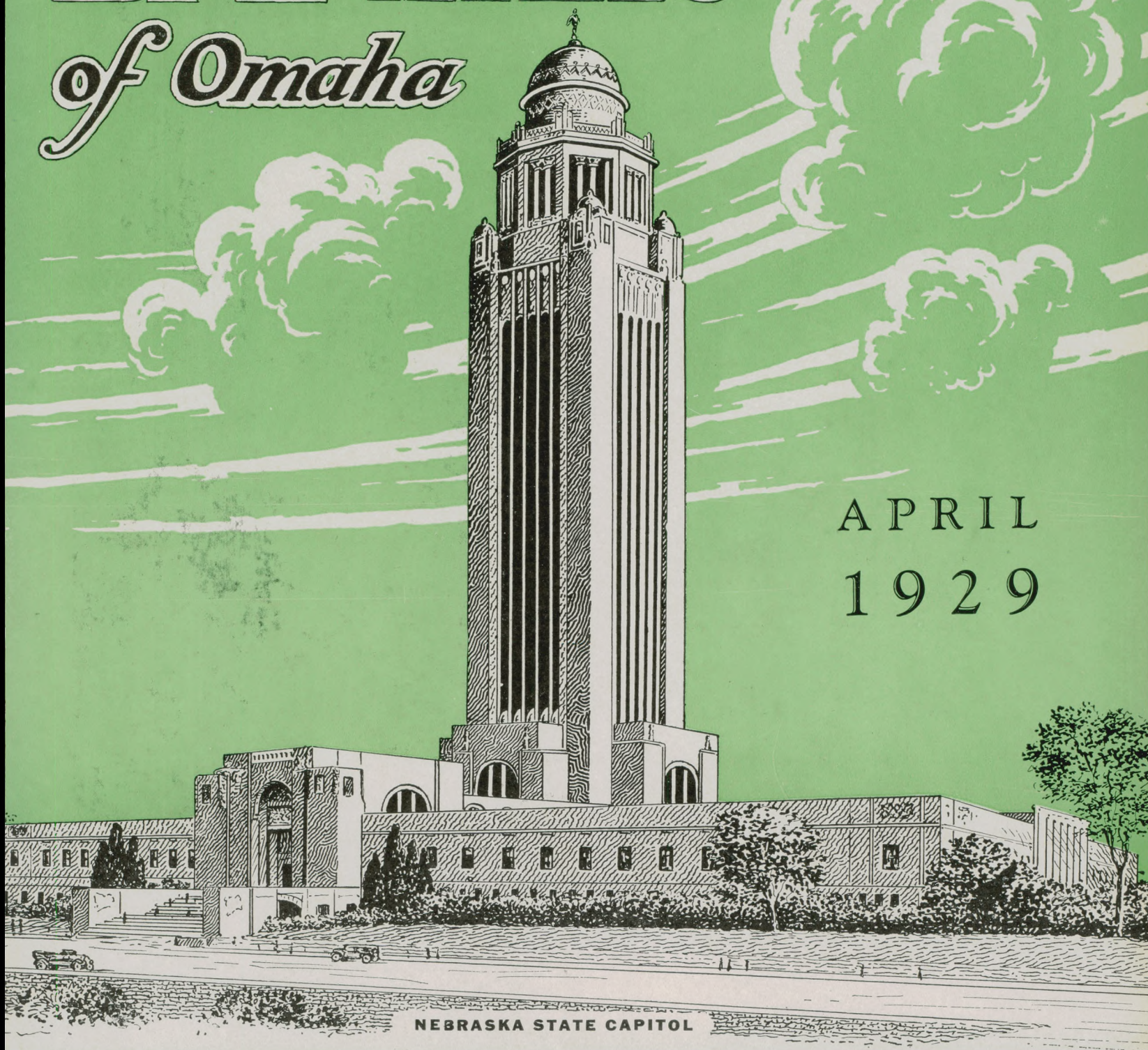


CENTRAL WESTERN BANKER *of Omaha*



APRIL
1929

What Makes a Good Savings Banker?



When Postmasters Carried Mail in Their Hats

In 1854, just three years before the First National Bank of Omaha was started, Alfred D. Jones was appointed postmaster of the city of Omaha. He carried all of the mail in his hat, and he did not need a very large hat.

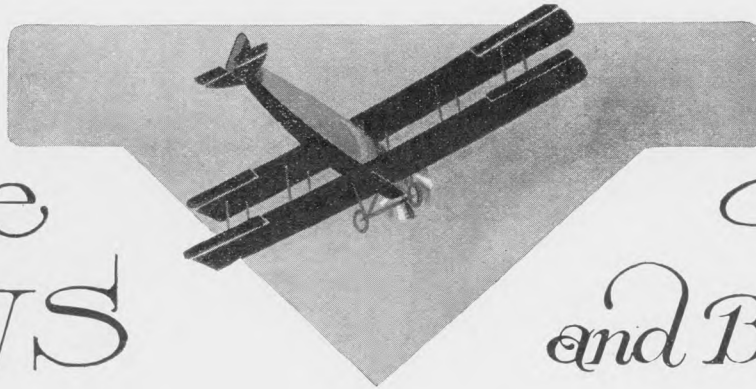
Three years later, W. W. Wyman was postmaster. He reported the revenue from stamp sales to be \$2,066.27. In 1928 Postmaster Dean Ringer reported the stamp sale receipts total at \$3,025,205.50.

The First National Bank of Omaha has helped in the development of Omaha and the middlewest during the past seventy-two years. Some of our correspondent banks have been our steady customers for nearly three-fourths of a century.



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

Last minute NEWS



of Banks and Bankers

AT A RECENT meeting of the Board, the directors of the National Bank of the Republic voted to increase the capital stock of their institution by \$500,000, making the total capital of the bank \$7,000,000. Stockholders will be given the right to subscribe for additional shares at \$20 each on the basis of one new share for each thirteen shares of record May 15th.

THE BOARD OF DIRECTORS of the Bankers Trust Company of New York recommended recently that the par value of the capital stock of the Company be reduced from \$100 each to \$10 each. Under this plan each holder of one share of present stock will be entitled to receive ten shares of new stock. There are at present 250,000 shares of stock outstanding which will be increased to \$2,500,000 shares after the split-up.

DEVLIN & BENNETT, Incorporated, Chicago, announce that J. W. Myers has been appointed to an executive position with that company. Mr. Myers has been associated with the Illinois Bankers Association for the past five years.

AT A RECENT meeting of the board of directors of the Bankers Trust Company, New York, Junius B. Close was elected a vice-president of the bank. He will assume his new duties shortly after the middle of May.

WINNING every game this season in the annual tournament is the record established by the basketball team of The

Equitable Trust Company of New York. The tournament was conducted by the Bankers' Athletic League, and teams representing the following institutions were entered: National City Bank, Bank of Manhattan Co., Manufacturers Trust Company, Chase National Bank, Farmers Loan & Trust Company, Bank of America, J. & W. Seligman & Company, and The Equitable Trust Company of New York.

A PROPOSAL to increase the capital stock of the bank from \$24,000,000 to \$25,000,000, by offering each stockholder a right to subscribe for one additional share of stock for every twenty-four shares standing in his name, is to be submitted to the stockholders of the First National Bank of Chicago at a meeting to be held on April 8. The subscription price is to be \$600 for each additional share.

CONSOLIDATION of the National Bank of Commerce and the Guar-

anty Trust Company, both of New York, was officially confirmed recently after meetings of the boards of directors of both institutions. The basis of consolidation recommended and adopted provided that the National Bank of Commerce shall first increase its capital stock to \$30,000,000 by the issuance of \$5,000,000 of additional stock to its stockholders at par. The stock of the National Bank of Commerce and the stock of the Guaranty Trust Company will then be exchanged for stock of the consolidated companies share for share.

R. E. DRISCOLL, president of the South Dakota Bankers' Association, and cashier of the Lead National Bank, of Lead, South Dakota, has been elected a director and vice-president of the First National Bank of Deadwood. He succeeds the late M. M. Wheeler on the board. Both institutions are members of the Northwest Bancorporation Group.

STOCKHOLDERS of the Merchants National and the First National Banks of St. Paul voted recently to ratify the consolidation of the two banks. The consolidated bank will be known as the First National Bank of St. Paul, and will occupy the present quarters of the First National until the new wing of the Merchants National can be completed, at which time the bank will be removed to the Merchants National building.

THE AVIATION Corporation, a holding company with a capital of \$300,000,000 is being organized in New York under the

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direction of G. G. Grosvenor, president of the Fairchild Aviation Manufacturing Company. The new company is planning to take over and operate six large aviation companies now established. The company is sponsored by Lehman Brothers and W. A. Harriman & Company, Inc.

WALTER W. HEAD has issued his first business review as president of the State Bank of Chicago. Mr. Head says that "business conditions in the Middlewest are good, and prospects for the year 1929 are, at this time, very encouraging." He says that the snow over a large portion of the agricultural area has provided ample moisture for the spring months. Finance problems of the middlewest, he points out, are relatively simple with the general interest rate.

JOHN A. REYNOLDS, vice-president of the Union Trust Company of Detroit, was honored by the American Bankers Association when they selected him as chairman of the newly authorized committee on the development of trust business through personal representatives. Mr. Reynolds has been instrumental in furthering many new features of the trust business.

LYMAN E. WAKEFIELD, president of the First National Bank of Minneapolis, is one of a number of leading bankers of the United States who are taking an active part in the campaign for the second credit protection fund of \$1,750,000 which is being raised by the National Association of Credit Men to continue its war on credit fraud.

AS CHAIRMAN of the board of the International Acceptance Bank, Inc., of New York, Paul M. Warburg has recently issued his annual review of the banking situation. He is a recognized authority on banking and finance.

THE MERCANTILE TRUST CO. and the National Bank of Commerce in St. Louis have consolidated into a new institution to be named the Mercantile Commerce Bank & Trust Company. George W. Wilson will be chairman of the board, and John G. Lonsdale will be president of the merger. The new company will occupy the present Mercantile Trust quarters.

WITH THE approval of the executive committee of the savings bank division, the four uniform methods of computing interest on savings accounts on banks in the United States

has been issued in booklet form, embodying the material gathered in an exhaustive course of study. The booklet contains four accounts illustrating the four approved methods, with a detailed explanation of each.

STOCKHOLDERS of the American Telephone and Telegraph company will be asked at their annual meeting to vote on increasing the authorized amount of capital stock from \$1,500,000,000 to \$2,000,000,000, consisting of \$100 par value shares.

