WHAT ABOUT 1929?
In 1860 Julia Dean Hayne starred in the first theatrical performance in Omaha. It was given in the dining room of the old Herndon House.

The Potter Theater was opened in 1860 on the southeast corner of Fourteenth and Douglas Streets. The first pretentious playhouse was the Boyd Opera House, built at Fifteenth and Farnam in 1881.

The First National Bank in Omaha was started in 1857 as Kountze Brothers. It has had business relations with some of its correspondent banks for nearly three-fourths of a century.
CORN STALK PAPER was the kind George Starring, secretary of the South Dakota Bankers Association, used to send his New Year’s greetings to his association. This paper is now available in all qualities, from cheap wrapping to the finest book. Mr. Starring says “it sounds like a pipe dream, but you can almost believe anything nowadays.”

THE DIVISION OF research and statistics of the Federal Reserve Bank of Chicago, co-operating with the Wisconsin State Banking Department, has completed a special study of earnings and expenses of banks in Wisconsin during the year 1927. Data from 710 banks were included, and the findings should prove of great interest to bankers in general.

AN ANNOUNCEMENT comes from William C. Potter, president of the Guaranty Trust Company of New York, that in addition to the present salaries, employes (not officers) of the company and its affiliated organizations will receive further compensation equal to eight and one third per cent of the total salary paid to them during 1928.

CONTINUING his optimistic viewpoint of general business conditions, W. F. Whitinger, secretary of commerce for the United States, sees further commercial gains for the coming year. Factors in the situation, he says, are more efficient production and distribution, smaller accumulation of stocks, and confidence in the stability of business.

PROVIDING ADDITIONAL storage facilities for 1,500,000 bushels of grain, the Red Star Milling Company of Wichita, Kansas, is planning the construction of a new elevator at Wichita. This will give General Mills, Inc., of which the Red Star is a subsidiary, total capacity of 4,500,000 bushels storage.

THE FIRST WISCONSIN National Bank of Milwaukee, in a recent bulletin, states that 1928 “has been about as big a year in volume of business and earnings as the country has enjoyed since depression began to give way to prosperity in 1922.”

A SUDDEN ATTACK of appendicitis, from the necessary operation for which he never recovered, caused the recent death of Charles A. Hinsch, president of the Fifth-Third Union Trust Company of Cincinnati. Mr. Hinsch had been an active participant in all movements for the upbuilding of the city’s financial, industrial and civic interests.

EVEN THOUGH REPORTING the greatest resources of national banks on record, Mr. Pole, Comptroller of the Currency, recommends to Congress that they retain laws designed to safeguard national banks from excessive taxation. He says that bills to amend present laws relating to taxation of national banks by states would remove safeguards which have existed for sixty-four years.

A DISTINCT LOSS to Eastern Iowa and the city of Clinton will be felt by the passing of Alfred G. Smith, chairman of the board of the City National Bank of Clinton. Mr. Smith was 87 at the time of his death, and for many years was regarded as Clinton’s outstanding citizen in business and philanthropy.

COL. LEONARD P. AYRES, vice-president of the Cleveland Trust Company, in a recent address before the Cleveland Chamber of Commerce, predicts that the early part of 1929 will be prosperous from every angle, but that the latter part of the year, from possibly October on, would show a slowing up in business.

A SURVEY made public recently by the Chain Store Research Bureau reveals that chain-store sales during 1928 reached the huge total of $75,046,675,000. This represents a per capita...
A GIFT inter vivos, as its name imports, is a gift between the living. It is a contract which takes place by the mutual consent of the given, who divests himself of the thing given in order to transmit the title of it to the donee gratuitously, and the donee, who accepts and acquires the legal title to it. It operates, if at all, in the donor's lifetime, immediately and irrevocably; it is a gift executed; no further act of parties, no contingency of death, or otherwise, is needed to give it effect.

It is often that a person desiring to make a gift to a relative or a dear friend will, while living, place a sum of money on deposit in a bank to the credit of another person without giving any notice to the donee of the gift.

Does It Establish Title?

Does this manner of making a gift establish title in the donee?

For instance, a deposit is made by a father in the name of his son in a savings account in a bank. The son had no knowledge of the fact and the father retained possession of the pass book. About a week after the death of the father, when the children were looking through his personal effects, they discovered the pass book among his papers. This was the first information of the gift.

To establish a valid gift inter vivos, there must be a donor competent to make it, and an intention on his part to make it; a donee capable of taking a gift; the gift must be complete with nothing left undone; the property must be delivered by the donor, must be accepted by the donee, must go into immediate and absolute effect, must be gratuitous, and, in the case of gifts inter vivos, must be irrevocable.

Does the mere fact a person deposited his own money in a bank in the name of another, afford sufficient evidence that by so doing, he intended to give the money to the other, or that he parted with his title to it, or vested its title irrevocably in the other, or that the other accepted it as a gift.

It would seem difficult to conclude that there has been acceptance of a gift by a donee who has no knowledge at all of the transaction. It would seem difficult to infer from the mere fact that a person deposits his money

Would Defeat Its Purpose

"To infer a gift from the form of the deposit alone, would, in a majority of cases, and especially where the deposit was of any considerable amount, impute an intention which never existed, and defeat the real purpose of the depositor."
What About 1929?

What about 1929? Are there any dark clouds on the business horizon? Does it appear that prosperity will, during the new year, be spelled with capital letters, or in small type?

Generally speaking, financial and business leaders of the nation predict for 1929 steady business growth and prosperity. How they have arrived at these conclusions is explained as follows:

C. ADDISON HARRIS, JR., president, Franklin Trust Company, Philadelphia:

"Now that we are assured a businesslike and understanding administration of governmental affairs and to an extent the continuation of certain Coolidge policies in Washington during the next four years, it would seem that American business may view with solid confidence that which the year 1929 may bring forth.

"Business conditions throughout the United States are generally good, and with the added impetus that comes with increasing confidence, these conditions should continue.

"Our credit situation is sound, in fact, the unusual demands of 1928 have even strained our facilities and while the Federal Reserve Banks have very wisely adopted certain measures designed to be restrictive, they were purely precautionary and not brought about by actual necessity.

"We must remember that great wealth has been accumulated in our country during the past ten years. Due to efficient management many large corporations have amassed great surpluses that practically enable them to finance themselves. This has been a helpful factor in stabilizing the credit situation. Growing profits have made available larger funds for investment and it is quite likely that we shall, in the future, witness a further extension of the investment trust idea."

THE GUARANTY TRUST CO. of New York:

"The general business situation at the close of 1928 is distinctly encouraging, and fully warrants the expectation that the coming year will witness a continuance of the prosperity that the country has enjoyed for some time. Seldom have basic conditions in industry and trade been so favorable after such a prolonged period of high activity.

"This optimistic interpretation of present conditions must, however, be immediately qualified by a word as to the situation in financial markets.

"The decline in stock prices early this month has been followed by a renewed bidding-up of shares, although the present movement is not so violent or so broad in scope as those of recent months. The advent of a comparatively high level of money rates has placed the position of the stock market in an entirely new light; and the speculative mania, which continued unchecked, virtually throughout the year, has been regarded with growing concern. The resumption of the advance demonstrates in a very impressive way the strength of the factors contributing to the present market situation, but it also emphasizes the importance of possible further readjustments as elements in the general business outlook."

HARRIS CREECH, president, Cleveland Trust Co.:

"As we analyze the happenings of the past year, we find there is no evidence that commodity prices are inflated. The great industries of the
country have shown a larger volume of business than in any previous peace-time year. Railroad earnings continue high; the steel industry reports the largest production and earnings since war years, and export trade has been unusually large. Building has suffered somewhat, due to the high cost of finance, but, nevertheless, has shown an increase over last year.

"The volume of securities handled by the New York Stock Exchange has exceeded any other year and has shown a phenomenal expansion. Ultimately, however, the price readjustment must take place and securities will sell more upon an earning basis than on future values. The large loans made for corporations and individuals will eventually find their way back into the productive channels of industry and business. The financial structure of this country is strongly entrenched and will not be shaken by a reduction in values of speculative securities. There is ample credit and interest rates should return to a more normal basis next year. It is clearly evident that fundamental business factors are sound and on a more solid foundation than ever before."

CONTINENTAL NATIONAL BANK & TRUST CO., Chicago:

"We've been positive in stating that there will be no depression in 1929, for the reason that current facts do not fit in with the tests. That is to say, commodity prices haven't risen sharply, costs aren't out of hand, labor isn't inefficient and inventories haven't been piling up dangerously. Money is firm, but there's been no credit shortage for business and none is in prospect. An unprecedented speculative demand didn't deprive business of funds. There's room for credit expansion in the Reserve Banks—a slack that won't be completely taken up for some time."

(Continued on Page 22)

Bank of America and Central Trust Company Merge

Under the plan agreed on by the directors, the consolidated bank will keep the name of the Central Trust company of Illinois and will have capital stock of $10,500,000, of which $8,000,000 is represented by the present outstanding capital stock of the Central Trust Company. The stock of the Bank of America will be represented by outstanding stock valued at $2,500,000. The new stock of the merged banks will be issued to Bank of America stockholders on a share for share basis.

The officers of both banks expect that at the time the consolidation will be effective the book value of the stocks of both institutions will be substantially the same. Total assets of the consolidated bank will be around $160,000,000, including deposits of about $133,000,000 and combined capital, surplus and undivided profits of approximately $21,000,000. The stockholders of the Bank of America will be given the privilege of purchasing at asset value shares of the Central Securities Corporation, the Central Trust Company's investment subsidiary.

Dawes to Head Board.

Charles G. Dawes, retiring vice-president of the United States, will become chairman of the board of directors of the new bank after March 4, when the Hoover administration is inaugurated. M. E. Greenebaum, now chairman of the board of the Bank of America, will be vice-chairman of the board, and C. Howard Marfield, president of the Bank of America, will take the office of chairman of the executive committee.

M. E. GREENEBAUM

ACQUISITION of the Bank of America of Chicago, by the Central Trust Company of Illinois, was agreed on by the directors of both institutions at special meetings held last month. The plan will give another super banking organization to Chicago, and will mark a further advance in the importance of the city as the financial capital of the middle west.

The stockholders of both banks will be called to act on the proposal at meetings to be held, probably during the first week of January. When completed, the merger will result in a bank having total cash resources of around $26,157,000, and total deposits of nearly 93 million dollars.

C. HOWARD MARFIELD

Joseph E. Otis, president of the Central Trust, will remain president and chief executive officer.

The Greenebaum Investment Company, investment subsidiary of the Bank of America, will remain in existence, not figuring in the consolidation. After the merger is effective, the enlarged bank will move into the quarters of the Continental National Bank and Trust Company, which recently merged with the Illinois Merchants Trust Company. The Greenebaum investment business will be expanded, according to W. J. Greenebaum, president, and will occupy the entire banking floor of the Bank of America building.

Central Western Banker, January, 1929
CARTOONS OF THE MONTH

Wonder what will become of the White House pet?
— Orr in the Chicago Tribune.

