a half of constant research to discover the proper combination of chemicals. Then to bring to fruition the plan he had in mind, he had to devise for the background of the check a design that involved the resources of mathematics, chemistry and photo-engraving.

Standing beside a camera weighing three tons, and holding in his hand three glass plates, Smith explained

the complex process to which he was forced to resort. On one of the plates the huge camera had photographed thousands of dots spelling hundreds of repetitions of the word "void." On each of the other two, an intricate dot pattern had been photographed by the same camera.

Smith placed the two latter plates on top of each other. A design of rosettes appeared. He shifted the top plate and the design changed to one of frost crystals. When the two plates were placed under the third one, the dots forming the "voids" combined with those on the other plates became invisible. The rosettes or frost crystal remained.

"The metal plates from which the check paper is printed are exact duplicates of these plates," Mr. Smith said. "The dots are arranged in accordance with a secret mathematical formula. By shifting the relative positions of the plates a fraction of an inch we get literally thousands of designs. The warning words are indistinguishable until eradicating acids are brought into contact with the paper. Then, the rest of the design fades out and the "voids," printed in the ink that it took so long to discover leap from their hiding place."

Friendship is constant in all other things,
Save in the office and affairs of love.
—Shakespeare.



A. KOPPERUD

THOROUGH examination of the prospective borrower's financial standing and the condition of his farm should be made before a real estate loan is granted, A. Kopperud, vice-president of the Federal Intermediate Credit Bank of Omaha, declared last month in an address before the secretary-treasurers of the National Farm Loan associations who convened in Omaha. Mr. Kopperud said in part:

The source from which the funds will be obtained each six months to pay installments as they become due is the important factor. The local loan committee and the secretary-treasurer should know something concerning the history of production of a farm offered as security for a loan, which includes a history of the ability of the farmer as a producer. If the prospective borrower has any considerable amount of debts above a reasonable first mortgage the loan is usually unsatisfactory. If the borrower has not been able to keep his land in a good state of cultivation and if the buildings are in need of repair and paint, and conditions generally around the farm show distress, then why take the application? The thing to be considered is definite evidence as to the size of loan that can successful-

Foreclosures *and* How to Avoid Them

ly be carried by the farm and the applicant. It is not good business to let the pull of sympathy for a needy neighbor influence you in recommending a loan. No person has ever been benefited by being loaned too much money.

It is my opinion that we have fewer and fewer requests by prospective borrowers and secretary-treasurers to make loans that exceed 50 per cent of a fair valuation of the land and 20 per cent of the insurable value of the improvements. We also have fewer requests to make loans on farms where owner is insolvent. In the past some of our secretary-treasurers thought we should make loans regardless of the size of junior liens.

The cause for many of the foreclos-

ures of the Federal Land bank has been too large second mortgages and too many other debts. In many cases the secretary-treasurer was not careful in reporting to the bank the borrower's total indebtedness. Some of our foreclosures were caused

because the loan made was too large in proportion to the productive ability of the farm. Some foreclosures were caused because we made loans to men who never had been, and never would

be competent farmers. On some loans we have had foreclosures because the local taxing district voted a consolidated school after our loan was made and taxes became prohibitive. Also, foreclosures have been caused on account of heavy drainage or ditch taxes that have been created after our loan was made.

It is very evident to the officers of the bank that many foreclosures can be avoided because of the ability and close attention of the local secretary-treasurer. Some of the largest associations in each state in our district have never had a collector nor have they had any loss on a foreclosure. If foreclosures for any reason have been necessary, the land has sold for more than our investment.

From time to time we have inter-

viewed secretary-treasurers who have been successful in avoiding foreclosures. Some of the methods used have been an aid to better farming. One secretary-treasurer tells us that he keeps in touch with all of his borrowers and often visits them at their farms. If he finds a borrower who does not operate his farm in a practical manner he tries by tactful conversation to show this farmer the advantage of raising more alfalfa or sweet clover, the advantage of having good dairy cows, or if he is already a dairy man and is not prosperous, he shows the borrower the advantage of having cows that are tuberculin tested, and the further advantage of belonging to a cow testing association so that the borrower can eliminate the worthless cows. Cow testing associations have shown some marvelous records in increasing the production of the same number of cows. This increase in production has come about by culling of poor cows and by proper feeding. In some cases where the borrower will not listen to a discussion of his problem he has been induced to go with

LOOKING INTO THE FUTURE

"Looking into the future, I can see some obstacles for successful farming: First, the taxation problem, but that problem can and must be solved. Second, scientific and practical marketing. This is a matter of great importance and will require the most careful study and attention of our best thinkers!"

the secretary and visit the farm of a neighbor where certain good farm practices are being used. By spending the day on the neighbor's farm and getting the enthusiasm of good farming, the poor borrower has sometimes returned to his own home and adopted better farming practice. In every community there are successful farmers who can be used as examples to the borrower who is slipping.

Raising Turkeys

One secretary-treasurer in Wyoming induced a number of his farm-

ers to raise turkeys. All parts of our district cannot raise turkeys successfully. Turkey raising in parts of Wyoming and South Dakota has been very profitable. I have myself cashed checks running from \$1,000 to \$2,000 per farmer.

The cow, sow and hen, is a good combination.

One of the striking features of our business is that we have fewer foreclosures where there are good creameries than in adjoining neighborhoods where there are no creameries, but where land and climatic conditions are the same. A monthly income on the farm is much to be desired.

I will be glad to give any secretary-treasurer special information as to the value of creameries and cheese factories.

Secretary-treasurers tell us that if all attempts at better farming seem hopeless they then induce the borrower to list his farm for sale, and they make the attempt to sell the farm before the foreclosure is necessary so that the farmer may realize something out of his land above the indebtedness.

(Continued on Page 12)

Accepting a Draft In Payment of Check

EVERY business day, a bank may offer to give their bank draft to a party who presents a check drawn on that bank and requests payment thereof. This is one method used by a bank to make payment of checks drawn upon it. When the holder of the check takes in exchange a bank draft, has he forfeited certain rights that he had as possessor of the check?

A transaction of this nature can arise by a party being indebted to a man here referred to as O. L. Camp on a promissory note for \$300. This party named Ralph Hof, when the note became due gave Camp his check for the amount of the note including interest, drawn on the State Bank, wherein he had a balance greater than the amount of the check given. Upon receipt of the check, Camp marked the note "Paid" and gave it to Hof.

Camp surrendered the check with some others to the bank on which it was drawn and accepted a draft for the total amount of the checks presented. The Hof check was stamped "Paid" and charged to Hof's account.

Before this draft was collected, the drawer, the State Bank, being insolvent, closed its doors. Immediately

By The Legal Department

after the closing of the bank, an officer of the bank, assisted by Camp, induced Hof to give Camp a new note for the amount of the check, dated back to the day that the former note was surrendered. The bank official told Hof that Camp had received no money on the check. Hof presumably supposed this was because the bank had closed its doors. The note was later renewed with interest. Soon thereafter, Hof learned the facts and brought this action to cancel the note for want of consideration and fraud.

Camp had a perfectly good check which he presented to the bank on which drawn on. The money was there to pay it. He was entitled to the money, and could have had it. For reasons of his own, he saw fit to accept a draft. He did it of his own volition and not for or in behalf of Hof. Camp had no right to take anything but money to the extent that he was acting in his own contractual relationship with Hof.

The check was a conditional payment. The payment would have be-

come absolute had Camp demanded the money. Instead of taking the money which was available, and the only thing Camp had a right to take so far as Hof was concerned, he accepted a draft. He surrendered Hof's obligation and in lieu of the available money which would have instantly become his property, accepted the obligation of the bank. By the transaction the bank ceased to be Hof's debtor to the extent of the check, and became the debtor of Camp, as evidenced by the draft. The result of the transaction was that Hof's indebtedness evidenced by the note was paid.

When the new note which Hof signed and delivered to Camp was given, at the solicitation of a bank official, Hof did not owe Camp anything. Hof got nothing for the note which was without consideration. Although the note imports a consideration, that merely makes a prima-facie case which is completely destroyed by the facts related.

Where a debtor gives his creditor a check for which the creditor receives a draft from the drawee bank, the debt is paid.

Foreclosers and How To Avoid Them

(Continued from Page 10)

Hundreds of foreclosures have been avoided in our district because of the ability of some secretary-treasurers to dispose of land where the borrower was having financial trouble. In many of such cases our real estate department has assisted in making the sale. Some secretary-treasurers have told us of from 12 to 20 cases where the land has been sold in their association. A foreclosed farm is an eyesore to the secretary-treasurer, to the local community and to the Federal Land bank. If there are many foreclosures in the same community, it spreads a blight over the whole area which it takes years to overcome.

General Outlook

With the exception of the problem of taxation, the present outlook for the farmer and ranchman is better than since 1921. Taxes are so high in some communities in our district that we have discontinued making any loans in those particular communities. In other places we have had to make drastic cuts in the loan values on account of heavy taxes. Taxation should be based on ability to pay. "It seems to me that the time has come when a non-political study of the problems of taxation is necessary," said Dean Russell. "Taxation should be placed on a sound and modern ba-

sis. It is a fair question to ask whether the relation between taxes now levied on incomes throughout all of the states of the Union is properly correlated with those levied on real property. Eighty per cent of all taxes paid in the United States is paid by real estate." I think most of us are acquainted with men who have large incomes from their profession or as managers of large businesses. Some of these men live in an apartment and they may or may not own a small amount of furniture. Surely such men escape their just share of taxation.

Many people object to a state income tax, but why should not a person pay taxes according to his ability to pay, and why should not taxes rise and fall with the income? We all know that taxes do not rise or fall with the income when it comes to taxing farm lands. Our secretary-treasurers cannot find any more important problem to solve than the matter of taxes in their local taxing district, as well as the state and county taxes.

Looking into the Future

Looking into the future, I can see some obstacles for successful farming: First, the taxation problem, but that problem can and must be solved. Second, scientific and practical mar-

keting. This is a matter of great importance, and will require the most careful study and attention of our best thinkers. The American people have never set about with resolution to solve a problem and failed. We will not fail in solving proper marketing and it will probably come through strong, well managed co-operative marketing associations. Third, demand for food is definitely limited. Advertising can divert attention from one food to another: "An apple a day keeps the doctor away," but it means less orange juice used. Slenderizing, so fashionable in certain circles, is materially reducing per capita use of food with a large group of the population. The stream-line waist is bad for the American farmer. There are good reasons, however, why agriculture should continue to prosper. The population of America is increasing at a tremendous rate and in the last five years the farm population has moved to the cities at the rate of about a million per year. The encouraging part, therefore, is that statisticians tell us the demand for food is now catching up with the food supply and the farmers who remain, with their ability of increased production, should have a better future than for many years past.

Protecting Your Banks Against Excessive Taxation

(Continued from Page 8)

these subjects costs money, however, money that we did not have to spend a few years ago. And we want the country children in school, if it did cost Indiana, for example, \$4,265,000 in 1927 to fetch them there and take them home.

There are, indeed, some municipal colleges and some monumental school buildings that involve expenditures disproportionate to the means of some communities; but if everything that you and I would call extravagance in education were removed from the total tax burden, you could hardly notice the saving in terms of percentage of the national income. Popular education has been our pride and on the whole has proved its worth. But the costs are enormous. From 1890 to 1925 the cost of grammar and high school education in this country increased from \$140,500,000 to \$1,946,000,000. Allowing for the change in the price level that took place in the interval, there was involved an in-

crease of 137 per cent from 1890 to 1910, and 160 per cent from 1910 to 1925.