EDWIN BIRD WILSON, INC., one of America's leading financial advertising agencies, has merged its interests with those of the Van Buren Agency in Los Angeles. The combined companies, operating under the firm name of Edwin Bird Wilson, Inc., will continue to handle the commercial and financial accounts which were on the books of the Van Buren Agency at the time of Consolidation.

A SURVEY recently published by the Chicago Association of Commerce reveals that the state of Illinois has more independent banks than any other state in the Union. Illinois has 1,324 state banks and 484 national banks, a total of 1,808, of which 227 are located in Chicago.

Greatest Year For Savings

GREATEST gains in savings in a single year ever recorded in the United States, bringing the total savings to over \$28,400,000,000, with more than 53,000,000 individual savings depositors, are reported by W. Espey, Deputy Manager of the American Banks Association in charge of its Savings Bank Division.

"The year ended June 30, 1928, registered over the previous year the largest gain in savings deposits in banks and trust companies of continental United States ever recorded in the history of this country," Mr. Albig says in his report. "This indicates prosperity more general than any time since the business depression of 1920. Only three states failed to show a gain. On June 30, 1928 the volume of savings stood at \$28,412,961,000, a gain of \$2,327,059,000 over the previous year.

"The gain per inhabitant in 1928 over 1927 is \$17. The gain per inhabitant over last year is 7.7%, and 113.5% over 1928 when the strong upward curve in savings deposits developed. Since 1912, when adequate

records first became available, the gain per inhabitant is 169.3%.

"Total individual deposits in banks in America stand at \$51,199,264,000 and 56% of these individual deposits is found in savings or time deposits as against 53% last year.

Increase of 5.2%

"The gain in number of savings depositors comparable with last year is 2,496,070, an increase of 5.2% as against a gain in the population of the United States of 1.2%. The number of depositors, which for 1917 was reported at 48,354,784, reaches a high mark this year with 53,188,348, but of this apparent increase of 4,833,564 in the whole country 2,337,494 come from Ohio where for the first time the commissioner of banking has been able to give the number of depositors in state chartered institutions. The net gain, therefore in the comparable figures is 2,496,090 in the whole country. Had the state banking departments of Virginia, South Carolina, Georgia, Alabama, Mississippi, Kentucky, Tennessee, Ohio, Indiana, Michigan, Iowa, Missouri, Nebraska, Colorado, and Oklahoma been able to

report depositors in state chartered institutions, the grand total would be increased considerably.

"In our report of 1926, an analysis, by type of banks, of savings deposits was made. In 1912, 82% of the total volume of savings was found in state chartered institutions and private banks, 18% was in national banks. Since that date reports show an increasing tendency for banks, irrespective of type of charter, to give greater attention to the savings business. The sharp reduction from 5% to 3% of reserves required against time deposits by the amendment of 1917 to the Federal Reserve Act augmented the tendency, so that as of 1926, 75% of savings deposits was found in state banks and 25% in national banks. By 1927, 72.8% only was found in state banks and the balance in national banks. This year, 71.6% is found in state banks and 28.4% in national banks. Thus, the evening up process continues. This general seeking of savings deposits by all types of banks may help to explain the constantly increasing number of savings depositors."

Central Western Banker, April, 1928

The "Home-Made" Will in the EYES of the LAW

IT IS an old story, but a good one, about the witty lawyer at a legal banquet, who was asked to propose a toast to "the lawyer's best friend."

"The jolly testator who writes his own will," was the ready response, and the saying is more than a good joke. Some of the most protracted and expensive lawsuits in the law reports record the efforts of the judges to interpret the meaning of will written by the testators themselves.

The difficulty of taking a layman's will "by the four corners" and deciding what the testator had in his mind, is well recognized, and another story, not so well known, will bear repetition.

A certain court, so the story goes, was trying a case involving the interpretation of a "home-made" will, written by a certain testator. While the case was going on the opposing attorneys and the judge spent a convivial evening at the home of a mutual friend. As the attorneys were assisting each other home they passed a graveyard where the deceased slept, one of the attorneys mounted the stone fence, and besought the deceased to come forth and explain what he meant by his blamed will anyway.

"If you can't no court on earth'll ever be able to do so," the attorney added, by way of emphasis.

A Few Cases

In these modern days, with banks and trust companies located in every town, and anxious to assist testators in the preparation of their wills, it might be thought that testators had ceased assisting the legal profession, at least as far as drawing their own wills was concerned, but in order to show that lawyers are still thriving on that sort of business, we need only select at random a few typical cases from the recent law reports.

Take the case of Mary J. Wolcott, for instance, who resided in the state of Utah, where the legislature has aided and abetted laymen in drawing their own wills by passing a law legalizing "holographic" wills, that is, wills entirely written, dated, and signed in the proper handwriting of the testa-

By the Legal Editor

Editors Note: Due to the length and importance of this article, it is appearing in the CENTRAL WESTERN BANKER in two parts, the second of which will appear in our May issue.

tor, and these wills are valid in Utah, and in some other states which have similar laws, without the necessity of witnesses as is required in a majority of the states.

Knowing of the existence of this law, Mary J. Wolcott decided that there was no reason why she could not draw her own will, bought an ordinary stationer's will form, filled in the blanks to express her wishes, and passed on.

In dealing with this will the Supreme Court of Utah ruled that it was entirely invalid on the ground that the

which the figures '1912' are written in a group obviously intended to represent the year," said the California Supreme Court. "It is impossible to determine whether the number '10' represents, or was intended to represent the month of October or some other month."

Wrote to Relative

Mame S. Long also succeeded in having her name embalmed in the Kentucky law reports by writing a letter to a relative in the following words:

"On Sunday evening I go to St. Elizabeth's Hospital to have a slight operation. I do not anticipate trouble, but one never knows. If anything should happen to me, I want you to do this for me. Please see that everything I have in the world goes to George B. Gomersall. He is dearer to me than anything in this world, and he deserves it. You may think this is too much, but I don't believe you will, and it is my wish. If there is anything around the house you want, of course it is yours. The sideboard belongs to Sam Long. You have been far better to me

than I deserve, and I love you better than you will ever know.

With very much love.

After writing this letter, Mame went to the hospital, the operation was entirely successful, six months later she died from a cause entirely independent of the operation—and the beneficiary named in the letter claimed the property of the deceased.

"It's a valid will, according to the laws of Kentucky," Gomersall contended.

"It was contingent on her recovery from the operation, she did recover, and that prevented it from becoming a valid will," the relatives contended, and the Kentucky Court of Appeals ruled in their favor.

"Mrs. Long intended, in writing this letter, that it should have no effect if she survived the operation she was about to submit to, and was only written to provide against the fatalities that might follow it," the court said.

(Part II will follow in our May issue)

"Trouble Ahead"

"These instances do not exhaust the list by any means, but should sufficiently emphasize the point that a testator who writes his own will is laying up trouble for his heirs, his executors and for himself as well—if Conan Doyle is correct!"

requirements of the law must be strictly fulfilled, and that a will partly printed and partly handwritten was not a will "entirely in the handwriting of the testator."

"There is no doubt that the deceased intended the document to be her will, but the right to dispose of property by will is governed and controlled entirely by statute. Such statutes are mandatory, and, unless strictly complied with, the instrument, as a will, is void," said the Court, and other state courts have arrived at the same conclusion.

Samuel Carpenter, of California, where a similar law is in force, came nearer to complying with the law, as he wrote the whole will himself, but dated it "10, 1912."

"The date isn't clear, so the will isn't wholly 'dated' by the testator," those opposing the will contend, the Supreme Court of California upheld their contention and rejected the will.

"The instrument shows the figures '10,' following by the space, after

How the Young Banker Can Get

Education

By J. H. Puelicher

*Chairman, Board of Trustees, A. B. A.
Foundation for Education
in Economics*

A GRATIFYING eagerness for scientific preparation for business life has been disclosed among students in higher institutions of learning by the avidity with which the American Bankers Association's offers of financial aid for worthy men and women collegiate students pursuing courses in banking and economic subjects are being taken up.

It was only with the opening of the 1928 fall term that loan scholarships, provided under the association's educational foundation, became available in colleges and universities in various parts of the country. Considerable time was necessarily required in carrying out the unavoidable detail connected with establishing the committees on awards in each institution granted scholarship aid, in making the Association's proffer known to the student bodies and in qualifying applicants. Already, however, nearly a third of the available loans have been given out and a number of other applicants are under consideration, while many additional institutions have indicated that they will be in a position to co-operate with the Association in putting its educational plan into effect this fall.

A goodly company of young college men and women, therefore, is now pursuing studies in the specific fields pertaining to practical banking through educational preparation. The association feels that this company, which will swell in numbers each year, will constitute a real contribution and an active influence in American life toward raising the nation's business and financial standards to higher levels of technical proficiency and public service. We are in receipt of many letters from students who have been awarded loan scholarships and also from college authorities where the plan is in operation, speaking in the most commendatory terms of the

practical helpfulness it is rendering in the field of business education.

Every School Year

More of these loan scholarships will become effective every school year, not only as more of those now available are taken up, but also through the ad-



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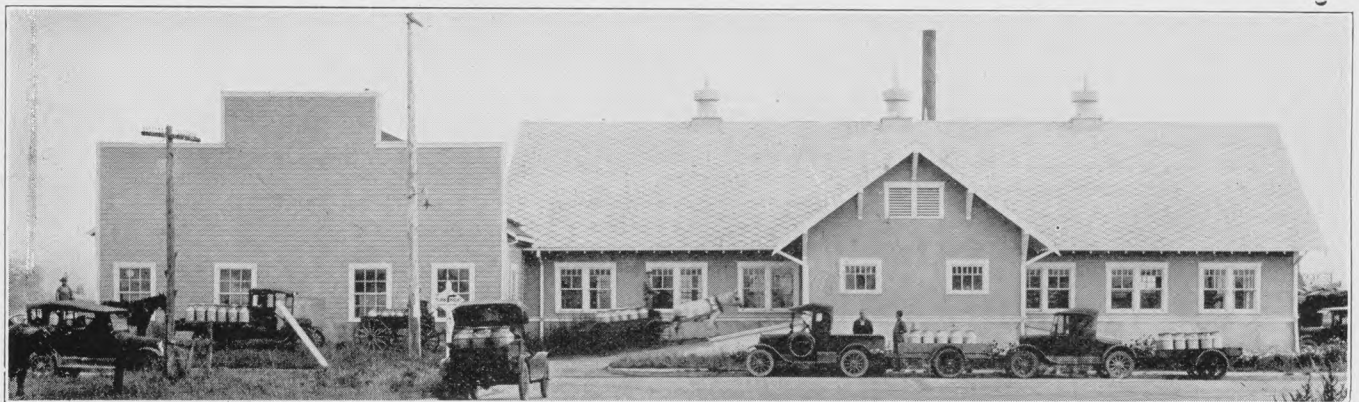
J. H. PUELICHER

dition of more scholarships as the fund of the American Bankers Association devoted to this cause continues to grow, as it most assuredly will. The fund, which is under the American Bankers Association Foundation for Education in Economics established by the association in 1925 in commemoration of its fiftieth anniversary, is the willing contribution of bankers from all parts of the nation. It represents an effort on their part to repay their country, if only in a small meas-

ure, for the opportunity it has given them for success.