How John Bull will hate to move over!
— Morris for the George Matthew Adams Service.

Every man for himself and the devil take the hindmost!
— North in the Washington Post.

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Central Western Banker, January, 1929
Getting Out From Under Guaranty

In ITS usual form, bank deposit guaranty legislation is an attempt to apply the principles of insurance to banking. It aims to provide a mutual fund with which to reimburse depositors in the event of failures, such fund to be deposited by fixed contributions from state banks.

At the present time, a bank guaranty system is effective in only two states, Nebraska and Mississippi. A brief description of the type of laws in each state and how they have been discarded, is given in the January issue of "Commerce Monthly," published by the National Bank of Commerce, New York. Eliminating the experiences of South Dakota, Texas and Kansas, already described in previous issues of the Central Western Banker, here is the status quo of the other states, as described in "Commerce Monthly".

Washington

"By an interesting coincidence, Washington, the latest state to enact a bank depositors' guaranty law, was the first state to witness the collapse of the plan. The Washington system, inaugurated in March, 1917, went out of existence in 1921.

"From March, 1917, until the end of June, 1921, no failures occurred among guaranteed banks in the state of Washington. On June 30, 1921, 20 banks with guaranteed deposits aggregating 71 million dollars were members of the system. With two exceptions, these members were small banks having total deposits of less than two million dollars each. The exceptions were banks with total deposits, late in 1920, of over 15 millions and 11 millions.

"On July 1, 1921, the larger of these banks, with guaranteed deposits totaling almost 8½ millions failed. This completely broke down the guaranty system in the State of Washington. By the end of 1921, every bank had withdrawn from the system.

"The liquidation of this bank was not completed until 1927. Between cash payments from the guaranty fund and the amounts realized from the liquidation of assets, depositors were eventually reimbursed to the extent of 85 per cent of their claims without interest.

Oklahoma

"Less than a year after the scheme of bank deposit guaranty was abandoned in Washington, the state of Oklahoma was constrained to repeal her own guaranty law, and the oldest of the systems went into oblivion after 15 years' operation.

"The guaranty law in Oklahoma went into effect early in 1908. During the first seven years of the law, the fund ran heavily into debt on account of bank failures, but better conditions thereafter left the fund with a surplus at the end of 1920. "At this juncture the picture ab-

In previous issues of the CENTRAL WESTERN BANKER of Omaha, have appeared articles dealing with the outcome of the guaranty of bank deposits laws in South Dakota, Texas and Kansas, with special stress on how the systems have broken down and how banks have been able to get out from under the difficulties brought about by such laws. The article on this page summarizes briefly the experiences of the other states that have experimented with the guaranty idea. — Editor's Note.

Mississippi

"In the case of the two remaining guaranty fund states, Mississippi and Nebraska, the funds, while not in a state of bankruptcy, may be said to be in serious condition.

"The Mississippi system went into operation about the middle of 1915. Reliable data on the progress of the fund is not readily available. During the first ten years' operation of the law, 28 banks failed, the majority during 1921-22.

"At the end of June, 1925, the Mississippi fund presented none too good a picture. About 1¾ millions had been paid out to depositors since the guaranty plan went into operation. Over 1.5 millions had been collected in assessments and over $425,000 had been realized from liquidating the assets of failed banks, leaving less than $340,000 as cash on hand. Nearly two million dollars worth of unpaid claims were outstanding, which, it was estimated, could not be paid off from future assessments and liquidations before 1935, if no further failures should occur. "In the two years ended June, 1927, eight banks failed."

Central Western Banker, January, 1929
Are Your Call Loans Safe?

Does the credit situation contain factors that lessen the safety and liquidity of the call loan market?

By R. W. Moorhead
Editor

Great changes in the interests represented in the call loan market have taken place the past two years. In January, 1926, nearly 75 per cent of all loans to brokers were being made by New York banks for themselves and correspondents. At the present time, New York banks and their correspondents now account for less than half the total loans to brokers.

Looking first at the dark side of the picture, some financial students see in this trend a desire on the part of New York banks to "get out from under," that is, an unwillingness on the part of the banks to stay involved in a credit situation over which they do not have control. A pessimistic view of the situation is taken by E. C. Harwood, in a recent issue of the "Analyst," who concludes that "with the relative decline in loans made by New York banks, has come a definite decrease in responsibility. Formerly these institutions must perform pull everyone's 'chestnuts out of the fire' in order to save their own. This is no longer the case. In the absence of concentration of responsibility everybody's job is anybody's job. Unless some czar of finance be appointed on the eve of any financial trouble, it is quite unlikely that concerted action for the best interests of all concerned will result."

The majority of bankers and students of finance, however, do not see cause for alarm in the situation. The short-run stability of loans for "account of others" is commented upon by Benjamin A. Anderson, Jr., economist for the Chase National Bank of New York, in a recent address in which he said in part:

"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 market or 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 suddenly and capricious withdrawal of large blocks of money by these private lenders would make real difficulties.

Central Western Banker, January, 1929
“I do not, however, believe that there will 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 any number of 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 as such a price as would constitute an easy money market.”

Greater Margins Required

Although admitting that by holding a minority instead of a majority of the call loan volume, banks thus do not hold the same responsibility for stabilizing the market, Walter W. Head, president of the Omaha National Bank, former president of the A. B. A., points out that call demanders, the minority reports are drowned by the majority of others’ tend to protect and market still cushion in time of financial storm and stress. When call loans made by banks are a minority of the total the incentive to protect and market still exists, but not in the same degree. The responsibility for unwarranted advances and for unjustified declines is widely scattered and, therefore, is not as effective.

“Most banks which make call loans today now demand greater margins than was formerly customary. In addition, they frequently fix an arbitrary ‘loan value’ upon stocks used as collateral which is considerably below the immediate market. This tends to protect them and to protect their bank customers, but it does not to the same degree protect the general market.”

May Loan With Safety

A bank may with safety make loans direct, necessitating their placing such loans to the various stock exchange houses, or through participations in loans negotiated by such correspondents. Through this method, then, appears that the out of town banks must rely upon their correspondent banks, through which they place their loans and be satisfied that such correspondents will give these loans the same care and attention that they give to loans made for their own account.

“Assuming that the call loans are placed through an old established, responsible bank which does not hesitate to loan its own funds to stock exchange firms and against securities dealt in on the exchange, where must we look for the factor of safety?

“1st. To the everlasting vigilance of the loan department of the correspondent, which will insist that at all times a margin of at least 25 per cent in listed securities be maintained, and in cases of the more volatile stocks, that the margin be more liberal. I feel that a correspondent bank may be selected whose experience with such loans is very good, and which can be relied upon to give loans for out of town banks the very best of attention.

“2nd. To the fact that the safety of the call lies also in its liquid character and the breadth of the market, brought about by the advertising (Continued on Page 34)
First National and Union Trust Merge

is assigned as the main reason for the merger, but in addition it is designed to effect economics and to open up possibilities of financial efficiency.

As the institution is a concentrated banking power, it is potentially of greater weight relative to other American and foreign institutions than mere statements of capital and deposits indicate, because the larger banks elsewhere operate extensive chains of branch banks.

The general plan is announced by the senior officers of the two banks as follows:

"In order to more nearly equalize the respective book values of the First National Bank and the Union Trust Company, the First National Bank will, prior to the consolidation, increase its stock by the issuance of a 33 1-3 per cent stock dividend to its present stockholders, thus increasing the capital of the First National Bank from $15,000,000 to $20,000,000. Thereupon the commercial banking business of the Union Trust Company will be consolidated with that of the First National Bank of Chicago, which bank will issue $4,000,000 of stock in exchange for the total outstanding capital of the Union Trust Company, of like amount.

"After the Union Trust Company stockholders have become the holders of $4,000,000 of stock in the First National Bank the latter will issue to all its then stockholders $1,000,000 of new stock to be sold at $600 a share pro rata, according to their holdings. The premium on the $1,000,000 of stock thus sold, amounting to $5,000,000, will be used to increase the capital of the First Chicago corporation, which has full legal power to buy, sell and hold securities of all kinds.

"It is contemplated that the name of the First Trust and Savings Bank will be changed to the First Union Trust and Savings bank, or a name similar thereto. It will, under state charter, continue the trust, savings, bond and real estate loan business now conducted by the Union Trust Company and the First Trust and Savings Bank and be the legal successor to both these banks. The stock of the First Union Trust and Savings Bank, together with the stock of the First Chicago Corporation, will continue to be held for the benefit of the stockholders of the First National Bank, including of course, those stockholders of the Union Trust Company who became stockholders of the First National Bank as a result of the consolidation. The commercial banking business of all three banks will be conducted by the enlarged First National Bank of Chicago, operating under a Federal charter.

"After the proposed consolidation is effected, senior officers will recommend that the initial dividend on the increased stock of the First National Bank be at the rate of $18.00 per share a year, including therein any dividends distributed in respect to the stock of the First Union Trust and Savings...
Bank or the First Chicago Corporation.

“All the directors of the present Union Trust Company will be elected directors of the First National Bank of Chicago.

“F. O. Wetmore and F. H. Rawson will be co-chairmen of the consolidated bank. This double chairmanship is believed to be unique in banking history, although it is a type of executive leadership well known in affairs of state and in other corporate institutions. H. A. Wheeler will be vice-chairman; M. A. Traylor, president. C. B. Hazlewood, president of the American Bankers Association, and vice-president of the Union Trust Company, and B. G. McCloud, vice-president, will be elected vice-presidents of the First National Bank. These officers, together with Edward E. Brown and John P. Oleson, vice-presidents of the First National, will complete the general staff. C. R. Holden, vice-president and general counsel of the Union Trust Company, will become vice-president of both the First National and the First Union Trust and Savings Bank. All other Union Trust Company officers will be placed in similar positions in the consolidated bank to those they now hold with proper titles.

“This consolidation, resulting in a larger capitalization, will enable the consolidated bank to benefit greatly all its customers and clients, through not only the increased loaning power, but the increased facilities in every other way. They will continue to do their business with the same officers they have heretofore come in contact with, and in addition will be brought into touch with many other officers of the consolidated bank so that each and every customer will not only maintain his old contacts, but will have other valuable ones added thereto.

“The Union Trust Company will give up its present banking office, which will be disposed of at the earliest favorable opportunity.”

Combination of the last published statements of all three of the institutions affected by the present merger gives an indication of the business and resources with which the new bank begins its work.

As of October 3, 1928, the total deposits were $491,027,141.36, an aggregate exceeded by only two American banks outside of New York City, and by six in New York. Total assets as of October 3 were $584,935,808.19. The combined loans and discounts of the institutions amounted to $396,161,432.37. They held $30,314,294.60 of U.S. securities and $42,497,790.94 of other bonds and securities. Cash and money due from banks aggregate $100,043,531.07. The buildings, leaseholds and vaults were carried at $9,552,359.87. Customer’s liability on letters of credit and acceptances amounted to $5,488,324.02, other assets $878,075.32. In the liabilities of $584,935,808.19 were included capital, surplus and undivided profits of $69,498,729.97.