All the states had to catch up with war-time deficiencies, with salaries that had lagged behind, as salaries always do, and with the building needs that were not met in the years our treasure and our might were spent abroad. Then, too, school enrollment increased enormously, although not by any such percentage as taxes. We did however, lengthen the school term from an average of 134 days in 1890 to 157 in 1910, and to 169 in 1925. The children attend better, too, the percentage for the country as a whole rising from 54 per cent of enrollment in 1890 to 80 per cent in 1925. Then, while 1.6 per cent of the whole school enrollment were in high school in 1890, 15 per cent were there in 1925, and in high schools it costs two and one-half times as much per pupil as in grade schools. These changes are all to the good, are they not? We cannot

say that the cost per child per day is excessive, and it would seem, therefore, that we cannot greatly curtail our expenses for education. The problem rather is to broaden the tax case, obtaining more adequate contributions from sources that have not been paying a full share of the cost of education and government.

I have dwelt at length on education because, to my mind, any study of school finance confirms the opinion I have expressed, that the aggregate of taxes will not become less. Other inquiries lead to the same result. Highways? Agricultural experiment stations? How, without them, should we learn how to conquer the corn borer, the cotton weevil, and the other insects that contend with the human race for the products of the earth? Inspection of milk and other foods? Water supplies and sanitation? Hospitals? The decline in the rate of deaths from typhoid and tuberculosis—the lengthening of the span of life—

all are worth the taxes they cost. Street paving? We want more of it. Lighting? How could we face the crime wave if it were curtailed? No, these things that taxes pay for are not going to be diminished.

What Budgets Do

All this time you have been thinking that our governmental expenses and therefore our taxes, could be reduced by modern budget procedure. Something could indeed be done that way. North Carolina affords an excellent example. Each of the more than sixty spending agencies of the state is required to submit to the Budget Bureau detailed estimates of the manner in which it plans to utilize its funds, in addition, they show the revenue it is estimated they will collect. Each unit is required to submit figures to the Budget Bureau comparing actual expenditures with those authorized and to measure actual revenues with those previously estimated; and so it is assured that the spending agencies operate within their income. Budgetary control effected a saving over the legislative appropriation for the fiscal year 1926 of about 10 per cent, or \$1,270,778.07, and so prevented a deficit. North Carolina counties also have this system. Maryland, too, has a most excellent plan. Pennsylvania, by reorganization of its governmental machinery and by budgetary control of expenditures, saved \$24,000,000 in 1923 and 1924, or some 25 per cent of the amount expended in the previous biennium.

It seems scarcely possible, however, that the use of the budget principle will actually reduce taxes. It may enable state and local governments to do more with the same money, and so postpone tax increases for a while. More beneficial yet to the public and the bankers would be the just apportionment of taxes, and we certainly do not apportion them justly now.

I said that a change in bank taxation was coming—soon. In most states there must be a more general change, mustn't there? If, as was said by a witty financier of France, Colbert, a century or two ago, the art of taxation consists in plucking the goose with the least squawk, we must change our system. We are getting too much squawk from two important classes, the farmers and the bankers, although just now most Nebraska bankers are satisfied. We have been asking the owners of farms and city lots for too large a proportion of the money for state and local government. Coming? In 21 states, a change has been made, as you have made it in Nebraska, by granting to intangibles a lower rate than that

THRIFT SAYINGS

Gladstone: *"A boy that is taught to save money will rarely be a bad man or a failure."*

Wanamaker: *"No boy ever became great as a man who did not in his youth learn to save money."*

Washington: *"Economy makes happy homes and sound nations. Instill it deep."*

imposed upon real estate. This is an effort to adapt taxation to the tremendous changes that have come about in the forms in which wealth is held. It is possibly, a solution of the problem arising from the undoubted need for more revenue, for, as it seems to me, even economy, even budget systems, will only postpone and not prevent the growth of public expenditure. But states and municipalities that have preferential rates on moneys and credits, will lose so much money in bank taxes that they will have to repeal the laws granting such rates, and subject the banks to full general property ad valorem taxation once more, unless the banks can show the legislators the way out. And that is why I said at the outset that banks must take an active part in tax reform.

Another Reason

I will give you another reason. Twenty-one states, including Nebraska, that have sought to obtain revenue from the owners of intangible property by giving such property preferential rates, will have to change their laws, or Congress will have to change Section 5219. The tax commissioners who have appeared before congressional committees this year believe, indeed, that over forty states are in one way or another violating that section. Frankly, few bankers who appeared at the last session of Congress to oppose the Norbeck Bill believed that banks ought to get off with a three-mill tax in Minnesota, or with four mills in South Dakota and Oklahoma, or five mills in Nebraska, or six mills in Iowa, or nothing at all in Colorado, as they would if they chose to stand on recent decisions. The states affected are not going to rest under any such condition, nor are those states that exempt mortgages or impose only nominal registration taxes on them.

In other words, the American Bankers Association Committee on Taxation is afraid of something very much like an explosion, and believes that it is the part of wisdom for bankers, themselves, seriously and impartially, and without effort at advantage,

to lead in an effort to broaden the tax base by reaching men who could well afford liberal contributions to the public purse, and by submitting the banks themselves to fair taxes, measured by their income.

When Nebraska banks drop from general property rates to a five mill rate, the difference is too great. Your state and your cities cannot afford such a loss.

I said that you should go to the excise basis. How can that be done? You will recall that after the famous Richmond decision of the United States Supreme Court brought it home to the Tax Commissioners of the various states, that national bank shares could be taxed no higher than intangibles, Congress, in 1923 and 1926, amended Section 5219 R. S. U. S., not changing the provision that national bank shares could be taxed only so high as competing moneyed capital, but providing three alternatives. If a state chooses not to tax the shares it may now tax the bank's income, or may include dividends in the taxable income of the shareholder (and may do both of these things if it does so for other corporations and their shareholders), or it may impose upon a national bank a tax measured by its net income. In the last case the tax shall be no higher than the taxes on other financial corporations, and no higher than the taxes on mercantile, manufacturing or business corporations, whichever of the three are most highly taxed. Now this does not mean that the corporation taxes by which national bank taxes are thus limited must themselves be measured by income. In Massachusetts, to take an actual example, the Commissioner of Corporation figures each year what the taxes of the most highly taxed class of Massachusetts corporations amount to as a percentage of total income. These taxes include a 2½ per cent state income tax, a state excise on capital, and local ad valorem taxes on machinery and other tangible personal property. And so you see that if you want bank excise taxation in Nebraska, you need no constitutional amendment. The legislature already has power to classify you for taxation. Let your bank taxes be measured by your net income, and that measure may include the income from government and municipal bonds if the state includes them in the income of other corporations when figuring what proportion of income the taxes paid by Nebraska corporations are. Simple, isn't it? Just a few minutes arithmetic, and the Massachusetts Commissioner of Corporations ascertains that the tax bur-

(Continued on Page 34)

Elected Cashier

Charles Lukl, for several years associated with the Nemaha County Bank in Auburn, is now cashier of the First State Bank of Crete, Nebr. Mr. Lukl is a young man who possesses a high degree of ability and has the personality necessary to success in his new position. The officers and stockholders of the Crete bank were fortunate in securing him for the place of cashier.

Talks to Realtors

Warning bankers that the collection of interest should not terminate their interest in Nebraska's future and the realtor that he would do well to look beyond collection of commissions, when negotiating land sales, R. C.

Peters, Omaha banker, addressed members of the Nebraska Real Estate Boards at Grand Island recently on "Relationship Between the Banker, Realtor and Farmer."

He expressed confidence in Nebraska farms and farmers and the ability of the latter to meet their problems, but suggested that they are entitled to a helping hand in the solution of their troubles. Lower freight rates, better production and marketing methods and better highways he listed as developments that would aid the farmer.

Change in Officials

Announcement was made recently of a change in the officials and management of the First State Bank of

Crete, Nebraska. J. E. Sperry, formerly cashier of the First National Bank of Gresham, becomes president of the First State, and Chas. Lukl, formerly with the Nemaha County Bank of Auburn, will be the cashier. L. E. Uden, the retiring president, still retains an interest in the institution and was elected vice-president.

Reorganized

The Farmers State Bank at Wabash, Nebraska, has changed hands and is now owned and controlled by local men. The officers and directors are L. R. Stanley, president; R. E. Dorr, vice-president; Ray R. Ward, cashier; Carl Hanson, R. L. Keckler, H. J. Hohman and Warren T. Richards. The other stockholders are J. C. Brown, F. S. Marshall, W. F. Langhorst, John H. Wood and Wabash Grain Company.

Sells Bank Control

F. O. Binderup has sold controlling interest of the Loup Valley Bank of Palmer, Nebraska, to Bruce Gage, Palmer, and Ray Smith, formerly with the Central City National bank, the transfer taking place recently. Mr. Binderup, who has been connected with the bank for the past eleven years has no definite plans for the future.

Urges Guaranty Remedy

Phil Hall, newly elected president of the Nebraska Bankers Association, in a statement issued at his home at Greenwood recently, urged the state legislature to investigate and remedy as it sees fit the defects of the state guaranty law, which drew forth diverse opinions from bankers at the state association's convention in Omaha recently.

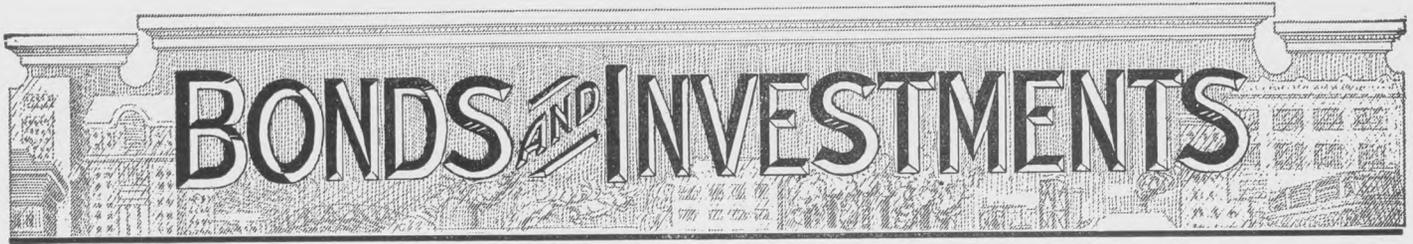
"We have had some bankers who have broken a sacred trust, and have not kept honesty of purpose as the beacon of their calling; others who through inexperience or unwise advancement of credit have caused their banks to be closed, yet Nebraska is today in a better financial condition than most of our sister states in the agricultural district.

"There has been considerable discussion and agitation relative to the guaranty law of Nebraska. This law was enacted by the legislature with the idea of stabilizing credit. Whether it has served its purpose, and is a just law, or whether it needs amending and rebuilding, is a matter that should receive the serious attention of our next legislature after a careful investigation of its operation since becoming a law."

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Central Western Banker, November, 1928



BONDS AND INVESTMENTS

A Look Into the Future

By J. W. LEWIS

*President, Clark Lewis & Co.,
Investment Bankers, Omaha*

EXCEPT during the recent past, whenever we have had an excess of gold and an abundance of cheap bank credit available for business and speculation, we have seen rising commodity prices and business inflation. This condition of lack of business inflation, even though all the ordinary contributing causes were present, has caused considerable confusion in the minds of many people and in their predictions as to what the future holds for business and finance.