No country in history has ever showered upon its children such bounties of opportunity for achievement as has the United States, and no portion of our citizenship is more deeply appreciative and more eager to express gratitude for these bounties than our great body of American bankers. The Educational Foundation funds represent their wide response to the chance it gives them to make due acknowledgment of their obligations to their country in terms that seem most in harmony with the debt they owe. Banking has chosen education as the medium for this. The Board of Trustees of the association upon whom has been placed the responsibility of administering the foundation funds have carefully worked out the plan along lines that will express the gratitude of bankers in the most practical terms of civil service they could devise,—that is, along lines that will aid in placing the banking business on a thoroughly professional and scientific basis. Only thereby can banking attain its highest plane of rendering the true public service which is now becoming universally recognized as the sole justification for a place of honor and success in our body economic.

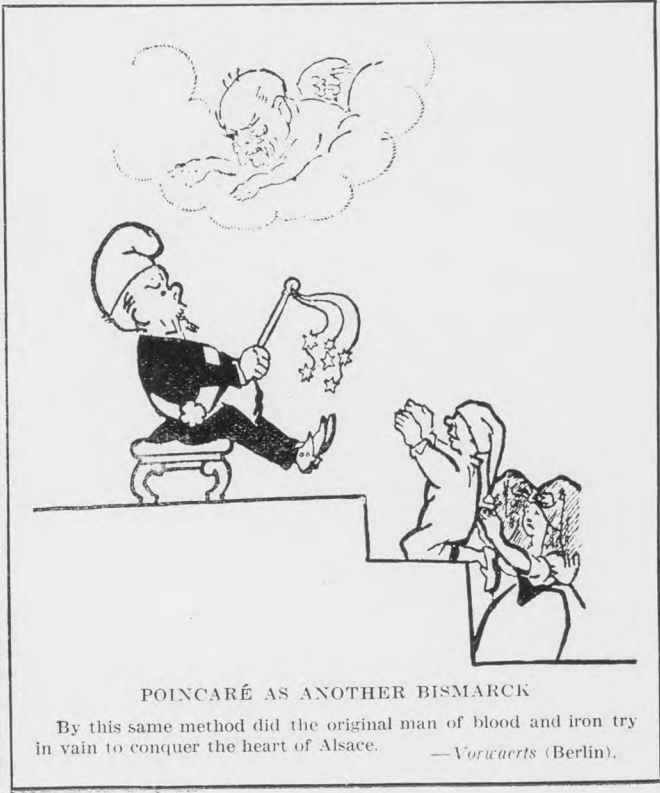
The scholarship plan makes available unit loans of \$250 to properly qualified students in universities and colleges accepting the plan and taking action to administer it along the lines prescribed by the Foundation. The loans are repayable on easy terms after the recipient has had an opportunity to enter earning business activity. I hope the time may come when every student in every institution of higher learning in the United States who desires to follow studies in banking and related practical economic subjects, who needs financial assistance and who deserves it, can turn to the American Bankers Association fund for aid.



Everywhere and in every way, electricity is more and more widely used. Above, one of the twenty-six electrified cheese factories at Tillamook, Oregon.

Central Western Banker, April, 1928

CARTOONS OF THE MONTH



Strong Demand for Nebraska

AN INTERESTING index to the farm situation has been secured in statements received from bankers in Nebraska, Colorado, Wyoming, Kansas and South Dakota, as result of a questionnaire sent to bankers by Val. Kuska, of Omaha, colonization agent for the Burlington railroad. The purpose of this survey was to secure a list of communities in which there might be a supply of farms available for rental by farmers who are making application to the colonization bureau of the Burlington for assistance in locating farms for rent in these states.

"We are receiving many inquiries now from men who want farms," states Mr. Kuska, "but bankers in each of these states report a scarcity of farms for rent. An analysis of this survey discloses that there are more men wanting farms than there are farms available.

Replies Very Favorable

"With practically all farms of good improvements leased for the coming year, the replies from 270 bankers throughout these five states reflect a very favorable outlook in these agricultural districts for 1929," adds Mr. Kuska. The following are quotations from a summary of the reports received:

L. A. Frazer, of the State Bank of Holdrege, Neb., states: "There are ten farmers after each farm that is available for rent. All are now rented for 1929."

Grant O. Johnson, of the Bank of Orleans, of Orleans, Neb., writes: "I know of only three farms for rent and there are several renters who have applied for each of them."

R. S. Kuns, cashier, Broken Bow State Bank, Broken Bow, Nebr., says: "While many farms are being rented in this community, the demand is greater than the supply."

Geo. R. Froehlich, of the Farmers' State Bank of Burwell, Nebr., reports that there are five men for every farm that is for rent this year. The Bridgeport State Bank of Bridgeport, Nebr., reports: "All farms rented for this season. There never has been a time when there was so great a demand for farms to rent in this vicinity as this winter, and inquiries keep up. Winter wheat is in fine condition."

D. F. Enevoldson, cashier of the First National Bank of Peetz, Colo.,

FARMS

Extensive survey reveals that the demand for available farms is far in excess of the supply. Bankers report agricultural outlook is good.

states: "We don't have enough farms to supply the demand. We could place 25 or more tenants here if we had the farms. If farm conditions continue to improve as at present, the farmers will have to own the land in order to be sure of a place to farm."

"Few for Rent"

J. C. Jacox, vice-president of the First National Bank of Fort Morgan, Colo., reports: "I do not recall any time for several years when there were more farmers looking for good farms than at the present time. We have but few farms left for rent in this community."

Edward E. Intermill, Farmers State Bank, Haxtun, Colo., writes: "I know of no farms for rent in this community. Some renters are being obliged



to leave here this year because they can not be supplied with farms for rent." Roy S. Shepherd of the Farmers State Bank of Yuma, Colo., says: "Farms in this locality have all been rented for some time."

Similar replies were received from bankers in neighboring states. F. F. McGee, vice-president of the First Na-

tional Bank of Cody, Wyo., reports very few farms for rent with local applicants having taken all desirable ones. P. D. Gibson of the Farmers State bank of Bird City, Kan., writes that there are no farms for rent in his community and comments upon the excellent corn crop in that territory last year. The first National bank of Deadwood, S. D., reports that farms are in excellent demand this season with very few improved places left for rent.

Only one conclusion can be drawn from this scarcity of farms for rent. The men who are seeking land are finding farming profitable. Otherwise there would not be this demand for farms in representative communities scattered throughout those five middle western states.

No one need seek further than the many instances of profitable farming revealed through the recent Master Farmer Survey to find conclusive proof that men are making money out of farming.

The Master Farmers

For instance, the ten men who were awarded medals this year as Master Farmers in Nebraska were selected from a group of 199 farmers who were eligible for this honor. Each of the ten Master Farmers began farming with an average net worth of \$1,190. Now their average net worth is \$125,954.30. This is an average gain per farmer of \$124,764.30. Only 18.61 per cent of this gain is due to inheritance, profit on land sold and increase in value of their property. Therefore these men have made money out of farming. At an average age of 50.2 years, their wealth has been accumulated from their own earnings resulting from good management and hard work in the pursuit of agriculture. They have so handled their affairs that their acres have produced bigger and better yields which have returned a profit for their labors. These men are advocates of diversified farming. And they practice it. They are not building much hope upon farm relief legislation. They are keeping farm accounts. Following good system of farm management. Good practices of farming are becoming more and more popular. And with the application of sound business principles in farming becoming more widespread, there is an increasing demand for farm lands.

What Makes a Good SAVINGS BANKER?

OBVIOUSLY first among the essentials of a savings banker is a thorough grasp of the technical problem of management. He must have a logical understanding of all phases of the savings business—the necessary size of market to support a savings bank or department of a certain calibre, the savings income that he may expect, the standards by which he may forecast and judge the growth of his institution, a thorough grasp upon all of his income and expense items, and an appreciation of the various types of competition, both direct and indirect, which he must meet. He must know how to balance income and outgo. He must be thoroughly grounded in the fact that no matter how laudable the service he renders, no savings bank or department is a safe, self-respecting, and permanent vehicle of service unless it shows a profit.

There are many phases of savings bank operation upon which technical knowledge is essential to success. There is, for example, the relation of the activity of your savings accounts to your profits. The savings banker should be familiar with surveys which show that activity per savings account per month bears practically no relationship to the average balance per account; the activity, regardless of the size of the accounts, is about 30 to 40 transactions per month per 100 accounts. In other words, the small account involves practically as many transactions as the larger account; and therefore the larger or quality accounts represent the most fruitful direction in which to employ business-getting effort. By concentrating chiefly upon the development of accounts now on the books, the bank best serves itself and its customers, while at the same time it avoids cut-throat competition. It is rather illogical to concentrate on your competitors' satisfied customers and neglect the development of your own customers.

In this connection, we may also conclude that if the average number of transactions per month does not increase with the size of the balance, then as the average balances of our savings accounts increase, the smaller will be our operating expense. Stated simply, the rule is this: the greater the

Technical knowledge, a desire to serve his customers, the ability to sell, a mind receptive to new viewpoints, and the power of cooperation with other bankers, are the prime requisites of the successful savings banker.

By Craig B. Hazelwood

President, American Bankers Association and vice president, First National Bank of Chicago.

average balance per savings account in any bank, the smaller should be the operating expense per one thousand dollars of aggregate savings balances.



CRAIG B. HAZELWOOD

This is but one interesting phase of knowledge which recent surveys have developed. There are countless other aspects with which the progressive manager must keep in touch.

Separating the Funds

There is also the problem of separating the savings funds from those of other departments, at least from a bookkeeping standpoint, so that the banker may know precisely where he stands. Socially speaking, I believe it is questionable whether any bank has a right to operate a savings department at a loss; but certainly, it is undebatable that the savings banker

should at least know the facts as to whether he is operating at a loss, breaking even, or making a profit.