Death or Jail

The Colorado Bankers Association will introduce a bill in the coming assembly, to make the holding up of any person at the point of a gun an offense punishable by death or imprisonment for life. The association is of the opinion that some drastic measures should be taken to stop at least part of the holdups which are becoming so frequent. The original intention of the bankers was to protect banking institutions, but the bill will probably be made broad enough to cover any holding up of the nature mentioned.

Common fame is to every man only what he himself commonly hears.—Johnson.

Your Bank and the Coming Year

Each new year brings many changes; some planned; some the natural results of growth.

Each year brings to us additional numbers of banks attracted by the painstaking service rendered to all correspondents.

Your business is invited

THE NORTHERN TRUST COMPANY

CHICAGO

In the Heart of the Financial District

Northwest Corner LaSalle & Monroe Sts.
ONE bank out of every six in the United States is a correspondent of the Continental. And after the Illinois Merchants and the Continental are consolidated as the Continental Illinois Bank and Trust Company, the united bank will have an even larger network of correspondent connections—thus making available to each correspondent a greater system for transit and collection items and providing access to still wider sources of credit information. Invested capital of 150 million dollars and resources of a billion and more, in themselves, indicate the strength the united bank will have. As to foreign banking service—there will be direct banking contacts with every city of business importance in the civilized world. Investment facilities will be enlarged by the formation of an affiliated investment company with capitalization of 20 million dollars. But the size of the consolidated bank in no way will alter present relationships with correspondents. It will have a flexible official organization enabling correspondents to continue to transact business with old friends.
Becomes President of Chicago Bank

WALTER W. HEAD, formerly president of the Omaha National Bank, Omaha, Neb., and former president of the American Bankers Association, has been elected president of the State Bank of Chicago; Walter J. Cox was elected executive vice-president; Oscar H. Haugan was elevated to the chairmanship of the board; and Leroy A. Goddard, formerly chairman of the executive committee, was made vice-chairman of the board. Their election was made following the election of a greatly augmented board of directors at the annual meeting of stockholders.

Mr. Head, it was said, will divide his time between Omaha and Chicago, as the Omaha National Bank has made him chairman of the board of directors. There was no chairman, the post having been abolished a few years ago, but it was restored by the directors at Mr. Head's suggestion.

W. Dale Clark, who has been executive vice-president of the Omaha National Bank, succeeds Mr. Head as president. Mr. Clark, at 36, is head of the largest bank in Nebraska, and is the youngest man ever to hold presidency of a large Omaha bank.

Other changes in the official family of the State Bank are as follows: C. Ray Phillips, formerly assistant cashier of the Illinois Merchants Trust Company, was elected vice-president; Samuel E. Knight, former secretary of the bank, and William C. Miller, former trust officer, also were given the title of vice-president; Gaylord S. Morse, Thomas G. Johnson, Joseph F. Noetheis, formerly assistant cashiers, were elevated to second vice-presidencies; Tryggve A. Siqueland, manager of the Foreign Department, was made a second vice-president, as was Jevne Haugan; Frank W. Delves, formerly assistant cashier, was made cashier; Karl L. Bock and D. E. McClure were promoted from clerkships to assistant cashiers; Edwin C. Crawford, formerly assistant secretary, was made secretary and A. S. Thorwaldsen and Earle L. Harrah were made assistant secretaries.

Mr. Head's election brings to Chicago a banker of broad experience and of national reputation. Mr. Head was born in Adrian, Ill., Dec. 18, 1877. He received a normal school and business college education, and for two years was principal of public schools in DeKalb, Mo. In 1903 he became cashier of the DeKalb State Bank. From 1906 to 1908 he was State and National examiner, leaving this work to accept the cashiership of the American National Bank of St. Joseph, Mo., where he remained nine years.

In 1917 he was elected vice-president of the Omaha National Bank, and three years later became its president. He was a member of the Nebraska State Capitol Commission, which had charge of the erection of the new state capitol. During the World War he was Major, Omaha Battalion, Nebraska H. G. He is a member of the board of directors of the International

Planning the next generation's telephone service

TELEPHONE plant must be planned years in advance of the demand for telephone service. Giant switchboards that will serve 10,000 or more lines take many months to build and place in use. Sites for new buildings must be purchased, central offices erected, underground cables laid, aerial lines built, telephone instruments manufactured, to provide for the 80,000 additional telephones connected annually to the Bell System.

Vital Facts for Investors About American Telephone and Telegraph Company Stock

Back of this stock is a capital investment of more than three and a quarter billion dollars. In 1928, eighty-five million dollars was expended by the Bell System for central office equipment, one hundred and seventy million for aerial and underground lines, and another hundred million for subscribers' telephone equipment and private branch exchanges. The Bell System is constantly expanding. Between 1912 and 1917, 3,083,000 telephones were added to it; between 1917 and 1922, 3,510,000 telephones; between 1922 and 1927, 4,315,000 telephones. And this growth is continuing at the rate of more than 2,000 telephones a day. May we send you a copy of our booklet, "Some Financial Facts"?

BELL TELEPHONE SECURITIES CO., INC.

195 Broadway New York City

Central Western Banker, January, 1929
Credit is usually tied up with two principal conditions or factors, namely, "ability to pay" and "willingness to pay." The latter is often dependent upon the character of the individual people, although ability to pay usually plays an important part in the degree of willingness to pay. In times of emergencies, the inability to pay overcomes willingness to pay, notwithstanding the character and type of people. I have in mind, particularly, two illustrations bearing upon this situation. When the Erie Canal was opened in the United States in 1825, the economic benefits to the state of New York were such that other states in the country wished to have canals and turnpikes, and pledged their credit in order to have them built. Consequently, we had an intense land speculation, culminating in the Panic of 1837, and some of our good Anglo-Saxon, American states, defaulted on their obligations. The readjustment in the economic situation was so strong that it created an inability to pay. The other parallel of this is the development in the Argentine in the wake of the heavy investment of British capital, when it constructed its railway line radiating fan-shape from Buenos Aires over the rich plains region. This all collapsed in 1890, bringing about the failure of the great English banking firm of Baring Brothers, and caused a general default on practically all classes of securities in the Argentine. I cannot help but believe, as far as the type and character of Argentine people are concerned, but that they had a willingness to pay their debts, but the changes in the economic situation were so striking as to cause a complete change in the ability of these people to meet their obligations.

I particularly wish to center our attention upon some of the principal elements in the foreign situation which deal primarily with this important quality of ability to pay as affecting general credit position.

The first important situation I wish to call to your attention is the fact that the financial house has been placed in better order.

Financial House Cleaning
Marked progress has been made towards currency stabilization. France has returned to a gold basis with the gold value of the franc. Counting the foreign bills and foreign credits held by the Bank of France in with its existing gold reserve, the Bank of France has about 79 per cent of assets against notes in circulation. We have had in the last year or so, stabilization loans in Bulgaria, Greece and Poland, England, Holland, Switzerland, Sweden, Denmark and Norway returned to their pre-war parity of currency; and many of the other countries that have stabilized have returned to a gold basis and have reduced the value of their currency unit. As an actual matter of fact, most of the countries of Europe have returned to either a stable exchange or actual gold basis. We have left today Roumania and Spain, and there have been discussions initiated by the Bank of France regarding stabilization in Roumania. In South America, we might say that Peru and Brazil, for the time being, are off the gold basis, but the latter, however, has today stable exchange with the general tendency towards either a gold basis or an improved stability of exchange through the issuance of convertible notes. Peru’s currency has not returned to a definite conversion of gold, although the Reserve Bank of Peru has 88 per cent of gold, which is a substantial basis for the return to the gold standard.

You naturally ask the question: From a credit point of view what significance should be given to currency stabilization? It means better relations for world trade and perhaps most important, a return of confidence for capital. Foreign capital regains confidence for investment in the country and above the domestic capital of the particular country which had left the country during the period that it was off the gold standard and on a fluctuation, depreciating paper basis once more returns for use in the country. I need only to give one illustration of the effect of restoration of confidence. For illustration, the Bank of Belgium opened its doors for the conversion of the franc into gold un-
under the Stabilization Plan, and when the day's business was over the bank actually had more gold than at the opening, indicating that with the return of confidence gold came out of hiding. Belgian capital returned to the country for development and initiated a period of prosperity that has been probably the most active of any of the countries that have passed through the difficulties of depreciation of currency and the resulting stabilization. Somewhat the same may be said about the situation in France, which was able to go back to the gold basis without the flotation of a stabilization loan or without external credits.

Other Evidence

Another evidence that the financial house is being placed in better order is the various plans for budget stabilization and the actual creation of stable budgets. One of the conditions of the recent Bulgarian loan under the auspices of the League of Nations was the provision that Bulgarian finances must be put in such shape as to produce a stable budget. The plan under which the Polish Stabilization Loan was floated provided that the government should create additional levies of new taxes or increasing the rates of the old taxes. One of the best instances of how stabilization may be said about the situation in France, which was able to go back to the gold basis without the flotation of a stabilization loan or without external credits.

Think and Act Big

Jessie Rittenhouse, a year ago, wrote this little bit of verse:

My Wage
I bargained with Life for a penny,
And Life would pay no more,
However, I begged at evening
When I counted my scanty store.

For Life is a just employer,
He gives you what you ask,
But once you have set the wages,
Why you must bear the task.

I worked for a menial's hire
Only to learn, dismayed,
That any wage I had asked of Life,
Life would have paid.

Loan should be used for the current expenses of the government until they had gotten the finances in a stable position. Mr. Jeremiah Smith of Boston was appointed commissioner for Hungary. It is an interesting fact and is excellent testimony of the managerial ability of Hungary to manage their own affairs that in the first year of the plan they not only did not need to use any of the proceeds of the League of Nations' Loan for ordinary operating expenses of the Government, but they actually had a surplus in the first and had a surplus in the ordinary budget in each year since that time.

Under the Belgian stabilization loan, it was definitely provided that the ordinary budget should be balanced from Belgian resources without the receipt of German reparations payments. In general, we may say that there is a marked tendency in the countries of Europe towards stabilization of the budget. From a credit point of view, stabilization of the budget means that the nation is actually living within its income. You, as bankers, know the significance of this from the standpoint of personal credit. If you find that an individual is borrowing from your bank who is maintaining a standard of living larger than would be reasonably expected from his income, you know that he is using up his capital goods, or is living on his credit, and that sooner or later, there will be an exhaustion of these two sources of income, and you do not generally consider such an individual a good credit risk. Fundamentally, there is not much difference between the credit of a nation and the credit of an individual. Common sense in both cases would demand that the borrower live within the limits of his income and when applied to government finance, it means that the receipts from taxes, the general income of the government, must cover ordinary operating expenses of the government, including interest and sinking fund charges on the debt.