The lack of commodity and business inflation during the last several years, we believe, has been due primarily to the conditions existing in Europe. European prices of commodities, when translated to a gold basis, have been in the majority of cases lower than our prices in this country, with the result that whenever our business began to experience extreme activity and a tendency toward rising commodity prices, we were flooded with foreign goods. This ever ready supply of foreign goods has tended to keep the United States on a very level business basis.

Currencies Stabilized

The majority of the European currencies have now been stabilized long enough to permit the necessary readjustment of the European commodity prices to the gold basis existing in this country, so that this deterring effect from Europe will possibly not be as pronounced as it has been in the recent past.

In the June issue of the *CENTRAL WESTERN BANKER* was quoted the following from Clarke, Lewis & Company's house organ, the *Financial News*: " * * * We also believe that the world as a whole, barring adverse political developments, will by 1929 see the greatest period of prosperity in its history." The recent national election seemed to do away with the political uncertainty for the next several years and we can see no reason why every banker, investor and business man should not set his sails for better business.

The general business activity of our country today is making new high records and at the same time gathering strength in the price level. The transportation systems of the country are, with a slight further increase of business, going to be hard pressed for necessary equipment to properly transport the business of the nation. The railroads have been increasing their efficiency instead of purchasing new equipment and it appears will either be faced with the problem of again figuring out ways and means of carrying more goods per car or of scrambling for equipment deliveries from the manufacturer. The industries which were considerably overplanted at the end of the war have been working off their surplus producing capacity, either through depreciation, obsolescence or conversion to other industries, with the result that today very few of our important industries in the United States could stand a considerable increase in volume of business upon short notice.

The prospects of a lack of immediate manufacturing facilities and quick, efficient transportation, a high level of employment, a sufficiency of credit with strong speculative securities market, we feel can very conceivably cause a tendency toward stocking of inventory with the consequent marking up of prices.

Market Stronger

There has been a gradual strengthening in the bond market the last month, even in the face of an increasing seasonal demand for commercial borrowings and the sales of large amounts of bonds to help take care of the increasing commercial demand. Investment holdings reported to the Federal Reserve Board declined approximately \$175,000,000 for the month prior to October 15th and as of the middle of October were approximately \$350,000,000 below the high

point reached in June of this year. New bond offerings have made a substantial increase from the low levels of this summer, having been in practically all instances well received and now selling with a free market at or over the issue price.

Liquidation by some banks to take care of the seasonal demand and the increase of new issues of the last month, together, caused a considerable increase on the supply side of the market. The fact that the general price levels have been showing improvement in spite of this is substantial evidence of a change of a more or less permanent nature toward more stable prices.

History has shown clearly that when borrowers at the Federal Reserve Banks are increasing rapidly, banks become rather reluctant to loan money on stock market notes or call money, which is not rediscountable. It has also been shown a number of times that when demand for liquid funds in business shall be increased, either through a larger volume of operation, or a smaller volume of profit, private corporations are not able to furnish a continually increasing amount of call money. The time will no doubt come when the competition of commercial requirements will stop the expansion of speculative funds and even force a curtailment of these funds. At such time the upward trend in stocks will collapse. The possibility of such a spectacle in the near future does not exist in the present situation, although a technical reaction very soon, is not improbable.

Real Bargains

The bond market has stood enough bad news and excess supply the last several months to quiet the fears of the most pessimistic. We do not believe it likely that large speculative profits can be made buying bonds for a quick turn, although we do feel prices in general today represent real bargains. The banker who is interested in acquiring bonds for a more or less permanent reserve will no doubt be the one who will make the largest return

on his reserve funds, as he will, in putting his bonds away, not be tempted to take small trading profits and thereby lose a good market position. There seems to be little doubt that eventually bonds will return to the low yielding levels popular prior to the World War. When this occurs it will mean that many bonds will have shown enough increase in price, that adding the average annual increase to the net interest coupon return on the invested capital, one will have a very handsome gross return on the funds.

It is very easy for one to place money in the call money market with the present attractive rates and to pass up the opportunity to acquire extremely safe securities on a good yield basis for a long period of time. When

interest rates are low, bond yields are low and the prices high, while when interest rates are high, bond yields are high and prices low, *and conditions are always in a state of change.*

The stability of foreign bonds of the better class, convertible bonds and bonds with warrants attached, have demonstrated to the investing public the desirability of these securities during periods of general business prosperity. These three types of bonds can, very conceivably, be the popular form of investment the next six to nine months.

Conditions Favorable

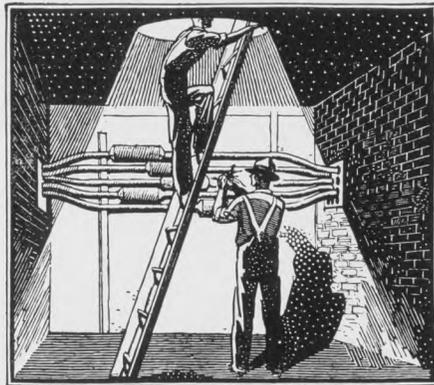
The Central Trust Company of Chicago, in its digest of trade conditions for November, finds the situa-

tion favorable to a continuance of the high level of business that was reached late in the summer.

"Wherever complete records of business and financial operations for September and October are available," the Central Trust Company says "we find ample evidence of the unusual improvement which has taken place during the last three weeks of summer and the first three weeks of the fall season.

"Some conditions are unfavorable to a continuation of present volume, or an increase in activities, but these unfavorable are so few and so unimportant by comparison, that the whole picture of business as it presents itself at this time must be accepted as a most satisfactory picture. The record breaking steel operations, created principally through the activities in building operations, and in the manufacture of motor cars, machine tools and farm implements, is the great outstanding fact of this present business situation which almost insures a continuation of present conditions into the early weeks of the new year."

Putting the wires underground



IN 1881, five years after the first sentence was transmitted by telephone, a conversation was carried on by underground cable between points $\frac{1}{4}$ mile apart. Today the Bell System operates more than 40,000,000 miles of wire underground. And still the work of "putting the wire underground" goes on.

Basic facts on American Telephone and Telegraph Co. as an investment

With its predecessors, the American Telephone and Telegraph Company

has paid dividends regularly for forty-eight years. Its earnings assure an ample margin of safety above dividend requirements. Its stock is held by more than 430,000 investors. It is constantly seeking to bring the nation's telephone service nearer to perfection. It owns more than 93% of the combined common stock of the operating companies of the Bell System which furnishes an indispensable service to the nation.

Write for booklet "Some Financial Facts."

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New York City

Legality of Speculation

Judge Davis, in the circuit court of Bureau County, Ill., has upheld the report of a master in chancery who has ruled that futures trading on the Chicago Board of Trade is gambling.

A resident of Judge Davis' circuit, after prospering for years by trading in grain futures, began to lose. He ran into debt to the firm of brokers which handled his trades. To satisfy the debt he gave the firm a note for \$55,000, secured by a mortgage on two farms. The brokers paid out of their own pockets all his losses, as well as large sums in federal taxes on the grain trades in which he had engaged. Suing on the note, they were met by their former customer's assertion that the note was invalid on the ground that it had been given to pay losses incurred in gambling. Now this defense has been upheld by the circuit court.

Doesn't Seem Possible

Bootlegger (to man fishing): "Have any luck?"

Man: "No."

Bootlegger: "Try some of this on your bait."

Man pours something from bottle over the worm on the hook and lowers it into the water. Soon a great splashing about is heard and the line is jerked up. The worm had a strange hold on a catfish and was punching him in the eye with his tail.

Brokers Loans and Bank Credit

From address by Benjamin M. Anderson, Ph. D., Economist of the Chase National Bank, New York

IT HAS been the progressive mounting of money rates that has evoked the great volume of loans to the Stock Exchange by firms, corporations, foreign banks, individuals, and others. This money is available for Stock Exchange use at a price, but only at a price. Declining money rates would drive it back again into other uses. While the stock market is depending upon so large a volume of loans from these unusual sources, it can hardly expect to enjoy monetary ease.

For "Account of Others"

Fear has been expressed that this large volume of outside money, loaned by individuals and institutions which have no responsibility for the safety and stability of the money market of the securities market, may be subject to sudden and capricious withdrawal. I do not share this fear. If it should be withdrawn suddenly, it is quite clear that money rates would have to rise to very high figures indeed as the Stock Exchange and the banks readjusted their position. At a price, it could be done. But sudden and capricious withdrawal of large blocks of money by these private lenders would make real difficulties.

I do not, however, believe that there will be or can be sudden and capricious withdrawals of vast amounts. Any one lender can, of course, make a sudden withdrawal and need feel no particular responsibility. But the lenders are very numerous, and their interests are very diversified. The one thing that would make a concerted sudden withdrawal would be a sharp drop in rates of interest, lasting for anyhow several days. Withdrawals on a great scale would then come. But on the other hand the bidding up of rates of interest which would have to follow such withdrawals would bring the money back again. But such a situation usually means that rates will be kept high enough all the time to prevent large concerted withdrawals. The outside money, so far as short periods of time are concerned, is available at a price, but not at such a price as would constitute an easy money market.

Their Source and Future

What are the prospects that this great volume of outside money will remain permanently at the disposal of

the Stock Exchange? The answer to this question is to be found by considering the original source from which this great volume of free money came. How does it happen that the corporations and foreign banks and individuals and firms are in possession of large volumes of highly liquid funds which they can place at the disposal of the stock market in call loans at a price? It has never happened before in our history, even when money

rates were much higher. Why should it be true today?

The answer is to be found in the expansion of bank credit between early 1922 and early 1928. Between June 30, 1922, and April 11, 1928, we had an expansion of commercial bank credit amounting to 14 billions, 512 millions in loans and investments and to 13 billions, 544 millions in deposits. In the closing five months of 1927, from July 27, 1927, to January



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4, 1928, we had an expansion of 3 billions, 361 millions in loans and investments, and of 3 billions 117 millions in deposits.

This great expansion of bank credit represents savings only in minor part. It represents primarily the efforts of the banks to utilize excess reserves, the excess reserves being due (a), to excess gold, and (b), to easy money policies of the Federal Reserve Banks.

The result was a multiple expansion of bank credit based on excess reserves, which continued and continued as increased gold and successive periods of easy money policy at the Federal Reserve Banks kept commercial bank reserves excessive.

The expanding bank credit, unneeded by commerce, was utilized in real estate mortgage loans, in installment finance paper, and above all in the buying of bonds and in loans against securities. One result was an immense increase in the volume of new security issues, which made it possible for every business of substantial size and good credit standing to finance its

needs through the securities market, the proceeds of which could be used to pay off bank loans, to increase the working capital, to finance extensions of plant and finally to build up liquid reserves of cash. An immense flotation of foreign loans took place in the same period, which placed the outside world in possession of a tremendous volume of short term funds in dollars.

Rise in Prices

As the process went on, we have had a great rise in the prices of urban and suburban real estate, and an immense speculative rise in the prices of securities. The old holders of real estate and securities who have sold their holdings have thus come into possession of their original capital in liquid form plus large profits, which many of them are in a position to lend to the Stock Exchange pending the time when the prices of securities or of real estate suit them better. The great abundance of mortgage money and of funds obtained by the sale of mortgage bonds in the securities mar-

ket has made possible the refunding of many mortgages held by local mortgagees (with the result that they are in possession of liquid funds which are coming back to the general capital market, including loans to the Stock Exchange. Investment trusts, floating their issues easily in the period of bank expansion, also have, in many cases, large funds for stock market loans.