Profit, of course, will depend upon the manner in which deposits are invested, the rate of interest paid, the control of losses, and other factors. The personnel and labor problem is now coming strongly to the front in various surveys. The capable manager who inquires into this matter will find that employees in some banks handle two or three times as many transactions as similar employees in other banks. This problem, of course, breaks up into various aspects: pay, spirit, training, and efficiency of employees; convenience of facilities; simplicity of routine; character of accounts, whether small and active, or large and stable. Then, too, as the manager learns exactly what it costs him to handle a savings transaction and makes comparisons with surveys that are now in hand, he may find a variation of 200 or 300 per cent. And so, as he gains a sound and up-to-date grasp of every item of management, he places himself in the position where he knows how to earn that profit which rewards his stockholders and makes permanent his service to the community.

The Second Essential

We come to the second essential of the capable manager—a sympathetic helpfulness in solving the banking problems of men and women. What is the exact character of the service for which the savings banker asks the public to pay him a profit? I do not refer to administrative routine. I mean what does the savings depositor get for the margin of interest which his money yields to the bank?

Obviously, he must unquestionably get safety for his hard earned savings. In the order of things he will naturally receive his interest of 3 or 4 per cent. But there is one other more important service with which a satisfactorily conducted bank will provide every savings customer—the kind of financial counsel which in a savings department goes far beyond finance and banking and deals with almost every human problem.

I know the feeling many of you have. Sometimes the best of us grow

Central Western Banker, April, 1928

impatient with the great volume of detail that is thrown upon us. We recognize that it clogs the machinery of business, and distracts us from the original thinking which would carry us on to greater achievements. But it is essential, nevertheless, that the savings department be operated upon a basis of friendliness, patience, tact, courtesy, experience, and judgment. These are duties we owe our customers and cannot avoid. The savings manager is a financial physician. The essence of his service is that he shall counsel and guide those who may be making only a beginning in financial accumulation, and who may be sorely in need of even the simplest analysis of their problems.

I have in mind a man who typifies my ideals as regards the spirit of a savings department. This man is not a banker, although he is a director of various banks. He is the head of a great railroad system. And his ideal for that railroad system is truly to serve the public, and sincerely take the public viewpoint upon every problem, so that patience, kindness, and innate courtesy shall animate the entire system. So strongly does he, himself, impersonate these qualities that that spirit, like a flood of light from the top streaming down, is coming to shed a kindly personality throughout his entire organization.

A third essential of a capable savings banker is sales mindedness. If I should define sales mindedness, I would say that it is the difference between the cold, steel-eyed banker of the fiction writer, and that other man who, while no less able in the technique of his business, views his business from its market possibilities and his customer demands. To him it is second nature to inquire: "What, if any, are the limits of my market? How rich is my market? How can I work it more intensely? How many customers should I have this year, next year, year after next? How much average business should each of these customers do with my institution? What have I to sell them that my competitor cannot quite match? And more important—would I buy these services I offer if I were an average prospect? How shall my selling be developed into one continuous, effective effort to yield the greatest results?"

Each of you in your own market has these problems. Perhaps I may visualize the problem and the opportunity in a way by reminding you that if we can add 50 to each of the 53 million savings accounts in this country, we shall have two and a half billion dollars through our present

Under the Mistletoe



customers. And if we can add two and a half million depositors annually, as we did in the past fiscal year, each with a \$50 account in a twelve month period, we shall have another billion dollars. Three and a half billion dollars a year in your savings departments would thus be added, without including interest. As a matter of fact, I believe it is entirely feasible to reach or excel this figure.

See Your Goal

What we need first of all is to visualize our objectives more clearly and hopefully. Our belief in the savings business may have been shaken by the daily news of five and six million share days, billions of dollars in installment paper, insurance underwriting of ninety-five billions, six hundred millions in radios in one year, a motor car avalanche of twenty million cars, and countless other avenues in which the money of the American people is being placed. But let us not lose our faith in the common sense of the American people. Let us recognize that even in what appears to be their extravagances, there is an element of thrift, of equipment for swifter and greater accomplishment. And let us remember that a savings account will always be in style, for there is nothing as liquid as cash in the bank. We must provide our customers with an appreciation of the value of ready cash, absolutely liquid, without lien or claim—the first line of defense in any crisis, whether of opportunity or difficulty.

Every savings bank should help along the general appreciation of the value of a savings account by expressing the positive thrift idea in its advertising, its literature, and its per-

sonal conferences. Through poor salesmanship we have placed ourselves too often on the defensive by using 3 per cent interest as our only talking point. The chief benefits of a savings account, as of a life insurance policy, are very real, although not immediately tangible. For this very reason, they require an abler salesmanship to demonstrate their full worth.

Sometimes I have even wondered whether certain savings bankers themselves really believed in a 3 per cent savings account. Let us remember that a depositor receives many benefits besides the normal interest. Like a West Point course, he receives an impetus to regularity and the development of the habit of thrift. He receives the immediate and convenient service of deposit, payment and accounting. And he has money available with which he can buy commodities and investments at those times when the net saving or profit to him is greatest. He is a poor saver, indeed, whose money accumulated and utilized with the banker's counsel does not actually earn many times three per cent.

The sales possibilities of the savings department do not stop with the manager, nor with the officer at the desk. Every teller or other employee has his contacts and his opportunities to make friends, win depositors, and build present accounts. And then, while the savings department may well stand on its own feet financially, it of course offers a first preferred list of prospects for your other services—commercial, investment, and trust.

The capable savings banker will think through these matters and arrive at a viewpoint full of faith, enthusiasm, appreciation for the romance hidden in his routine business, and loyalty to the ideals and the vision which have always animated our best savings bankers. His program might perhaps be phrased in some such words as these: "Soundly and carefully to gain each year a reasonable number of quality savings accounts; energetically to concentrate upon savings customers who have real possibilities for increased accounts and for business in other departments; and powerfully to champion the savings account as an essential element in the economy of our national life."

The Receptive Mind

As a fourth essential. I should say that no savings banker can be thoroughly capable who is a slave to tradition. Accumulated experience and time-tested rules have an important place; but so, too, has an imagination unafraid to contemplate the new—an imagination which surveys the straight path to a desired objective and

then hacks a high road through untrodden territory.

We are living in an age of discovery, of untrammelled and scientific approach to every problem, of new methods and new ideas. Let the banker who is afraid to face these facts remember that his competitor is going to face them, and that progress will go on, with him or over him. Some per-

sonal feelings and desires may have to be sacrificed in this march of progress. But usually, the new way, once perfected, proves to be the better way; and after readjustment has been accomplished, everyone is the happier for it. Any of us can cite examples where imagination going headlong in pursuit of the new has occasioned severe losses. But how much greater,

though unmeasured and unmeasurable, have been the losses inflicted through frozen adherence to outworn methods.

Moreover, a mind that is not receptive to new viewpoints is apt to be closed to the human phases of business and unable to look at things from the customer's side. Let us then take time to think, and in that time let us consciously brush aside preconceptions and court new ideas.

How the Embezzler Works

EMBEZZLEMENT is, of course, one of the greatest shocks to any particular business. Embezzlement is a secret crime. In this sense it differs from other crimes. In most crimes such as murder, robbery or burglary it is at once known that a crime has been committed, although it is not always known who committed it. In embezzlement, however, the success of the criminal depends upon his concealing not only that he is the criminal but that there has been a crime committed at all. This is the information given by E. N. Moseman, in charge of Bonding Claims of the Standard Accident Insurance Company. No business is proof against the attacks of the embezzler, Mr. Moseman says. "In the last year we have been faced with embezzlements ranging from more than \$400,000 in amount down to insignificant sums. The retail merchandising business, the manufacturing business, the banking business—all are open to the attacks of the embezzler.

Shortages are Covered

"The means used by embezzlers to cover up their shortages are usually very simple. Not long ago, we were presented with a claim for a cash shortage of \$30,000 by a bank. The cashier was accused and confessed that his speculations had been going on for more than two years. The bank had been audited a number of times, yet the shortage had not been discovered. We were puzzled to know how he had concealed his shortage from the examiners. The accounts of the various depositors were all correct, and there was a simple cash shortage. He explained it very simply by telling us that when the examiners walked in the front door he selected the ledger card of some depositor, took enough cash out of the vault to make the amount tally exactly with

the amount which the particular depositor had on deposit, put the depositor's ledger card in his pocket, and took it home. The cash, therefore, balanced with the deposits because the examiners did not have access to this particular ledger card. After the examiner's departure in a few days the card would be replaced and the shortage would again appear. Nothing very complicated about this, yet it deceived the bank for almost three years.

Strenuously Concealed

"Embezzlement is a secret crime, and the amount of deception which will be practiced by an embezzler is incalculable. He will go to any lengths to conceal his embezzlement. We are reminded of a case where a bank teller was discovered short a few hundred dollars. He confessed to the shortage upon questioning, and when asked what he intended to do about it, re-

plied that he did not know how he could live through such a thing. He immediately paid his brother's shortage, however. Six months later, Charles suddenly died with pneumonia. It was discovered that he was more than \$7,000 short at his own bank. Deception of this kind tends to make one somewhat suspicious of the motives of human nature.

Start With Small Amounts

"Embezzlements usually start with small amounts which are considered 'loans' by the person who takes the money. He is going to repay the money, of course, but not being a very scrupulous sort of person, he does not repay it immediately because he finds it inconvenient. Unexpected expenses at home have deterred him from returning that which he has taken. Still no one discovers that he has taken it, and the unexpected occurrences at home continue. The thing grows, and it grows because it is not discovered, until the point is reached at an early date when the embezzler cannot repay the money. At this stage of the game, speculation is quite apt to occur. Other men make money on the stock market, and so a wild attempt is made to secure enough money to repay the whole sum taken. The embezzler is seldom a person who can succeed in speculation. He loses money which increases his embezzlements

How It Starts

"Embezzlements usually start with small amounts which are considered loans by the person who takes the money. He is going to repay the money—of course—but not being a very scrupulous sort of person, he does not repay it immediately because he finds it inconvenient."

plished that he had a brother, Charles, who was assistant cashier in another bank in the same city, and that Charles would pay his shortage. Charles was called on the phone and came over directly. When acquainted with the facts and his brother's confession, he was astounded. He told us that he had an honorable name and that this was a terrific blow to him. He turned to the defaulting teller, his brother, and berated him for dishonesty in besmirching the family name. He burst

still further. He is now, of course, on the royal road to destruction. Some day he is going to be discovered and he knows it, and his life from this point on is one of constant worry. We have had many embezzlers confess to us and after confessing, give a tremendous sigh of relief and make the remark that it is the first happy moment they have had in a long, long time. The embezzler, you see, is not without conscience."

