Forgery the Work of Organized Bands
The Blizzard
1888

Those who speak of the cold weather we have been having in the middle west this winter should remember the blizzard of '88. It started at 4 p. m. on January 12, and grew in intensity until 10 p. m.

Miss Minnie Freeman, a school teacher in the village of Mira, Valley county, got world-wide recognition by the rescue of her pupils who were fastened Alpine fashion to a rope and led to safety. The blizzard cost the lives of about a hundred in Nebraska.

The experiences of the First National Bank of Omaha have been the experiences of the middle west since 1857. Some of our correspondent banks have been doing business with us for nearly three-fourths of a century.
LINE BANKS ENGAGED with
the Northwestern National at
Minneapolis will have the effect of
stabilizing the banking situation in
that territory, is the opinion of Fred
A. Irish, vice-president of the First
National Bank at Fargo, which, to-
gether with the First National Bank
of Mason City, is a member of the
system recently established. Mr. Irish
expects that other banks will soon
be associated with them.

AT THE ANNUAL MEETING
of the National Bank of the Re-
public, Chicago, Edward P. Vollertsen
formerly vice-president, was appoint-
ed vice-president and controller.
Howard M. Donovan, Melville S.
Newcombe, George J. Smith, Reuben
D. Beckett, A. Dattilo, and Mahlon
E. Shanahan were appointed assis-
tant cashiers.

BUT FEW CHANGES were made
in the personnel of the Continen-
tal National Bank & Trust Company,
Chicago, at its recent annual meeting. Ar-
thur W. Roberts was
elected a second vice-

W H E N PRO-
ITs from capi-
tal appreciation
are reduced, the govern-
ment and the busi-
ness world should
consider the possibil-
ity of a reduced na-
tional income, warns
Albert H. Wiggin,
chairman of the board
of the Chase National
Bank of New York.
Mr. Wiggin pointed
this out at a recent
meeting of the stock-
holders.

RETIRING RECENTLY as state
commissioner of banking, Roy L.
Bone still continues to call Topeka,
Kansas, his home. Mr. Bone has been
elected the executive vice-president of
the Central National Bank of Tope-
ka, one of the largest banks in the state.

EFFECTIVE THE FIRST of the
year, the Mid-Western Banker of
Milwaukee became a member of the
DePuy group of banking publications.
Mortimer I. Stevens, president and
curator of the Mid-Western Banker,
becomes associated with Clifford De-
Puy as vice-president of the DePuy
Publishing Company. The DePuy
Publishing Company, in addition to
the Northwestern Banker and the
Iowa Bank Directory of Des Moines,
publishes the Central Western Banker
of Omaha, and the Underwriter's Re-
view, a prominent insurance journal.

THE PERSISTENCE of rumors
that the Northern Trust Company
is planning a consolidation with some
other bank or trust company, have
cursed President Smith to make a
statement to Northern Trust stock-
holders emphatically denying any such
plans. Mr. Smith says that his com-
pany has not had in the past, nor does
it have now, any thought of consoli-
dation.

FORMERLY CONNECTED
with the Minneapolis Clearing House
Association, James C. Smith has re-
cently been elected manager-examin-
er of the Des Moines Clearing House
Association. Mr. Smith has been with
the Des Moines association for some
time, having been assistant manager
under the direction of J. H. Sharpe,
the former manager.

ROBERT W. WEBB, president of
the First Minneapolis Trust Co.,
recently announced that the securities
and real estate business formerly con-
ducted by the First Minneapolis Trust
Company will be taken over by the
First Minneapolis Company, its succe-
sor by change of

SEVERAL changes
were made recently in the official
staff of the Foreman
Banks in Chicago. W.
F. Copeland and Fred
K. Ruzum were made
vice-presidents and
Otto J. Hansa, Ken-
th Carpenter, and
V. L. Bartling were

clected second vice-

COMBINING
institutions with
total resources of
more than $165,000,-
000, the Mercantile
Trust Company and the
National Bank of
Commerce, both of

CENTRAL WESTERN BANKER OF OMaha

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The Clearinghouse as a Safeguard Against BANK FAILURES

A S A STEP in a nation-wide campaign of cooperation with banks, especially in rural districts, for the prevention of conditions leading to bank failures, the American Bankers Association is distributing through its Clearinghouse Section to its full membership of 21,000 banking institutions, a detailed plan for setting up and operating regional clearinghouse associations. The presentation of the plan expresses the hope that it “will prove helpful in stimulating bank leadership in each county and district in the land to take immediate steps to form such associations, thus enabling bankers to avail themselves of the services and safeguards afforded by clearinghouse associations.”

In an introduction to the plan, Craig B. Hazelwood, president of the American Bankers Association, says that “the banking profession, which has more vital interest in cooperation than almost any other group, may well consider the broad application of the regional clearinghouse principal, which has been called the ‘chief line of defense against bad banking practices.’ The underlying principles of the city clearinghouse are applicable to country districts wherever there is a group of banks with common interests. There would be a gain in public confidence and an opportunity for better and more profitable operation. The clearinghouse plan is a practical, proved agency for cooperation within the profession. It deserves prompt and favorable consideration by the bankers in each community where the plan is not already in operation.”

The plan sponsored by the association uses as the basic model the First Nebraska Regional Clearinghouse Association organized at Fremont, Nebraska, under the leadership of Dan V. Stephens, former congressman.

The Missouri Plan

“While the plan sponsored by the association was first developed in Nebraska in the experimental project at Fremont, the widest application of it is now under way in Missouri where the state commissioner of finance, S. L. Cantley, is taking steps to divide the state into districts each comprising approximately 100 banks and to place over each district two examiners employed and paid by the state.”

The regional clearinghouse idea is described as the adaptation of city clearinghouse methods to rural districts through the organization of all banks in regional groups of from 50 to 100 into an association. The regional plan differs from the practice of many city associations in that instead of employing its own clearinghouse examiners, it arranges with the state banking department to assign a resident examiner to the district on a permanent basis and the association undertakes to cooperate with him in promoting sounder local banking conditions and the prevention of the development of unsatisfactory banking conditions. The booklet describing the plan says:

“Since banking is a quasi-public business, it is essential to public welfare that authority to engage in it be limited to the number of banks necessary for any given community and that the character and ability of those authorized be beyond question. A second essential is efficient supervision and examination of banks after they have been organized. A bank must be as dependable as the post-office and the government itself. It can not be subjected to ruthless competition for the reason that failure spells disaster to its patrons and causes great (Continued on Page 12)
Does Delivery of a Check Constitute Payment

IT IS the usual custom in the business world of today to pay and settle obligations by a debtor giving a check. Banks during a business day handle many drafts with a bill of lading attached.

It would not be expected that a bank, receiving a draft for collection with bill of lading attached, would refuse to deliver this draft and the bill of lading upon receiving from the party whom it is drawn on, a check for the amount of the draft drawn on the same bank which holds the draft. A depositor would have cause to consider it an insult if the bank with which he had a deposit did not accept his check in settlement of a transaction as stated above, when he had a sufficient balance to his credit in that bank.

For a period of time, a grain company had been shipping corn in carloads to a grain dealer in another state, sending the bills of lading with drafts attached to the State Bank in the grain dealer's town, with instructions to deliver same on payment of the drafts. When the grain dealer was notified by the bank of the arrival of a bill of lading and draft, he would call and give his check for the required amount on his account in that bank, and the bill of lading would be delivered to him by the bank.

Three carloads of corn were shipped in one week by the grain company to the grain dealer who received the bills of lading thereof upon payment in the manner stated above. A few weeks thereafter, other shipments of corn were to have been made in the same manner by the grain company, but they refused to send them, claiming that they had not as yet received the amounts due them on the bills of lading sent to the bank. The grain dealer fully explained to the bank the manner in which he had settled for this corn.

Investigation Made

An investigation was made and it was discovered that the bank officers had not charged any of these checks given by the grain dealer to his account, although he had a sufficient balance in his account at all times and greater than the amount of them out of the cash on hand and the credit it had in its depository bank in another city. The grain company immediately after the exact situation was learned, made demand upon the grain dealer for payment for the three carloads of corn. Payment was refused by the grain dealer, stating that the corn had been fully paid for by honoring the drafts and giving the three checks to the bank.

The grain dealer contended that the collecting bank was at all times, in each of the three transactions, the agent of the grain company, and that the grain company is bound by the actions of the bank in receiving the checks on itself as payment; and also that there was an actual acceptance of said checks as full payment.

The grain dealer, it is not denied, acted in good faith, and had no reason to think he was not paying these drafts out of his deposit as he had regularly been doing. There is no dispute about the collecting bank being the agent for the grain company for the purpose of collection and remitting, but the grain dealer insists that such agency ceases when the draft is received by the bank.

The distinction attempted to be shown can be readily seen in the reference cited by the grain company of the manner of collection and payment of a car which arrived just a few days earlier. The grain dealer's check was received by the bank, his account charged with the amount, and a draft sent to the grain company. The agent got his money from the grain dealer's account and attempted to remit it, but the bank closed its doors before the draft was paid. In that case, the grain company can only look to the bank to make good its draft.

Checks Were Worthless

With the transactions involved with the three checks in question, the bank did just the same thing as in the former case in receiving from the grain dealer his checks in payment of the drafts which were delivered to him. But the checks were worthless, not because of any fault of the grain dealer, but because the grain dealer's money was not available. It was not in the bank, nor at the correspondent bank in another city. It had been used for other purposes.

A check is an order or request to pay another from one's deposit. The bank could not comply. The bank took or received the order, but did not comply. In this it was acting for the grain dealer, one of its depositors, and failed to carry out his directions. There is such a situation as an agent changing from one principal to another, and sometimes an agent may be acting for both parties at the same time. The relation of bankers in the transactions of collecting and remitting frequently changes from that of principal and agent to that of creditor and debtor.

It is claimed that the act of the insolvent bank amounted to an acceptance of the check as payment, and the intention of the parties was to make a payment. The intention of the defendant was most certainly to make payment, but the bank and its officers could not possibly have so intended. They may have hoped that something
might happen in the near future to make payment possible, but when they took the check it was an absolute impossibility.

The mere neglect or failure to make the bookkeeping entries and charge the items to the account of the depositor does not prevent the act of the bank from being a complete acceptance of the checks or even of a verbal order to pay a creditor.

Was Not Insolvent

The bank in this instance, at the time was not insolvent and able to pay the checks. There is an almost universal custom of paying debts by check, and it may be even considered a futility to withdraw the currency from the bank by check and then pass it back in payment of a debt.

The general rule in most states is that the giving of a bank check by a debtor for the amount of his indebtedness to the payee is not, in the absence of an express or implied agreement to that effect, a payment or discharge of the debt, the presumption being that the check is accepted on condition that it shall be paid.

A mere deposit with a bank of the amount necessary to meet paper sent to the bank for collection is not of itself a payment; but where funds of the debtor on deposit in the bank are applied to payment of his paper, the payment is complete.

It is settled that the mere taking of a bank check is not a payment of the debt, and if the check be not paid, the party may return it, and sue on the original debt.

A collecting bank, as agent of the creditor, cannot receive, in payment of paper sent it for collection, anything but money, or that which by common consent is considered and treated as money, unless specifically authorized so to do.

The delivery to a bank of a check on itself, to which bank a draft with bill of lading attached is sent for collection and remittance, does not amount to a payment, although the maker of the check has sufficient funds on deposit with such bank to meet if, if the bank is insolvent and the check is not paid.

The Volume of Stock Speculation

The recent and present volumes of stock market speculations are not unprecedented great when compared with the wealth and financial resources of this country. The total number of transactions on the New York Exchange in 1928 was more than 900 million shares, and the average value per share was about $75, so that the total dollar value of the trading amounted to something less than 70 billions of dollars. This is a vast sum, almost three-quarters as great as our estimated national income, about one-third greater than the total of our bank deposits, and equal to about one-ninth of last year's total bank clearings.

The diagram on this page shows the results of carrying back these comparisons over a term of 48 years to 1881. The total dollar value of stock trading has been estimated for each year from figures taken in part from the old files of the Commercial and Financial Chronicle, and in part furnished through the courtesy of the officers of the New York Stock Exchange. Computations were then made to find what percentage these amounts were of the total bank deposits, the total bank clearings, and the estimated national wealth for the same corresponding years. The results are shown by the three heavy lines in the diagram.

Three inferences seem justified. The first is that the relative volume of stock-market speculation appears to have moved in long irregular waves during the past half century. The 80's seem to have been a time of large but declining stock speculation, and the 90's a period of relatively low speculation rapidly increasing toward the end of the decade. The next decade up to 1910 seems to have been a time of very great speculation, followed by some 15 years of relatively low speculation.

The second inference that seems warranted is that the volume of speculation during the past year has been relatively very large when compared with the standards to which we have become accustomed since 1910, but not relatively large when compared with the speculation of the first 10 years of the century, or with that of the 80's. The third conclusion is that we appear to be entering another period of relatively high volume of stock speculation rather than merely experiencing a purely temporary flare-up of public interest and participation in market operations. It seems unlikely that the phenomenal records of 1928 will constitute durable landmarks in stock-market progress.—Cleveland Trust Co. Bulletin.

The PEOPLE of the United States now pay an average fare for the electric car ride of more than eight cents. Competition of the private automobile has caused this rise, according to the latest bulletin on fares issued by the American Electric Railway Association.
Wm. C. Rempfer

(Editor's Note: The article that follows, is the substance of a letter recently sent to its customers by the First National Bank of Parkston, South Dakota, which has had the service charge for one year. It contains so many interesting facts as to bank expenses, and is so nicely worded to convey good will to customers, that we are publishing it in full, together with the charts that were a part of the letter.)