The third illustration of the tendency towards placing the financial house in order is the consolidation of short-term or floating debt and the inauguration of a debt retirement policy on the part of the government. To begin with, the funding or retirement of short-term debt makes the current position of the treasury much more comfortable. There were times in the current position of the Treasuries of some of the countries of Central Europe when the short-term debt was maturing so rapidly, from day to day, and week to week, that there was doubt at times as to whether some of the governments could get their short-term bills renewed; and in case of failure to renew the bills, the only way to meet them was by issuing paper money. When the treasury officials have no longer to worry with constantly maturing short-term indebtedness and the fluctuating element of public confidence, it is a sign that their financial house is in better order. Also the inauguration of a policy of debt retirement is very important in building up the credit position of the government. It means gradually reducing the debt and an improvement of the fundamental basis of credit because the debt bears a smaller percentage of the nation's wealth as it is being progressively reduced. To take an analogy, we may say that paying the debt of the government through surplus revenues, or through the es-

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establishment of a definite sinking fund, is similar in its effect to the policy of a corporation of putting surplus earnings back into the property.

**Debt Retirement**

I want to mention just a few instances of a debt retirement policy. In 1926, Belgium had outstanding some six billion francs of treasury bills. A part of these were reduced by the issuance of state railway preferred stock, that is, the railway preferred stock was exchanged for the treasury bills; and it is estimated that the present short-term indebtedness will be cleared up in 1929 and other indebtedness will actually be accomplished. In the budget of 1928, 1,322,000,000 francs of debt was actually retired in Belgium. The budget of 1929 provides for the retirement of 1,289,000,000 francs. In France, an autonomous debt office was set up, which had the management of the short-term debt of France. Certain revenues were turned over to the autonomous debt office and as a result of it they have eliminated all of the bills of less than two years maturity and have actually inaugurated a reduction of debt policy. The budget of 1929 provides for the retirement of the debt of France of 7,880,000,000 francs. In the first seven months of 1928, the debt of France was reduced to 15,270,000,000 francs; part of this reduction was accomplished by the reduction of accounts of France following stabilization. Czechoslovakia has paid off part of a dollar loan in this market, in part from surplus revenues and in part from proceeds of an internal loan. Canada’s treasurer, on October 15, 1928, announced that they were paying off $53,000,000 of debt out of accumulated surplus revenues. In Holland, the present budget provides for a reduction of debt amounting to 58,000,000 florins. Since 1925, there has been an annual reduction of the debt amounting to 58,000,000 florins. Since 1925, there has been an annual reduction of the debt of Holland of varying amounts. These are simply instances showing the tendency of the times. As a matter of fact, any nation that is following a sound financial policy, after having passed through an extraordinary period resulting in an increase of debt, should sooner or later develop a policy of debt retirement which gives a sound position for credit structure. In three ways, then, the tendency of European nations is to place their financial basis in better order, namely, through currency stabilization, through stable budgets, and through the inauguration of a debt retirement policy. All three tend to give a sounder and improved basis for their credit rating.

The second point that I wish to call to your attention, as affecting the credit position of a country, is their improved economic condition. Let us take the case of France. We know that France had a serious disruption of her economic life in the war period as a large part of the industrial life of France was in the war area. Yet, it is interesting to note that the monthly production of coal in France in 1903 was 3,300,000 tons, for 1927 it was 4,315,000 tons, and for the first 9 months of 1928 it was 4,260,000 tons; pig iron production in 1913 was 434,000 tons, in 1927, 775,000 tons, and the first 9 months of 1928, 835,000 tons; steel production in 1913 was 391,000 tons, in 1927, 690,000 tons, and in the first 9 months of 1928, 769,000 tons. There is nearly 100% increase in the iron and steel production of France and in certain instances there has been a marked increase in other lines of industry. Part of this increase in industrial production is due to the return of Alsace-Lorraine to France, but even in the old part of France the industrial capacity today is larger than it was before the war. In the case of Belgium, we find evidences of
improvement. In 1913, the production of pig iron in Belgium amounted to 2,484,000 tons and in 1927 to 3,751,000 tons, an increase of 50%. Production of steel showed a similar increase, while in coal there was an increase of only 22%, indicating that coal production has not been able to keep pace with her industrial development. Perhaps one of the best elements to measure is the shipping tonnage entering the ports of Belgium; this showed an increase of 66% in 1927 as compared with 1913. Belgium is a highly industrial country and the increase of their industrial activity is a mark of the hard-working qualities of her people. In commenting on the Belgian situation, I must say something about their rich colony in Central Africa, which is going through a very active period of development. The Congo Free State Government obtains share capital in private enterprises when concessions are granted to develop the natural resources of the country. In a sense, it may be looked upon as a conservation policy or a franchise policy, but the value of this policy is evidenced by the fact that on October 10, 1928, the market value of the various shares of companies in which the Congo Free State Government owns stock was estimated at 16,000,000,000 francs, or about 8 times the debt of the Congo Free State Government. If we can vision the development that may come in Central Africa in the next half-century and the continuation of this policy on the part of the Congo Free State Government, we may picture this Government as one of the greatest investments trusts in the world.

Expansion of Industry

In Hungary, there has been an expansion of industry. Hungary was mainly an agricultural country which was a granary of the old Austro-Hungarian Empire developing a gradual policy of diversifying its industrial activity, and Hungarian industry is expanding and becoming diversified. Some few years ago, American bankers floated an issue for the Rhine-Main-Danube Canal, which will soon be opened. It will connect two great river systems in Central Europe, the Rhine, the busy industrial section of Western Europe, and the Danube; and when the canal is finished it will be possible for 1,500 ton boats to proceed from the North Sea through the Rhine River, through the canal, and then the Danube River to the Black Sea, creating a great internal waterway; it will be, in a sense, a great commercial highway connecting the industrial part of Western Europe with the agricultural sections of southeastern Europe to the Black Sea. Today, this perhaps takes on greater significance because the Black Sea is now part of the international commercial highway, particularly because the Bosphorus is an international strait and no longer a Turkish strait. As developments proceed on the continents of Asia and Africa, this highway will take on greater economic significance. Hungary is located upon this highway and is laying the basis for an improved economic position.

Let us turn our attention briefly to the situation in Germany and we will see again evidences of larger economic activity. In these figures, I am comparing Germany with its present frontiers in 1913 and 1927: Coal production—1913, 11,700,000 tons, and in 1927, 12,800,000 tons; lignite coal—1913, 7,300,000 tons, and in 1927, 12,600,000 tons; pig iron—1913, 10,900,000 tons, and in 1927, 13,100,000 tons. Therefore, the smaller Germany today actually has an increased industrial output. Figures of chemicals and allied products show that exports grew from $195,000,000 in 1925 to $310,000,000 in 1927. Perhaps another way of illustrating the improved economic position of Germany is to note that in the old Germany with...
The production of steel in 1913 was 1,467,000 tons per month; in January, 1928, the production of present day Germany was 1,469,000 tons. The steel capacity of the smaller post-war Germany is as large as the pre-war Germany, including Alsace-Lorraine and the Saar Basin. Installed electric power in 1913 was 1,624,000 kwh. and in 1927, 3,226,000 kwh. Germany lost practically all of her shipping as a result of the Treaty of Peace, and yet in 1928 she had a total tonnage of 3,731,000 tons as compared with 5,177,000 in 1913; and on account of its recent construction, it probably reaches a greater degree of efficiency and probably comes more nearly approximating the efficiency of the 1913 tonnage.

(To be Continued in February Issue)

The 1929 Utilities Outlook

By John J. O'Brien

President, H. M. Byllesby & Co.

The year 1928, after a somewhat slow start, resolved itself into another period of prosperity for the nation as a whole, in spite of pessimistic predictions that business would be adversely affected by the pressure and interest of a presidential campaign. The public utilities in general contributed their share to this prosperity by supplying service to the public at progressively lower rates. Public interest in speculation, I believe, will leave no marked permanent effect on the nation's economic status; it is merely a phase in our business growth and expansion through which we must pass.

The nation's business, including the public utilities, seems to be destined for another year of new records in progress and prosperity. In the public utilities, in particular, development has been so great under commercial operation, regulated by governmental authority, that it is difficult to understand why any other form of ownership should displace that of the millions of individual investors whose capital has built up the industry. The improvements in operating efficiencies are regularly being passed along to users of the service in the form of reduced rates. The development of rate structures in many cases has now reached the point where the individual customer is almost in a position to fix his own rate, depending upon the volume of service he uses. More service, better service and the lowest possible compensatory rates are the aims of the utility industry for 1929 and the future.

Notable Progress

Notable progress has been made in all departments of public utility financing, engineering and construction, operation and sales. Refinancing at lower interest rates has been carried out wherever possible, and the savings made generally have been transmitted to customers in the form of reduced rates. Customer ownership did not assume the importance of former years, largely because much of the financing done during the year was in the form of senior securities to maintain the balance of corporate structures. The sale of junior securities, particularly preferred shares of local operating companies, has become a comparatively easy matter, due to the unusual popularity of this type of investment with the public, the problem now being one largely of supplying the demand.

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BONDS - SHORT TERM NOTES - ACCEPTANCES

Central Western Banker, January, 1929
In engineering and construction, the utilities have continued to improve methods and reduce costs. The balance between expenditures for generation and distribution has been well maintained, with the usual preponderance in distribution and transmission facilities. Despite the fact that the subsidiary and affiliated companies of Standard Gas and Electric Company, as an illustration, have regularly increased their appropriations for new construction from year to year over a long period, these companies added during 1928, a total of 23,730 kilowatts of generating equipment to their facilities for serving the public, and are planning a considerable amount of new construction for 1929.

Both water power and steam sources for the supply of electrical energy continue to show increased efficiency in operation as the result of interconnection. Steam power in particular is now being developed at costs lower than ever before as the result of continued improvements in fuel-burning efficiencies.

New Business

In the development of new business the utilities are moving rapidly ahead. No possibilities are being overlooked to add load to the lines of both electric and gas companies. In the electric field much attention is being paid to the development of domestic load through the sale of electric ranges, refrigerators, water heaters and other appliances, both directly by the utilities and in cooperation with outside dealers. The industrial power, heating and commercial lighting loads are also being given careful consideration.

More and more, scientific investigation and research are being called upon to assist in the solution of these problems. The gas companies also are developing new business rapidly, with particular emphasis on the domestic heating and industrial load. If it ever was true that the utilities approached their sales problems in a haphazard manner, that day certainly has passed. Today new business development in the public utility field centers around a careful study of the public need for service, close analysis of the markets, and intensive, co-ordinated effort to build up the load. The object is to utilize more efficiently the investment in the industry and to increase the usefulness of the service to the public.

Becomes Assistant Cashier

The National Park Bank of New York has announced the election of Richard C. Piper as assistant cashier. In this capacity he will assume the managementship of the bank’s branch at 74th Street and Broadway. Mr. Piper entered the banking business in Kansas City in 1904 and subsequently was connected with institutions in Muskogee, Bartlesville, and Tulsa, Oklahoma. Later he was assistant national bank examiner at Kansas City and clearing house manager at Tulsa, Oklahoma. He became connected with the National Park Bank in 1921 as a traveling representative with headquarters at Kansas City.