The primary source, then of the great volume of free funds is posses-

WILL BECOME NORMAL

"Investors lending temporarily to the Stock Exchange look forward to the time when security prices will be more attractive and when they will take securities themselves, instead of holding loans against securities. In all these, and other ways, the tendency will be for this great extraordinary and unusual fund of liquid money in the hands of private lenders, to be reduced to more normal proportions, unless it is fed by a further spurt of bank expansion."

Whether or not you are a large buyer of bonds and securities—your business will be appreciated!

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OMAHA, NEBR.

sion of individuals, firms, corporations, foreign banks, investment trusts, etc., available for loans on the Stock Exchange, is the prior expansion in earning assets and deposits by the banks. What does the future hold by way of increase or decrease in the volume of such funds? The answer seems fairly clearly indicated. For the present, certainly, the expansion of bank credit is over. We no longer have incoming gold making excessive reserves. On the contrary, we have lost in the last year 500 million dollars of gold. The Federal Reserve authorities, with their credit expanded to a volume of over a billion and a half dollars, and with their reserves cut under, and no longer pursuing an easy money policy. The reserves of the banks of the United States are no longer excessive. The volume of new securities currently floated is greatly reduced and the interest rates at which new bonds can be placed are not attractive to borrowers who do not need to borrow.

Would Diminish

Assuming then, that the period of very easy money and rapid bank expansion is over, the presumption would be that the volume of liquid funds in outside hands available for loans on the Stock Exchange, would diminish rather than grow. At 7 per cent, Canada is glad to leave a large volume of funds loaned on call at the

New York Stock Exchange. With a call rate of 5 per cent, Canada would find it more profitable to employ her funds at home, and in the process of withdrawing them would presumably take out substantial amounts of gold which she needs and desires for increasing the gold reserves behind her admirable banking system. With 7 per cent call money, France and other European countries would leave their dollars here. If our market works toward ease, however, there is no reason to suppose that they may not resume, to some extent, at least, the process of exchanging their dollar credits for gold. Gradually, in any case, if we reduce the volume of new loans to the outside world, the outside world will use up its excess supply of short term dollar funds in making payments here.

Business corporations with liquid funds in excess of their needs would gradually tend to use them. Maturities of existing obligations come. In a very easy money market, the corporations would refund them. In the face of substantial money rates, they would prefer to pay them off. In most cases, presumably, the corporations have issued securities, not merely to get cash, but with a view to very definite purposes in the future, and they have got their money while it was cheap instead of waiting until the actual need should come, when the money might be harder to get. When the time comes they will use the funds obtained for the purposes they had in mind. With the growth and expansion of business of various corporations, they will gradually use their funds more closely. With plant extension they will use them.

Investors lending temporarily to the Stock Exchange look forward to the time when security prices will be more attractive, and when they will take securities themselves, instead of holding loans against securities. In all these and in other ways the tendency will be for this great extraordinary and unusual fund of liquid money in the hands of private lenders, to be reduced to more normal proportions, unless it is fed by a further spurt of bank expansion.

Pioneer Banker Dies

J. F. Steele, president of the Parsons, Kansas Commercial Bank, dropped dead recently while playing golf. At the time of his death Mr. Steele was 77 years of age.

It is a strange desire, to seek power and lose liberty.—*Bason.*

LAST MINUTE NEWS

(Continued from Page 3)

kota. Figures show that the robbers have been more successful this year than they were last. While there were to date five more robberies last year, the amount secured did not total as much as obtained so far this year.

W. M. KNUTSON, representing the Illinois Merchants Trust Co. of Chicago, in Iowa, Nebraska, Minnesota and South Dakota, for the past five years, has been assigned to travel Iowa exclusively. He will devote his entire time to building up Iowa business for the Continental Illinois Bank & Trust Company, recently

formed by the consolidation of the Illinois Merchants Trust and the Continental National.

Meet in Avoca

The Cass County Bankers Association met at Avoca, Nebraska, recently. Those in attendance from Eagle were Mr. and Mrs. H. K. Frantz, and Mrs. A. M. Longman. All the ladies were entertained at tea at the home of Mrs. Fahnastock, and at 6:30 the association banquet was held, at which Mr. Frantz was on the program as one of the speakers. Carl Ganz of Alvo was elected president, and the next meeting will be held at Plattsmouth.

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Sound Conditions in Bond Market

CONFIDENCE in the sound underlying conditions in the bond market was evidenced by the increase in new investment financing in October. The total was the largest of any month since last June, but fell considerably behind the record amount of October a year ago.

New bond and note offerings in October totalled \$405,739,000, according to the compilation of Lawrence Stern & Company, Chicago investment bankers. This compares with offerings of \$942,977,500 in October, 1927, and \$357,108,700 in September, 1928.

Foreign issues totalling \$91,165,000, led last month's offerings, but showed a substantial decline when compared with the \$245,622,500 total in that class in October, 1927. Tax Exempts, public utilities and industrials all showed substantial decrease when compared with their respective totals in October of last year, but all except public utilities showed an increase over September, 1927. Only railroad and real estate offerings were larger last month than in October, 1927, and September, 1928.

The total of all offerings for the

ten months of 1928 amounted to \$5,487,083,000, compared with \$6,949,408,000 for the corresponding period in 1927. This is a decline of about 21 per cent.

Last months' offerings, excluding tax exempts, included 143 separate issues. This compares with 183 such issues offered in October a year ago, and 98 in September, 1928. There were 67 major issues of a million dollars or more brought out in the market last month, compared with 50 in September, 20 in August, and 88 in October, 1927.

The Lawrence Stern & Company monthly bond review concludes as follows:

"The bond market during the month of October was relatively quiet, with an undercurrent of considerable strength. This undercurrent developed during the latter half of the month, into a moderate degree of activity, accompanied by a tendency toward firmer prices.

"In sympathy with the high price levels on the stock exchange, convertible bonds were particularly active, and a number of very considerable price changes in an upward direction were registered, following similar movements in the stock involved.

"During the latter two weeks of the month, some very noticeable institutional buying of the higher grade, low coupon issues made itself felt. Increase of a point or more in the quotations for some of these issues were registered. It has been stated by a number of close observers of the market that in many cases institutions which have been taking advantage of high call money rates have returned to the bond market with funds which until recently have been placed on call. This factor has resulted from a realization of the fact that the purchase of high grade, long term issues at present levels is likely to prove more profitable in the long run than to take the risk of having to make long term commitments later at a level yielding perhaps one-half per cent less than is obtainable now.

"Without attempting to estimate the duration of the present upward movement in the stock market, the general feeling among bond men is that each week brings us closer to a time when extensive profit-taking or liquidation will provide an enormous volume of funds which will, to a large degree, find placement in the bond market.

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BONDS / SHORT TERM NOTES / ACCEPTANCES

Insurance

When Insurance and Science Join Hands

By O. J. Arnold

President Northwestern National Life
(From address before Medical Section, American Life Convention)

TWENTY-TWO years ago there were thirteen billion of insurance in force in the United States, covering approximately sixteen million lives. Today there is in excess of eighty-seven billion, covering sixty-two million lives. Then, corporation assets were expressed in terms of millions; today, of billions. There are in the United States today ten corporations with over a billion and a quarter of assets, and it is of peculiar interest to us that of these ten, one is a bank, one is a public service corporation, two are manufacturies, three are railroads and three are Life Insurance companies. We have in the United States but 7 per cent of the world's population, but we have 33 per cent of its railroad mileage, over 60 per cent of its telephones, and over 80 per cent of its life insurance.

A Successful Relationship

The growth of our ten leading corporations and of our thousands of other smaller successful business institutions, which in the aggregate have brought us the industrial leadership of the world, has been due to the successful working relationship which has developed between science and industrial management. Each one of these ten typical American corporations owes its success to this irresistible modern combination of science and capital under aggressive leadership; the telephone and telegraph based upon physics; manufacturing largely upon chemistry; railroads on physics, and life insurance on mathematics and medicine.

It is highly significant that the public expressions from many of our leading executives in recent years have recognized the new scientific era in business. Reasonable wages, sales pressure, economy in management no longer fully meet modern industrial demands. A new vision is necessary, a vision in which science joins industry as a working partner. We are mutual debtors each to the other—business administration and scientific research.

It has been estimated that American corporations spend one hundred million dollars annually in research. The supremacy of American industry

may be largely attributed to this utilization of science and scientific method. As competition grows keener and the margin of profit is smaller, as it inevitably must, the relative importance of scientific research and the application of methods to industry will become more clearly recognized. As has been said, "The price of progress is research, which alone assures the security of dividends, and that progress is made not by raising tariffs,



O. J. ARNOLD

but by devising new methods, new equipment, new organization for operation, distribution, and control."

An Era of Progress

The intimate and organic union of science and industry in the modern giant strides of material advancement is so recent a development that we can only inadequately anticipate even the immediate future. The power and light industry has come into existence within the adult life time of a man still living and still actively advancing scientific frontiers. It was in 1882 that Edison opened in New York the first central generating system in the

world, and within the present century still only a quarter over, there was built at Niagara Falls the first long distance transmission line. What will even the next decade in this century bring forth? Perhaps in chemistry, the release of the energy binding the electron in the various atomic combinations, or more certainly new molecular discoveries for fuel and other industrial needs; in physics, new uses of wireless electrical waves, or the solution of commercial aeronautical transportation; in medicine, new chemical and physical cures of which insulin and radium are only the forerunners; in Life Insurance mathematics, the application of a new mortality table; and in Life Insurance medicine, constantly new diagnostic aids such as the x-ray and the electrocardiogram, both up here for discussion at a Life Insurance meeting for practically the first time, exemplifying methods which will permit continually new refinements and subdivisions of our present substandard classes. Is not the prospect before us dazzling and fascinating?

Science and Industry

I congratulate you, who are so fortunate as to have had the best of scientific training joined with business administrative experience, on the opportunities lying before you.

"There is a tide in the affairs of men
Which, taken at the flood, leads on
to fortune."

We are at the flood-tide of scientific and industrial opportunity. Let us keep Lowell's couplet in mind and "Launch our Mayflower, steer our vessel o'er life's unresisting sea, Nor attempt the future's portal, with the past's blood rusted key."

Certainly the inaccurate methods which are possible with success in an early stage of industrial progress, unquestionably spell failure in a more advanced stage of competitive and scientific development. The aphorism, "To stay where you are in the United States you have to keep moving," has been supplemented by Dr. Von Klein-Smid: "Research is the slogan of the hour; it is the only method in these days by which we can run fast enough to keep up with ourselves."

How Too Many Laws Can Hurt Life Insurance

PRICE fixing and rate making have no place in the life insurance business, declared Nebraska Insurance Commissioner John R. Dumont, in an address last month at Rapid City, S. D., before the annual meeting of the Insurance Commissioners' convention. Instead, friendly co-operation, clean competition and honest management will assure the public of equitable rates. Government control, he asserted, through legislation, is always an expensive way to accomplish good.

Speaking in part on this subject, Commissioner Dumont said:

"The Armstrong investigation was a lesson which none should forget. Twenty-two years have proven the stability of legal reserve life insurance companies.

"Twenty-two years through epidemics, wars, rising costs, competition and fighting against adverse public opinion and legislative whims, and still these companies have continued to grow to their almost startling magnitude, rendering a service unequaled by any other business, at a steadily reducing cost to the public.