In sending this statement to the customers of the First National Bank of Parkston, the officers do not wish to be understood as criticizing those who kept balances in their checking accounts which might have been larger. We appreciate the business which our friends have given us during 1928, and wish them all a prosperous New Year.

Our depositors will recall that a year ago we inaugurated a service charge of 50 cents a month on checking accounts which dropped below $50.00. Doubtless a great many think that this is merely another method of making extra money for the bank, and that the entire 50 cents or a large part of it, is clear profit.

In order to find out just how much profit there is in it for the bank, in making this charge, your officers made an analysis of the actual cost of handling the business of the checking-department of the bank. In making this investigation the system was used which the Illinois Bankers Association used in the analysis of over 2,300 banks of the United States, all of which had average costs about the same.

To begin with, the First National Bank of Parkston has four departments, the same as most country banks, namely: 1. Checking Accounts; 2. Savings Accounts and Certificates of Deposit; 3. Loans and Investments, and 4. Miscellaneous. The operating expenses of the bank for 1928, not including interest paid, amounted to $9,697.68, divided as shown in the following table. In this table these expenses are redistributed in the proportions found to be the average by the Illinois Bankers Association, and which were true in our case.

From Table No. 1 it will be seen that it costs the bank $4,861.60 to cover the expenses of handling the checking accounts department for its customers. The expenses of this department must be distributed according to: 1. No. of Accounts Cost; 2. Activity of Accounts Cost, and 3. Overhead Costs. The first division covers the general expense, which naturally falls against each of the 432 checking accounts which the bank has. The second division includes only the expense of handling the 117,098 checking accounts which have been analyzed.

To begin with, the First National Bank of Parkston has a checking department for its customers. The expenses of this department must be distributed according to: 1. No. of Accounts Cost; 2. Activity of Accounts Cost, and 3. Overhead Costs. The first division covers the general expense, which naturally falls against each of the 432 checking accounts which the bank has. The second division includes only the expense of handling the 117,098 checking accounts which have been analyzed.

The distribution of expense shown in Table No. 2 gives the actual division of the expenses in the checking accounts department of the First National Bank of Parkston, and is the same proportionately as that of over 2,300 banks of the United States which have been analyzed.

This analysis shows that the number of accounts cost is $728.33 or $1.68 per year for each one of the 432 accounts of the bank. The average for 2,300 banks is $1.77 per account. The Overhead cost for the First National is $1,188.72, or $2.75 for each account. The average for 2,300 banks is $3.26 per account. To handle the 117,098 checks which passed through this bank it cost $2,944.55 or 2½ cents for each check. This is exactly the same as the average for the 2,300 banks analyzed. It will be noticed that it cost 60 cents less per year to handle each account in the First National Bank of Parkston than in the average bank, due to the low overhead expenses of this bank.

Leaving out one large active account the average customer of the First National Bank wrote 200 checks during the year, or about 17 per month. The following table shows how much it cost the bank to handle such an average account:

1. No. of Accts. Cost.................$1.68
2. Activity (200 cks. at 2½c)..... 5.00
3. Overhead (432 accts.)............ 2.75

Total cost..................................$9.43

Suppose a customer's account averaged just $50.00 on daily balance. Let us see how much the bank would gain or lose on his account:

1. Average balance....................$50.00
2. Less reserve 20 per cent........ 10.00

3. Loanable Balance....................$40.00
4. Interest income 6 per cent....... 2.40

Cost of Account.......................$ 9.43

Net Loss..................................$ 7.03

If the bank collected 50 cents service charge each month or $6.00 during the year, it would still lose $1.03 on the account. This result may surprise some of the bank's customers. It certainly surprised the officers of the bank! Suppose the average balance of a customer is $200.00. The analysis would show the following result:

1. Average balance....................$200.00
2. Less reserve 20 per cent... 40.00

3. Loanable balance....................$160.00
4. Average Int. Income.............$ 9.60

Net profit on the account—17 cents.

Central Western Banker, February, 1929
In other words, a fairly active checking account must have an average daily balance of $200 before it pays its way. The experience of this bank is similar to that of thousands of others. Our overhead is low compared with other banks, and the increased cost of doing business with low net income has made it necessary for all well managed banks to put every department of the bank on a paying basis. For that reason the service charge on small checking accounts has justified itself, and is now being imposed by all conservative, efficient, strong and well managed banks. We do not need to apologize for it, and the charge of 50 cents a month is not clear profit, or profit at all. It pays only a part of the cost of handling the small checking account.

The customers of the First National Bank of Parkston are above the average in showing a spirit of fairness and good will. They want their bank to be a strong and conservative bank. To be strong, a bank or any business for that matter, cannot do business at a loss. Knowing as they do that a small balance is unprofitable for their bank, they have cheerfully paid the service charge or kept a adequate balance. The officers and directors of this bank want them to know that they appreciate this loyalty and cheerful patronage, and that they will render to them the same efficient service in 1929 which they have rendered without interruption for almost a quarter of a century.

Management and Co-operation

The system of unit or independent banking, though it is essentially American and apparently best suited to American business practices, is in danger of being seriously affected, if not entirely superseded, by more centralized organizations such as are in vogue of Canada, declared R. S. Hecht, President of the Hibernia Bank of Parkston and Trust Company of New Orleans in an address to the State Bank Association at its Philadelphia convention.

He called attention to the alleged danger not only from branch banking itself, but also the newest system of chain banking. This system has all of the faults, he said, but by no means all of the merits of branch banking. Mr. Hecht said it was really difficult to see how either federal or state legislatures can devise laws which will effectively halt the onward march of chain banking. He termed chain banking an undesirable growth in our financial field. He warned that we were likely to see in the future even greater activity on the part of holding companies and investment trusts in the acquisition of banks in various strategic locations and that this would be but the prelude to additional efforts to obtain legislation to further liberalize branch banking practice.

Mr. Hecht told his fellow bankers that it was past the time of mere “resolving” on the subject, but that they must try to find the remedy for the apparent slipping of the independent banking system. Good banking, he said, was not necessarily a matter of size. A properly conducted small country bank can be as safe as a large city institution with branches. Success in the banking field depends on good management, whether the unit be large or small. Most of the deficiencies of the small town bankers, he said, could be supplied not by making any fundamental changes in our banking system or by giving up any of the unit bankers’ independence but merely by bringing about a better spirit of cooperation and mutual helpfulness.

Mr. Hecht said the time had passed when a banker can afford to go it alone and ignore what his neighbors are doing. Individualism in banking must in a measure give way to cooperation.

THIRST SAYINGS

Roosevelt: “If you would be sure that you are beginning right, begin to save.”

Garfield: “It is the men and women who pay attention to small savings that become wealthy.”

Hill: “The seed of success is not in you if you can’t save money.”

Central Western Banker, February, 1929
CARTOONS OF THE MONTH

THE "QUESTION MARK" THAT IS STILL UP IN THE AIR
—Hungerford in the Pittsburgh Post Gazette.

EVERYTHING IS COMING HIS WAY THESE DAYS
—Hannay in the Philadelphia Inquirer.

THE HERR AND THE TURTLE
—Carroll in the Providence Journal.

LOOKS SOMETIMES ARE DECEIVING
—Shoemaker in the Chicago Daily News.

Central Western Banker, February, 1929
FORGERY— the work of ORGANIZED BANDS

By E. N. Moseman
Standard Accident Ins. Co.
of Detroit

IT IS quite generally believed by the public that forgery is a crime not often committed. One of the reasons for this is perhaps the fact that newspapers and magazines have not seen fit to give it as much importance as is given crimes of violence. Almost any murder, robbery, burglary or arson case is exploited for its sensational qualities. Only the largest forgery cases, however, get into the papers. There is nothing sensational about the methods of the professional forger. There is nothing to call his crime to the attention of the public. The person whose name has been forged is usually at a complete loss to know who is responsible and is usually somewhat chagrined at the loss he has suffered, and is quite apt to remain more or less silent. If he does report the loss to the police, the facts are usually not such as to make a good newspaper story. Of course, many times the crime amounts to a series of forgeries running into large figures, and in such cases a certain amount of notoriety is given.

A Common Crime

Nothing could be farther from the truth than the popular belief that forgery is a crime seldom committed. It is, on the contrary, one of the commonest crimes we have. It is committed by both amateurs and professionals. Quite generally the amateur is caught. It is equally true, we fear, that quite generally the professional escapes detection. The losses resulting from forgery run into many millions of dollars each year. No one knows how much, and we do not care to trust such statistics as we have. It is an insidious and secret crime, and at the present time acts as a canker upon the business life of the country.

Banks for a long time realized that their losses from forgery are heavy and practically all banks are heavily insured against loss resulting from the commission of this crime. The bank is usually the one affected when the forgery is perpetrated upon checks, although of course the depositor can and frequently does suffer a loss if he has in any manner been negligent and his negligence has contributed to the loss.

The professional forger never works alone. Invariably a company of them work together but they do not reach the city selected for their prey at the same time. First come the "scourers." These people have been allotted the task of securing the blank checks of one or more depositors in some bank, or getting specimens of the depositors' signatures, or learning their average bank balances, and when they make their deposits, so that when the forged check is eventually presented, it will be presented at the time when the bank account is in nice fat shape. The scourers sometimes act as salesmen and contrive to get the depositor to step out of the room while they proceeded to extract checks from his checkbook. Quite generally, however, they prey upon the offices at night, particularly while the charwomen are cleaning up and have the doors open. They are good actors. They know how to get by the scrub-women and they know how to talk themselves out of the situation if they are caught, and they further know how to hide the checks they have stolen so they will not be found if they are searched.

"PENMAN" DOES FORGING

These checks and this information are then given to the "penman." He is the fellow who actually does the forging. It is his only job. After forging the depositor's name to the blank checks he turns the check over to the "passer" and departs for the next scene of action. The passer is a man who utters and publishes the checks, that is to say, he passes them and obtains the money upon them. This is an important part of the work, and the passer is usually a very saucy and convincing person. He usually strikes the banker in the banker's weakest place. He invariably starts his operations by opening a nice large account. He usually appears at a branch bank and approaches the manager of the branch, who perhaps is not nearly so experienced as some of the older men in the main office. He usually has a very convincing story about how he is going to locate in this city and wants to open an account. He usually presents a check drawn on an out-of-town bank for quite a large sum of money, anywhere from $1,000 to $5,000 or even more. The manager of the bank of course, is wary enough to tell the new depositor that these funds cannot be withdrawn until the check has been paid by the drawee. This is always perfectly satisfactory to the passer. He knows that there are actually funds on deposit in the bank upon which the check is drawn in the other city. Professional criminals in these days are well financed, one might almost say well capitalized, for they run their nefarious business along lines of great efficiency, copying their more honest brothers in this respect. The branch manager accepts the check for collection, credits the account of the new depositor with the amount thereof, and sends the check through for payment. The check is presented to the bank upon which it is drawn and is paid by that bank, the branch bank being notified to this effect. They are then of course perfectly safe in allowing the depositor to withdraw his own funds.

"PASSER" CREATES CONFIDENCE

The passer usually drops in every few days for the next few weeks and talks with the manager of the bank, acquaints him with the fact that he is in the real estate business, perhaps, and that he is doing very well, and deposits from time to time certain checks drawn on other banks in the city.

(Continued on Page 13)
Are Women Becoming the Nation’s Investors?

DID IT ever occur to you, that we, the women of the United States, are rapidly becoming the investors of this county? Time was when any investment of moneys in supplies, equipment, in property of any sort, was mainly a man’s affair, while woman was the manufacturer of the family. We are all familiar with the kitchen and its “wide mouthed” fireplace, in which our great grandmothers and their daughters gathered, not only to dry and preserve meats and fruits and vegetables, but to make candles and soap, to make cards for combing wool; to card wool and cotton and hatchet the flax; to spin and weave and knit cloth and clothing for all household uses and for almost all personal needs. But the great moving force of the nineteenth century, the Steam Engine, followed by the still more compelling force, electrical energy, wrested many manufacturing activities from the housewife and turned her into an investor of family income.

A Huge Sum

It is estimated that women do almost nine-tenths of all buying, that they spend or invest fifty-two billion dollars annually. Obviously a large part of our country’s wealth is handled by us. And upon the building of that wealth depends not only individual wealth, health and effectiveness, but the very life of our nation.

Did you ever try to inventory or make a list of all things in your home, from screws to bedsteads? If you have, you, too, must have been appalled by the vast number of things with which we humans live in well-ordered households. The task of buying all those things—or almost all those things, for probably friend husband has bought the screws and the coal shovel—falls to woman. It is humanly possible for her to attain expert knowledge concerning real values of any large number of items she must purchase. How, then, is she to know when she is making a good investment until after the purchase has been tested? Fortunately, the U. S. Department of Commerce is coming to her aid. It is working with manufacturers to establish minimum standards of quality; articles meeting such standards will be labelled so that the retail consumer can determine from the label whether government minimum standards have been met. Through its Division of Simplified Practice, the Department of Commerce is urging producers to eliminate the wide and useless varieties in sizes that now exist. For example, if you ask for a two-pound package of salt today, you will be sure you are buying two pounds of salt and be able to compare prices of different makes of salt, whereas until manufacturers agreed recently to standardize salt packages, you had to look on each package before you knew whether you were getting 28, 30, or 32 ounces of salt for your money.