A National Name

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Central Western Banker, January, 1929
Your Policyholder and Aviation

The fact seems to be, however, that passengers on regular airlines with perfect machines and under control of regularly licensed pilots, enjoy a good degree of safety, considering they are out of their place in the order of things and are resisting the most terrific force that the mind of man has been able to faintly comprehend. Especially is this so where the pilots are frequently and rigidly examined and tested medically, for physical and mechanical fitness. The human element at the controls will be forever the great question in airplane operation.

Therefore, you who occasionally go into the air under proper auspices need not have any great fear, and so far as your life insurance is concerned, if there is no condition in your policy against it,—for the most part, I believe there is none such in the policies of United States Life Insurance companies,—and if there has been no material misrepresentations in answer to any question in the application bearing upon intent to fly, there seems no chance of any question as to the validity of any claim in case the unexpected does happen and death ensues; always, of course, provided that you have faithfully performed your part of the contract. Mind, I am not your lawyer, and am not advising you on the status of your individual contract, but I am merely endeavoring to state in a few words, the outline of a situation which interests policyholders in general.

Progress in England

English companies, with their better experience of a more stabilized general airplane performance, are said to have removed restrictive clauses in their policies. Researches by Dr. Sykes, medical director, and Dr. Smith, assistant medical director of the Connecticut General Life Insurance Company, show that out of 50 leading companies in the United States and Canada, 42 companies do not have anti-air-travel clauses. Eight have more or less modified clauses.

Apparently, however, these 42 companies who do not have such clauses, and they are companies who write the vast majority of the Life Insurance in the country—endeavor to control in some manner, the unknown hazard which they vaguely feel and think they should properly protect their policyholders against. Nineteen of the 50 companies addressed consider applicants in varying degrees, while 31 will not consider an applicant who either travels by air as a passenger, or who is identified with the industry.

Wide Opportunity to Insure

The 19 companies which cover air travel wrote last year about 70 per cent of the total new insurance written by these fifty leading companies—a large proportion, showing the rather wide opportunity to secure life insurance open to those who fly.

With those companies which do consider such applicants, the conditions vary. The general limit for issue upon aviators' lives appears to be $10,000, and subject to certain rare exceptions, licensed pilots and other persons who regularly fly (except stunt performers) are accepted upon certain stipulated forms of policies at varying extra premiums, up to $25 per thousand. Only in one of two cases does the extra rate go higher than that.

The furnishing of life insurance to aviators under the conditions is somewhat beset with difficulties, if the aviators or those in whose employ they fly are to pay their own way and not call on someone else to do it. The companies that have been endeavoring to meet the situation have done so in a co-operative spirit, with the intent to give reasonable and proper coverage at just rates when and as experience shows what these rates should be. More than this should not be expected.

It is my personal opinion that with progress in good laws and regulations, good machines strictly inspected, good parachutes, rigid selection and supervision of pilots, adequate landing-places and proper airports, the fear of the unknown hazard as well as the actual and ascertained average of the present hazard, will be greatly diminished, and that there should be no difficulty then in securing reasonable Life Insurance coverage at more satisfactory rates for all except those who deliberately court the extreme hazards of unusual feats in the air.

Satisfactory Rates

"It is my personal opinion that with progress in good laws and regulations, good machines strictly inspected, good parachutes, rigid selection and supervision of pilots, adequate landing-places and proper airports, the fear of the unknown hazard as well as the actual and ascertained average of the present hazard, will be greatly diminished, and that there should be no difficulty then in securing reasonable Life Insurance coverage at more satisfactory rates for all except those who deliberately court the extreme hazards of unusual feats in the air."

Aviation and the Railroads

The question of what effect the air development may have upon the railroads has been raised more than once. It is a thing of interest to life insurance men, as between 2½ and 3 billion dollars of policy-holders' reserves are invested in railroad securities and equities. The probability does not seem to point to any material invasion of railway revenues, except in some types of mail matter and in small package, long-distance freight requir-
ing quick transmission. It appears in­
credible that any serious basic com­
tpetition should arise from air-machines
to threaten the already sufficiently har­
rassed railway managers. (And it is
already evident that the railroads will
probably establish their own air-lines
more than one aspect of its activities,
—From address before St. Louis
Chamber of Commerce.

Named to Succeed Dumont
Charles B. Anderson, former bank­
er, has been named by Governor-elect
Weaver to be insurance commissio­
er, succeeding John R. Dumont of
Omaha, who has served for four years.
With the business of supervising in­
surance, Mr. Anderson will also have
charge of the securities department,
known as the Blue Sky Bureau, which
has been diminishing in importance in
recent years, as the number of corpo­
rations exempted from its operation
has increased. Mr. Dumont's reap­
pointment was urged by the majority
of the leading insurance executives
and agents, but the Governor prefer­
red to go outside the business and
name an experienced and successful
business man.
Mr. Anderson served for a time
with the agency division of the Bank­
er's Life Insurance Co. of Nebraska,
but his training has nearly all been
along the lines of finance, having been
a banker at Crete for a number of
years, and later head of a mortgage
investment company in Lincoln.

Would Extend Fund
A proposal that the law governing
operation of the state fire and tornado
fund be amended to permit the fund
to carry all of the insurance on every
public building in the state of North
Dakota, probably will be made by the
insurance department at the coming
legislative session.
The reason, given in a statement by
Commissioner S. A. Olsness, is that
the fund will build up faster if the
department is allowed to con­
tinue the practice of reinsuring cer­
tain risks with private companies.
Another reason given by Mr. Olsness
is that distribution of these reinsurance
contracts amounts to a patronage
which he would be glad to eliminate.
The fund now has a balance of
more than $1,000,000 and Mr. Ols­
ness' idea is to build it up to $2,000,-
000.

Booklet on Insurance
Leo S. Chandler, president of the
California Trust Company, the head
office of which is in Los Angeles, is
the author of a valuable booklet en­
titled "Why Men Buy Life Insur­
ance." The bank is distributing it to
its clients and to insurance men, for
the inspiration and education of both.
The booklet analyzes the motives be­
hind the purchase of insurance. In it
the agent will find information on the
failure of plans because of inadequate
insurance, information that should re­
sult in any agent reader's trying to
place larger lines. "So Much Insur­
ance Doesn't Insure" is one of the
chapter headings that is significant.
Others are: "The Insurance That
Fails Us in Old Age," "Try Living
with Your Life Insurance," and "If I
Were Starting Again to Build an In­
surance Program." The work deals
briefly with business and estate insur­
ance and, of course, with the insur­
ance trust.

Inadequate Protection
Circulation of petitions for im­
mediate purchase of a standard fire
truck containing a pump handling at
least 1,000 gallons of water a min­
ute, has been started in Devils Lake,
N. D., by members of the fire de­
partment. Present equipment, the
firemen state, is a hazard to the city,
and is inadequate in a case of ser­
ious need.

What About 1929?
(Continued from Page 6)
NEW YORK JOURNAL OF COM­
MERCE (An Editorial):
"Finally the early months of 1929
may well be prosperous, provided that
a reasonable degree of moderation is
observed. The stock market is in­
fated and values are far above those
that can be justified on any legitimate
investment basis. Credit continues
overstrained and this is not a matter
which can be immediately corrected,
or can be corrected at all without a
good deal of sacrifice. Apparently,
however, much of the inflation is
found in a limited number of issues.
What is needed is a cutting away of
the false basis of credit in those cases
in which it has become unduly ex­
panded, rather than a general attack
upon unsound credit all along the line.
There are a good many shares in
which there has been no notable indi­
cation of excessive use of loans for the
purpose of booming prices. This
leaves the financial future of 1929 obscure, with possibilities of prosperity due to a sound underlying business basis, but with eminent possibilities of reaction and disaster due to unsound and expanded credit conditions. It will take a great deal of skill, and tact as well, to carry the situation along without disaster."

CLEVELAND TRUST CO. Business Bulletin:

"Probably the wisest course for the business man is to assume that 1929 will be a good business year, but to realize that the prospects for the second half of the year are by no means as clearly favorable as those for the first half, and to attempt where possible to avoid long-term commitments that might prove unfortunate if business does slow down in the latter months.

"Most of the discussion contained in this number of the Business Bulletin may be summarized in the statement that the continuation of prosperity in 1929 is dependent on the continuation of credit expansion, which appears to depend in turn on progressive increases in loans made to brokers by corporations and individuals, for in the absence of such increases the tendency of bank credit will almost surely be to contract, with consequences adverse to business. One final rash comment may be ventured, and that is that the top of the great bull market for stocks was probably reached on November 30, 1928."

"COMMERCE MONTHLY," National Bank of Commerce, New York:

"In the business world highly favorable conditions surround the approach of 1929. The current year has seen a steady advance of activity in one line and another; there are now few industries which have not enjoyed either a substantial recovery from past difficulties, or an expansion to new levels in the volume of business done. Since this activity has not outrun actual consuming needs, there is reason to believe that it will be maintained on a high plane well into the next year.

"The basic price situation is notably sound. Commodity markets are free of speculative price inflation, and with but minor exceptions they have been freed also of those restrictions and measures of artificial control which, as with rubber this last year, carry a constant threat of disaster to the industries involved. Employment has regained a very high level, and the conjunction of good wages and good profits is resulting not simply in a record volume of current holiday buying, but in the prospect of a well-stabilized volume of demand in the new year."

THE CONDUCTOR'S OWN CAR

In Baltimore are many amusing things, but one of the most amusing, I believe, is the sight of conductors motoring to the car barns where they pick up the trolleys that later serve the public. "Amusing" was the word I used. But I have known times when, waiting on a wind-swept, lonely corner for what I might call hours and then feel I was guilty of understatement, the picture of a conductor on "my line" riding swiftly and comfortably to his home in his own auto amused me just about as much as a severe cold in the head.—John W. Owens in the Baltimore Sun.

THE MOOD OF THE MOMENT

We suppose whether William Allen White votes for Al Smith or not depends entirely on whether he happens to feel like retracting or withdrawing the retraction when he gets up on November 6.—Ohio State Journal.
Nebraska News

deposits and number of depositors in nine western central states, according to a survey recently completed by the savings bank division of the American Bankers Association. According to the survey there were in 1928 in this state $192,089,000 of savings deposits. This represents a gain of 27.1 per cent over 1918. The number of depositors is 462,198, and an average deposit per inhabitant of $136.

Grant Restraining Order

Suit to enjoin Clarence Bliss, secretary of the Nebraska department of trade and commerce, from collecting the special bank guaranty fund assessment was instituted in district court in Omaha by attorneys representing 439 state banks of Nebraska. A temporary restraining order was forthwith granted by District Judge Stewart. This prevents state officials from attempting to collect the assessment until January 7, the date set for hearing the application for injunction. The suit does not involve the regular guaranty fund levy, amounting to one-twentieth of 1 per cent on average deposits, which was made January 1.

Resigns

George H. Kelly, president of Adams & Kelly company of Omaha, has resigned as director of the United States National bank.

Speaks to Agents

One hundred agents of the New York Life Insurance company working in the Nebraska district, held their annual convention recently at the Blackstone hotel in Omaha. Walter W. Head, president of the Omaha National bank, and a director in the insurance company, spoke.