"Is this not a record to be justly proud of? Does such a record require government regulation of acquisition costs or rates? I hardly need to say that I, for one, am convinced that the

facts prove otherwise. I am more than ever convinced after my careful study of the situation, that it is not time for the government to attempt price fixing or rate making for life insurance.



HON. JOHN R. DUMONT

I am already on record more than once as regards other branches of the insurance business.

"Safety first should be the watchword, particularly with regard to life

insurance. No state has a right, morally, under any circumstances, to attempt to drive insurance rates down below a point of safety and this might easily be the result if legislative action is taken to further control acquisition costs.

"Whenever the state governments will really play fair in the matter of taxes on premiums, then they can all do considerable toward bringing down the cost of insurance to the public. May I ask how any legislature has the nerve to seek a reduction in acquisition costs in any line of insurance, when all are guilty of charging many times more in taxes on premiums than enough to pay for proper supervision, which is the only excuse for such taxes?

"Latest reports show that over the country the average premium tax dollar is divided into less than 4 cents for supervision and more than 96 cents for state general fund expenditures.

"My advice to the life insurance companies is to fight to the last ditch any attempt to foist on them, acquisition cost regulations and rate regulations such as have been saddled on the fire, casualty and surety companies in some jurisdictions.

"In offering such advice I am looking to the future and have primarily in mind the best interests of the policyholders. Such attempts at regulation toward some of the more flagrant abuses and particularly to discrimination, at least between citizens of the several states.

"Acquisition costs can best be regulated by honest management, friendly co-operation, decent competition and proper publicity. Government control through legislation is an expensive, unnecessary measure which will accomplish no real good."

Will Pay in Full

Commissioner Dumont finds that the state hail insurance department will be able to pay claims in full this year. Premiums collected and available for use for payment of losses Dec. 1 total \$21,386, while losses were \$19,603. The money is now in the hands of county treasurers, who have 30 days in which to remit. Policies numbered 422, compared with 1,265 last year. This is about a tenth of the

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maximum premium income of the fund ten years ago, and since then it has steadily declined, due to the number of years in which it was impossible to pay losses in full. Last year the privately-owned companies collected \$2,400,000 in premiums and paid \$1,100,000 losses.

Faces Rate Raise

As a result of the decrease in the number of firemen on duty at any one time, due to the refusal of the city commission to provide adequate funds for the department, a sharp rise in insurance rates is threatened in Omaha. Joseph Barker, head of one of the large agencies of the city, said that his companies are insisting that a raise of from 20 to 50 per cent be made if the council refuses to adequately finance the department.

Mr. Barker's prediction is affirmed by William DeRohan, engineer for the National Board. He says that the rates are certain to go up unless immediate measures are taken to remedy the weakened condition of the fire-fighting forces.

Fulfilling Family Obligations

Americans are as far ahead of any nation in history in their practical ful-

fillment of family obligations as they are in their standards of living, recently asserted Winslow Russell, vice-president of the Phoenix Mutual Life Insurance Company, addressing a public round table on the Life Insurance Trust, sponsored jointly by the Norfolk National Bank of Commerce & Trust Co., and the Norfolk Life Underwriters Association. In support of his claim, Mr. Russell cited the fact that more families now own their own homes than rent them, that the volume of savings bank deposits never has been so high, nor the investments in building and loan associations and other types of securities.

"The records show that there are 16,000,000 holders of securities in the United States today and that the number constantly grows; we know that the year-end payments of dividends and interest last year ran well beyond a billion dollars. Yet only recently have the banks and life insurance companies together awakened to the fact that life insurance holdings represent the most far-reaching and important asset of all, with 63,000,000 policyholders and more than eighty billion dollars of insurance in force. Life insurance investments, up to the time of their payment to beneficiaries, receive

a degree of skilled and experienced management that is proverbial; but when they mature as claims in the beneficiaries hands, all too often they become a school for the scandalous mismanagement of funds," the speaker asserts. Continuing, he pointed out that of the billion or more that will be paid this year on matured policies, fully half will be paid in lump sums, and that probably, not a tenth of that half will fall to the hands of any person who knows how to increase or even to conserve capital from loss. The correction of this condition he declared to be the gravest duty and the greatest responsibility facing American finance today.

"It is a healthy sign of banking sagacity that the funds of the relatively small owner of capital now can get the same skilled and responsible guidance which long has been enriching very wealthy estates. The level of American prosperity and security will be raised many degrees when liquidated insurance policies receive as much expert care as when the funds were still in the hands of the companies. Everyone has seen substantial insurance estates sacked and dissipated by inexperienced handling; everyone has realized that these estates were the fruits of self-denial and has regretted their loss.



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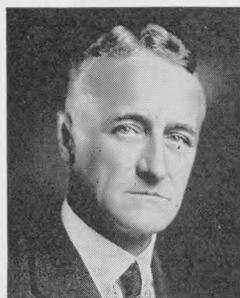
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PHIL HALL, President
Nebraska Bankers Association



WM. B. HUGHES, Secretary
Nebraska Bankers Association

DAN V. STEPHENS, president of the Fremont State Bank, was elected vice-president of the state bank division of the American Bankers Association, at the national convention in Philadelphia in October. At the convention Mr. Stephens addressed the bankers on the subject of the regional clearing house association of Dodge county banks, of which he is the originator and president.

HERBERT FRENCH, director of the Stock Yards National Bank of Omaha, and Omaha representative of Brown-Crummer, investment house, died at Philadelphia October 15, after a collapse at Atlantic City the day before.

GWYER YATES, returning from the convention of the American Bankers Association, and visits to New York, Detroit and Chicago, said that business is good everywhere, with the business men finding that the "presidential election year slump" was not a factor in business this year.

W. K. POTTER, former Omaha banker and father of Herbert Potter, vice-president of the Peters National Bank, died at San Diego, Cal., early in October. In 1893 Mr. Potter was vice-president, and later became receiver for the Nebraska Savings & Exchange Bank of Omaha.

DEPOSITS of the 739 state banks of Nebraska, totalling \$268,735,731 on September 20, showed a gain of \$7,674,332 over deposits on June 30, the

Nebraska News

last previous state bank call, according to the state department of trade and commerce. Bonds and securities held by the banks gained \$4,987,332 to a new total of \$44,201,619. Cash in the banks gained \$1,009,612, the total becoming \$11,042,543. Loans and discounts increased \$3,098,887 to a total of \$182,256,285.

THE REAL ESTATE department of the Nebraska guaranty fund commission has obtained about \$4,500,000 in the past three years from sale of farm and town properties in assets of failed banks taken over by the commission, according to an announcement by the department. The real estate department was established September 1, 1925. The actual sales from that date up to and including September 30, 1928, were \$4,498,106. Of the receipts \$2,293,198 was paid on the mortgage indebtedness of the land, leaving a balance of \$2,204,908 for payment to depositors of suspended banks. The report did not reveal the expenses of administration, interest, taxes and upkeep, nor did it reveal the rental received from the properties. Secretary Van E. Peterson's records showed, however, that during the fiscal year ending last June 30, the commission collected \$218,284 in rentals and paid \$293,182 on the properties.

GUY HOFFER, formerly of the Burns-Potter Co., of Omaha, has been named by H. M. Bylesby & Co., of Chicago, to represent it in the Omaha territory. The Bylesby Company has been actively identified with the development and progress of the electrical industry, having made a specialty of financing electric light, and power, gas and other public utilities, dealing also in state, municipal and industrial securities.

THE ANNUAL meeting of the secretary-treasurer of the national farm loan associations of Nebraska, Iowa, Wyoming and South Dakota was held in Omaha recently, under the auspices of the Federal Land Bank of Omaha. Eugene Meyer of Washington, D. C., commissioner of the federal farm loan board, came to Omaha to speak, and with him came Floyd R. Harrison, a member of the board; Chester Morrill, secretary and general counsel of the board; and H. M. Shields, representing the national farm loan asso-

ciations, all of Washington. Mr. Meyer addressed the Omaha Chamber of Commerce at a public affairs luncheon at noon. Approximately 150 secretary-treasurers attended the meeting. The speakers were D. P. Hogan, president of the Federal Land Bank of Omaha; E. D. Morcom, treasurer; E. F. Iroutok, S. D. Thornton, Andrew Kopperud, manager of the Omaha Intermediate Credit Bank; A. F. Beck, J. A. Ontkes and Mr. Meyer. Mr. Kopperud was toastmaster at a banquet held at the Fontenelle in the evening, and the speakers were T. C. Hornby, vice-president of the Omaha Land Bank; J. C. Underwood of Cheyenne, Wyo., and Chancellor E. A. Burnett of the University of Nebraska.

FIRST NATIONAL BANK, Wahoo: Loans and discounts, \$631,809; government securities, \$166,966; other securities, \$191,847; banking house, \$48,642; reserve with Federal Reserve bank, \$51,676; cash items, \$246,218; capital stock, \$80,000; surplus, \$80,000; undivided profits, \$17,276; due to banks, \$229,347; demand deposits, \$451,777; time deposits, \$460,153.

CENTRAL CITY NATIONAL BANK, Central City: Loans and discounts, \$482,757; government bonds and other securities, \$28,250; cash items, \$106,319; capital stock, \$50,000; surplus, \$50,000; undivided profits, \$13,709; deposits, \$516,426.

FARMERS STATE BANK, Polk: Loans and discounts, \$162,638; capital stock, \$25,000; individual deposits, \$59,799; time deposits, \$113,680.

FIRST NATIONAL BANK, Gordon: Loans and discounts, \$551,835; government securities, \$105,350; cash items, \$273,700; capital stock, \$50,000; surplus, \$50,000; undivided profit, \$13,983; demand deposits, \$636,270; time deposits, \$280,440.

POTASH STATE BANK, Antioch: Loans and discounts, \$22,899; deposits, \$26,552.

Inspects Property

Walter W. Head, president of the Omaha National Bank and director of the Chicago & Northwestern railroad, recently made a tour of inspection of the road with other directors.

Meet in Hebron

The second annual meeting of the Thayer County Bankers Association was held in Hebron, Nebraska, recently. A banquet was served and a general good time is reported. Deshler bankers attended one hundred percent. Fred Bruning of Bruning, is president, and L. C. Krutz is secretary-treasurer.

Chosen Cashier

V. E. Warren was chosen to fill the office of cashier of the Commercial State Bank of Ogallala at a meeting of the board of directors recently. This office has been vacant since the death of C. H. Menck which occurred in the spring. Since that time Mr. Warren has been acting cashier and it was thought by many to be only a question of time until he would succeed to that position.

In New Quarters

The State Bank of Minatare, Nebraska, opened for business in the bank building formerly occupied by the Minatare Bank. The building was purchased by the officers of the State Bank from the Guarantee Fund Commission several months ago, and since that time workmen have been engaged in remodeling and repainting it to suit the needs of the new owners. The interior has been completely redecorated, the heating plant has been remodeled and with the other changes made they now have one of the most convenient and well lighted banking rooms to be found in the valley.

Donates Church

A new Methodist church and parsonage costing \$25,000 was dedicated recently in Martel, Nebraska. It is to serve the three former congregations at Highland, Centerville and Martel. The former two disposed of

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their buildings and federated with the Martel church.

Rev. R. H. Chenoweth, pastor and District Superintendent F. F. Travis, had charge of the dedication. The building was donated by H. H. Moore, president of the Martel State Bank.