Central Western Banker, April, 1928

Improving Nebraska Agriculture

"THERE are four important questions to consider in adapting the 1929 agricultural outlook to individual farms of Nebraska," Prof. H. C. Filley, chairman of the rural economics department, said in a talk recently at the outlook meeting at the agricultural college in Lincoln.

The first of these questions is, "What can I produce?" The second is, "Of the things I can produce, for which ones will there be a good market?" The third question is, "Is this farm better adapted than other farms to produce certain crops for which there will be a good market?" The fourth question is, "Considering these things, how can I keep busy at profitable work throughout the year?"

It has been stated in the 1929 outlook statement that Nebraska, with her supply of feed grains and hay a long distance from eastern markets, can well afford to convert that bulky product into animal products. The general Nebraska farm can handle both grain crops and livestock. Whether the livestock be cattle, hogs, sheep, or poultry depends upon the inclination of the farmer and his family and to some extent the nature of the farm. This is the general answer to the first question.

Considering the high cost of transportation there is probably a better market for Nebraska products in concentrated form than in bulky feed grains and hay. The Nebraska farmer, therefore, will generally find a better market for animal products than grain and hay, which answers in a general way question number two. The tendency is toward quality products with a recognized grade established on them; graded hay, graded grain, and graded eggs are among the things to which Nebraska producers should give some attention in the next few years.

Nebraska is naturally a good alfalfa producing state and can produce most feed grains at a lower cost per bushel than many of the big consuming states of the east. Individual farms in the state may be particularly adapted for corn production, wheat production, alfalfa production, or any other one or two single crops, and if they are so adapted the farmer should consider these crops as a big source of income. This is a general answer to the third question.

One crop farming of any kind generally finds employment only part of

Agricultural School Experts tell how Nebraska farms can be made to return greater profits to owners.

the time in the year and therefore cuts down the labor income for the entire year. Other things being equal, the man who spends the most hours in a year at profitable labor makes the most money. Dairy cows and poultry require more man hours than other phases of farming. Milking cows and taking care of chickens requires regularity and is considered confining by many farmers who put in a grain crop and work hard only part of the year. This is one reason why the cows and hens have continued to be as profitable as they have, and one of the good illustrations of the answer to the fourth question, "how can I keep busy at profitable labor?"

The principles outlined by Professor Filley were converted into examples by Ralph Cole, specialist in farm management of the agricultural extension service. Mr. Cole has been working with farmers in Nebraska for the last two months checking their 1928 farm record books and talking things over with them. He is very familiar with what farmers are thinking about after they have kept records of their receipts and expenses.

The books show how much each farmer has made or lost on grain crops, cattle, hogs, dairy cows, poultry, and other parts of their farm business. Sixty to 75 per cent of the farm income generally comes from sale of livestock and live stock products. The most profitable hours the average farmer spends are spent with his livestock and the combination of crops and livestock to keep him busy the year round will leave the greatest net income over the entire year.

Mr. Cole referred particularly to 100 records completed in Cass county this year where records have been kept for the past five years. Farmers there have changed the arrangement of their farms, the crops they plant, and the amount of livestock they fed during this five year period because the farm records showed them where they were making the most money.

Farmers in several other counties are also keeping farm records and as the work is completed, more lessons are learned in every case. Mr. Cole hopes to have some farm records in every county where there is a county extension agent to take care of the local details and to work out a farm management program based on the facts determined in these records.

H. G. Gould, district leader of county agents in southern and western Nebraska summarized the Lincoln meeting by emphasizing the fact that Mr. Cole and others who work with him are part of the college of agriculture and its extension service. They are on the job 12 months of the year working with and for farmers and other individuals of the state who request the help. The extension service is the distributing agent for information determined at the agricultural college and by farmers who cooperate with the extension service by working out practical farm and home projects. All the assistance of the extension service is free, supported by tax money of the state. It is intended to benefit not only those who ask for individual help, but also for communities where this help is given.

For example, if a number of farmers working with Mr. Cole and the county agent can establish the best farm management practice for a county, and the facts are distributed by the county extension agent, any farmer in the county can copy the suggestions on his own farm and thereby benefit the extension service even though he has never had personal assistance. In other lines of work farm and home demonstrations have been established which neighbors can watch and copy when they prove to be profitable. In this way also the entire community may benefit by the work of the extension service with one individual farmer.

Bulletins, circulars, and other information is available at all times and will be sent to any one requesting it. Mr. Gould called particular attention to a monthly statement of the agricultural situation issued by Harold Hedges, and distributed by the extension service. This statement is similar to the annual agricultural outlook statement except that it takes up various conditions by 30 day periods. It is issued about the 15th of each month and will be sent to any one who requests it of the agricultural college at Lincoln.

The Standardized Bank Checks

THE MOVEMENT to standardize bank checks and similar instruments, as fostered by the clearing-house section of the American Bankers Association, the department of commerce and other interests, has gained the support of the United States post office through its agreement to sell window envelopes conformable to specifications requested by the standing committee having the standardization plan in charge, it is announced by F. W. Simmonds, deputy manager of the association. A recent government survey shows that, in respect to volume of printed forms produced, almost an 83 per cent adherence to the standards worked out four years ago has already been established among manufacturers, distributors and users of bank checks, notes, drafts and similar instruments, and the action of the post office department is expected to give added impetus to the movement, Mr. Simmonds says.

"The post office department has agreed to incorporate in its 1929 schedule the envelope for the transmission of bank checks requested by the standing committee on check standardization," Mr. Simmonds says in his announcement. "This envelope is $3\frac{5}{8}$ by $8\frac{5}{8}$ inches, with a window opening $1\frac{1}{4}$ by 4 inches, $\frac{13}{16}$ of an inch from the bottom and $\frac{5}{8}$ of an inch from the left hand margin. It will be sold through post office channels after April 1 and its availability should give considerable impetus to check standardization.

"A recent government survey of the extent to which the standardization of checks, drafts, notes and similar instruments has already been brought about in the United States covered the operations of leading manufacturers in this field for the first nine months of 1928 and showed that 82.64 per cent of their output was in conformity in size with the simplified practice recommendation as issued by the division of simplified practice of the department of commerce. When the movement was started there was less than 40 per cent of conformity to any generally prevailing size. The survey showed that forty-four check manufacturing houses reported that their bank customers were cooperating in the movement by ordering the simplified sizes, which only four reported the contrary experience.

"The simplified practice recommendation calls for standard arrangements of printed material on the face

Fame and Flowers



For a whole day at least, life was a bed of roses for Walter W. Head, former Omaha banker, now president of the State Bank of Chicago and the photograph above bears out the facts. The photograph showing Mr. Head in his office in the State Bank, surrounded by flowers, was taken on the day of his installation as president of the institution is floral evidence of the fine greeting he received in Chicago. The usual number of other greetings including telegrams, letters and personal callers, were likewise in evidence.

of checks and the elimination of odd and freak sizes, and the government information shows almost unanimous support of this aim among manufacturers. Bankers and printers of checks have united in discouraging their customers from demanding individualized instruments and gratifying results have followed. Advertising, catalogue emphasis and instructions to salesmen are all being used by the manufacturers to promote simplified lines of checks. Especially effective has been the use of price differentials favoring the simplified lines as against non-standard items, and more than half of the manufacturers were reported as using this method.

"Among the benefits resulting from check simplification are quicker delivery, increased production, decrease in cost and saving of time. The printers and lithographers indicate that practically none of their customers refuse to accept the standard size.

"While the large majority of banks and great corporations strictly adhere to the standards adopted the movement as yet, however, is not unan-

imous, and all check users who are not now adhering to the simplified practice recommendation are urged to do so. It is a form of economic cooperation which means the saving of millions of dollars a year to the business of the country through the elimination of waste of time, effort and material in check manufacture and handling. We feel gratified in the action of the post office department in agreeing to distribute window envelopes with specifications helpful to the use of the standard forms and we believe this will remove one of the obstacles in the path of the desired 100 per cent adherence."

The standard sizes recommended are as follows: bank drafts, certificates of deposit, cashier's checks, special and individual checks, customer's drafts, notes, trade acceptances, voucher checks, collateral notes, special notes when folded, and other similar instruments, $3\frac{3}{8}$ by $8\frac{3}{8}$ inches; customer's checks, counter checks, $3\frac{1}{16}$ by $8\frac{1}{4}$ inches; pocket checks, $2\frac{3}{4}$ by $6\frac{1}{4}$ inches; end stubs for pocket checks when not interleaved, including binding margin, $2\frac{3}{4}$ by $2\frac{1}{8}$ inches.

Central Western Banker, April, 1928

Only 25 Cents on the Dollar

A HUNDRED and seventeen creditors there were, in a recent fake failure, and only one of them wanted to prosecute. The rest hoped to get back part of the money owed them by letting the crook go free.

This, as every business man knows, was only an extreme instance of what is going on all the time. Prosecution by individuals is costly. It is slow. It is of doubtful result, and, even if you win, the lawyers will probably get most of it. So why not be prac-

tical, and say, "Take his twenty-five cents on the dollar, and forget it"?

Practical? From the credit crook's point of view, it is eminently practical—so much so that he will fail again and again, offering a composition settlement each time, and, in the course of a few years, clean up a fortune. If he finds that he can cheat you and, when caught, have to give up only a fraction of what he owes, what motive will he see for playing the game straight? It is heads I win, tails you lose.

Frequently, the crook has sold to a "fence" the goods which he bought from you on credit and for which he

now claims to be unable to pay. What becomes of the goods? Red-lettered posters, stuck slantwise in shop-windows, tell the story. "Fire Sale," "Bankrupt Sale," "Less than Wholesale Prices!" You not only lose your goods but put them back on the market to undersell you.

Is that practical? Looking at it another way, is it decent? A quarter of a century ago, the creditors in a famous case thought not. In explaining their refusal to accept a composition settlement, their spokesman said, "Your Honor will observe that our purpose always in view was a moral purpose, the only business profit of which could be very remote. We preferred an immediate loss, with dividends in the shape of a more highly educated standard of honor and integrity."

"A Yearly Tribute"

That is the stand taken today by the National Association of Credit Men. "Until we actively combat the credit crook, we are paying him a yearly tribute and making his nefarious trade possible, they say. "All commerce is imperiled when the credit crook goes free." Four-fifths of the nation's business is done on credit, and credit fraud tends to undetermine the credit system itself.