Banks Merge

Final agreements were made recently whereby the North Loup State Bank became the owner of the Farmers State Bank of North Loup, Nebraska. The North Loup Bank has taken over the business of both institutions and has already moved into the Farmers Bank building.

Buys Control

T. T. Varney of Broken Bow, Nebraska, has purchased the controlling interest in the Broken Bow State Bank from Y. B. Huffman, and was elected president of the institution. Mr. Varney is well known over Custer county and the state of Nebraska, having served as president of the First National Bank at Ansley for years, and for the past number of years has been in the investment business in Broken Bow.

To Open in Lyman

The first announcement of the establishment of a new bank at Lyman, Nebraska, made recently, is confirmed by the announcement that it will be known as the First National bank of Lyman, and will open for business about January 1 with a combined capital and surplus of $30,000. Walter J. Otto, now connected with the Citizens bank at Torrington, will be the cashier.

Leaves Large Estate

The late Patrick Walsh, former president of the McCook, Nebraska, National Bank, left his entire estate, estimated at $250,000 to $300,000 to a niece, Mrs. Mary C. Fitzgerald Brady. Mrs. Brady, past middle age, is already well-to-do, Mr. Walsh made his home with her up to the time of his death, Thanksgiving day.

Officials Elected

At a meeting of the First National Bank officials of Albion, Nebraska, recently, promotions were made. F. M. Weitzel was elected president and R. S. Hutchinson, cashier. F. S. Thompson, who has been connected with the First National Bank for more than forty years, and since the death of Mr. West, the founder, the president of the bank, will be chairman of the board of directors.

Fire Damage

Fire gutted the rear end of the Plattsmouth State Bank at Platts- mouth, Nebraska, recently. It was caused by the explosion of an oil stove. The front of the building was not damaged much so the bank continues business. Plattsmouth has two banks, the other one being the Farmers State Bank.

Eighty-Fourth Birthday

Performing his usual duties as the president of the Richardson County Bank of Falls City, Nebraska, James L. Slocum observed his eighty-fourth birthday recently. Featuring the affair was a dinner at the home of Mr.

Bliss Retains Post

Secretary Clarence Bliss, who has been head of the Nebraska department of trade and commerce, and in charge of the state banks, will be retained in that post, for the time being by Governor-elect Weaver, the latter announced recently.

Mr. Weaver, however, expects the new legislature to make sweeping changes in the state banking laws, as well as in the nature of departmental posts, and so is withholding his permanent action on this position until after the legislature has acted.

The governor-elect said :

"I shall make no permanent appointment (to the banking department) at this time, due entirely to the fact that the legislature will undoubtedly undertake substantial modification of both existing policy and law touching the subject of banking, and I desire to defer decision on final appointment until the new policy and program is determined."

Mr. Weaver announced he proposed to consolidate the division of insurance and the bureau of securities in the department of trade and commerce, and has selected Charles B. Anderson of Lincoln as executive for the combined activities.

Abandoning the state department of finance, Mr. Weaver announced the temporary administration of its activities in the hands of Harry B. Scott, whom he named tax commissioner.

Ranks High

Nebraska ranks at the top of the list for 1928, in the amount of savings deposits and number of depositors in nine western central states, according to a survey recently completed by the savings bank division of the American Bankers Association. According to the survey there were in 1928 in this state $192,089,000 of savings deposits. This represents a gain of 27.1 per cent over 1918. The number of depositors is 462,198, and an average deposit per inhabitant of $136.

Grant Restraining Order

Suit to enjoin Clarence Bliss, secretary of the Nebraska department of trade and commerce, from collecting the special bank guaranty fund assessment was instituted in district court in Omaha by attorneys representing 439 state banks of Nebraska. A temporary restraining order was forthwith granted by District Judge Stewart. This prevents state officials from attempting to collect the assessment until January 7, the date set for hearing the application for injunction. The suit does not involve the regular guaranty fund levy, amounting to one-twentieth of 1 per cent on average deposits, which was made January 1.

Resigns

George H. Kelly, president of Adams & Kelly company of Omaha, has resigned as director of the United States National bank.

Speaks to Agents

One hundred agents of the New York Life Insurance company working in the Nebraska district, held their annual convention recently at the Blackstone hotel in Omaha. Walter W. Head, president of the Omaha National bank, and a director in the insurance company, spoke.

Banks Merge

Final agreements were made recently whereby the North Loup State Bank became the owner of the Farmers State Bank of North Loup, Nebraska. The North Loup Bank has taken over the business of both institutions and has already moved into the Farmers Bank building.

Buys Control

T. T. Varney of Broken Bow, Nebraska, has purchased the controlling interest in the Broken Bow State Bank from Y. B. Huffman, and was elected president of the institution. Mr. Varney is well known over Custer county and the state of Nebraska, having served as president of the First National Bank at Ansley for years, and for the past number of years has been in the investment business in Broken Bow.

To Open in Lyman

The first announcement of the establishment of a new bank at Lyman, Nebraska, made recently, is confirmed by the announcement that it will be known as the First National bank of Lyman, and will open for business about January 1 with a combined capital and surplus of $30,000. Walter J. Otto, now connected with the Citizens bank at Torrington, will be the cashier.

Leaves Large Estate

The late Patrick Walsh, former president of the McCook, Nebraska, National Bank, left his entire estate, estimated at $250,000 to $300,000 to a niece, Mrs. Mary C. Fitzgerald Brady. Mrs. Brady, past middle age, is already well-to-do, Mr. Walsh made his home with her up to the time of his death, Thanksgiving day.

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and Mrs. Bert Baker. Mrs. Baker is a daughter of the pioneer. Born in Linesville, Pa., Mr. Slocum came to this country in 1865 with his parents. At one time he was the mayor of Falls City. He is one of the most extensive land owners in that section, a member of the Christian church, and Masonic lodge.

In California
Russell Funkhouser, formerly well-known in Omaha Chamber of Commerce activities, has been made manager of the West Adams street branch of the Merchants National Trust and Savings bank of Los Angeles. Mr. Funkhouser left Omaha about five years ago.

Consolidate
Two banks of Hemingford, Nebraska, have consolidated, the Farmers State taking over the Citizens National Bank. The merger gives Hemingford a large institution with deposits of $700,000. The ill health of K. L. Pierce, president of the Citizens' National, was given as the reason for the transfer and merger.

Heads Kiwanis
J. M. Sorenson, vice-president of the Fremont State Bank, was elected president of the Fremont, Nebraska, Kiwanis club at the regular meeting held recently. Alfred Christensen is the retiring president of the organization. Other Kiwanis officers elected for the coming year are as follows: Arthur C. Sidner, vice-president; Guy Olmsted, treasurer; Charles Johnson, district trustee; Charles Atkinson, Frank Hanlon, Dr. Ira Richardson, Lee Hintz, members of the board of directors.

Pioneer Dies
D. H. Griswold, president of the First National Bank of Gordon, Nebraska, died at Cheyenne recently, while enroute to Honolulu on a vacation trip. Griswold had lived in northwest Nebraska for 40 years, and was prominent in banking circles of the state. He was the father of State Senator D. Griswold, also publisher of the Gordon Journal.

Flays Politics
"The reason for the financial depression in Nebraska during the past eight years has been the state's banking system, which allows the banking affairs to be mixed up with politics," said Dan V. Stephens, president of the Fremont State Bank, in an address before the joint session of county commissioners, supervisors, high-
STOCK Yards National Service has a significance which is best realized by the many correspondents who have availed themselves of it.

We would appreciate an opportunity to demonstrate it to you.

Stock Yards National Bank of South Omaha

The Only Bank in the Union Stock Yards

Resigns

W. H. Davis recently resigned the presidency of the Surety Savings bank of Beatrice, Nebraska, and disposed of his interests in the institution. B. H. Seifkes, vice-president, automatically was president until Jan. 1, at which time the directors met and elected a member to the post.

Change in Officials

At a meeting of the directors of the First National Bank of Gordon, Nebraska, held recently, Lee Fritz was elected president of the institution to succeed the late D. H. Griswold. Mr. Fritz will continue at his store, but will assist at the bank in an advisory capacity. Dwight P. Griswold was chosen as a vice-president to succeed Mr. Fritz in that office. B. D. Berkheimer, cashier, will remain in active charge of the bank, and Mrs. D. H. Griswold was chosen as a director to fill the vacancy which was created.

Install Ventilator

The First National Bank of Tilden, Nebraska, has installed an electric vault ventilator. This device, which can be inserted only from the inside, electrically draws in fresh air and expels foul air. It also supplies communication with the outside in case either bank employees or customers are shut in the vault.
MEAT PACKERS REPORT
1928 A GOOD YEAR

Meat production and consumption during 1928 were approximately the same as during 1927, according to an annual review of the live stock and meat situation issued by the Institute of American Meat Packers, through its president, Wm. Whitfield Woods of Chicago.

"The production of beef and veal during the year was about 10 per cent smaller than the production of 1927, but this reduction practically was offset by an increase in the production of pork and lard," Mr. Woods stated. "Production of lamb and mutton increased slightly.

"The volume of meat and meat products exported during the year was somewhat greater than in 1927, but the total value of products exported was below the total for 1927. Nearly one and one-quarter billions of pounds of product were exported, the value exceeding $160,000,000."

Referring to live stock production, the institute's president said: "Farmers who had cattle to market received relatively high prices in every month of 1928. The average price for cattle was higher in each of the first 10 months than in the same months of 1927, and practically as high in the closing months. The higher price levels were due to the continued shortage of beef cattle. The number of cattle dressed under federal inspection during the first 10 months of last year was 16 per cent smaller than the number dressed during the same period of 1926, and 10 per cent below the number dressed during the same months of 1927. The high prices paid for cattle made profitable marketing of beef difficult, if not impossible. Prices to the consumer were very high, and the packer's net margin either scant or lacking.

"Producers of sheep received higher prices in nine months of the year than they received in the same months of last year.

"Prices of hogs were relatively low during the first four months of the year and during the first four months of the year and during the last two months, because of unusually heavy marketings during these months, but prices in the late spring and summer were on a considerably higher price level."

Dairy Meetings

With such headliners on the program as Dean C. Larsen of the South Dakota State College, Dean H. L. Russell of the College of Agriculture, University of Wisconsin, Dr. C. H. Eckles of the University of Minnesota, and Dr. J. C. McDowell of the Bureau of Dairy Industry, United States Department of Agriculture, Nebraska dairymen were all set for the dairy meeting at Lincoln January 9 and 10, in connection with the meetings of Organized Agriculture.

Spent Huge Sum

Fifteen million dollars were spent by Christmas shoppers in Omaha retail stores this season, Allen T. Hupp, secretary of the associated retailers announced recently. This figure exceeds 1927 sales by nearly $1,500,000, Hupp said.

Coming to Cass County

Ralph Cole, farm management specialist, of the agricultural college at Lincoln, will be in Cass county for nine days, January 14 to 23, to meet with those farmers who have been keeping farm record books during the past year.