Automatic Cashier

A machine known as an automatic cashier, has been installed at the First National Bank of Auburn, Nebraska. The machine greatly facilitates the handling of coin in such operations as making change, is absolutely accurate and works very rapidly. It is an addition to the already up-to-date equipment in the way of adding and bookkeeping machines.

Holt County Banks

Holt county, Nebraska, banks with a total amount of deposits of over five million dollars, as shown by their latest statements of condition, are all healthy institutions and the First National Bank of Atkinson has the distinction of being the largest bank in the county, with a capital, surplus and undivided profits of \$132,639.44 and deposits of \$899,620.99. The security State Bank of Atkinson was the second largest bank in the county on the day of their call, September 20, with capital, surplus and profits amounting to \$76,564.13, and deposits to the amount of \$535,697.02. The Citizens State Bank of Stuart was the largest state bank, capital, surplus and profits being \$63,096.72 and deposits, \$702,779.24.

The banks of the county, 12 of them, present a total capital, surplus and profits of \$744,149.73, and a total amount of cash on hand at \$1,452,548.19. Their combined deposits are \$5,161,804.43 and their total loans \$2,999,896.96. Holt county banks own \$564,300.00 worth of government securities and \$687,000.00 worth of other marketable bonds. They are operating with no borrowed money or re-discounts.

Named Vice-President

Frank Borden, for so many years associated with the mercantile life of York, Nebraska, has severed his connection with that field of activity entirely, and having been named vice-president of the City National bank, will devote his time in the future to that institution.

Mr. Borden has for a long time served as a director for the City National and the fact that his services were available for more intensive work has been recognized.

News of the Omaha Stock Yards



Ak-Sar-Ben Livestock Show Great Success

THE first live stock show given at the new Ak-Sar-Ben den in Omaha, November 3 to 9, and the horse show, given also at the den, November 5 to 9, will be followed annually by similar expositions, the board of governors announced at the conclusion of the exposition. Attendance, while not considerable for the stock show, was large for the horse show features, and cattle breeders, stockmen and farmers generally were found in attendance at the live stock exposition.

Critics of shows ranked the Omaha exposition as one of the best in the country, commenting especially upon the excellent showing of all cattle breeds. Entries came from 17 states, and buyers were rewarded with excellent stock.

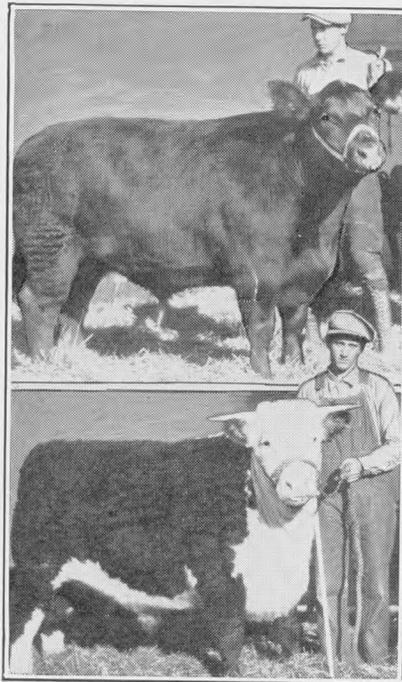
Sponsors of Show

The Omaha Banks, through the Clearing House Association, and the Union Stock Yards Company of Omaha, were among the large sponsors and boosters for the show. The clearing house association awarded a \$2,000 sweepstake prize in the horse show—a trophy that was won by Mrs. W. P. Roth of San Francisco, Cal., for her horse, "Chief of Longview," as the best five gaited horse in the show.

The Stock Yards Company gave a prize of \$1,000 for the best single roadster, and this also was taken by a Roth entry, "My Souvenir."

The banks and packing and commission firms, as well as Omaha merchants, joined in awards for the various classes of live stock.

Praise for the show was given by such veterans as E. A. Cudahy, Jr., of Chicago, who called it outstanding among the expositions in the country,



Two of the pure bred animals that won honors at the Ak-Sar-Ben live stock exhibition in Omaha. Above, Howard Hill, Earlham, Iowa, boy, with his pure bred Aberdeen-Angus, "Black Cap Lad," grand champion of the show. Below, Arland Schmidt, Madison, Nebraska, boy, with "Tunney," reserve champion and Hereford champion. Bankers throughout the middle west sponsor the boys and girls clubs of this type of farm activity.

and said that such an exhibit was a great value to the cattle industry of the United States.

Sir Thomas Lipton, the British tea merchant and sportsman, spent three days at the show, and praised it highly.

One of the most valuable and interesting features was the exhibits of the

various 4-H clubs of boys and girls of Iowa and Nebraska. The two states shared honors in the prize lists, and the boys and girls were able to sell their prize winning stock at large profit.

The show was made possible by the completion of the large new Ak-Sar-Ben coliseum at Sixty-fifth and Center streets, a building with a seating capacity of 10,000—largest in Omaha. This new "den" as it is called, in memory of the famous old den destroyed by fire, was first thrown open to the public at the time of the coronation of the Ak-Sar-Ben king and queen late in October, when Walter W. Head, president of the Omaha National Bank, became king, and Miss Emma Nash, queen.

The exposition building is a large brick and concrete fireproof structure, costing over \$400,000. It is admirably suited to livestock expositions—the primary purpose of its building—and for large conventions. It will be the scene of the weekly meetings of Ak-Sar-Ben next year, when out of town visitors are always welcomed.

Charles R. Gardner, secretary of Ak-Sar-Ben, expressed disappointment that the people of Omaha and Nebraska and Iowa generally, had not realized the significance of the stock show, and had not attended. But the fact that farmers and breeders from a wide radius came to Omaha for the show, was held to be most encouraging.

The second show will be held about the same time in 1929.

Clover Seed in Good Demand

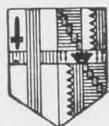
Approximately 20 per cent of the sweet clover seed grown by farmers in southeast Nebraska had been sold on October 1, this year, says the state and federal division of agricultural statistics. In other sweet clover seed states the movement is faster than a year ago, but for the country the

movement is much more sluggish than in 1927.

Two years ago 45 per cent of this seed had left growers' hands on October 1, last year 20 per cent and this year 25 to 30 per cent. In the main producing sections of Minnesota and the Dakotas the average price of \$4.70 per bushel was 10c higher than last year, but compared with a price of \$8.60 two years ago. Quality is reported as good to very good despite damage from rains and frost, and prices have advanced 10c per bushel

this year at the same time that a year ago they declined 20c per bushel.

Nebraska prices this year on the first averaged \$5.45, as compared to \$5.80 in 1927. The 1926 sweet clover acreage in Nebraska was 33,023 acres, producing a total of 129,901 bushels. At that time the total sweet clover acreage in the state was 416,388 acres. The acreage this year in all sweet clover is estimated, according to preliminary information, at more than 450,000 acres.



A Complete Banking Service

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.

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

MIDLAND BANK
LIMITED

HEAD OFFICE: 5 THREADNEEDLE STREET, LONDON, E.C.2

FACILITIES TO MEET ALL BANKING REQUIREMENTS



**FIRST NATIONAL
BANK OF CHICAGO**

Affiliated

**FIRST TRUST AND
SAVINGS BANK**

Resources Exceed
\$450,000,000.00

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

Hogs Trucked From Wyoming

All records for long distance hauling of live stock by truck to the Omaha market, were shattered recently when Ralph B. Hackney of Upton, Wyo., trucked down 10 head of hogs from that place.

Upton is in the neighborhood of 700 miles from Omaha, and this, without a doubt, hangs up a new record for distance. Of the 10 head of hogs, six were sows good enough to bring \$8.25, with the balance butchers that sold at \$9.10.

Mr. Hackney shipped a load of cattle down by railroad, but had some things in mind to take back from Omaha, so decided to drive his truck down and put the hogs in so he could cash in on the trip both ways.

Nebraska Outlook Bright

An unusually successful tour of the southeast and south central sections of Nebraska was completed last month by a group of Lincoln executives and general agents, under the leadership of Maurice A. Hyde, chairman of the insurance subdivision of the Lincoln chamber of commerce. The main idea stressed in the speeches was that insurance in its various forms and activities is the foundation stone of progress and prosperity, and that every human responsibility, all property interests, all credit and all commerce, are stabilized and protected from loss and impairment of insurance, which protects against all hazards.

Mr. Hyde says that a general feeling of optimism was found among the bankers and other insurance men visited. Fire insurance men report an unusually small number of losses the last four months.

Thirty Ways to Figure Interest

(Continued From Page 5)

29 posit for four months or more. Interest on withdrawals charged against the first deposits made during the four calendar months period immediately preceding such withdrawal. Compounded semi-annually. (\$42.54).

30 Deposits go on interest from first of each month on all sums on deposit for four months or more. No interest allowed on withdrawals made during second quarter interest ceases first of month in which withdrawal is made. Compounded semi-annually. (\$42.54).

No man can be happy without a friend, nor be sure of him till he's unhappy.—*Scotch Proverb.*

Hybrid Corn Experiments

Farmers and seed dealers interested in corn breeding work recently gathered on the John Gilmore farm a mile north of Valley, Nebraska, to look over the extension experiments which Mr. Gilmore, a former county extension agent, has conducted this year in co-operation with the agricultural extension service.

Hybrid corn comparisons drew the most attention. Of many crosses planted in the tests, probably two stand out as exceptional. These two have sturdy stalks, the ears are uniform in type and in height on the stalk, and the rows give every indication of a high yield.

Hybrid corn is to the corn grower what a mule is to a livestock man. P. H. Stewart of the extension service told the group. Hybrid corn is a cross between two pure lines of corn. Sometimes the cross is a good one, but often times it only brings out the weakness of the parents. As with cross breeding in livestock, the second generation of hybrid corn is never as good as the first cross, and farmers should always get the first-cross seed in purchasing or using hybrid corn.

D. L. Gross of the extension service spoke briefly regarding the tests on the Gilmore farm with commercial

treatment of seed corn. Corn was picked out of seven different farmers' planter boxes last spring. Treated and untreated samples of each lot was planted and a mixture of all of them was also compared this year. No benefit of the treatments could be noticed by the visitors. Tests in Iowa and Illinois seem to give good results from treatments, but no benefit has ever been noticed in experimental tests in Nebraska. Climatic conditions, deficiencies in the eastern soils, and the prevalence of disease are thought to be the reasons why the treatments give results in the east and not here.

W. H. Brokaw, director of the extension service, was present and took a keen interest in the success that Mr. Gilmore is making on his farm. His corn will make over 70 bushels per acre this year. He puts half of his farm in oats and barley with Hubam clover seeded in it, and the other half in corn each year. He harvests the small grain, gets from 100 to 150 pounds of Hubam seed and a lot of feed from the annual clover, and still has time to fall plow the land for corn the next year. The scheme keeps his entire farm in grain crops continually, and gives him three crops every two years off his land. The farm is in the Platte valley and sub-irrigated.

Another meeting of similar nature was held at the Charles Grau farm near Bennington and another at the George Gramlich farm near Papillion.

THE STATE BANK of Litchfield, Nebraska, was voluntarily turned over to the state department of trade and commerce, October 25, poor crops in the district and slow loans making the move advisable, after attempts to negotiate a merger with the First National bank had failed. No losses are expected. William Saunders was president of the bank, which had a capital of \$25,000.

Forty per cent of the women in the country are working women. The other 60 per cent are working men!