Women do almost ninetenths of all buying and spend or invest 52 billion dollars annually.

By Mrs. John F. Sippel
General Federation of Women’s Clubs

This work on articles in which the housewife is interested has only begun. The General Federation of Women’s Clubs co-operating with the government will attempt to keep women informed concerning the articles that have labels of quality, or that are marketed in standard packages or sizes. But the success of the activities will depend on the housewife, for only when she makes a point of asking for standardized materials will the retailer be encouraged to carry goods of manufacturers who have agreed to standardize. The Federation has already issued booklets bringing together in picture and terse statement the scientific facts about different types of labor-saving household equipment for use of the housewife when considering purchases of such equipment.

A Challenge

We hope the day will come when the women purchasers will be able to know with certainty what values they are getting for their money. But even then, buying the things which are essential for health, which eliminate wasteful use of human energy and which contribute to the real joy of living, while putting aside a part of the income in interest-bearing investments so that such moneys will be available for the fulfillment of the needs or desires of tomorrow, will tax the intelligence of all women as long as we continue to be the investors of the family income.

Hitherto, married women have not been held responsible for the investment of funds—using investments in its more restricted meaning. Such investment has been the concern of the men of the family. How often, I wonder, have women who have been widowed, regretted the fact that they had paid no attention to the financial dealings of their husbands, that they were uninformed when fate shifted the responsibility of investment to their shoulders?

For some mysterious reason, the belief had widely prevailed in the past—and still persists to some extent today—that women are fundamentally less competent to handle money matters than men. Women themselves have been rather too ready to accept this opinion. Today over a million women make separate income tax returns to the United States Treasury. Almost

What Women Are Doing

“Today over a million women make separate income tax returns to the United States Treasury. Almost four million make joint returns with husbands. Approximately one-half the stock of various leading American corporations is owned by women. It is stated that one-third or more of the stock in some of our leading metropolitan banks is held by women.”

Central Western Banker, February, 1929
four million make joint returns with husbands. Approximately one-half the stock of various leading American corporations is owned by women. It is stated that one-third or more of the stock in some of our leading metropolitan banks is held by women. While there is no very reliable way to determine the percentage of women bondholders, there is every reason to believe that this more conservative type of investment is even more extensively held by women. It is a matter of common knowledge that a very large percentage of all insurance policies name women as the beneficiaries.

Regardless of whether a woman is the homemaker for a small income family or a large income family, it is essential that she understand the principles of money investment so that she may place a true valuation when planning her family budget, on putting some income aside to earn money for her family. A regular investment of $25.00 a month in bonds yielding a return of only 5 per cent, with interest promptly reinvested as it is earned, will at the end of thirty years produce only a half will represent compound interest. These calculations, of course, do not take into consideration the possibility of loss during the period of investment. But if bonds are well selected, losses should be minor, and the final results should not be materially affected.

**By Careful Study**

And this brings me to the question of whether the modern woman can invest with safety and success. By careful study—and the Finance Division of our American Home Department is planning such a study—and by consultation with thoroughly reliable houses which not only confine their offerings to solid investments but which extend assistance to the investor so that he or she may adapt his or her selections to the purposes they are expected to serve, there is every reason why women should bear jointly with men this responsibility.

Alert investment bankers today fully realize the growing importance of women as investors. The services they provide are a great safeguard to women, as well as to men, in the accumulation and conservation of money. It is no longer necessary for women to seek the advice of relatives or friends about investment problems. Such advice is not competent, and if they are so, they often regard it as an unwelcome responsibility to advise women about financial matters. Then, too, the counsel of a responsible investment house, if followed, will protect inexperienced women from unwise investment practices. Very often, women who do not know the ways of business or the earmarks of a safe investment, are led into wildly speculative or even fraudulent ventures through the promise of abnormal profits made by unscrupulous persons.

Hence, a most important step for the woman who wants to follow sound investment practice, is to make a connection with a reliable investment house.

But even then women's task as an investor is not done. For although she may have budgeted her income carefully, purchased thriftily, and placed the savings of the family in sound investments, unless she has achieved, thereby, leisure for herself, her husband and other members of her family, and developed in that leisure a serene and joyous family life, the other investments serve little real value. We live as individuals, and as families, in our leisure moments, in the moments when we are free to choose what we will do. The enrichment of life must come then. Our universe depends upon the range of our interests. When the homemaker awakens in the members of her family an appreciation of history, civics, art, and nature in their many manifestations, she binds her family together for ever and ever. "Life liveth best in life, and doth not roam to other realms if all be well at home."

An official wrote me recently that he considered American women were no longer making contributions to the wealth of our country because they were not manufacturing products in the home to any large extent. Without belittling for a moment the work of our truly pioneer great grandmothers and of others who turned nature’s resources into the materials of civilization, I believe that the women of today carry the heavy responsibility of regulating human conduct and the affairs of people in accordance with the great fund of knowledge that is now available. On the extent to which they accept and apply such knowledge in their homes and in their communities will depend the elimination of friction and confusion and the resultant harmony of human life in our country.

*(Radio address, Halsey, Stuart Hour)*

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The Clearinghouse as a Safeguard Against Bank Failures

*(Continued from Page 4)*

**Central Western Banker, February, 1929**

Disturbance to the general public. Banks have failed primarily because of the violation of these fundamental principles. There would have been practically no failures had the number of banks been restricted to community needs and had they been properly supervised.”

The Nebraska plan for regional clearinghouse associations, it is pointed out, provides for giving to regular state and national examiners the added effectiveness possessed by private examiners in a city clearinghouse by reason of the fact that they are assigned permanently to a specific territory and group of banks and are also made responsible to the clearinghouse association for the results of their work. This permanency of employment, in a single district, it is declared, enables them to become especially proficient through the knowledge accumulated regarding the business of that community and the same results can be obtained as are now being enjoyed in the 35 cities which have private examiners employed by local clearinghouse associations.

While this plan sponsored by the association was first developed in Nebraska in the experimental project at Fremont, the widest application of it is now under way in Missouri, where the State Commissioner of Finance, S. L. Cantley, is taking steps to divide the state into districts, each comprising approximately 100 banks, and to place over each district two examiners employed and paid by the state. Within each district the banks themselves are to organize into clearinghouse associations and to designate the public examiners as their clearinghouse examiners who thereby become authorized to act in the dual capacity of serving both the state and the clearinghouse organization. They will be placed on a permanent resident basis so as to enable them to maintain continuous observation of developments in each state bank in his district.

The movement to establish regional clearinghouses is also under active promotion by bankers in Illinois, Indiana, Minnesota, Iowa and several other states, with the cooperation of state banking authorities.
Forgery—the Work of Organized Bands

(Continued from Page 10)

These checks are many times checks on accounts carried by other members of the gang in which they have actually deposited funds. These checks are honored and paid, and thus as time goes on a feeling of security arises in the banker's breast and he regards the passer as a bona fide depositor and a valuable one. During this time, however, the passer has been drawing out slightly more each time than he has put in. This may go on for some weeks and the balance to his credit may be withdrawn to the extent that he has only about a thousand dollars on deposit. After a while he draws a check for let us say, $11,000.00. The check is made payable to himself and he properly endorses it and deposits it. If any questions are asked, his answer may be that he has just been successful in consummating a large real estate deal and this is his commission.

The next day, however, he draws a check on his account for $11,500.00, leaving only $500.00 on deposit. After a while he draws a check for $15,000 on deposit he has only $4,000. It will readily be seen that the forgery may not be discovered, however, for a good many days, usually not until the depositor whose name has been forged receives his canceled vouchers. By this time the forger has had a week or two to make his getaway.

Fewer But Better Banks

People in the Ninth Federal Reserve district are still carrying $288,547,000 around in their pockets or secreting it in divers places, if there is the same amount of money as there was in 1920.

According to the Federal Reserve bank at Minneapolis there are 1,350 less banks in the district than there were in 1920. In that year there were 3,853 banks in the district with average deposits of $401,000. Now there are 2,503 banks with average deposits of $502,000, indicating that there is $288,547,000 less money on deposit in the banks of the district than there was in 1920.

It cannot be believed that there is that much less money in the district and it must follow that there are still many people who have not regained their confidence in our banks. Naturally it takes many years of safe banking to establish confidence. There has been a gradual return and it will doubtless continue. There is growing belief that in so far as the Ninth district is concerned, there will be little bank trouble, at least while the present generation of bankers are living. They have learned just what a bank must do if it is to maintain itself under the stress of hard conditions.

It is just as well that there are fewer banks than there were. Here in South Dakota we had one bank for something like every 800 inhabitants. It is hardly among the possibilities that 800 people can properly support a bank and permit it to return a profit to the stockholders. It may seem strange, but banks like other business institutions, must make a profit if they are to exist. That is one of the lessons the public has learned from the trouble of the past five years. We do not expect gross liberality upon the part of banks. We have learned that unprofitable banks fail and that causes loss to all of us.

Guaranty Trust Company of New York

140 Broadway

LOndon Paris Brussels Liverpool Havre Antwerp

Condensed Statement, December 31, 1928

RESOURCES

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
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<tr>
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<td>from Banks and Bankers</td>
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<td>Accrued Interest and Accounts Receivable</td>
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Total Resources: $1,052,211,198.39

LIABILITIES

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<tr>
<td>Undivided Profits</td>
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Total Liabilities: $1,052,211,198.39

Outstanding Foreign Bills: $1,218,150.00

Accrued Interest, Reserve for Taxes, etc.: $8,438,389.41

Acceptances: $96,819,425.23

Deposits: $771,824,818.95

Outstanding Checks: $70,533,396.19

Credit Balances: $842,358,215.14

Total Liabilities: $1,052,211,198.39

Central Western Banker, February, 1929
The banking business in this district is now being properly conducted in so far as the protection of the money of depositors is concerned and that situation is likely to prevail for many years. It may take some time yet before all of the money which should be on deposit in the banks finds its way back into normal channels, but no particular harm is being done because of that situation. Banks in almost all communities are able to meet every legitimate demand for money. Normal conditions are upon us and people are gradually returning to normal banking relations.—From the Huron, S. D., “Huronite.”

Investment Counsel and Conservative Bond Issues

Clarke, Lewis & Co.
318 South Nineteenth Street
OMAHA

Central Western Banker, February, 1929

New Tax Ruling
A new ruling has just been announced by the Income Tax Department as a result of which selling of stocks and buying them right back can reduce the tax to be paid, even though the loss on the wash sale is not deductible, according to M. L. Seidman, tax expert of Seidman & Seidman, Certified Public Accountants.

“If stock is held for more than two years and then is sold at a loss,” Mr. Seidman explained, “the rule is that the loss cannot reduce the tax by more than 12½ per cent, whereas, if the sale is made before the two years, the government may have to stand as much as 25 per cent of the loss. By selling the stock and buying it back, the tax department has just held that the two year period starts anew, so that stock traders are now in a position to constantly avoid the 12½ limitation by making wash sales just before the two year period expires, and continuing to do so until they desire finally to take the loss.”

“The ruling settles a point about which there has been considerable doubt,” Mr. Seidman added. “It is well known that if stock is sold and bought back within thirty days, no loss can be deducted for income tax purposes. Instead, the stock repurchased is considered as standing in the place of the stock originally held. It was believed by many that since the repurchased stock stood in the place of the old stock for computing profit, it would also do so for computing the two year period. The Department now holds, however, that one has nothing to do with the other, and that the two year period is to be measured from the date of the repurchase.”

Mr. Seidmann pointed out that the ruling may involve very substantial amounts in taxes. He referred to the Treasury Department’s annual reports that showed hundreds of millions of dollars of losses reported each year as coming within the two year restriction. The tax bill of the individuals concerned can be considerably reduced, he concluded, if they avail themselves of the possible benefits of the new ruling.

It’s Just This Way
There’s one good method of meetin’ life’s test;
Jes’ keep on a-strivin’ an’ hope for the best;
Don’t give up the ship and quit in dismay,
’Cause hammers are thrown when you would like a bouquet.
This world would be tiresome, we’d all git the blues
If all the folks in it jest held the same views;
So finish your work, show the best of yer skill;
Some folks won’t like it, but other folks will.

—Long I. Courier

Putting It Over
Pat: “Well, Mike, I fooled the boss today.”
Mike: “How’s that?”
Pat: “Well, I carried the same hodful of bricks up and down the ladder all day, and the boss thought I was working.”

Burning your bridges behind you isn’t so bad, if you can swim.
When the Yankee Dollar Goes Abroad

By Raleigh S. Rife
Economist
Guaranty Company of New York

Address Before Nebraska Investment Association

IN TWO PARTS
Part Two

T he third factor which I wish to call to your attention, as bearing upon the credit position of these countries, particularly western Europe, is the fact that they, as nations, are becoming lenders of capital again. Before the war, the western European countries were lenders of capital. The United States industrial development and railroad development, etc., was largely financed by foreign capital. One by one, we have seen these nations return to a position as lenders of capital—England, Holland, Switzerland, Sweden and now France. There is a growing tendency on the part of any underwriting banker in New York, when offering a foreign loan in this market, to state at the top of the advertisement that a part of that loan is reserved for issuance abroad. In the last Belgian issue, France was added to this list for the first time on a formal security offering. When these countries are able to largely care for their internal needs from their own capital resources and to have a surplus capital for investment outside means an improved basis of credit. We have recently seen that the city of Antwerp floated a loan on the American market, but a month or so ago $6,000,000 100 preferred stock of a new railway company to build new railway mileage in the Congo was floated in the Brussels market, indicating that the country can obtain within its own resources money to substantially develop her colonial possessions.