The men are expected to bring their record books in for completion. Mr. Cole will help them with any problems that they have in completing entries and their closing inventories. The books will be taken to Lincoln for summarization.

One hundred and forty farmers of the county started the records last January. Books are furnished to those who will co-operate with the college in keeping the records. The system is simple and very practical.

Leave of Absence

Leave of absence without pay for one year has been given by the board of university regents to Prof. Oscar W. Sjogren, head of the beginning of agricultural engineering. This will become effective at the beginning of the second semester in February next. The health of a young son has been precarious, and doctors have advised a less rigorous climate. During his absence Prof. E. E. Brackett, a professor in the department, will act as chairman.

Wins Contest

Miss Agnes Tisthammer of Newman Grove is the winner of the 1928 news writing contest sponsored by the Omaha Journal-Stockman. She will receive a trip to the Annual Club Week at Lincoln next June with her expenses paid by the Journal-Stockman.

To Exterminate Coyotes

Hundreds of Nebraska and Wyoming ranchers have started a campaign for extermination of the coyote. Heavy losses among stock of ranches in this vicinity caused the farmers to take up the matter seriously, and many are using stripped down cars in hunting the animals.

Ideas must work through the brains and the arms of good and brave men, or they are no better than dreams.—Emerson.

Do the truth you know and you shall learn the truth you need to know.—MacDonald.
Becomes President of Chicago Bank

(Continued from Page 14)

Committee, Y. M. C. A., and president of the Boy Scouts of America. He was president of the American Bankers Association 1923-24, and prior to that time was president of the National Bank Division of the association.

He is a director and a member of the Finance Committee of the Chicago & Northwestern Railway Company, and is a director in the New York Life Insurance Company and the Fidelity & Deposit Company of Maryland.

Walter J. Cox is a State Bank of Chicago product, having entered the employ of the bank as a messenger in 1900. Much of his bank training was obtained under the able tutelage of the bank's founders, Helge A. Haugen and John R. Lindgren. In the early days of Mr. Cox's connection with the bank, his education was augmented by a course of law at Northwestern University, from which he graduated in 1908.

In the same year he was admitted to the bar. After serving the Bank in practically all departments for thirteen years, Mr. Cox was appointed assistant cashier, and five years later he was elected vice-president. Mr. Cox is regarded as one of the best credit men in the country, and as executive vice-president of the bank, he is in a position to carry out the constructive policies of the institution which, in a large measure, are responsible for continued progress.

The Chase National Bank
of the City of New York

Capital..............................................$60,000,000.00
Surplus and Profits.............................78,807,343.06
Deposits (October 3, 1928)..............892,388,858.54

OFFICERS

Albert H. Wiggin
Chairman of the Board

John McHugh
Chairman of the Executive Committee

Robert L. Clarkson
President

Vice-Presidents

George E. Warren
George D. Graves
Frank O. Roe
Samuel S. Campbell
William W. Lake
Charles A. Sackett

Hugh N. Kirkland
James H. Gannon
William E. Purdy
M. Harrison Howell
Joseph C. Rosensky

Samuel H. Miller
Carl J. Schmidlapp
Reeve Sibley
Sherrill Smith
Henry Olesheim
Alfred C. Andrews
Robert L. Barr

Vice-President and Cashier

William P. Holly

Second Vice-Presidents

Frederick W. Gehle
Franklin H. Gates
Edwin A. Lee
Arthur M. Aiken
Alfred W. Hudson
Thomas H. Miller
Joseph Pulvermacher
Leon H. Johnston

Central Western Banker, January, 1929

WALTER W. HEAD

W. D. Leale Clark

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

MARRIOTTOWN
Hotel Tallcorn

And in Los Angeles,
Hotel Alexandria
$2 Up.

Operated for Your Comfort by

EPPLEY HOTELS COMPANY
GEORGE C. CRONKLETON, receiver of the First National Bank of Laurel, Nebraska, has filed suit in federal court against each of seven stockholders, in an effort to establish that stockholders are liable to an assessment up to the amount of their stock interest if the bank fails and its assets are less than its liabilities.

THE HARTINGTON NATIONAL BANK, Cedar county's oldest banking institution, went into receivership November 14. W. H. Allen of Kansas City, has been appointed receiver. C. M. Jones, Sr., president, said slow paper on farm loans had forced the closing of the bank, and he was doubtful whether the bank whose assets were formerly $500,000, could salvage much.

JOHN W. BENDER, who helped organize the First National Bank of Humphrey, Nebraska, and who was vice-president of the bank from its beginning, died recently. He served two terms in the state legislature.

C. J. CLAASEN of the Peters National Bank & Trust Co., and chairman of the publicity committee of the Nebraska Bankers Association, has received from Ernest S. Coats, a farmer of Valley county, Nebraska, a letter urging Nebraska to advertise its resources, in order to prevent farms being abandoned, and to stimulate business. He spoke of meeting Nebraska, Iowa and Dakota farmers on a trip to California, all of whom were planning to return to their farms in the spring. "There must be some prosperity on the farms if a farmer and his wife can spend from $500 to $2,000 on a trip and have possibly the same amount invested in an auto, besides owning a modern residence and up-to-date farm buildings at home," he writes. "For one, I am proud of my occupation as a farmer, and do not relish being held up as subject to the need of government aid."

A. E. ANDERSON, state and federal crop and live stock statistician, upon receiving his regular reports from Nebraska bankers, announced at Lincoln that while shipments of stocker and feeder cattle into the state in July, August and September, were nearly double what they were in 1927 during those months, the late movement is expected to be below that of a year ago, and winter feeding operations will be reduced. During the three months named, 132,419 cattle were brought into the state, against 69,000.

braska bankers reported sufficient corn for all feeding operations and 90 bankers said there was enough hay and forage. Bankers report only 83 per cent as many locally produced cattle were held for grain feeding as compared to a year ago.

JOHN G. LOWE, president of the Farmers State Bank of Kearney, Nebraska, recently made an extended trip through the east, including Washington, D. C., Baltimore and New York City. He urges an appropriation of $1,000,000 by the next state legislature, to advertise the resources of Nebraska.

Rising Young Banker

"Well, Mr. Smith, how's your son getting along down at the bank these days?"

"Just great, Mr. Brown. Just fine. He's been promoted already. Yes, sir, he used to be working on the A-C ledger and they jumped him right up to the H-K ledger just like that. Oh, he's doing great."

I would rather have the affectionate regard of my fellowmen than I would have heaps and mines of gold.

—Dickens.

Condensed Statement, December 31, 1928

<table>
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<tr>
<th>RESOURCES</th>
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<tr>
<td>Loans and Discounts..............</td>
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<td>Marketable Bonds and Securities</td>
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<td>U. S. Government Securities......</td>
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<td>Other Real Estate..............</td>
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<td>Cash and Sight Exchange.........</td>
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<td><strong>Total Resources</strong>............</td>
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<th>LIABILITIES</th>
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<tr>
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<td>Surplus.........</td>
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<td>Undivided Profits, Net</td>
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<td>Unearned Discount..</td>
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<td>Reserved for Taxes and Interest</td>
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<td>Reserved for Dividends.....</td>
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<tr>
<td>Due Federal Reserve Bank....</td>
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<tr>
<td>Deposits.........</td>
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<tr>
<td><strong>Total Liabilities</strong>.......</td>
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LIVE STOCK NATIONAL BANK
Union Stock Yards
OMAHA

Central Western Banker, January, 1929
Gives Radio Talk

Ira A. Moore, vice-president of the Minnehaha National Bank at Sioux Falls, South Dakota, and chairman of the Association Committee on Public Relations, gave a talk over radio station WNAX recently on the subject, "Banking as a Vocation." This was one of a series of vocational talks being sponsored by WNAX for the public schools.

Among other things, Mr. Moore said that "the mere fact that a person has served a long time in a bank does not entitle him to put in a claim for advancement. It will be well for young people to realize that there are few fields of work in which qualifications are more severe than in banking. Although the banker is quick to recognize good work on the part of the employee and is glad to reward it through promotions, yet it is generally necessary to wait a considerable time for the conditions which will make promotion possible. The progress of the individual in banking is not like a cross-country run; no one gallops into prominence in the banking field; at its best it is a slow, steady march to those who can stand up straight and carry their load.

"To be successful the beginner in a bank must possess (1) a high degree of character; (2) discipline, order and accuracy; (3) courtesy; (4) co-operation, and (5) education. Banking as a business is the foremost example of the necessity of character. When one considers the service a bank renders, he sees the necessity of character. The bank acts as a custodian or guardian of other people's money. It endeavors to lend money under conditions which assure the repayment of the loans. It possesses the business secrets of all of its customers and knows about the conditions of the business or financial affairs of each patron. From this it will be seen that the banking business will be based upon the confidence of the people of the community in the banker's honesty, reliability, accuracy and judgment."

Hold Annual Meeting

The annual meeting of the Clay County Bankers Association was held in Vermillion, South Dakota, recently, with every bank in the county represented. Guest bankers were present from Sioux Falls, Sioux City and Yankton. Talks were given by D. C. Schull, a Sioux City attorney and by Ira A. Moore of Sioux Falls. Following a discussion of protective matters, it was voted to rescind the reward of $1,000 offered several years ago for the apprehension of bank robbers. The following officers were elected: President, M. J. Chaney; vice-president, P. R. Miller, and secretary, H. L. Smith, all of Vermillion.

Standing Committees

The following committee appointments for the current year are announced by President R. E. Driscoll, of the South Dakota Bankers Association, the first mentioned in each case being chairman:

Agriculture—
W. S. Given, Britton
T. J. Frick, Yankton
A. K. Thomas, Rapid City

Resources Exceed
$450,000,000.00

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

BANK OF NEW SOUTH WALES
AUSTRALIA

PAID-UP CAPITAL.
$37,500,000

RESERVE FUND
29,500.00

Reserve Liability of Proprietors
37,500,000

ESTABLISHED 1817

$104,500,000

Aggregate Assets 30th September, 1927

$444,912,925

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

HEAD OFFICE, GEORGE ST., SYDNEY
LONDON OFFICE, 29 THREADNEEDLE ST., E. C.

537 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.

Central Western Banker, January, 1929
Hold Organization Meeting

Beadle county, South Dakota, bankers met recently and organized the Beadle County Bankers Association. The following officers were elected: President, Geo. C. Fullinweider, Huron; vice-president, C. J. Johanson, Wessington, and secretary-treasurer, L. O. Anderson, Hitchcock. It was voted unanimously by the organization that they would give their hearty support to such calf clubs as the boys and girls of the county might ask the county agent to organize, and that they would assist in financing the purchase of calves for children of their patrons, following in general the successful Marshall county plan. Secretary L. O. Anderson of Hitchcock was instructed to have the necessary forms printed at once.

THE BANKS OF PIERRE, and Fort Pierre, South Dakota, have adopted the service charge on checking accounts which do not maintain a monthly balance of $50. The charge will be 50c per month, effective January 1.