We speak proudly of ambition and we mean aspiration. They are as far apart as self-respect and conceit.

To err is human; to persist in error is devilish.

Power is ever stealing from the many to the few.—*Phillips*.

Every noble work at first seems impossible.



**ARE YOU INTERESTED
IN GETTING
QUICKER RETURNS ON LIVE STOCK
SHIPMENTS!**

WRITE US

LIVE STOCK NATIONAL BANK

Union Stock Yards

OMAHA

BOND INVESTMENTS

Write for Our Attractive List of Carefully Selected Bonds

Central Western Banker, November, 1928

South Dakota News

THE MARSHALL COUNTY Bankers Association was a strong backer of the county 4-H dairy club which placed first at the 1928 state

THE FARMERS AND MERCHANTS State Bank of Herreid has installed a silent watchman on the vault door.

THE FARMERS AND MERCHANTS BANK building at Huron is now decorated with new cast bronze signs.

J. D. MULLANEY has resigned as cashier of the Wentworth Bank at Wentworth, to become adjutant of the American Legion, with headquarters at Watertown. Helen Harrington has been elected cashier to succeed him.

A. W. CARTON was elected vice-president and a member of the board of directors of the Tripp County State Bank at Colome. Jas. H. Bradt was also elected to the board of directors. Both men have been local

residents since the opening of the Rosebud Reservation. On October 31, this bank celebrated the 20th anniversary of its opening. An application has been made for extension of charter.

A. W. POWELL, cashier of the First National Bank of White Rock, recently made a preliminary talk in a meeting addressed by F. W. Murphy at Sisseton. John L. Caldwell, president of this bank, and his wife, are making their home in Wheaton, Minnesota, 12 miles distant.

THE FIRST NATIONAL BANK of Miller is building a 45-ft. addition to its building, which will give them a structure 45x110 feet. They have also the addition of the stairway strip purchased from the owner of the adjoining lot. The banking rooms will use 87 feet of the remodeled building, with commodious private office in front and large vault machine room in the rear. New fixtures and attractive decorations will combine to make this one of the most beautiful and convenient banking offices in the state.

THE NUNDA STATE BANK has redecorated its banking house both outside and inside.

V. S. WHITLEY has resigned as assistant cashier of the State Bank of Gregory.

THE CITIZENS NATIONAL BANK of Watertown and the Clark County National Bank of Clark, have recently installed McClintock vault ventilators.

THE CORN EXCHANGE SAVINGS BANK of Sioux Falls has completed a series of 36 ads run weekly in the Sunday edition of the Sioux Falls Argus-Leader presenting the industrial and civic facts about Sioux Falls. The series began on February 5. This bank has now begun a new series, one each week, to be devoted to presenting the outstanding facts relative to South Dakota. O. V. Meynhaus, president of the bank, states that the

SHORT TERM INVESTMENTS FOR BANKS



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



GENERAL MOTORS ACCEPTANCE CORPORATION

Executive Office • BROADWAY at 57TH ST. • New York City

Capital, Surplus & Undivided
Profits . \$52,156,000



institution has received many appreciative letters relative to this type of advertising and he believes it worthwhile.

BRICK WORK on the building erected by the First National Bank of Beresford was completed last month and work on the interior is in full progress. It is planned to have the building ready for occupancy early in November.

THE COMMERCIAL NATIONAL BANK of Sturgis is enjoying the space added to their building. Several thousand dollars were spent in making additional alterations and improvements. A new vault has been installed.

RUSSELL BARD, cashier of the Hand Co. State Bank of Miller, was low medal player in the second annual Huron Country Club invitation golf tournament on September 30, in competition with 42 golfers from 5 central South Dakota towns. Eight-man team honors went to the Highmore team of which R. J. Drew, cashier of the Bank of Highmore, is a member.

AT THE recent convention of the Indiana Bankers Association, a considerable amount of discussion was given to the interest rate which banks in that state should pay on time deposits. The prevailing rate in that state is 4 per cent. The consensus of opinion seemed to be that this rate is unprofitable and should be reduced to 3 per cent.

ROBERT YOUNG, bookkeeper in the Farmers and Merchants State Bank at Wessington, has been promoted to the position of assistant cashier.

MAX GUTZ was elected assistant cashier of the First National Bank of

Selby at the regular October meeting of the board of directors.

MISS HAZEL TOLLEFSON, daughter of A. I. Tollefson, president of the State Bank of Melette, has been chosen a delegate to the International Livestock Exposition in Chicago in December. She received this trip as a prize for canning and other exhibits displayed in the 4-H section at the recent State Fair in which she won the county championship.

Deposits Increase

Prosperity among residents of Hamlin county, South Dakota, is increasing, to judge by the constant increase of deposits in the banks of the county. The current official reports of the banks show they have aggregate deposits of \$1,220,601.65. This shows a gain of \$375,871.08 over the October 3, 1927 reports, when the aggregate deposits were \$944,730.57.

The reports further show that the increase from June 30, this year, amounted to \$140,933.04. There are seven banks in Hamlin county. The Bryant State Bank leads in deposits with over \$333,000.

In New Home

The Dakota Territory's oldest bank recently merged with the 20-year-old First Loan & Trust Company, will soon occupy a modern new building in Yankton, South Dakota.

First organized in 1871, and chartered on December 12 of the following year, the First National Bank is the pioneer institution of the Dakota territory which at that time included Montana. The First Loan & Trust Company was organized in 1909.

Opening with a capital stock of \$50,000 the new institution has a surplus fund of \$10,000, undivided profits of \$5,000, and building reserve of \$10,000. E. R. Heaton of Yankton and C. W. Boteler of Minneapolis are

president and vice-president respectively of the new concern, the men, taking over the interests of Mr. Heaton's brother, W. E. Heaton. The first officers of the bank when it organized in 1871 were Moses K. Armstrong, president, L. D. Parmers, vice-president, and Mark M. Parmer, cashier, all pioneers of the Dakota territory.

Growth in Deposits

Improvement in the financial condition of local people and farmers of Estelline, South Dakota, is shown by the fact that the deposits in the Farmers' National bank of Estelline steadily are increasing.

The bank was opened for business only last February, and already has deposits of more than 114,000. The bank is in very good condition. Cash on hand due from banks, bonds, registered warrants and commercial paper to the amount of more than \$96,000 is available within 24 hours to take care of the deposits. The bank is being managed very conservatively and extreme care is taken in the matter of making loans of the bank's money.

Visits Denver

Harold Stonier, national educational director of the American Institute of Banking, visited the Denver chapter of the organization recently, for a meeting with officers of Denver banks and the officers of the institute. Stonier is also president of the Pacific Coast Advertising Club and until last November, when he succeeded Stephen L. Miller as director of the educational work for the institute, was vice-president of the University of California. Luncheon at noon with the bank officials and a party at 8:30 p. m. featured Stonier's visit.

Art must anchor in nature, or it is the sport of every breath of folly.

—Hazlitt.

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

Kansas News

Kansas Group Officers

Group One

Chairman, R. W. Ferguson, president Kendall State Bank, alley Falls; secretary, C. T. Gephart, cashier, Citizens State Bank, Valley Falls; member state nominating committee, J. H. Riley, cashier Kansas State Bank, Holton.

Group Two

Chairman, C. N. Emery, chairman of board, Miami County National Bank, Paola; member state nominating committee, F. J. Miller, president First National Bank, Ottawa.

Group Three

Chairman, A. N. Allen, president First National Bank, Chanute; secretary, J. H. Riley, vice-president Bank of Commerce, Chanute; member state nominating committee, N. C. Kerr, cashier, First National Bank, Iola.

Group Four

Chairman, G. H. Bramwell, president First National Bank, Belleville; secretary, A. R. Moss, president Belleville State Bank, Belleville; member state nominating committee, A. J. Troup, cashier First National Bank, Clay Center.

Group Five

Chairman, F. A. Vomiman, president Peoples State Bank, McPherson; member state nominating committee, James Lorton, president Winfield State Bank, Winfield.

Group Six

Chairman, I. B. Parker, president Graham County State Bank, Hill City; secretary, John F. Griffith, cashier Farmers and Merchants Bank, Hill City; member state nominating committee, C. W. Campbell, president First National Bank, Norton.

Group Seven

Chairman, C. O. White, president Farmers National Bank, Stafford; secretary, R. Boyd Wallace, president First State Bank, Stafford; member state nominating committee, C. W. Shinkel, cashier Peoples State Bank, Lyons.

Group Eight

Chairman, E. M. Scott, cashier Valley State Bank, Syracuse; secretary, H. E. Roundtree, cashier First National Bank, Syracuse; member state nominating committee, O. D. Newman, cashier Coates State Bank, Coats.

Kansas group meetings in 1929 will be held at the following places, according to decisions reached at the recent meetings:

Group 1—St. Joseph, Mo. (joint meeting with Group 3 of Missouri association.)

Group 2—Paola.

Group 3—Chanute.

Group 4—Belleville.

Group 5—McPherson.

Group 6—Hill City.

Group 7—Stafford.

Group 8—Syracuse.

Becomes Cashier

With wide experience in banking, ranging over a period of 25 years, Urban Tracey has taken a position as cashier of the Farmers and Merchants Bank at McPherson, Kansas. He succeeds H. L. Austin, who resigned in order to take a position as cashier and manager of the First State Bank of Locus Grove, Okla.

Goes to Garden City

R. N. Wownie, formerly vice-president of the First National Bank of Burlingame, Kas., has recently accepted the same position with the Fidelity State Bank of Garden City. Other officers of the Garden City Bank are: Frank Reed, Jr., vice-president, and G. C. Scherziner, cashier.

The Chase National Bank

of the City of New York

Capital.....\$ 60,000,000.00
Surplus and Profits..... 77,000,000.00

(July 2, 1928)

OFFICERS

Albert H. Wiggin
Chairman of the Board

John McHugh
Chairman of the Executive Committee

Robert L. Clarkson
President

Vice-Presidents

Samuel H. Miller	George E. Warren	Hugh N. Kirkland
Carl J. Schmidlapp	George D. Graves	James H. Gannon
Reeve Schley	Frank O. Roe	William E. Purdy
Sherrill Smith	Harry H. Pond	George H. Saylor
Henry Ollesheimer	Samuel S. Campbell	M. Hadden Howell
Alfred C. Andrews	William E. Lake	Joseph C. Rovensky
Robert I. Barr	Charles A. Sackett	

Vice-President and Cashier

William P. Holly

Second Vice-Presidents

Frederick W. Gehle	Franklin H. Gates	T. Arthur Pytermas
Edwin A. Lee	Arthur M. Aiken	Ambrose E. Impey
Alfred W. Hudson	S. Frederick Telleer	Robert J. Kiesling
James L. Miller	Otis Everett	Lynde Selden
Benjamin E. Smythe	Wm. H. Moorhead	Thomas B. Nichols
Joseph Pulvermacher	Harold L. Van Kleeck	George S. Schaeffer
Leon H. Johnston		

Comptroller
Thomas Ritchie

HOTELS OF HOSPITALITY

OMAHA

Hotel Fontenelle

LINCOLN

Hotel Lincoln

SIOUX CITY

Hotel Martin

CEDAR RAPIDS

Hotel Montrose

SIOUX FALLS

Hotel Carpenter

COUNCIL BLUFFS

Hotel Chieftain

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

MARSHALLTOWN

Hotel Tallcorn

and TEN others

Operated for Your Comfort by

EPPLEY HOTELS COMPANY

Colorado News

Deposits Heavy

Longmont, Colorado, bank deposits are at present the heaviest in years, it is shown in statements issued to the comptroller of currency. The three local banks have a total of \$2,869,000 in deposits. Business conditions in Longmont this fall should be excellent with present large deposits and beet payments of \$1,500,000 to be made in the next two months. The first pay day for beets was November 15.