A Noticeable Tendency

In close relation to this returning to a position as lender nations is a tendency of these countries to buy back their securities. Certainly, a substantial part of the Dutch East Indies Loans of $15,000,000 floated in this market is owned by Hollander or other Europeans. It has been recently estimated in Belgium, based on the stamp tax, that since 1926 Belgium has purchased foreign securities amounting to something like $74,000,000, and this estimate does not include Belgian companies operating abroad, nor Congo Free State companies. As these countries buy back securities that have been floated in other markets, it means that they are converting as far as economic conditions are concerned external obligations into internal securities, and the purchase back of their securities is just as effective a measure as lending additional capital abroad. It all tends to improve their credit position.

I want to discuss the fourth factor as bearing on credit position of foreign governments, and that is their public works program. Here, I want to turn my attention largely to the Western world, although I do not mean to say that public works programs are not under way in other parts of the world. In general, a public works program has its bearing on the credit position of the country in the sense that it lays the basis for improving the economic position of the country, particularly in new countries that need to be opened up for settlement does not have this significance. It is a self-evident fact that one cannot very well open up a frontier country without means of transportation, and if other economic factors are equal, the providing of adequate transportation will, sooner or later, result in improved economic output of the country. I want to mention a few cases of important public works programs which will have their bearing upon the economic position of those countries.

In July, 1925, Cuba inaugurated a public works program by designating a varied list of public works, including highways, sewerage systems, water systems, public buildings, schools, etc. Under the Platt amendment, which is part of the Cuban constitution, the Cuban government is obligated not to increase its debt except by creating revenues to cover the debt, or on condition that the current ordinary budget has a surplus to cover it. When this program of public works was authorized in 1925, the Cuban government created special taxes, the proceeds of which were to be used in the construction of these public works. These taxes had produced over $16,000,000 a year and were to remain in force for a period of 20 years, which means $325,000,000 of taxes for public works. The first project under this program is the central highway, 700 miles long, from Havana to Santiago, costing $76,000,000. The construction of this highway, together with lateral highways, and the other

Central Western Banker, February, 1929
public works that come with it, will certainly mean improved economic position of the country in opening up parts of it to better means of communication and will also have a tendency to encourage the growing tourist movement between the United States and Cuba.

Other Public Works
In the United States of Colombia, we find another great program of public works, a program that will require some $300,000,000 to complete, if completed as per schedule. Colombia was settled many years ago by a people that have built up a substantial economy upon the up-lands of Colombia, which is a climate suitable for white men. Colombia has been handicapped by inadequate transportation. Its present development has largely been based upon the Magdalena River, which is a very uncertain means of transportation due to low water during the dry season. Some few years ago, Colombia entered upon a period of prosperity. The revenues of the government exceeded estimates and surplus revenues were used for the reduction of debt; in fact, they were able to cut their debt in two. This was a construction period of Government finance. In fact, after the flotation of the first loan of $25,000,000 to the Colombian Government, the debt of Colombia on December 31, 1927, was actually less than it was in 1923. The program of public works embraces railroad construction, highway construction, aerial tramways in the mountains, and public works of a great varied nature. The variety of the public works and the great number of them impresses one as if there had not been a definite central plan, which is natural to expect in a country with delegated powers and largely in control of electric representatives. It is to be expected, however, that this plan of public works may be changed and modified to bring about a more concrete and feasible proposition, but yet it is very interesting to note that the Colombian government with a debt of something like $80,000,000, of which $60,000,000 are American loans for public works, that the service charges of this debt, including interest and sinking fund, is probably less than 12 per cent of the revenues of 1927. As we know government finance today, that indeed is a very conservative figure, indicating a current financial position of subsequent strength. Many of the departments of Colombia have inaugurated substantial public works programs for further developing the production of their respective departments. I may mention that of the department of Antioquia, which has borrowed money for the construction of its railway, which now extends from the Magdalena river in the east to the Cauca river in the west, and a line is being built to the southern boundary along the Cauca river. The net earnings of this railway cover the interest charges of the loans floated for the express purpose of constructing the railway and do not place a burden on the budget of the department. With the various loans that have been floated for highway construction, the department has three highways radiating in three directions, one north of its capital, Medellin, one south and one in a northwesterly direction to the sea. Total mileage of these new highways is something like 180 miles and has already opened up sections for settlement that were not possible of important development. The same may be said of the whole program of public works of Colombia, namely, that they are imbued with the idea of removing transportation handicaps and to broaden the economic area from the central part of the country.

In Venezuela, we find the government engaged in the construction of port works and the construction of highways, one of the principal ones being from Caracas to Cucuta, Colombia, a distance of 1,500 miles. Most of the public works in Venezuela are being financed from surplus revenues of the government. The president of Venezuela, General Gomez, has managed the finances of the country in such a way and the economic development of the country is such that the government has on deposit in the banks in Venezuela cash in excess of the total outstanding debt of the country, and if the sterling bonds were callable, the entire debt could be retired. Is there any wonder in that situation that Venezuela 3 per cent bonds should sell on the lowest yield basis of any bond in the London Stock Exchange.

In Peru, we find in recent years an extensive program of public works, including sanitation, improved water systems, port works, roads, and irrigation works.

In Chile, we find a public works program covering the next eight years, including irrigation, sanitation, rail-port works, public buildings and highways, to a total of over $180,000,000.

In Uruguay
Uruguay has recently adopted a programme of $25,000,000 of public works construction. In Brazil, we find also a program of public works. They have only recently opened up a highway from Rio de Janeiro to San Paulo. We find various states in Brazil engaged in public works programs, namely, Espirito Santo, Minas Geraes, Rio Grande do Sul and San Paulo. San Paulo has been improving the water supply system of the city of San Paulo, also extending her state railways to the south and southwestern parts of the country, and is now engaged in extending the state railways to a new seaport.

In turning to Africa, we note that the King and Queen of Belgium this summer attended the ceremonies held in the opening of the 700 miles of new railway from Port Franqui on a navi-
gable tributary of the Congo river to the existing railway in the Congo. Plans are under way for the building of a 400 mile link of the Benguela railway at the Angola border, which extends from Lobito Bay on the West Coast of Africa to a point a little north of Elizabethville, which is the centre of the present copper development of the Congo Government. At the same time, they are changing the grade, widening the gauge and electrifying the railway for a distance of 250 miles around the Lower Falls of the Congo river from Leopoldville to Matadi on the seacoast.

All of these programs of public works point to one thing, namely, the laying of the basis for future development of new and undeveloped regions of the world, and one cannot help but feel that where so much capital is being invested in improving transportation, there will follow in its wake an improvement in the economic position of those countries. We, of course, are near enough to the pioneer stage of the development in our own country to realize that all of these projects are not always wise and in some instances may be ahead of the times, but the general tendency is of a constructive nature.

I only want to speak of two other developments illustrating what is underway in the investment of American capital abroad. One is the growth of American private capital abroad, which contributes not only capital, but American management. If the history of Dutch and British overseas investments is of any value to us as a guide, we will note that it largely took the form of private investments, which carried with them, more or less, direct management. Today, the principal railways of the Argentine are British owned and British managed, and the San Paulo railway, extending from San Paulo to Santos is British owned and British managed. American capital has gone aboard in oil developments, in copper mines, meat packing and in sugar in Cuba, and for varied lines of industry in the development of Canada. There are two striking instances of the new venture of American capital abroad, namely, the International Tel. & Tel., which not only owns cable lines, but telephone systems in various countries in the world; and recently has made a proposition to a British Telephone Company in the Argentine for an exchange of stock, which, in a sense, is a joint co-operation of British and American capital. Capital does not necessarily limit itself to national lines. The other development is the growth of American and Foreign Power Company. It is purchasing electric light and power plants in various countries in Central and South America and has recently made an arrangement with British capital to take over their plants in Mexico and Chile, again illustrating the tendency of capital to co-operate.

Increase Our Market

The other thought I wish to leave with you is that all of this public works program and the investment of American capital abroad tends to increase the market for the products of American industry. Is there any wonder that we are exporting nearly $500,000,000 of automobiles a year, when one views the highway construction program of Africa and South America? The equipment for the electrification of the Chilean state railways, which were financed by American loans, was made in America, and a substantial part of the electrical equipment of utility companies of Japan was made in American factories. As the stream of our capital enlarges in these overseas investments and as American private capital becomes more closely identified with management and direction in many of these undertakings, we can look for-

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**SOME BOND SUGGESTIONS**

For Secondary Reserves

Check the securities below in which you are interested and return to us. We will gladly send you complete information.

<table>
<thead>
<tr>
<th>Issue</th>
<th>Rate</th>
<th>Maturity</th>
<th>Yield</th>
</tr>
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<tr>
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<td>4 1/4%</td>
<td>1937–63</td>
<td>4.15%</td>
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<tr>
<td>Sanitary District of Chicago</td>
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<td>1935</td>
<td>4.25%</td>
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<td>4.72%</td>
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<tr>
<td>Pennsylvania Company</td>
<td>4 1/4</td>
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<td>General Motors Accept. Corp.</td>
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**THE NORTHERN TRUST COMPANY**

CHICAGO

In the Heart of the Financial District

Northwest Corner LaSalle & Monroe Sts.
ward to an enlarged market for the products of American industry.
I feel that the last year shows evidences of improving the credit position of foreign countries and that considering the programs of public works that are under way and the economic forces that are directing some of these programs, one cannot help but be impressed with the fact that substantial developments are under way in various parts of the world, which leads one to the conclusion that we are at the threshold of a period of extensive expansion of world trade and commerce, in which we, as a nation, with our capital and resources and our industrial ability should be called upon to play a very substantial part.

What is the difference between an unsuccessful investment program and a successful one? Simply this—one proceeds by impulse and the other by plan.”

This was the keynote of a talk by Mr. Craig B. Hazlewood, president of the American Bankers Association, on the Halsey, Stuart & Co., radio program recently, over a nation-wide chain of stations. Mr. Hazlewood, who is also vice-president of the Union Trust Company of Chicago, then went on to emphasize this important point, saying:

“There are a great many individuals, corporations, and even banks, in the United States, that do their investing almost entirely on impulse. They wait until they have a good sized sum; then decide how to invest it. They flatter themselves that at the psychological moment they can seize upon some market opportunity and buy soundly on impulse. They invest in one type of security one day and in another type on another day, trusting to their general sense of balance to bring about the proper combination of safety, income, marketability, and the other essentials of a sound investment program.

“Another type of investor, whether individual or corporate, proceeds in the modern and scientific spirit. He considers his age, his situation, the active years ahead of him, his probable income, his taxes, his needs. Calling in competent counsel upon the problem, he then seeks to arrive at a plan which will serve as a guide to hold his course steady in spite of all the temporary distractions, opportunities, and temptations which each day brings with it. He recognizes that time is made up of bull markets and bear markets, prosperous periods and periods when the world is taking up the slack.”

The Banking Side

Commenting more directly on the banking side, Mr. Hazlewood gave some interesting figures indicating the importance of the banks in the investment field, and then went on with some interesting observations on bank investment, saying:

“Banks are buyers of securities, and they buy in large amounts. The comptroller of the Currency reported to Congress on June 30, 1928, that the total holdings in securities, including government bonds, of the banks of this country, were $18,442,000,000. This figure represents about 26 per cent of the total resources of all the banks in our country. Consequently, it is obvious that the bankers of this country are very much concerned in the matter of a proper investment program.

“I would not be frank with you if I did not tell you that some banks have erred, and erred badly, in relation to their own investment program. Many of them have apparently proceeded...
without any definite plan as to the type, liquidity, marketability or maturity of the securities they have placed behind a part of their deposit liabilities. The result has been that instead of having what is called a strong secondary reserve, that is, a reserve of easily liquidated assets, that they can count on in emergencies, in addition to the cash balances they maintain, they have found that when the need came, perhaps during a period of tight money, they were in possession of securities that were hard to sell, and only salable at all at a substantial loss. This is not good banking, as many bankers have found to their sorrow. The difficulty, it is apparent, was that the bankers themselves did not think through on a complete program and did not plan their action in accordance with possible eventualities."

Concluding, he again emphasized the keynote, saying: "For the individual, the corporation and the banker, all the advantages are in favor of a well-planned investment program."

**Change Par Value**

The board of directors of the Omaha National Bank were authorized by the stockholders of the institution at a special meeting, to change the par value of the bank's stock from $100 to $25 a share. Officials of the bank said, following the meeting, that the action was taken so as to have a wider distribution of the stock, which now sells at approximately $350 a share. The stockholders also voted to carry out recommendations of the directors calling for a 25 per cent stock dividend.

**Recently Incorporated**

The Nebraska Bond & Mortgage Company of Omaha, with W. Dale Clark, Guy C. Kiddoo and Daniel J. Monen as incorporators, filed articles recently with the secretary of state at Lincoln. Authorized capital stock is $200,000. It will be a holding concern for real estate and securities, but will do no business with the public and all of the stock will be held individually, according to Mr. Kiddoo. First meeting, for election of officers will be held in January. Mr. Clark and Mr. Kiddoo are vice-presidents of the Omaha National bank, and Mr. Monen is trust officer of the Omaha Trust company.