Twenty-five cents on the dollar interests the credit men not at all, nor does fifty cent, nor does sixty. They put the credit crook in prison. Already they have exposed 657 credit crooks and have aided federal and state authorities in convicting them, though they began their dead-in-earnest operations against credit crime only three and a half years ago. They have spent a lot of money in doing this, and they mean to spend more. If their \$1,400,000 war chest looked formidable, what will the crook make of the campaign, now in progress, to raise a new and bigger fund—a million and three-quarters?

What, meanwhile, will they say of the Association's steadily growing card index of credit crooks and the rogues' gallery that grows larger week by week? What will they say when they learn that, mainly because of the Credit Men's activities, crooks are beginning to get out of the credit game? Statistics prove it. There has been a thirty-two per cent shrinkage in fraud as disclosed by the bankruptcy cases investigated.

In fighting credit fraud to a finish, the Credit Men feel that they are not only defending their own interests, but also the interests of business in general, for every credit crook left at large is potentially the enemy of every business man.

Why Should Banks Buy Bonds?

Should they buy them to secure:

- Liquidity of assets?*
- Diversification of assets?*
- Increase of earning power?*
- Utilization of surplus funds?*



These and other similar questions are discussed in a brochure prepared by our own economist, Dr. Paul M. Atkins, entitled: *Bank Secondary Reserves and Investments*. We shall be glad to send any bank a copy upon request.

Ames, Emerich & Co.

ROBERT G. INGWERSON, Representative
826 City National Bank Bldg.

CHICAGO

OMAHA

NEW YORK

BONDS AND INVESTMENTS

RECOGNITION of the fact that common stocks are suitable for trust investment is subject to certain very definite limitations.

The authority to buy common stocks must exist directly or by clear inference. In nearly all states statutes prescribe what are legal investments for trust funds and very few states include on these lists any common stocks. Where the will or deed is silent on the subject the trustee cannot depart from the list of legal investments and no amount of pressure on the part of beneficiaries or parties in interest should compel or persuade the trustee to do otherwise. Where, however, the will or deed contains a broad general investment power of unlimited character, the trustee must decide whether the power given will authorize the investment in common stocks, and if so whether the trustee will avail itself of that authority. While trustees have been unnecessarily timid on this subject, any serious doubt should be resolved against the purchase.

The rule of diversification has not been in any way curtailed. For a trustee to invest all the principal of any estate in common stocks would be just as wrong as to purchase one mortgage or one lot of bonds. Suitable proportions in the light of the circumstances of the particular trust must be at all times maintained. What those proportions should be will depend upon the views of the Trust

Committee, but there should at all times be a proper balance between high grade bonds, first mortgages, preferred stocks and common stocks.

The investment must be limited to the stocks of seasoned companies enjoying a wide and ready market. The business represented may include railroads, public utilities, telephone and telegraph, banks and insurance companies and industrial businesses of fundamental nature, such as steel, oil, and electricity. The list cannot be ex-

Common Stocks for Trust Investment

By C. A. Scully

*Vice president, National Bank of
Commerce, New York*

tended much further. Businesses which depend for their success on patents or are in any degree subject to changes in public taste or fancy should not be included. There is no excuse or justification for a trustee indulging in speculation in any degree.

The stocks must be seasoned. Stocks of companies in process of development and in industries which are still largely in the experimental stage should be looked on askance by anyone with an adequate conception of

Price changes in stocks are more severe and more rapid than in the case of bonds. They reflect with surprising rapidity the changes in general business conditions, in political affairs, in interest rates and in public taste. The trustee who holds common stocks must be alive to all these conditions

from day to day and must have some sort of judgment as to the effect they may have on the companies represented. Changes in an industry are far-reaching and the stock values of the companies in that line of business may be adversely affected over a period of years. We have seen in our own day stocks of leather, rubber, textile, bituminous coal and oil companies suffer from the effects of depression in these industries, yet in all of them there have been notable examples of sound, well established and well managed companies which have continued to pay regular dividends to their shareholders throughout.

This scrutiny must include the business judgment and attentiveness of the officers of companies whose stocks the trustee holds. Notwithstanding the concentration of capital and the tendency to consolidate business today, the human equation has not disappeared and the company which is indifferently managed will soon fall behind its competitors. No company is any better than the men who are running it. Good taste forbids pointing out examples of great companies

with enviable reputations in fundamental and prosperous lines of business which have been allowed to disintegrate through the incompetence and indifference of the men in charge of them, but I am sure pointed examples will readily come to your minds.

A word of caution is necessary at a time such as this when the industrial prosperity of the country has reached unprecedented levels and the appreciation in stock values has kept

A Word of Caution

"It has required little business acumen to buy stocks which have advanced in value in the last few years and which have paid handsome dividends to their owners. The selection of stocks now and for the years to come is a different matter and in the language of the Street we are and will continue in a highly selective market. It is one thing to buy stocks when stocks are going up. It requires better and more discriminating judgment to buy stocks when stocks are going down!"

the proper performance of the duties of trusteeship, no matter how great the prospect of enhancement in market value and dividend return. Some of them, but probably very few, will be the seasoned stocks of tomorrow.

Common stocks must be scrutinized and supervised by the trustee more assiduously and with a higher degree of caution than the more stable investments of bonds and first mortgages on real estate.

Central Western Banker, April, 1928

pace with favorable business conditions. While the potential wealth of our industries is by no means fully developed and it is the confident belief and expectation of most business men that the industries of this country will continue to function in large volume, economic laws do not change and we not only cannot expect the prosperity of the last ten years to continue unabated, we must be prepared for periods of more or less serious recession in business activity. It has required little business acumen to buy stocks which have advanced in the last few years and which have paid handsome dividends to their owners. The selection of stocks now and for the years to come is a different matter and in the language of the Street we are and will continue to be in a "highly selective market." It is one thing to buy stocks when stocks are going up. It requires better and more discriminating judgment to buy stocks when they are going down.

If the investment in common stocks by trustees is justified and is to be recognized as a sound practice, there are certain legislative measures which professional trustees, like the banks and trust companies, might well advocate to enable them to do full justice to the estates which they manage. Under the law of New York and many other states, if a trustee takes any action which the courts find unjustified or unwarranted, he will be surcharged with any loss which the estate has sustained, notwithstanding the fact that his administration of the estate as a whole may have been farsighted and profitable and the total gains far off-

set the trifling losses. Thus, if a trustee with large funds committed to his care in an estate were to invest \$5,000 in what the courts might consider an unauthorized security, he would be surcharged with the loss, even though in selecting other investments he had increased the size of the estate several hundred thousand dollars. This is manifestly unfair and is a condition which should be rectified.

It may be argued on the other side that to permit a trustee to offset losses by gains would sanction speculation by the trustee and speculation by a trustee is never justified. But in each case it would be a simple matter to determine whether or not the trustee had acted in good faith and with the ordinary care and prudence of the average individual. If so, he should be permitted to offset losses with gains. If not, then he should be surcharged with the losses notwithstanding any gains.

THE FIRST NATIONAL BANK of Watertown, South Dakota, has become a part of the recently organized Northwest Bancorporation, whose headquarters are in Minneapolis. H. D. Walrath and Fred Stiles, officers in the First National Bank, were former Iowa bankers.

THE SAVINGS BANK division of the American Bankers Association have announced four regional conferences to be held this spring, two having already taken place in Grand Rapids, Michigan, on February 27 and 28. The second conference was held in New York March 21 and

22; the third in Birmingham, April 11 and 12; and the fourth in San Diego April 25 and 26. The purpose of these meetings is to bring to savings bankers the most up-to-date ideas applicable to this phase of banking.

GREAT BRITAIN also broke some records in 1928. Word comes from Frederic E. Lee, trade commissioner in London, that all records for bank clearings in his country,—yearly, monthly, weekly and daily—were broken during 1928.

THE DETROIT BOARD of Commerce has honored John A. Reynolds, vice-president of the Union Trust Company, by selecting him as chairman of the newly appointed industrial development committee.

With Ames, Emerich & Co.

It is with a great deal of pleasure that the bankers of Nebraska and western Iowa will hear of the appointment of Robert G. Ingwersen as representative of Ames, Emerich & Co., in Omaha.

Mr. Ingwersen has been identified with the investment business for the



ROBERT G. INGWERSEN

past four and one-half years, first with Burns, Potter & Co., and later with the First Trust Company of Omaha. He is well known throughout this territory for his ability and his pleasing personality.

The name, Ames, Emerich & Co., is too well-known throughout the country as one of our leading investment banking houses to need introduction to Iowa or Nebraska bankers.

Sincere financial counsel and friendly service are enjoyed by our clients.

RUFUS E. LEE & COMPANY

Investment Bankers

204-210 City National Bank Building

Omaha

Investments and the Income Tax

A COMMON and often unprofitable practice among many investors is to delay all tax considerations until the time arrives for filing the annual income returns. While the federal income tax is not the only tax to be considered, it is probably the most outstanding in the minds of investors at large because of the frequency with which it must be paid. If, when selecting securities for investment, several important features of the federal income tax law are kept in mind and carefully considered, the amount of taxes paid at the end of the year may be substantially reduced.

In states where state income taxes are required, the laws are patterned generally after the federal laws. The same problem in reference to the yield of tax exempt vs. taxable securities are thus created in states with income taxes as are found under the federal income tax.

Income from Investments

As the federal government cannot interfere with state operation, the income from states and cities whether as salaries or income from bonds cannot be taxed; therefore, interest from obligations of a state, territory or political subdivision thereof are totally free when held by either individuals or corporations.

The First Liberty Loan 3½% Bonds and all other Federal issues dated prior to September 1, 1917, and bonds issued under the farm loan system, including obligations of Federal and Joint Stock Land Banks, are entirely exempt for federal income tax. Income from United States obligations dated after September 1, 1917, is exempt from normal tax but not from surtax.

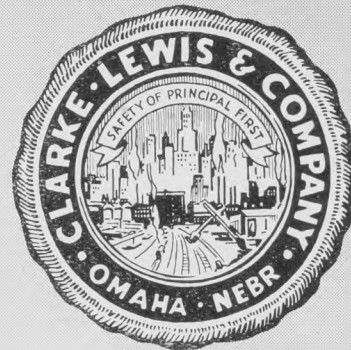
Corporations are required to pay a federal tax of 12% on net income but their net income does not include interest received from United States government obligations. Individuals are allowed exemption on income from \$5000 principal amount of United States government bonds dated after September 1, 1917, but there is no such exception applying to Treasury Notes.

Many domestic corporation bonds contain indenture provisions for payment by the company of normal federal income tax up to and including a definite amount—in many cases 2%—but holders of such bonds must enter a claim for the amount if they are to benefit.