Elected Assistant Cashier

At the regular meeting of the board of directors of the First National Bank of Montrose, Colorado, James A. Dutcher was elected assistant cashier. The officers of the First National are: T. B. Townsend, president; C. B. Akard, vice-president; T. B. Townsend, Jr., cashier; N. B. Callaway, assistant cashier; James A. Dutcher, assistant cashier.

Install Fighting Equipment

Colorado struck its first real blow against bank robbers recently, accord-

ing to Leonard De Lue, head of the De Lue Detective Agency, when he announced that the first sharpshooter's nest to be installed in a bank this far west is being placed in the First National Bank at Pueblo.

The "nest" will house one expert rifleman, with the necessary "tools," who will be on duty in the nest during all banking hours.

"The bandit who goes into the Pueblo bank just doesn't exist, that's all," said De Lue. "That bank is safe now from robber raids. The safes, wonderful deposit vaults, mighty doors, to protect their money at night, but few of them take any adequate measures to protect it during business hours—when bandits always strike.

Good Condition

Splendid condition of the First National Bank of Gunnison, Colorado, is shown by the financial statement. Total resources are considerably over a million, and as this is but the beginning of the stock shipping season, those figures will be boosted a hund-

red thousand or more within a short time.

In 1929

More than 150 members of the American Bankers Association will visit the San Isabel National Forest region in 1929, according to word received by the Pueblo, Colorado, Commerce club. Mrs. Winifred Ralls, assistant secretary, announces that the club has been asked to work out an itinerary for the bankers. They will be returning from their annual convention in San Francisco and have chosen the San Isabel forest as a stopping-off point on their return trip.

Clearings Increase

A presidential year means prosperity instead of a slump for Denver, figures revealed by the Denver Clearing House for October showed recently.

October was the biggest month Denver has had in 10 years with total clearings of \$193,239,589.23, \$20,962,387.40 more than the clearings for the same month last year. The total is considered remarkable in view of the nearness of the Christmas buying season.

THE BANK STOCK MARKET

Bank Stocks Carrying Positions Handled on a Highly Confidential Basis

BKB—Strong banker, capable of making large investment, can secure presidency of second largest bank in Mid-western city of more than 75,000 population. Bank old, "clean" and in high standing.

HGB—Investment of around \$50,000.00 secures control, carrying presidency of splendid bank in "two bank" county seat town of 2,500 population. Deposits \$750,000.00. Kansas City territory.

WMA—Offers opportunity for young banker of ability to join in purchase of control of well established bank, having \$50,000 capital in good Missouri city of more than 5,000 population.

TPB—Bank in modern county seat town of 4,000 population—cashiership at good salary may be had through purchase of 100 shares of stock, reasonably priced.

MMB—Maximum investment of \$20,000.00 will place satisfactory banker of broad experience in leading executive position in bank with good volume and bright future. One of the best of the smaller cities of Kansas.

MCD—Two positions at good salaries can be secured in money making Oklahoma bank in city around 3,000 population. Stock priced at approximately inventory value. Requires investment of about \$25,000.00.

FLC—Investment of approximately \$25,000.00 acquires holdings of largest stockholder in money making Colorado bank in good county seat town in agriculture and live stock territory. Bank has deposits of \$600,000.00. Stock offered carries presidency at annual salary of \$2,700.00.

HGA—Leading bank in Missouri county seat town desires to secure cashier who has necessary ability to warrant his succeeding to presidency in a few years. Deposits over a half-million dollars. Required investment around \$20,000.00.

SMB—Control of National bank in good central Kansas county seat town, carrying managing position, offered at approximately book value.

MRA—Control of only bank in good western Missouri town offered at about invoice value. Bank has deposits seven and one-half times its combined capital and surplus; makes attractive earnings and pays salary of \$200.00 per month. Cashier makes large earnings from "side lines." Requires \$21,000.00. Large Undivided Profits account should be distributed.

HRB—\$20,000.00 acquires 67 of the 100 shares of splendid western Kansas bank, together with modern residence of cashier. This bank has been an especially good money maker for more than 20 years.

HSA—25 shares of stock in only bank in western Missouri town offered at about invoice value. Deposits about \$125,000.00. Good earning power. Salary, \$1,800.00.

GJB—About \$6,000.00 acquires block of stock carrying cashiership of only bank in eastern Kansas town 15 miles from county seat. Bank earned 17% last year. Salary and side line commissions total around \$3,000.00 per annum.

HBD—Investment of \$9,500.00 secures stock carrying cashiership of profit making bank in central Oklahoma, at salary of \$3,000.00.

HBB—\$13,000.00 buys 61 of the 100 shares of good central Kansas bank in "one bank" town, together with cashier's residence, valued at \$2,500.00. Stock priced about invoice value. Earned 21% last year. Salary \$1,800.00. Annual commissions to cashier about \$1,000.00.

CBA—\$7,700.00 secures stock carrying cashiership of only bank in western Missouri town. Bank earned 12% last year. Salary and commissions about \$1,800.00 per annum.

KOB—\$11,000.00 secures control of only bank in east central Kansas town. Salary \$1,800.00. Commissions about \$600.00. Reasonable return on investment.

For Further Data on Above, as Well as for Information on Many Other Offerings not Here Shown, Address

BANKERS BROKERAGE COMPANY

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

919 Baltimore Avenue

Kansas City, Missouri

Protecting Your Bank Against Excessive Taxation

(Continued from Page 12)

den of corporations is such and such a percentage of income. Then that percentage of its own income is the measure and amount of the tax each Massachusetts national bank will pay. It works out now about 5½ per cent.

How could a tax measured by income, and called an excise, be valid in Nebraska when a tax directly upon income would be unconstitutional? Probably I shouldn't take time to explain now. It involves a technical legal point, but some of the ablest lawyers in the United States, including one here in Omaha, have assured me that the excise would be valid in all the states where the legislatures have tax classification powers, except California, Utah and Kansas. And California will vote upon the necessary amendment to her constitution next month.

Can't Stand Pat

Bankers can't stand pat. If they do Nebraska banks will be swept back into the old general property tax, which so long penalized capital, discouraged surplus and prompted bank failures. Worse than that, stand pat and one of the Norbeck or Goodwin bills will pass—and you could not blame a Congress, that, if the banks stood in the way of any change in their state laws that would permit real tax reform, and give the banks the excise and justice—you could not then blame a Congress that should refuse longer to hold the State Tax Commissioners back. Then what? You know where the state and local tax-gatherers have been wont to look when they needed maney—they have looked to you. Can anyone doubt that, with the protection of Section 5219 gone, they would try to amend state constitutions so as to make the separate classification of banks for taxation at any rate the states, cities, school districts and all might see fit to impose? And, if the laws of Congress did not prevent, would it be too difficult to pass such an amendment over the objection of only the banks? I am afraid that in my state it would not. I don't know how you feel about branch banking, but I put it to you whether, after an amendment like that, independent banks could make

enough money to pay taxes and dividends both.

But the bankers are not standing pat. All over this country they are organizing taxation higher on their shares than on competing moneyed capital, or higher on their incomes than on the incomes of other corporations. It is the hardest fight in Congress the bankers have ever faced. There has been organized a voluntary association called the Association of States on Bank Taxation. Able men are in it, men who know politics and can argue plausibly. It is not too early, now, for the bankers here to take the matter up with Senators and Congressmen and candidates, and ask that they see to it that the laws that for 64 years has safeguarded national and consequently state banks too, be kept on the statute books without any change in its requirement that moneyed capital invested in bank shares shall be taxed without adverse discrimination. I ask you to do this now, and to follow up with letters or talks after election, and to keep busy on the same line right through this Congress and the next. Taxation is a big part of a bank's budget, and controllable only if when we have a safeguarding law we keep it. And bankers are studying taxation and serving on commissions that will frame systems in harmony with modern life.

The situation has two points of danger for Nebraska banks. In your defense keep in mind these two objectives, the excise at home, Section 5219 saved in Washington. It is thus, and only thus, that you can safeguard your banks against excessive taxation.

Worth the Price

Sandy had been courting the fair Jean for two years. One evening after Sandy had been silent for some twenty minutes Jean murmured—"A penny for your thoughts, Sandy."

"Weel," replied Sandy, with sudden boldness, "I was thinkin' I'd like tae kiss ye, lassie."

Jean blushed happily as this operation took place, but Sandy once again fell silent.

"An' what are ye thinkin' about noo?" asked the girl hopefully. "Another?"

"Na, lassie; it's muir serious this time. I was just wonderin' when ye were goin' tae pay me that penny for ma thochts."

Chicago, the Mecca for Livestock Growers

(Continued from Page 6)

individuals in the many different divisions of the show. Distance is not a factor, in as much as for the fourth time, Walter Biggar, of Dalbeattie, Scotland, is to cross the Atlantic for the express purpose of tying the ribbons on the fat bullocks at the International.

Foreign Judges Sought

Popular opinion is that the work of picking the best steers in this huge display of fat stock (always a difficult matter) has never been more faultlessly performed than by this Scottish judge. His services are therefore being again drafted for the coming event. An Argentinian, Mr. Martinez de Hoz, will make the trip to Chicago from Buenos Aires on a special mission to judge the Shorthorn breed of cattle, and one other foreign judge, W. A. Dryden, of Brooklin, Ontario, will serve on the committee judging Aberdeen-Angus cattle.

Chief among other leading features of the exposition are the price soaring, record breaking auctions of fat cattle that follow the judging in these classes. Auctions of the choicest of bullocks, up to the number of about 2,500 head, are on the docket. Bids of \$45 to 55 a hundred weight on car-load winners, and \$3.60 a pound on steer champions, have been received in these sales.

Until the spot-lighting of the dressed carcass upon the block, showing its relation to the animal on the hoof, the public was more or less uninformed as to the character and quality of the different meat grades. However, after the institution of the first Meat Shoppe at the International Live Stock Exposition in 1924, visitors to this great exhibition have carried away with them a vivid impression as to how the dressed and final form of championship beef appears.

The educational value, therefore, of "The Meat Shoppe" exhibit is not to be over-estimated, clarifying, as it does, for most every one who sees it, a subject that but few knew anything about—that is, the ability to select and distinguish between the many different kinds and cuts of meat that face the buyer over the butcher's counter.

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THE Continental National Bank and Trust Company and the Illinois Merchants Trust Company soon will be consolidated as the Continental Illinois Bank and Trust Company. The consolidated bank will have capital of 75 million dollars, surplus of 65 million and reserves of 10 million. Deposits will be approximately 900 million and resources will exceed one billion. George M. Reynolds will be chairman of the executive committee. Arthur Reynolds will be chairman of the board. Eugene M. Stevens will be president. Correspondents of both banks will be able to transact their business at the consolidated bank with officers who are now serving them. The united bank will have direct relations with more banks in the United States than any other bank, and its foreign bank connections will run into the thousands. It is planned that the consolidated bank will be a member of the Federal Reserve System. Affiliated with the consolidated bank will be an investment securities company—the Continental Illinois Company. It will have a capitalization of 20 million dollars

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