**Is Champ Spud Raiser**

With a yield of 489 bushels of potatoes per acre, F. Keen of Morrill is acclaimed champion spud raiser of Nebraska for last year. Only three other members of the Nebraska Potato Improvement Association averaged over 400 bushels of these starchy tubers per acre.

These results were announced at the annual Nebraska Potato Improvement Association banquet held at Alliance on December 12, during the Western Nebraska Organized Agriculture meetings.

Mr. Keen automatically becomes the president of the first Nebraska 400 Bushel Potato Club and was awarded a certificate of achievement by the University of Nebraska College of Agriculture. Similar certificates were received by the following successful spud growers: M. G. Wilson of Minatare, 428 bushels; Fred Ehrman of Gering, 410 bushels, and O. P. Randal of Mitchell, 407 bushels.

These official results were made available thru a project started last spring, known as the "Nebraska 400 Bushel Potato Club." It was organized jointly by the extension service of the College of Agriculture and the Nebraska Potato Improvement Association. The project was founded to encourage Nebraska spud growers to increase their yield per acre, which means, as a rule, decrease in cost of production per bushel.

EW single banks or institutions can afford to employ a real financial expert, yet these experts are at your disposal through the financial services to which our house subscribes.

We place at your disposal the opinions of the best informed financial experts.

Consult them through us.

Ask for special reports on any corporation or partnership.

SMITH, LANDERYOU & CO.

640 First National Bank Building

OMAHA, NEBRASKA

Telephone JAckson 5065
Thirty-three Nebraska potato growers entered the project and only sixteen completed the work. This fall, the five acre fields were checked by an official from the extension service of the College of Agriculture.

The Nebraska organizers conceived their idea of a high yield potato club from Pennsylvania, where a similar project was started five years ago. There it proved very successful, although Pennsylvania was satisfied to set her standards at only 300 bushels per acre. It was found that more and more profits in potato raising can be secured by increasing the yield per acre, and not by raising greater acreage. That is what the Nebraska project should bring out, according to H. O. Werner, of the horticulture department and the man who initiated this work in Nebraska.

Public Good Will

Public good will as a definite financial asset, and the means of obtaining it are discussed in Edward L. Bernays’ new book, “Propaganda,” which Horace Liveright.

Mr. Bernays, who helped to create the profession of public relations counsel and acts in this capacity for some of America’s large corporations; for foreign governments; and social movements, analyzes the growing importance of the public as a factor in investment, in flotation loans, and in mergers, and points out the necessity of the correct understanding of public psychology for successful accomplishment of these ends. Another subject discussed in the book, of interest to the business world, is the technique of “scotching” false rumors which affect the prestige and standing of a concern.

Previous books by Mr. Bernays are “Crystallizing Public Opinion,” and “An Outline of Careers.”

President Dies

Carl H. Heckman, 39, president of the First State bank of Hickman, Nebraska, died recently in a Lincoln hospital. He had been a lifelong resident of the Hickman community. His widow and one daughter survive.

NEBRASKA BANKERS are careless about heeding warnings against confidence men, according to William B. Hughes, secretary of the Nebraska Bankers association.

Mr. Hughes called attention to the fact that about a month ago the association sent out a warning, accompanied by a photograph of a bogus travelers check forger, who was heading toward Nebraska, and might attempt to cash worthless papers here.

Said Mr. Hughes: “In spite of the fact that this warning went out to every banker in the state, several days in advance of his arrival, the forger went through Nebraska from one end to the other, and succeeded in cashing several worthless checks.”

ERNEST MC DOWELL and a group of men in and near Laurel, Neb., are organizing to reopen the State Bank of Laurel, which is being operated by the state guaranty fund commission. The Laurel bank has already paid 65 per cent dividends to depositors and is in a position to pay an additional 15 per cent, according to George Boucher, special agent in charge of the bank for the commission.

PATRICK YALSH, 70, president of the McCook National Bank, since its organization in 1907, died recently.

THE STATE BANK OF CLARKS has been closed by the Nebraska guaranty fund commission, frozen paper developing, and the cash reserve sinking. The bank had 290 thousand dollars in deposits, and capital stock was 50 thousand dollars. Fred Allen, state bank examiner, took charge of the bank.

The soul of man is larger than the sky, Deeper than ocean, or the abysmal dark Of the unfathomable center.
—Hartley Coleridge.

A NATIONAL CITY MAN CAN HELP YOU

...when you are in doubt about foreign bonds

The National City Company maintains close contact with financial conditions in every quarter of the globe and is equipped to render intelligent judgments on the desirability of foreign securities generally. You will find it worth while to back up your own opinions with those of this world-wide organization. A National City man at an office in your section will gladly help you with any foreign investment problems.

The National City Company

National City Bank Building, New York

Offices in more than 50 leading cities throughout the world

BONDS • SHORT TERM NOTES • ACCEPTANCES

Central Western Banker, February, 1929
Outstanding Events of 1928 Insurance History

Based on figures now available, it may be stated confidently that approximately ten billion dollars of new straight life insurance was placed in the year 1928 upon lives of residents of the United States, exclusive of industrial, group and fraternal insurance. This brings the total insurance in force in the United States on January 1, 1929, up to about ninety billion dollars in round figures, and makes it possible to say that in 1929 the total will reach 100 billion.

At first blush, this appears to be a staggering sum—almost incapable of appreciation—but analysis takes away from it something of its initial impressiveness. Of the number of lives insured and of the total amount carried, American life insurance may well be proud, but in relation to the life values covered, the institution has really but begun to reach the field.

One Quarter Covered

It is estimated that, at present, but three per cent of the total annual income of the country goes for Life Insurance premiums, and this pays for an amount of insurance about equal to the income of the country for a period of fifteen months. But more impressive and important is the astonishing fact that a very small percentage of the life values in this country have been covered. Despite the splendid showing already made, a recent expert report based upon a careful survey shows that the field for life insurance is just about one-quarter covered.

This statement, even to those close to the business, will likely prove astonishing, especially when they feel inclined to be elated over the circumstances that while it took 79 years of operation to write the first fifty billion in force, it took only seven years to write the second fifty billion. (It is quite probable that it will take less than five years to write the next fifty billion—and here one drops the subject.)

In briefly summing up the situation for 1928, it can be said that American life insurance made a wonderful forward stride in that year, pleasing to all concerned, public and management alike. It did this because of improvement in its service; because of the education and equipment of its agents; because of less lapse due to improved salesmanship; and because of better management.

Constant effort to serve the public in the broadest sense of its ability was shown in various way, to-wit: in the adoption of new and improved policy forms; in the reduction of the age in which one may be insured; in the increase of the amount of insurance which may be placed upon a single life, and in improvements in dividend scales, thus reducing the ultimate cost to patrons.

The year 1928 was replete in incidents which concerned the business and the public, and which may be classed as general news.

The Metropolitan Life issued the largest single policy on one life ever written by a company when it placed a policy for $1,500,000 on the life of a prominent Manhattan business man. The death of the carrier of the most life insurance in the world occurred in 1928, when Rodman Wanamaker, carrying over six million dollars of life insurance, passed on.

A Troublesome Situation

Early in the year, the life insurance agents of the country were much perturbed over the invasion of their field by the American Bank of Italy, with the contention that "all solicitation of life insurance will ultimately be eliminated and life insurance sold over the counter." The excitement, however, subsided, and the thought is now being generally expressed that the best and the most fundamental way to increase business "is to secure a better type of agent" to take care of the "potential effective demand."

A sensational incident of the year resulted from disclosures as to the alleged manipulation of funds of a life insurance company by its officers, but the incident happily closed by the re-insurance of the company in another organization, thus establishing the stability of the institution and justifying the confidence of the public in it.

The past year also witnessed the removal of all restriction as to aviation in many companies and the extension by the government of war risk insurance to all veterans, even though not previously carrying insurance.

The establishment of the American College of Life Insurance, in the nature of a memorial to E. A. Woods, deceased, formerly of Pittsburgh, marked the academic attempt to establish the profession of life insurance salesmanship.

The judgment of the courts in favor of the insure company in the famous Snyder case was notable evidence of the recitude of a judicial system which rises above the sickly sentimentality which surrounded the case.

The extension of the insurance day idea was a gratifying feature of 1928. These days are designed to give agents and their clients opportunity to meet and discuss mutual problems. They are full of chance to be of great public service.

By Henry F. Tyrrell
Legislatice Counsel, Northwestern Mutual Life Insurance Co.

Ten billion of new life insurance written last year brings total in force in United States up to ninety billion.

The Next 50 Billion

"While it took seventy-nine years of operation to write the first fifty billion in force, it took only seven years to write the second fifty billion. (It is quite probable that it will take less than five years to write the next fifty billion—and here one drops the subject.)"
Ten Per Cent Discount

The members of the burglary department of the National Bureau of Casualty and Surety Underwriters have made several rate adjustments for bank burglary and robbery insurance effective last month. Of late years the pendulum of losses has swung from the bank burglary side to the bank robbery side. The robber of today takes the easiest method of obtaining property and gets it at the point of a gun instead of laboring for hours to break through a safe or vault. The companies had hoped in recent years that their bank robbery losses would decrease but it has not materialized.

Because the bank robbery loss ratio is excessive, it was decided at a recent meeting to increase the rates in the following states: Alabama, Arkansas, California, Colorado, Idaho, Indiana, Missouri, Michigan, Montana, Nebraska, New Mexico, North Dakota, South Dakota and Texas. On the other hand the state of Illinois with the exception of Cook, Dupage, Lake, St. Clair and Will counties, has a favorable experience and a reduction has been made.

Bad Loss Ratio

A review of the bank robbery experience in places of less than 1,000 population shows that the loss ratio is very bad. Apparently the banks in these small towns are the easiest to rob and full advantage of this fact is taken. In order to allocate a greater proportion of this burden to the proper banks it was decided to increase the rates for such banks 20 per cent.

In the bank burglary line the situation is a little different and some reductions were made in the states of Illinois, North Carolina, Ohio and West Virginia. On the other hand the state of Tennessee was increased.

In places of less than 1,000 population a somewhat similar situation exists in the bank burglary line and the rates for banks in such places were increased 10 per cent.

In the middle and far west, the State Bankers’ Associations, in cooperation with the American Bankers’ Association, are attempting to combat the bank burglary and robber by establishing socalled county auxiliary protective units. These units are auxiliary law enforcing groups made up of properly trained and armed deputy sheriffs under the supervision of the sheriff. The insurance companies feel that these units act as a deterrent to bank burglary and robbery losses and accordingly will allow a discount of 10 per cent on burglary and robbery premiums to banks which hold certificates issued by the American Bankers’ Association certifying the banks’ contribution to and maintenance of the county auxiliary protective units.

Tear gas is not obtaining recognition as a protection against the burglary of safes and vaults, whereas in the past it has been recognized only in connection with robbery insurance. Tear gas systems in safes and vaults properly certificated by Underwriters’ Laboratories will be granted discounts of 10 per cent or 20 per cent depending upon the type of system.

Re-elected

William Seelenfreund, president of the Continental State Bank of Lincoln, Nebraska, was re-elected at the annual meeting of the stockholders. The other officers and directors were likewise re-elected for 1929. Serving with Mr. Seelenfreund are F. B. Siddles, vice-president; R. C. Johnson, vice-president; Edward A. Becker, cashier. L. L. Coryell, Jr., and R. M. Walt were re-elected to serve with the above officers on the board of directors.

Two Banks Elect

Officers of the First State Bank and the Farmers State Bank of College View, both of Lincoln, Nebraska, were re-elected at annual meetings of stockholders.

At the First State Bank, Henry Heiliger remains president; H. P. Heiliger, vice-president; O. F. Heiliger, cashier; and Harry Heiliger, assistant cashier. The first three officers are the directors.


Hastings

County Meeting

Buffalo county bankers, in annual session at Kearney, Nebraska, elected their officers, John G. Lowe being the choice for president and Frank Grammer, of Pleasanton, vice-president.

About twenty were in attendance at the meeting nearly all banks in the county being represented. A topic of discussion was the recent action of the county board of supervisors, relative to bonding all banks designated depositories for county funds. To this the bankers voiced no objection, but the use of surety bonds was generally preferred to that of bonds of securities.

WHEN THE ADMINISTRATIVE committee of the American Bankers Association met in New York in December, three Nebraska bankers attended the sessions in various capacities.

A. L. Schantz, president of the State Bank of Omaha, attended as a member of the economic policy committee.

Dan V. Stephens, president of the Fremont State Bank, attended as vice president of the state bank section of the association.

J. R. Cain, Jr., vice-president of the Peters National Bank, attended as a member of the executive council of the national bank section representing the tenth federal reserve district.

THE CASS COUNTY organization of the Nebraska Bankers Association, has elected Carl Ganz, who is cashier of the Farmers & Merchants Bank of Alvo, president; Walter Wunderlich, assistant cashier of the Bank of Nehawka, vice-president, and Henry Guthmann, cashier of the Bank of Murdoch, secretary-treasurer.

ROBERT P. MORSMAN, president of the United States National Bank of Omaha, has been elected president of the Omaha Clearing House association. He had served last year as vice-president. He succeeds F. H. Davis, president of the First National Bank. Ford E. Hovey, president of the Stock Yards National Bank, was made vice-president of the association, and William B. Hughes was re-elected manager. As a clearing house committee there were named T. L. Davis, vice-president of the First National Bank; W. Dale Clark, president of the Omaha National Bank; J. B. Owen, of the Live Stock National Bank; J. F. Coad, of the Packers National Bank, and Mr. Morsman.