As corporations pay a federal tax on net income, holders of stock are not required to pay normal tax on the cash dividends which they receive. Such dividends, however, are subject to surtax when net income is in excess to \$10,000.

Profits derived from the sale of securities not held for a period of at least two years are subject to normal tax and surtax in the same manner as other fully taxable income.

Property held for two or more years is defined to be capital assets; therefore, any profit resulting from a sale of such assets may be taxed at 12½% at the election of the tax payer. If, however, the sale of such assets results in a loss and the ordinary income of the tax payer is subject to the higher rates of surtax, the loss may not be taken as an ordinary loss but must be limited to 12½% to be deducted from tax shown to be



Investment Counsel and Conservative Bond Issues

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due. Neither of these provisions are applicable unless the ordinary income of the tax payer is upwards of \$28,000.

Believing that tax laws may eventually become more lenient, individuals with large taxable incomes are strongly disposed to hold securities in which they have book profits and to sell those showing a loss.

Tax Free vs. Taxable Bonds

For investors whose taxable incomes are large, requiring the payment of high surtax rates, the existence of tax free bonds creates an important investment problem. In order to obtain a satisfactory net return from a taxable bond a gross

return substantially in excess of the desired net amount would be necessary.

For example, an individual having a taxable income of \$22,000 must, under the present law, select a taxable bond paying 5.62% to receive a net return of 5% on his investment. Likewise, an investor having a taxable income of \$100,000 or over must obtain a 6% return from a taxable bond if he is to receive a net return of 4½%. In view of the fact that corporation bonds selling to yield 6% are less conservative from an investment standpoint than a tax free municipal bond selling to yield 4.50%, investors of substantial means prefer

municipal bonds for the investment of a large portion of their funds.

For tables available from practically all investment houses, an investor may determine the relative values to him of taxed and tax exempt securities at varying rates of income. Many investors have materially reduced their income taxes by giving consideration to tax features of securities at the time of purchase.—From "Bond Briefs," Northern Trust Co., Chicago.

Enlarge Department

Work is now in progress on extensive improvements to provide for greater efficiency and convenience in the trust department of the First National bank of Colorado Springs.

The activities of the trust department of the First National have increased to such an extent in recent years and particularly in the last few months that larger and more commodious quarters were necessary. The trust business in the Pikes Peak region has become of ever increasing dimensions and the First National, on completion of improvements now being made will be able to accord customers better service than ever before. The changes are being made in conformity with the remainder of the finish and fixtures in the bank and will mark a splendid improvement. W. I. Howbert, cashier, is trust officer for the institution.

For Character Loans

The Denver Banker's Association will seek passage by the present legislature of a measure to permit national and state banks to make small character and chattel loans to salaried folk.

Members favored this action at a meeting with Grant McPerson, state bank commissioner. One of the pending banking bills has a title sufficiently broad to permit introducing the necessary terms, they said.

The money lenders act of 1919 now prohibits such institutions from making small loans on a profitable basis, it was declared at the meeting. The bankers recommend adoption of the Russell Sage Foundation banking law, enacted by 24 states.

Poverty is dishonorable, not in itself, but when it is a proof of laziness, intemperance, luxury, and carelessness; whereas in a person that is temperate, industrious, just and valiant, and who uses all his virtues for the public good, it shows a great and lofty mind.—*Plutarch.*

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Safeguarding the Investor

(Warnings and Suggestions to Prospective Purchasers as Given by the Better Business Bureau.)

Big Returns—It is easy to predict or to promise an abnormally high rate of dividends, or large market profits, to prospective investors. Heavy risks usually accompany such lures.

Prominent Names—Promoters are aware of the fact that the names and endorsements of successful men carry weight. The prudent investor, however, investigates the merits of the issue.

The "Ground Floor"—An opportunity to "get in on the ground floor" often turns out to be the same sort of opportunity which the proverbial spider extended to the fly.

Inside Information—"Inside tips" are usually expensive pieces of misinformation. When used as "confidential information" to influence the small investor, they are generally of spurious character.

Comparative Figures—The promoter who tries to impress the prospective investor by tabulating the fabulous returns supposed to have been realized from an investment of \$100 or \$500 in the early stages of *some other* enterprise, unwittingly admits that his offering cannot stand on its own feet. Such figures are not a true index to the profits to be expected from the new enterprise in which the small investor is urged to put his money.

The Fictitious Advance—Professional promoters often arbitrarily advance the price of the shares they sell as their campaigns gain headway.

The Artificial Market—Sometimes the price of a security is kept at a certain level by traders on an exchange or by sales in the "unlisted market," merely for the purpose of creating a "market quotation." The prudent investor will not part with his money even for a "bargain" until he has fully investigated.

The Telephone Canvass—Irresponsible vendors find it easy to work over the telephone to victimize incautious investors. They misrepresent boldly, for they can seldom be held responsible for telephone lying. The telephone is indispensable in the transaction of legitimate business; it is also a convenient cloak for the swindler to use.

The "Unselfish" Promoted—The promoter who "gives" his services in organizing a company or as an officer of it and advertises that he does so, will bear watching.

The Irresponsible Guarantee—Irre-

sponsible sellers of securities often "guarantee" that certain profits will be made, dividends paid, or even that they will buy back or resell shares when the purchaser wants his money. Such guarantees never mean anything unless they are made in writing, and even then they are limited to the financial responsibilities of the maker of the guarantee.

"Reorganization" and Merger—Unsuccessful companies forced into "reorganization" often call upon

stockholders for new funds. Unless such reorganization is in the hands of men of unquestioned integrity and ability, response to such appeals often means merely throwing good money after bad.

Mining Fallacies—Many mining ventures are honest but fail because the promoters are unable to finance the proposition through to a successful conclusion. If a small investor wishes to buy mining stocks he can do so by purchasing securities of

Your Investment Staff

THE SUCCESSFUL investment of money is perhaps the most technical of all businesses. Literally, thousands of individual securities are available, and no two of them are alike, no two of them represent the same intrinsic investment value. Nor do these values remain fixed, they shift with the continuous change of fundamental business and financial conditions.

Years of experience, complete and adequate information, and the time to analyze, appraise and compare intrinsic values, are required to separate the wheat from the chaff—to select not merely the good, but the best values in this broad field.

How is the individual investor to solve this complicated problem; how is he to be sure that he is buying the best values in this extended field?

We conceive it our duty to perform this service for our clients—to carefully weigh and compare hundreds of investment opportunities—to select the outstanding investment values in each field. The results of this searching, analyzing and comparing—the cream of the market—are condensed for your convenience in our current list of investment suggestions and recommendations.

This entire organization with its experience, connections and facilities, is in reality—your investment staff. We are not here to sell you securities, but rather to find for you the securities which exactly fit your individual needs—which assure for you a steady investment return above the average.

May we submit current suggestions—selected as the intrinsic values from the study of hundreds of securities—for your convenience in connection with your current investments?

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established mining companies with records of substantial earnings and dividends regularly paid to stockholders.

Oil Risks—To almost every one has come opportunities to speculate in oil through the purchase of corporate shares, leases, or participations in syndicates, in common law trusts, or in merger schemes. Very often such offerings are misrepresented. Usually they are sheer speculations.

The investor who desires to buy mining or oil securities should get facts and experienced opinion as to values of issues of established, successful oil companies.

Invention Delusions—The general public too often believes that large

profits are to be gained through patented processes or devices. Inventions are a fascinating and usually an appealing means for separating inexperienced investors from their savings.

The small investor especially cannot afford to take an "invention chance."

The Better Business Bureau is ready, at all times, to investigate doubtful offerings. Money invested in legitimate securities builds up the community.

Meet in Fremont

The First Nebraska Regional Clearing House association held its regular quarterly meeting recently at

the Pathfinder hotel in Fremont, Nebraska. There were 66 bankers in attendance, a larger number than has heretofore attended the quarterly meetings.

The interest has grown so remarkably in this now famous organization that bankers, who live outside of the five counties constituting this district, telephone in and ask to be allowed to attend the meetings. The visiting guests were:

D. W. Greenleaf, president Farmers State bank, Tekamah; E. C. Houston, vice-president First National bank, Tekamah; H. J. Wragge, cashier First National bank, Tekamah; R. K. Hancock, cashier Burt County State bank, Tekamah; Frank Dudek, jr., cashier Bank of Rogers, and Messrs. Folda and Fiela representing the Colfax County bank, and Novak and Koster representing the Howells State bank, both at Howells.

The quarterly meetings usually are devoted exclusively to a study of better banking practices. The whole movement is designed to stabilize banking and prevent losses and failures. The meeting was given over to a discussion of proposed legislation and present conditions. The president of the association, Dan V. Stephens, made an extended speech outlining conditions and remedial legislation.

The following bankers present spoke in discussing the subject: H. T. Uehling of Uehling, E. C. Burdick of Herman, E. C. Houston and D. W. Greenleaf of Tekamah, J. M. Hall of Ithaca, F. J. Kirchman of Wahoo, A. B. Detweiler of Millard, A. H. Shultz of Scribner and L. D. Spalding of Elkhorn as well as others.

Smoking 'Em Out

Two small boys, staring in a barber-shop window of London, earnestly looked on as the barber went over his customer's hair with a singeing torch. "Blimey, Bill," one of them ejaculated, "he's lookin' for 'em wiv a light!"

Getting His Man

A man who was wanted by the police had been photographed in six positions and the pictures sent out to the state police. In a few days headquarters received this from a small-town chief: "I duly received the pictures of the six miscreants wanted. Five of them have been captured and we are on the trail of the sixth."

She: "What's the difference between dancing and marching."

He: "I dunno."

"She: "I thought so."



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The National City Company

National City Bank Building, New York

BONDS / SHORT TERM NOTES / ACCEPTANCES

Insurance

The Best Investment for 3 Out of 4

By Paul F. Clark

*President, National Association of
Life Underwriters*

I PROPHECY that early in the next decade we shall drop our apologetic attitude as to whether Life Insurance is a good investment and shall insist before the American public, and make good our claim, that for 75% of American families, Life Insurance is the best investment in the world, and should be practically the only one, except money expended in the home, in business, and a modest savings account. I am tired of our slinking into the background before the smart prospect who says in a firm tone that Life Insurance is well enough in its way but in no sense serves the investment need.

One of the leading economists in America, and an authority on finance, stated recently that he had practically eliminated every security except Life Insurance from his estate, for he had found through its various forms the best investment possible for him.

Dr. Huebner, in his "Economics of Life Insurance," Chapter II, entitled "Creation and Maintenance of Personal Estate through Sound Investment," crystalizes this idea in a most wonderful way.