MARGARET TOWNSEND, a daughter of Geo. M. Townsend, vice-president of the Farmers & Merchants Bank of Huron, South Dakota, was recently elected president of the Toastmasters Club of State College at Brookings. Miss Townsend is only a freshman, but had already shown considerable ability in forensics as a member of the State High School Champion Debate Team last year.

WALTER BURKE, cashier of the Pierre National Bank, was recently elected treasurer of the Pierre Kiwanis Club.

FRED C. KONNEMANN of Sioux Falls, director in the Security National Bank and the Corn Exchange Savings Bank, will move to Minneapolis, Minn., where he becomes vice-president of the Tole Bond & Mortgage Company.
Meet in Hiawatha

Members of the Brown County Bankers Association met recently in Hiawatha, Kansas, for their regular quarterly gathering. The principal business of the meeting was the selection of officers for the coming year, who were elected as follows: Roy Nelson, Hiawatha, president; Chester G. Jones, Reserve, vice-president; and Stanley Moser, Hiawatha, was re-elected secretary and treasurer.

New in Altoona

A new bank is opening in Altoona, Kansas, to be called the Citizens State Bank of Altoona. The men interested in the institution are the same ones who sold their interest recently to the State Bank of Buffalo, having been operating a bank in the latter city.

Purchase Bank Stock

For the past twenty years connected with the Farmers State Bank of Norwich, Kansas, H. O. Thorne has sold his stock holdings to C. S. Sigler, the cashier of the institution. His place on the board of directors will be filled some time this month. W. T. Boatright is the president of the Farmers State Bank.

Wichita Chapter Meets

The Wichita, Kansas, Chapter of the American Institute of Banking met recently for their annual banquet, with W. J. Evans of Dallas as the principal speaker. George H. Hamilton, vice-president of the Fourteenth National Bank of Wichita was also a speaker at the meeting.

Character Loans

The Farmers National Bank of Topeka, Kansas, announces that it has established a personal loan department under the direction of Fred H. Wright. This is the first offering of this nature among Topeka banks.

Becomes Cashier

For the past two years connected with the Farmers State Bank of Dwight, Kansas, George Walter has resigned to become cashier of the State Bank of Rantoul. Walter Reichardt takes Mr. Walters place at Dwight.

Consolidated

The State Bank of Buffalo, Kansas, has merged and liquidated its deposits through the Citizens State Bank of the same city. Officers of the State Bank are G. T. Guernsey, Jr., president, and H. F. Gorkin, the cashier.

County Bankers Meet

Erie, Kansas, was the recent meeting place for members of the Southeastern Section of the Kansas Bankers Association. Possibilities for the employment of a full time secretary for each section were discussed. Legislative problems were also taken under advisement.

Buy Interest

Controlling interest in the Coats State Bank of Coats, Kansas, has recently been purchased by G. W. Lemon, Leland Scroggins, and O. D. Newman from C. Q. Chandler and J. W. Berryman, the former largest shareholders. Official changes made result in the election of Mr. Lemon as president, while Mr. Newman retains his office of vice-president and cashier.

Heads Oldest Bank

J. H. Edmondson, head of the Wolff Packing Company of Topeka, Kansas, has been elected president of the Citizens State Bank, the oldest bank in Topeka. He takes the place of E. S. Gresser, who has sold his holdings in the institution, and has resigned. Mr. Edmonston is also president of the Topeka Chamber of Commerce, and is active in all civic enterprises of the city.

Four Per Cent Interest

Last fall the Depositor's Guaranty Fund Commission of South Dakota adopted a resolution to the effect that after January 1, 1929, the maximum rate of interest which may be paid on time deposits by any state bank in South Dakota would be 4 per cent per annum. The resolution called attention to the fact that a large majority of both state and national banks had already reduced their rate of interest to 4 per cent or less and that an analysis of income and expenses shows that in almost every case the payment of interest in excess of 4 per cent on time deposits makes it impossible for banks to make a legitimate profit. Attention is also called to the experiences of banks which have already reduced their interest rate to the effect that such reduction has not resulted in a loss of deposits. The resolution states that the Chief National Bank Examiner of the Ninth Federal Reserve district has indicated his willingness to require the same practice of national banks as that outlined in the resolution of the Depositors' Guaranty Fund Commission.

Brevity is a great charm of eloquence.—Cicero.
Colorado News

May Consolidate

Despite denial by bank officials, rumor is persistent that the stockholders of the National State, Citizens and Mercantile Banks, both of Boulder, Colorado, will be asked to vote upon a consolidation at their annual meetings in January. The Lashley-Persons Investment Company is to become identified with the merged banks if the plan is carried through. It is stated that the consolidation will save $45,000 annually in salaries and taxes. Two of the bank buildings would be for rent, and possibly the office of Lashley-Persons.

Dies in Pueblo

William L. Russell, 65 years old, president of the Citizens State Bank of Boone, Colorado, and a resident of Pueblo for 36 years, died recently at his home following an illness of comparatively brief duration. Russell was one of the most widely known men in this part of the state. He was born in Vandalia, Ill., January 8, 1863. Later he came to Colorado and finally located in Pueblo.

Trust Company Totals

The banking resources of the fourteen trust companies of Colorado now total $35,525,580, according to the silver anniversary edition of "Trust Companies of the United States," for 1928, just distributed by the United States Mortgage & Trust Company of New York. This shows a gain of $739,666 in 12 months. The book records the total capital of these companies as $2,168,329; surplus and undivided profits, $2,254,015, and deposits, $30,568,719.

Sues Limon Bank

C. F. Logan individually and doing business as the Limon Creamery, sued the Limon National Bank of Limon, Colorado, in the Denver district court for $20,000 damages and an accounting, recently. Logan charges the bank injured his credit and business by refusing to pay his checks when he had sufficient money in the bank to cover them.

Formal Opening

The formal opening of the new building of the First National Bank of Canon City, Colorado, was attended by over 2,000 people, including well-known bankers of southern Colorado. The First National, of which W. H. Dozier is president, has been in business 40 years. Other officers of the bank are: L. G. Carlton, vice-president; A. J. Turner, cashier, and Roy L. Hinman, assistant cashier. The officers are also members of the board of directors along with L. W. Felter and W. H. Trout.

Heads C. of C.

The Boulder, Colorado, Chamber of Commerce, elected as new president Henry M. Sayre, cashier of the National State Bank, at its annual board meeting. Mr. Sayre, who takes office at once, succeeding John W. Valentine, who has been the Chamber of Commerce president for two years.

Increase Capital

An important expansion in banking facilities of Denver, Colorado, is in prospect as a result of the announcement that directors of the Denver National bank, have recommended to stockholders an increase in capital stock of 250,000 and the creation of a subsidiary to be known as the Denver National Company, to engage in a general agency business. The proposal is embodied in a letter mailed to stockholders, who met on January 8 to vote on adoption of the expansion program. Present capitalization of

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(Continued from Page 10)

The stock of W. M. Hopkins and Geo. O. Corley in the Eastlake, Colorado, State Bank, has been sold to Charles F. Rice and Lloyd R. Naugh of Denver. When the change is made at the first of January, Lloyd R. Naugh will be in charge of the bank at Eastlake. He was the cashier of the Guardian Trust Company in Denver.

The rates have attracted a large amount of outside money into the call loan market, and the question has arisen whether this money loaned by individuals and corporations having no interest in the stability of the market, will be subject to sudden withdrawal.

"Inasmuch as the outside money is attracted to the market by high rates, it seems that probably the only cause for extended withdrawals would be lower interest rates. The result would be increase in the rate with a consequent return of money into the market. Again, there are many lenders representing a large number of diversified interests, and it seems that with the great volume of outside money now in the market, those rates will remain high enough to prevent the sudden withdrawals of large amounts."

A Proper Risk
"Taking into consideration the experience and responsibility of corresponding banks, through which call loans are usually obtained, the margin demanded in the security, the liquidity of the market, and the reputation and responsibility of the members of the New York Stock Exchange, it is my personal opinion that call loans in reasonable amounts represent a proper business risk for banks desiring to obtain, for a portion of their funds, and without sacrifice of liquidity, a higher rate of interest than that paid for open accounts."

THE BANK STOCK MARKET

HGA—Largest and oldest bank, good county seat town, western Missouri offers opportunity for capable man to begin as cashier and later succeed to presidency. Requires investment of about $20,000.00.

TPB—Good bank, modern county seat town of 1,000 population, cashiership, at attractive salary, available to suitable purchaser of 100 shares, reasonably priced.

MHA—Control, only bank in splendid small western Missouri town offered at about invoice value. Large earning power, well developed "side lines" and $2,100.00 salary. Requires $22,500.00. Large "Undivided Profits" accounts should be distributed.

SDC—200-250 shares of the stock of $50,000.00 national bank in attractive Colorado county seat town offered at approximately 50 points over book value. Bank nearly 20 years old, total assets about $740,000.00. Purchase carries management.

RPX—Only bank, good Virginia town on highway leading to particularly attractive city. Bank has capital of $50,000; large surplus and undivided profits accounts; deposits in excess of $1,000,000.00. Small block of stock, carrying presidency of institution, offered at approximately invoice value, together with attractive residence. Requires investment of $25,000.00.

SMB—Control of national bank, good county seat town in central Kansas offered at about eighteen thousand dollars. Carries management.

HBB—67 shares of splendid western Kansas bank and cashier's residence offered at $20,000.00. This bank has been a particularly good money maker throughout its entire existence of more than a quarter century. Salary and "side lines" very attractive.

HBB—41 of the 100 shares of stock of good central Kansas bank in one bank town, together with residence value at $2,500.00, may be obtained on $13,000.00 investment. Stock priced about invoice value. Good earning history. Salary $1,800.00. Commissions from "side lines" about $1,000.00 per annum.

WBD—Only bank in eastern Oklahoma town around 1,000 population. Control offered at approximately book value. Requires investment of ten thousand dollars. Salary $200.00 per month. "Side lines" well developed and very profitable.

HSA—Twenty-five shares of stock 1 bank western Missouri town offered at about invoice value. Deposits around $125,000.00. Good earning power. Salary $1,800.00. Fair "side lines".

HBB—Management of profitable central Oklahoma bank, carrying a salary of $2,000.00 per annum, offered on basis $9,500.00 investment.

GIP—Investment of about $6,000.00 secures a block of stock carrying cashiership of one of the good counties in eastern Kansas, 15 miles from county seat. Good earning power. Salary and commissions from "side lines" run around $3,000.00 per annum.

KOB—An investment of $10,000 dollars acquires stock carrying control only bank east central Kansas town, good territory. Salary about $1,500.00 per month. "Side lines" about $1,000.00 per annum. Reasonable return on investment.

CBA—An investments of only seventy-seven hundred dollars will give you in cashier's position in only bank western Missouri town of about 250 population. Salary and commissions about $1,800.00. Reasonable dividends.

EBA—Very attractive bank, Southeastern Missouri town of more than 1,500 population. Bank has capital, surplus, and profits of more than $35,000.00, with deposits over $190,000.00. Cashiership, carrying management of bank, at a salary of $200.00 per month, offered to purchaser of 15 to 20 shares of stock at $180.00 per share—a substantially book value.

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

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