GEORGE H. THUMMEL, who had been chairman of the board of directors of the First Trust Company, retired the first of the year as chairman, but remains a director. Mr. Thummel has been with the trust company 16 years, and is 80 years old.

MILTON BARLOW, chairman of the United States National Bank, and the dean among Omaha bankers, is enjoying his usual good health despite his advanced age, and occasionally appears at his desk in the bank. Mr. Barlow is planning a winter trip to California.

S. R. KIRKPATRICK has been elected vice-president, in charge of investment service, of the Omaha National Company, a subsidiary of the Omaha National Company, a subsidiary of the Omaha National Bank. Mr. Kirkpatrick was with the Omaha National company for eight or nine years following his war service, and then represented the Chase Security Corporation in Omaha.

Among the books with unhappy endings are check books.

Guarantee Fund Life Building
18th and Douglas Sts., Omaha

**We Write**

- ORDINARY LIFE
- 20 YEAR ACCUMULATION
- 20 YEAR ENDOWMENT
- ENDOWMENT AT 65
- ENDOWMENT AT 70
- YEARLY RENEWABLE TERM
- TERM INSURANCE FOR 5, 10, 15, 20, 25 AND 30 YEARS
- DOUBLE INDEMNITY
- DISABILITY BENEFITS
- WAIVER OF PREMIUM
- JUVENILE INSURANCE

**Guarantee Fund Life Association**

- Omaha

Assets Exceeding $13,000,000.00

**YOUR OPPORTUNITY**

Banking and Life Insurance go hand in hand. Both institutions teach the principles and advantages of thrift.

The banker is in a better position to educate the public on the thrift idea than any other citizen in the community.

We are, therefore, anxious to obtain a number of progressive banker agents in Nebraska and adjoining states and are offering an unusual part-time contract with liberal commissions and sales training by experienced insurance men.

Write Agency Department for Details.

Central Western Banker, February, 1929
P. W. MURPHY was promoted to vice-president, actively in charge of the Farmers & Merchants Bank of Benson, Nebraska, at the recent annual meeting. He has been cashier. Arthur O. Nelson was promoted from assistant cashier to cashier.

AFTER SERVING the First National Bank of Omaha for 42 years, J. H. Bexten, cashier, resigned recently, because of ill health. He will be 69 years old February 6. J. T. Stewart III was elected cashier to succeed Mr. Bexten. Last year Mr. Stewart was elected a director of the bank to succeed the late David H. Cole. Mr. Bexten's place on the directorate of the board will not be filled for the present, C. T. Kountze, chairman of the board, said. The First National elected two new assistant cashiers, O. H. Elliott, manager of the credit department, who has been with the bank five years, and C. H. Veber, who has been with the bank ten years. Other officers and directors were re-elected.

ELLSWORTH MOSHER was elected secretary of the United States Trust company, succeeding Naason S. Young, resigned, at the annual meeting of stockholders and directors. Mr. Moser will be in charge of the bond department. Harry R. Greenway, who for nine years has been with the trust company in the bond department, was elected assistant secretary.

LESTER ARMOUR, vice-president of Armour & Co., packers, of Chicago, was elected a director of the Stockyards National Bank of Omaha to succeed Charles R. Massey, formerly of Sheridan, Wyo., who is now living at Washington, D. C., and who retired because of his inability to attend meetings. The vacancy on the board caused by the recent death of Herbert E. French, was not filled, for the present.

IN ADDRESSING members of the Nebraska Historical Society, Dan V. Stephens, president of the Fremont State Bank, said that the bankers of Nebraska have done everything in their power to save the guaranty law, and are under no moral obligation to assume the hopeless task of paying off the 20 million dollar deficit in the fund. The guaranty law was forced on the bankers, he said. He asserted that it had been administered by state officials who chartered banks without consulting the bankers who must pay the losses, and the banks have already paid a staggering premium for what benefits they have received. Mr. Stephens endorsed, in substance, Governor Weaver's proposal for a board of six to manage the state's banking affairs, but said all should be bankers, because technical information is required.

ROSS L. HAMMOND, who went to Riverside, Calif., ten years ago, retiring from the editorship of the Fremont Tribune, returning to the city last fall, was elected president of the Union National Bank, succeeding the late Henry Tiegele. J. Howard Heine and J. H. Beckman were re-elected vice-presidents, and Fred Tiegele was elected senior vice-president.

E. M. MORSMAN, JR., attorney, brother of R. P. Morsman, president of the United States National Bank of Omaha, was elected to the board of directors of the bank in January, succeeding George H. Kelly, resigned.

E. L. LINDQUIST, who has been a banker in Douglas county, Nebraska, for 20 years, was promoted from cashier of the Peters National Bank to vice-president at the director's meeting recently. R. D. Miller was advanced to cashier. Mr. Lindquist came to the Peters Bank from the Bank of Waterloo, where he had been cashier. Mr. Miller was with the Peters Trust Company until the bank was formed, and then he was made assistant cashier. J. B. Lichtenwalner, Jr., was advanced from auditor to chief clerk.

FRED P. HAMILTON has resigned as a director of the Omaha National Bank, but remains as vice-president. Mr. Hamilton is planning a South American tour soon.

NIGHT DEPOSITORIES are now available at three Omaha banks. The first was established several years ago by the First National Bank. A few months ago the Omaha National Bank placed a night depository outside its building, and now the United States National offers a night deposit service.

CLARENCE BLISS, secretary of the state department of trade and commerce, has sent notices of the first assessment for 1929, for the guaranty fund, to all state banks. There are now 727 operating state banks in Nebraska, a decrease of 20 since the last regular assessment July 1, 1928. Mr. Bliss' notice directed each bank to set aside immediately, for the benefit of the guaranty fund, an amount equal to one-twentieth of one per cent of its average deposits for the period of six months preceding December 1. This is the fixed semi-annual levy, and this levy is not attacked in the suit that 439 state banks have brought to enjoin a special levy, payable in December. The regular assessment will yield about $125,000, Mr. Bliss estimated, slightly less than the yield from the levy of January, 1928.

EARL H. WILKINS, cashier of the Geneva State Bank, has bought of the guaranty fund commission, the Nebraska State Bank of Obihawa, Nebraska, of which Earl H. Wilkins was president and Melvin Ralston cashier. This is the second bank to be bought by Mr. Wilkins from the commission, the other being at Fairfield, Neb. He is the president of the bank there and Charles V. Glenn is the cashier.

THE FIRST NATIONAL BANK of Greedy, Nebraska, recently led the way for banks of its county, in notifying depositors that hereafter the rule against overdrafts would be rigidly enforced. The notice pointed out that it is against national banking law to
permit depositors to overdraw their accounts.

WHEN THE HOUSE and senate of the Nebraska state legislature organized on January 7, the following were appointed to the banking committees: In the state senate: H. G. Wellensick, Grand Island, chairman; Clark Jeary, Lincoln; William Randall, Omaha; J. A. Patton, Fremont; Perry Reed, Henderson; R. R. Vance, Hastings; C. W. Johnson, Potter; W. B. Banning, Union; Arthur L. Neumann, Oakland. In the house: Troy L. Davis, Weeping Water, chairman; G. R. Curry, Holbrook; Earl Hasselbalch, St. Edwards; E. E. Jackman, Grant; John McLellan, Grand Island; A. D. Spencer, Barnston; S. C. Waldron, Callaway; Max Adams, Dannebrog; Walter M. Burr, Juniata. Victor Seymour of Lincoln, Nebraska, was registered with the legislature as a lobbyist for the Nebraska Bankers Association.

ONE OF THE PLANS for coming to the aid of the Nebraska state guaranty fund, and which will probably be embodied in a bill to be presented to the legislature, contemplates the purchase by the state of all lands held as assets of failed state banks. According to Secretary Van E. Peterson of the guaranty fund commission, that body has lands with a book value of $6,500,000, actually worth approximately 13 million dollars, assets of failed banks. The proposed plan contemplates a small state tax each year for a period of years to pay for the land, the payments to pay off the debt to depositors of failed banks, thus relieving going state banks of some of their levies for the guaranty fund. The legislature could determine the disposition of the lands after purchase by the state.

THE THIRTEEN state banks of Omaha and Douglas county are to be required to furnish depository bonds if they expect to be appointed official depositories for county funds, the Douglas county commissioners have ruled. The eight national banks are properly bonded under their own regulations, but the commissioners’ action followed the attack upon the constitutionality of the guaranty fund law, in the courts. The county pays the premium for depository bonds, which amounts to about one-half of one per cent of the amount deposited. Banks affected by the ruling are the Union State,
"Direct Methods Are Without Question the Most Efficient"

The transmission of live stock proceeds is no exception, and the logical way to accomplish this is to have such credits deposited in the “Only Bank in the Union Stock Yards.”

Stock Yards National Bank
of South Omaha

The Only Bank in the Union Stock Yards

State Bank of Omaha, Bank of Florence, South Omaha State Bank, two state banks each in Valley, Elkhorn and Millard, and a state bank in Irvington, Benson and Waterloo. The county is accustomed to divide among the depositories the major part of ten million dollars collected for taxes in the county each year.

WITH W. DALE CLARK, Guy C. Kiddoo and Daniel J. Monen of the Omaha National Bank and Omaha Trust company as incorporators, the Nebraska Bond & Mortgage Company was formed early in January. The authorized capital stock is $200,000.00. The business is a holding company for real estate securities, but will do no business with the public and all of the stock will be held individually, Mr. Kiddoo said.

CHARLES B. ANDERSON, who has been appointed by Governor Weaver as state insurance commissioner and chief of the blue sky division of the department of trade and commerce, resigned as receiver of the First National Bank of University Place to accept the post. In resigning he made a statement showing payments to depositors of the bank of 50 per cent of their claims, with enough on hand to pay 6 per cent more. He had been in charge of the bank two years.

EMPLOYEES OF THE National Bank of Commerce of Lincoln ended the old year and began the new one at a banquet at the Lincoln hotel, when talks were given by M. Weil, president; Carl Weil, vice-president; and Byron Dunn, cashier, while B. G. Clark presided. M. Weil said that 1928 had been a successful year because all the men and women of the institution had co-operated, and he added that prospects for 1929 were even more promising.

FORD HOVEY, president of the Stock Yards National Bank of Omaha, is planning a southern trip, with possibly a visit to Cuba.

TOTAL CLEARINGS for the Omaha banks during 1928 amounted to $2,311,912,967, the Omaha Clearing House association announced. That was a good deal in excess of the 1927 clearings, which were $2,102,408,685. The gain of $209,504,282 was spread over every month in the year.

There are two elements that go to the composition of friendship; one is Truth, the other is Tenderness.—Emerson.
News of the Omaha Stock Yards

The 1928 Record

The Omaha live stock market during 1928, while experiencing a slight decrease in cattle receipts in 1928 over 1927, showed heavy gains in hogs and sheep, and a total gain, Omaha retaining its lead over Kansas City as the second live stock center for receipts in the country. The two years compared:

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<th>Sheep</th>
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<td>Inc.</td>
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Livestock Meetings

Prof. Turner Wright, Brookings, South Dakota, has been secured to tell the Nebraska sheep men during Organized Agriculture week, January 8, about the results of the station’s experiments in breeding tailless sheep. The Dakota station has been doing much in the development of a breed of tailless sheep and the results are somewhat satisfactory. Prof. Wright will illustrate his talk with pictures of actual specimens from the Dakota station.

The attempts to develop a breed of sheep have come about by the demands of sheep men for a wool producing animal that will not have to be docked. It is expected that a large number of sheep raisers in Nebraska and adjoining states will hear Prof. Wright in Lincoln.

Sheep feeders will be able to hear the results that some practical farmers are having in feeding sheep. Dan Hildebrand, Seward, Neb., who is an extensive breeder of livestocks, has added sheep to his feed lots during the last year. He will tell how they balance the feeding program in addition to other experiences he has had. E. P. Brown, Lincoln, will talk on “Range Ewes for Nebraska Farms.”

Predictions as to the 1929 market for lambs has been receiving the attention of sheep raisers throughout the country, indicates O. O. Waggener, extension animal husbandry agent. Harold Hedges, rural economics department, college of agriculture, will present the available information on the market predictions for 1929 as concern the sheep men.

R. R. Thalman of the animal husbandry department of the college will talk about the lamb carcass, the things that are considered in judging the value of mutton, and market discriminations in regard to lamb carcasses.

Cattlemen throughout Nebraska and the adjoining country will meet in Lincoln to attend the meeting of the Nebraska Improved Livestock Breeder’s Association to be held during Organized Agriculture beginning January 8. A joint session of livestock and crops men was held recently at which W. W. Magee, president of the Nebraska Crop Growers’ Association, and Chas. Graff, president of the Breeder’s Association, presided.

A cattle-pasture program has been arranged as the outstanding feature of this session. Some of the leading authorities on pasture crops have been secured to appear before this assembly. H. J. Gramlich, department of animal husbandry, University of Nebraska, will report the results of experiments and observations on grinding roughages for cattle.

R. I. Throckmorton, Kansas Agricultural college discussed the practical application of the recent pasture tests that have been carried on at that station. For several years Kansas has been active in carrying on pasture improvement work which will aid Nebraska Cattlemen and crop growers in management of their pastures, stated O. O. Waggener, secretary of the Breeder’s Association.

A demonstration on the quality of meats is to be staged by the Nebraska’s champion meat judging team at Chicago International Livestock show. This team of girls proved to be supreme in meat judging at the Chicago show over the entire field of competition including the men.

Dr. L. Van Es, Nebraska experiment station, will talk on sanitation problems. He will discuss the prevention of bloat of cattle on sweet clover pasture and the troubles which may occur from feeding second year sweet clover hay. Numerous losses have been experienced by Nebraska cattle raisers which are attributed to feeding sweet clover hay, according to Mr. Waggener. Dr. Van Es is expected to present the latest discoveries on the matter and give the most valuable recommendations to cattle feeders.

Sudan and sweet clover are used quite extensively by Conrad Johnson, Mead, and D. S. Dalbey, Beatrice. These two practical farmers are to be at the afternoon meeting to relate their experiences with these two crops as pastures. Since these forage crops are becoming familiar to Nebraska farmers a large number are expected to attend this session.

Carl Day, another experienced farmer, will tell how he gets his calves to eat grain when they are only four weeks old. Mr. Day, Weeping Water, has been feeding purebred and grade cattle for the remarkable gains he has obtained on his calves by creep feeding them on pasture.

Heads First National

Frank Abegg, vice-president of the First National Bank of Alliance, Nebraska, has been elected to the presidency of that institution. His father, Walter Abegg, is his predecessor as president. He died last fall.

Many men have been capable of doing a wise thing, more a cunning thing, but very few a generous thing.

—Pope.

Central Western Banker, February, 1929
THE FEDERAL LAND BANK of Omaha had one of its most successful years in 1928, according to John Carmody, secretary. Loans made during the year were $18,439,300. The bank has outstanding loans to 27,386 farmers and ranchmen, amounting to $163,494,655.94. During the year the bank paid in dividends $657,929, 8 per cent on its capital, and in addition, placed $250,000 in its reserve account. The bank’s capital stock is now $8,672,460, a reserve of $2,500,000 and total assets of over $171,000,000.

HARVEY BROUARD, for many years president of the Bank of Beaver City, died recently, at the age of 78. He was an early settler in Furnas county.

OTOE COUNTY bankers, voluntarily have deposited with the county clerk government bonds or other security to secure taxpayers’ money deposited in them, the securities totaling 400,000.00.

NEBRASKA CITY, NEB., banks, reported recent assets and liabilities as follows:

- Nebraska City National Bank: Loans and discounts, $301,782; United States government securities owned, $1,266,000; cash and due from banks, $96,827; total resources, $1,714,353; capital stock, $1,100,000; surplus, $20,000; total deposits, $537,123.
- Merchants National Bank: Loans and discounts, $159,334; government securities owned, $270,600; cash and due from banks, $156,395; total resources, $689,988; capital stock, $50,000; surplus, $40,000; total deposits, $202,064.
- Farmers Bank: Cash and due from banks, $370,905; United States government securities, $570,000; total resources, $1,306,574; capital, surplus and profits, $95,000; deposits, $1,211,574.

H. A. CLARKE of the legislative committee of the Nebraska Bankers association, who lives in Columbus, announced that the association intended to ask the legislature to take the appointment of state bank examiners out of politics, and place them under civil service. The bankers also want a helper appointed for each examiner, so that every state bank can be examined at least twice a year. “We also want examiners paid salaries commensurate with their duties,” said Mr. Clarke, “and increasing according to length of service up to a maximum of $4,000 or $4,800 a year. They now receive $200 a month and there’s noth-
security for the deposit of county funds, similar to that required of national banks.

ATTORNEY GENERAL SOR-ENSEN of Nebraska, in his answer to the suit of more than 600 state banks to enjoin the guaranty fund commission from special assessments under the guaranty fund law, sets up that the banks have known for 20 years what the guaranty fund law is, accepted their charters under it, and used its protective feature as a means of advertising for deposits.

"The Able State Bank, which filed the suit," said Sorensen, "and all the other plaintiffs, have continuously accepted the benefits of the guaranty fund act, and they have "represented to the people of the state, and especially those having funds for deposit in the banks, that all of the state banks were governed by and observing all the terms and provisions of the guaranty law."

Mr. Sorensen quotes the resolution adopted by representatives of the state banks in Omaha in 1926, reaffirming strict adherence to the guaranty law.

He also declares that during the operation of the law deposits in state banks have increased three times since 1909.

JOHN S. McGURK, president of the South Omaha State Bank has been named a member of the Omaha Airport commission, for a term of two years.

FORD E. HOVEY, president of the Stock Yards National Bank of Omaha, has been re-elected a director of Ak-Sar-Ben, the Omaha civic organization.

HEADS OF THE THREE Hastings, Nebraska, banks, all of which showed a healthy increase in deposits in 1928, joined in optimistic forecasts for 1929, at the beginning of the year. The total increase of deposits was $137,846, December 31, 1928, over the same date in 1927.

"The credit of the farmers is in very much better condition than it was this time last year," said Howard G. Pratt, president of the State Bank of Hastings. "A large percentage of last year's crop is still to be marketed and with moisture conditions as they are, he would be a very pessimistic individual who would not look forward with confidence at the promise of the year that is opening before us."

J. H. Lohmann, president of the Nebraska National Bank, said: "The increase in bank deposits is a sign of the territory's general prosperity, but does not reflect all that there is and improved in the situation. The farmers have, I should say, 80 per cent of the corn crop still on their farms, and they have a large number of pigs. Farmers, too, have done a great deal to liquidate their indebtedness, and farm paper is fully 50 per cent better in quality than it was a year ago."

"Farmers," said Neil Dunn, president of the First National Bank, 'have greatly improved their condition as compared with a year ago. They have shown themselves to be good financiers; they have greatly lessened their indebtedness, and they are still holding a large proportion of their crop. This territory has every reason at this time to feel greatly encouraged at this year's outlook. It looks good, and I look forward to an all round good business year. And last year was a good year, too."

Deposit of the three banks: First National, $2,399,048; Nebraska National, $1,216,647; State Bank of Hastings, $1,874,339; total, $5,490,035.

Don't put off until tomorrow what someone else might do today.

It is easier to build up a good reputation than to live down a bad one.

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IF IT IS IN OMAHA --

We are equipped to meet your needs---

COLLECTION LIVE STOCK PROCEEDS (Our Specialty)

GRAIN DRAFTS (Our Specialty)

LIVE STOCK NATIONAL BANK

Union Stock Yards

OMAHA

Central Western Banker, February, 1929
Annual Meeting

At the annual meeting of the Park-
er State Bank of Parker, South Da-
kokta, which opened for business in
August, 1925, M. Beebe was elected
president, Alan Bogue, vice-president,
M. C. Hanson, cashier, V. B. Clinken-
mand, assistant cashier, and Grace
Gunderson, teller. An 8 per cent divi-
dend was paid, $1,100 placed in undi-
vided profits and $1,000 carried to
surplus, making it 6,000. The de-
posits of the bank are $200,000.

Optimistic Report

The report of the Montrose, South
Dakota, bank, shows one of the best
years since the war, in 1928, and a
very satisfactory condition at present,
it was announced at the annual meet-
ing of stockholders. Officers elected
are as follows: president, L. S. Ket-
cham; vice-president, J. H. Byrne;
cashier, Owen Eno; and assistant
cashier, E. W. Colleran. Directors
are: J. H. Byrne, L. Fletcher, F. X.
Zimmer, J. S. Flannery, L. M. Het-
land, William Modena, L. S. Ketch-
am, Lowell Eno, and E. W. Colleran.

Meet in DeSmet

The annual meeting of the stock-
holders of the People's State Bank of
DeSmet, South Dakota, was held re-
cently. Out of town stockholders
were H. P. Meyer, C. J. Noyes, R. J.
Borup and Leonard Anderson. The
election of officers took place, but no
change was made. A substantial divi-
dend was paid stockholders and $5,-
000 out of earnings was placed to the
surplus fund. The capital stock is
$25,000 and the surplus now $10,000.
This bank has borrowed no money
and has rediscounted no paper.

Make Service Charge

The Bank of Ipswich and First
State Bank, both of Ipswich, South
Dakota, have made a new ruling that
a charge of 50 cents per month shall
be paid on accounts averaging less
than $50. An exception is made of
accounts of church organizations, ser-
dvice clubs, and lodges, all treasury ac-
counts, and those of a charitable na-
ture.

Sioux Falls Elections

The Minnehaha National Bank
elected the following as officers: W.
L. Baker, president; Max A. Kuehn,
vice-president; Ira A. Moore, vice-
president; B. H. Requa, cashier; C. D.
Rowley, assistant cashier; H. L.
Jones, assistant cashier; Ray Pankow,
assistant cashier; W. E. Perrenoud,
assistant cashier. Directors of the
bank are, E. W. Fiske, Martin J.
Kuehn, John P. Blee, Fred W. Tay-
lor, Louis Caille, George T. Black-
man, Mr. Requa, Mr. Moore, Mr.
Kuehn and Mr. Baker. The Citizens National Bank elected
as officers the following: W. E. Stev-
en, president; John M. Toohey, vice-
president and cashier. Directors of
this bank are: Walter C. Buchanan,
Jay B. Allen, Dr. S. A. Donahoe, Otto
F. Jewell, Clifford H. Peck, Leonard
F. Boyce, Mr. Toohey, Ray G. Stev-
ens, W. E. Stevens and F. P. Hall.
W. Z. Sharp was re-elected presi-
dent of the Security National bank
and D. A. McCullough vice-president.
Other officers reelected follow: John
Barton, cashier; Delmar C. Lowe, as-
istant cashier; J. V. Lowe, assistant
cashier; Oliver A. Bray, assistant
cashier; Melvin I. Orms, assistant
cashier; W. Z. Sharp, manager trust
and bond department, and P. H. Mc-
dowell, assistant manager trust and
bond department. Directors of the
bank are F. H. Hollister, John Mundt,
H. E. Neeley, Sam Sprei, Thomas
McKinnon, H. Looman, W. K. Van
Brunt, D. E. Elliot, John Barton, D.
A. McCullough, and W. Z. Sharp.

Federal Reserve Report

Pointing out that as the year clos-
es, "it becomes interesting to discuss
the Federal Reserve Bank's volume of
loans to country banks, in relation to
the known facts about farm income," a
recent review of the Federal Re-
serve Bank of Minneapolis for the
ninth district reports a "noticeable
lack" of increase in borrowings by
South Dakota member banks in 1928.
"Many factors affect the amount of
borrowings from this bank," the report
set out, "but farm income changes are
generally most important. Taking the
district as a whole, country member
banks borrowed less last fall at the
peak in August than they borrowed in
any other year since the war. On the
other hand, the reduction in country
bank borrowings from the Federal
Reserve Bank was not as sharp last
fall as in other recent fall periods."

Elected Trust Officer

John M. Toohey, prominent in
Sioux Falls, South Dakota, affairs
and banking circles, has been elected
as trust officer of the trust depart-
ment of the Citizens National Bank.
W. E. Stephens, president of the bank
announced. The new department has
just been added to the features of the
bank.

Mr. Toohey has a wide circle of
friends in South Dakota and neighbor-
ing states. For over two years he has been associated with the Citizens National Bank. During the 16 years previous to his bank connection he was city treasurer. During the time he was city treasurer of Sioux Falls, he handled upwards of $20,000,000 in bond issues and assessments of the city and schools.

As trust officer, Mr. Toohey will have supervision of the following, which the trust department may act as: trustee, executive, administrator, registrar of stocks and bonds, guardian of estates, assignee, and committee of estates of lunatics. All of the acts of the trust department are under the direct control of the board of directors of the bank. Directors of the Citizens National Bank are: Walter C. Buchanan, Jay B. Allen, Dr. S. A. Donahoe, Otto F. Jewell, Clifford N. Peck, Leonard F. Boyce, F. D. Hall, Mr. Toohey, Ray G. Stevens, vice-president and cashier of the bank, and W. E. Stevens, president.

Bank Clearings

Bank clearings in Sioux Falls during the year 1928 exceeded those of 1927 by $1,712,683.62, according to figures obtained from the Sioux Falls clearing house.

The Sioux Falls bank clearings in 1927 were $82,672,195.71, whereas the figures for 1928 were $84,384,841.33. To those in close touch with the local economic situation, the figures have a most optimistic trend, indicating the increased substantiality of the Sioux Falls banks, and a return to progress.

The bank clearings for 1928 were: January, $6,575,150.29; February, $6,885,221.91; March, $7,628,126.81; April, $7,510,520.52; May, $7,628,787.02; June, $7,276,475.32; July, $7,360,050.84; August, $6,756,717.89; September, $6,574,349.26; October, $7,257,602.75; and November, $7,020,445.65; December (not including last eight days of the month), $5,694,393.30.

Banker Dies

A well known banker of South Dakota, M. M. Wheeler, died recently at his home in Deadwood. His wife and two sons remain of the family.

THE STOCKHOLDERS of the Security State Bank of Ethan, South Dakota, voted to raise the capital stock of the bank to $20,000 with $5,000 in the surplus fund.

THE COMMERCIAL TRUST & Savings Bank of Mitchell has installed a vault ventilator.

First State bank, Winnetoon: Payment, $22,717.20; percentage, 10; liabilities liquidated to date, 40.2 percent.

State Bank of Wolbach, Wolbach, Payment, $26,481.27; percentage, 10; liabilities liquidated to date, 27.2 percent.

Bank of Benson, Omaha: Payment, $50,399.83; percentage, 10; liabilities liquidated to date, 46.9 percent.

New Financial Era

The increase in brokers' loans is indicative of the entry of the country into a new financial era, Luther A. Harr, professor of finance of the Wharton School of the University of Pennsylvania, told members of the Philadelphia Association of Credit Men recently. "Brokers, as being representatives of the people, reflected through loans the desire of the people to become partners in big business," he said. "Such loans are not excessive when we take into consideration the wealth of the United States, which is estimated at $450,000,000,000.00. The loans in the market at present represent approximately one per cent of the total wealth. A greater amount of money can still be used in the market without straining credit conditions. "The entry of large corporations in the banking field and so-called bootleg loans to brokers have taken a considerable share of the business from the banks that have taken a short-sighted view of the financial trend in the United States. The banking departments of some corporations show a greater profit than the manufacturing divisions, according to reports of corporation officers.
To Remodel

Plans for some interior changes have been made for the Condon National Bank of Coffeyville, Kansas. B. L. Perry is the president of the institution.

Banker Dies

George V. Smith, well known banker, of Wichita, Kansas, died recently, following an attack of apoplexy. Mr. Smith was a member of the Alton H. Smith Investment Company, and a vice-president of the Union National Bank of Wichita. He was also actively engaged in all civic enterprises of the city.

Returns to Desk

Injured when he tripped and fell on the sidewalk, T. C. Carver, president of the Peoples Bank of Pratt, Kansas, has again returned to his desk in the bank. Mr. Carver has been connected with the Peoples Bank for the past forty years.

New Position

Elmer Fleming, formerly assistant cashier of the Hesston Bank, has recently taken the same position with the State Bank of Hillsboro, Kansas.

Elect Officers

The McPherson County Bankers Association met recently at McPherson, Kansas, to elect officers for the ensuing year. C. H. Krebsiel of Moundridge was elected president; R. C. Webb of Conway becomes vice-president; and Carl Grant of McPherson was elected secretary and treasurer. Mr. Grant held this position during the past year.

Meet at Fredonia

A farm management program to be sponsored by the bankers association and the farm bureau was decided upon at a recent meeting of the Wilson County Bankers Association held at Fredonia, Kansas.

Heads Clearing House

The cashier of the Quindaro State Bank of Kansas City, Kansas, F. S. McConigle, has been elected president of the clearing house association of that city. He succeeds J. H. Sandell, cashier of the Peoples National Bank.

Buys Stock

Purchasing the stock of the late George Norris, and succeeding him in the management of the bank, J. C. Browne has been named cashier of the Norris State Bank of Burdette, Kansas.

New Banking Quarters

The First National Bank of Wilson, Kansas, moved into its new banking quarters recently, and received many greetings from its correspondent and other large banks. The Interstate National and Drovers National of Kansas City, the Tootle Lacey and Burns National of St. Joseph, and the Fidelity State of Topeka, were among those sending congratulations.

Officers Confer

Abilene, Kansas, was the recent meeting place of the officers of the several county bankers associations comprising the counties of Clay, Riley, Ottawa, Dickinson, Gary, Saline, McPherson and Marion. The sheriffs of these several counties were also at the meeting, the main topic for discussion being the formation of vigilante systems and future banking legislation.

Fort Collins

Officers for the ensuing year in the First National Bank of Fort Collins are as follows: L. C. Moore, president; A. C. Kulver, vice-president; F. A. Brimmer, cashier; F. W. Moore and M. C. Clarkson, assistant cashier. Directors in the bank reelected for the year are: C. R. Evans, A. C. Kulver, I. W. Bennett, E. C. Giddings, S. F. Webster, C. L. Lowell, W. M. Otis, F. A. Brimmer and L. C. Moore.

De Beque

The annual meeting of the Bank of DeBeque was held recently. The former officers, S. G. McMullin, president, J. A. Wilcoxson, vice-president, F. H. Lischke, cashier, together with O. E. Daniels as third director, were re-elected.

Pagosa Springs

At the annual meeting of the stockholders and directors of the Citizens Bank, Ray W. Smith, cashier of the institution for about ten years, retired from the bank, having disposed of his stock to Forrest M. Wiley, late of Del Norte, who succeeds Mr. Smith as cashier and also as director. Joseph B. Hersch was elected assistant cashier, while Fred Hamlin continues as teller and bookkeeper.

Gross Earnings Increase

Gross earnings of the 12 federal reserve banks were 21 million dollars more in 1928 than in 1927, it was announced recently by the federal reserve board. Earnings for 1928 totaled $64,050,000. Expenses of the banks, the board said, were $26,900,000, or about half a million dollars less than in 1927.
Colorado News

Telluride
At the annual meeting of the stockholders of the Bank of Telluride the same officers and directors were retained to serve during the ensuing year. The officers are C. D. Waggoner, president; Thornton Harmon, vice-president; C. E. Downtain, cashier; C. D. Waggoner, Jr., assistant cashier. The directors are C. D. Waggoner, W. J. Scanlan, Charles A. Chase, William Anderson and Thornton Harmon.

Craig
At the regular annual meeting of the stockholders of the First National Bank all the old officers of the bank were reelected. The officers are as follows: C. A. Van Dorn, president; F. B. Ramney, vice-president, Tom Wise, W. P. Finley, and W. H. Rose, members of the board of directors. T. M. Kirkpatrick, cashier, M. E. Mahon, assistant cashier, M. P. Stockton, assistant cashier.

Stockholders of the Craig National Bank held their annual meeting recently. They reelected their present officers and directors which are as follows: Wm. Deakins, president; Lee H. Jones, vice-president; A. L. Durham, Don Stirling and N. N. Chapman, members of the Board of Directors. J. J. Toole, cashier, Maude Cooper, assistant cashier, Mrs. Edgar Biggs, assistant cashier.

Ault
The election of officers and directors for the Farmers National Bank resulted as follows: Jacob Hasbrouck, president; August Molander, vice-

Fort Morgan


Boulder
Stockholders of the Commonwealth Industrial Bank reelected Sheriff Robert V. Blum president. The bank also reelected the following officers and directors: vice-president, John R. Wolff, second vice-president, H. H. Donnelley; secretary, John M. White; cashier, B. I. Barnes; Mrs. Robert V. Blum, director. The stockholders declared an 8 per cent dividend on the stock.

Canon City
Both the officers and board of directors of the Colorado State Bank were reelected at the annual meeting of the stockholders. The officers include J. M. Anderson, president; N. B. Cook and G. S. Hammit, vice-presidents, and J. W. Mains, cashier.

FACILITIES TO MEET ALL BANKING REQUIREMENTS

FIRST NATIONAL BANK OF CHICAGO
Affiliated
FIRST TRUST AND SAVINGS BANK

Resources Exceed
$450,000,000.00

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

Central Western Banker, February, 1929

La Junta

The banks of La Junta, Colorado, held their annual meetings and in most cases re-elected the old officers for another year. The only change made was at the State Bank of La Junta, where John Richert succeeded as president, R. A. Steen, who has held the position ever since the bank was organized in 1893. The five directors elected were John Richert, J. N. Lamb, Everett M. Reynolds, William M. Rickman and Walter A. Schertz. The reorganization effected by the directorate resulted in the following election of officers: president, Mr. Richert; vice-presidents, J. N. Lamb and E. M. Reynolds; cashier, Walter A. Schertz.

No change was made at the First National Bank, the directors all being re-elected as follows: Ed Marshall, W. G. Scott, D. A. Norton, H. B. Richardson, K. Phillips, M. F. Miller and J. N. Lamb. The officers are: president, R. Phillips; vice-president, Ed. Marshall, cashier, H. B. Richardson, assistant cashier, D. A. Norton.

At the annual meeting of the stockholders of the Colorado Savings & Trust Company all the old officers and directors were elected. The following are the officers: president, W. S. Morrison; vice-president, E. G. Woodbridge; vice-president, E. H. Rourke; cashier, E. H. Temple. The directors are W. S. Morrison, E. G. Woodbridge, E. H. Rourke, E. H. Hart, and C. E. Sabin.

Where Dollars Go

The Bureau of Business Research of Harvard university has just published another study dealing with distributive costs which indicates that 15 per cent of the cost of goods to consumers is absorbed by the sales expenses of manufacturers of grocery products. As usual in investigations of this sort, the inquiry developed a wide range of variation from the average for individual groups.

Supplementing, as it does, previous studies dealing with the distributive costs of wholesale and retail grocery establishments, the conclusion reached on the basis of the Harvard surveys is that nearly half the cost of food to the consumer represents the expenses of getting the product into his hands. That means that advertising, warehousing, sales and marketing outlays of all sorts account for close to $50 of each dollar that the ultimate purchaser expends for foodstuffs.

Without trying to pass judgment upon the efficiency of the distributive organization of the firms included in the investigations which have been made, the evidence appears a priori to support the view that these costs are excessive. Unfortunately a large part of the expense of modern sales methods is not within the control of any single concern. The individual firm must follow the methods set by competitors, and if high pressure salesmanship, uneconomical systems of delivery, and lavish advertising are the rule, the nonconformist will find his business rapidly declining. The practical value of studies in actual costs of distribution is, however, great, because with the facts in hand it may then become feasible to institute campaigns for reduction in such outlays by agreement among those concerned.


Airships and Liners

Possibility of airship travel across the Atlantic has been demonstrated by the completion of the round voyage of the dirigible Graf Zeppelin between Friedrichshafen and Lakehurst. This feat, however, also proved that great improvements in construction and propulsion of airships of this type must be made before they can be considered as serious rivals of the ocean liner, even though the eastward voyage over the great circle route of the North Atlantic steamship lanes was made in less than three days. These huge lighter than air craft are undeniably more subject to the whims of the weather than are the ocean liners. The latter manage to make their scheduled sailings regardless of wind and weather, with exception of heavy fogs which render navigation of harbor entrance channels extremely perilous. The dirigible, on the other hand, cannot land or take off when high or unfavorable winds prevail and is admittedly in serious danger when passing through transoceanic storms. Unexpected drift of the big dirigible across Newfoundland when the course had been laid considerably south of that dangerous area shows that much still remains to be learned about air currents at high altitudes.

That the airship should ever come into direct competition with the ocean liner is hardly to be expected, inasmuch as the dirigible, at least in its present form, demands more extensive landing places than can be provided in close proximity to the seaports. Passenger fares, too, must be considerably higher than those of the ocean liner, so that this form of transportation is not likely to be used by persons to whom the difference of two days or so in the time of crossing is not of prime importance.

Improved types of dirigibles, however, may be expected to be used in preference to ocean vessels for the transportation of first class mail and high class freight or express packages overseas. It is in this field that they are likely to cut heavily into the revenues of the ocean liner companies of the future.—New York Journal of Commerce.

Thrift Sayings of Famous Men

"Teach economy. It begins with saving money."—Lincoln.

"Economy and everything that ministers to economy supplies the foundation of national life."—Wilson.

"Save, young man, and become respectable and respected."—Franklin.

"If you want to be anything in life or in community, save your money—and begin to do it right away!"—Hanna.

In the Book

He: "If you'll give me your telephone number, I'll call you up some time.

She: "It's in the book.

He: "Fine! What's your name?"

She: "That's in the book, too."
HOTELS OF HOSPITALITY

OMAHA
Hotel Fontenelle

LINCOLN
Hotel Lincoln

SIoux CITY
Hotel Martin

CEdar RAPIDS
Hotel Montrose

SIoux FALLS
Hotel Carpenter

COUNCIL BlUFFS
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MARSHALLTOWN
Hotel Tallcorn
and TEN others

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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 $28,000.00.

TPP-—Good bank, modern county seat town of 4,000 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 $2,400.00 salary. Requires investment of about $32,000.00. Large "Undivided Profit" accounts should be distributed.

SOD—200-250 shares of the stock of $50,000.00 national bank in attractive Colorado county seat town offered at approximately 15 points over book value. Bank nearly 30 years old, total assets about $140,000.00. Purchase carries management.

HPX—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 $28,000.00.

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

HRB—67 shares of splendid western Kansas bank and cashier's residence offered at $29,500.00. 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.

HRD—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 $15,000.00 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 $2,000.00 per month. "Side lines" well developed and very profitable.

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

HBD—Management of profitable central Oklahoma bank, carrying a salary of $3,000.00 per annum, offered on basis $9,500.00 investment.

GJB—Investment of about $6,000.00 secures a block of stock carrying cashiership of bank in one of the good counties in eastern Kansas. 15 miles from county seat. Good earning power. Salary and commissions from "side lines" run around $2,000.00 per annum.

KOB—An investment of eleven thousand dollars acquires stock carrying control only bank east central Kansas town, good territory. Salary, $1,800.00. Commissions about $600.00. Reasonable return on investment.

CBA—An investments of only seventy-seven hundred dollars will put you in cashier's position in only bank western Missouri town of about 250 population. Salary and commissions about $1,400.00. Reasonable dividends.

EMA—Very attractive bank, southeastern Missouri town of more than 3,500 population. Bank has capital, surplus, and profits of more than $36,000.00, with deposits over $160,000.00. Cashiership, carrying management of bank, at a salary of $200.00 per month, offered to purchaser of 15 to 50 shares of stock at $150.00 per share,—substantially book value.
Your correspondent should be one of your best business assets. The list of leading banks we serve indicates the value of the service we offer you.

The Omaha National Bank

Farnam at Seventeenth

Resources over forty millions