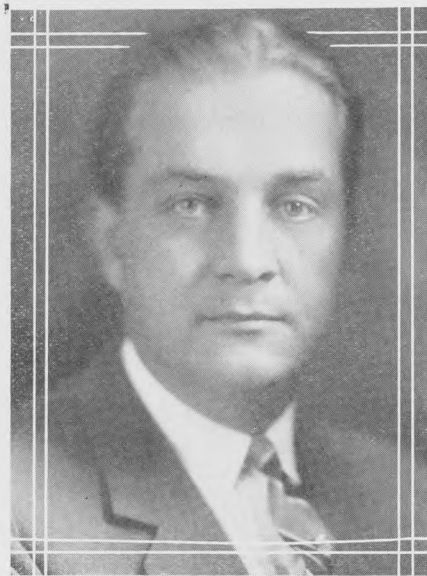
When speculation is eliminated, and the time, energy and thought which the average man must expend to gain a proper understanding of securities is put into his own life's work, thus fitting himself to do a better job, he will undoubtedly accumulate greater profits in the long run than those who watch the ticker and read the financial articles daily, without being in my sense qualified to pass on important investment situations.

The Safest Investment

Also, please consider the absolute elimination of loss through Life Insurance investments. The capital expenditures in "cats" and "dogs" in the Safety Deposit Vaults of even successful men are generally sufficient, if taken into consideration, to reduce the investment return materially below the interest return on their Life Insurance premiums, and in many cases, if honestly calculated, allowing loss of principal and interest thereon against interest earned, will eliminate any return whatsoever. With the smaller men who have no special financial training, the losses through

bad investments are very much greater, and yet many forget these losses in estimating their success in finance.

In the next decade I predict that the men of large means will be made to realize that as they allow for safety of principal in considering a proper income return, they will likewise



PAUL F. CLARK

allow for the element of protection and tax savings, when they consider their return on Life Insurance as an investment.

We have hardly begun to realize the possibilities of the Single Premium contract, and in another decade it will surely be one of the popular forms of Life Insurance. Its greater development will come through the

realization on the part of the companies that they must offer a contract for sale which can be bought in units as small as \$100 each. This will secure the savings of the average citizen rather than make it compulsory upon him to wait until he has accumulated a much larger sum with the chance of its dissipation before it is of sufficient size. In the development of this policy we will have a smaller contract unit, which will immediately return to the insured a fair rate of interest, with guarantee of principal during life and payment as at death. It will in effect give him a stake in one of America's greatest investment trusts—a Life Insurance Company.

Large Compound Interest

If you will read Mr. M. Albert Linton's article in a recent issue of "The Nation's Business," entitled "Insure for Life as well as for Death," you will have a clearer conception of Life Insurance as an investment. From this article you will be interested to learn that over a 30-year period, in the case of a man 35 years of age, the investment part of the premium must yield a compound interest return of more than 5½%, to equal the guaranteed cash value shown in the hypothetical policy which he uses. The question naturally arises, how is such a return possible? There must be magic or perhaps a mistake. It is neither. There are savings possible when the elements of protection and investment are joined in one contract, and when compound interest is set to work immediately, as compared with Term insurance and a separate investment account. The Life Insurance companies can furnish this element of protection and combine it with the investment feature, both of which contribute to the result.

I predict also that one of the greatest developments in our business in the coming decade will be the broader lines of service offered by the companies to their members. Unquestionably, Life Insurance can do more in the conservation of life, than any other agency in existence. We have only begun to show the effect of this work in lengthening the average life of our membership. We have now classified two groups of risks, standard and substandard. Surely we shall see a third group—the better

Central Western Banker, April, 1928

than the average risk or a super standard class. For this group we will issue a policy under stricter requirements than at present, at a reduced rate, with continuation of this lower premium as long as they shall be able to establish periodical evidence of their superior physical fitness. Instruction in methods of gaining and retaining physical superiority, will induce many to live more normal lives, and to guard against those things which would impair their preferred standing. This in turn will secure the good will of those policyholders for the company and the institution of Life Insurance, and undoubtedly have a very favorable effect upon the longevity of America's insured.

Nebraska City Enters Contest

Among the most recent entries in the Inter-Chamber Fire Waste Contest conducted by the National Fire Waste Council, under the auspices of the Chamber of Commerce of the United States, is Nebraska City, Neb. This entry was secured by W. G. Curry and C. D. Hobaus. Thomas C. Dunbar, an attorney, has been appointed chairman of the fire prevention committee of the chamber of commerce of Nebraska City.

"Did He Have Any Insurance?"

YOU of course have observed that whenever the death of a breadwinner occurs in your community, almost without exception the very first query is—"Did he leave any Life Insurance?"

Notwithstanding the fact that men while enjoying good health very rarely invite or encourage the Life Insurance salesman to make propositions for insurance, yet not a few of those very same men are somewhat inclined to criticize the activities, or rather the inactivities, of the life agents of that community in which a man is permitted to die without any, or an insufficient amount of Life Insurance.

Those men who achieve the most substantial and lasting success as Life Insurance salesmen have very high ideals as to the mission of life insurance companies and their representation of a good company they look upon their agency as a valuable franchise under which they must not only work earnestly, intelligently and systematically in order that they may reap the greatest possible financial return therefrom, but having been given

that franchise they consider that they have a duty to perform in that they should and must see to it that every insurable risk to whom it is possible for them to carry the benefits of life insurance shall have an opportunity of considering their proposition.

The man who has a *sincere purpose* which he constantly and *enthusiastically advocates* inevitably accomplishes the results which he goes after; but no matter how good the cause, or how eloquently it is pleaded, if sincerity and enthusiasm are lacking it will fail.

If you sincerely believe in the great business of life insurance and if you are an enthusiastic advocate of its benefits, and are willing to spend the mental and physical efforts necessary to its accomplishment, there is no reason why you should not become the leading Life Insurance man of your community, since you are offering a line of policies excelled by no other company, and are representing a company whose strength and responsibility is excelled by none.—(*Mental Attitude*)—*Illinois Life Bulletin*.

Can Refuse Policy

In holding that the Farmers Mutual Hail of Iowa can not recover from E. J. Hainer \$2,200 in premiums on a five-year contract covering growing crops on his farm, the Nebraska supreme court says an application for insurance is not to be limited and determined alone by the wording of the written application signed, but also by what terms the insured requested of the company's agent and that an insured, on communicating such request to the company, had the right to refuse to accept any policy from the company that did not conform to such request.

Sells Control

The controlling interest in the Citizens National bank of Akron, Colorado, was sold recently by Chalkley A. Wilson of Sterling to a group of Akron men. Mr. Wilson, who recently sold his interests in the Security State Bank of Sterling, expects to open offices in Sterling soon, and will conduct an investment banking business.

W. H. Clarey, who has been a resident of Akron for about fifteen years, and who has conducted a loan and investment business, succeeds Mr. Wilson as president of the bank. Others who purchased Mr. Wilson's stock include Frank Allen and Sam Chutkow, Akron attorneys and Terry McAllon.

The Citizen's National bank was established by Mr. Wilson in 1916.

OMAHA LIFE INSURANCE COMPANY

Omaha, Nebraska

E. M. SEARLE, JR., President

Offers Good Contracts
In Good Territory
To Good Men

STATEMENT OF OWNERSHIP, MANAGEMENT, CIRCULATION, ETC., REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912, of The Central Western Banker, published monthly at Omaha, Nebraska, for October 1st, 1928.
State of Iowa, County of Polk, ss.

Before me, a Notary Public in and for the State and county aforesaid, personally appeared H. H. Haynes, who, having been duly sworn according to law, deposes and says that he is the Business Manager of the Central Western Banker and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management, (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 411, Postal Laws and Regulations, printed on the reverse of this form, to-wit:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are:

Publisher, Clifford DePuy, 55 7th St., Des Moines, Iowa.

Editor, R. W. Moorhead, 555 7th St., Des Moines, Iowa.

Managing Editor, Gerald A. Snider, 557 7th St., Des Moines, Iowa.

Business Managers, H. H. Haynes, 555 7th St., Des Moines, Iowa.

2. That the owner is: De Puy Publishing Company, 555 7th St., Des Moines, Iowa.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: Clifford De Puy, 555 7th St., Des Moines, Iowa.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any person, association or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

H. H. HAYNES,

(Signature of business manager.)

Sworn to and subscribed before me this 29th day of September, 1928.

EARL S. LINN.

(SEAL)

(My commission expires July 4th, 1939.)

What He Wanted to See

It was during the war. Transports were carrying American soldiers over the storm-swept Atlantic by the million. A negro regiment was negotiating the crossing and had experienced more than the usual amount of rough weather. A buck private seated on the edge of a hatch suddenly called down to the hold below to his buddy to "come up and see the ship that they were passing."

"Ah ain' comin'," was the reply, 'an' Boy, don' yoh call me no mo'e until yoh see a tree."

Elsie (looking up from her book): "What are pehistoric animals?"

Wise Willie: "Oh, those are all dead. I guess they were the ones that were left on the dock when Noah sailed.

Becomes Vice-President

Many friends of F. J. Uehling were pleased to learn of his return to Omaha and his association with the Prairie Life Insurance Company as vice-president in charge of production. President McGrew of the Prairie Life, in making this announcement, expressed great confidence in Mr. Uehling, and prophesied splendid progress for the company with the addition of Mr. Uehling to the executive staff. He also becomes a director of the

Company. Mr. Uehling, while well known in agency and executive insurance circles, is especially well known in Omaha where he was active in the business and social life of the city for many years.

in 1909 he started as cashier with the Commonwealth Life. He became its secretary in 1912 and president in 1921. He became president of the North American National Life Insurance Company in 1923 and retained that position until 1927 at which time he moved to California.

GUARANTEE FUND LIFE ASSOCIATION

OMAHA, NEBR.

ORGANIZED 1901

Twenty-seventh Annual Statement

January 1, 1929

ASSETS

First Mortgage Loans	\$ 3,507,750.53
County and Municipal Bonds	8,383,858.98
Liberty Bonds	100,000.00
Home Office Building and Real Estate	1,139,282.41
Cash in Banks and Treasury	345,558.40
Accrued Interest	210,293.93
Deferred Net Premiums	90,053.84
Policy Loans	57,534.00
Total	\$ 13,834,332.09

LIABILITIES

Reserve—Required by Law	\$ 2,290,636.06
Reserve—Income Policies in Process of Payment	863,705.83
Reserve—Taxes, Office Expense and Miscellaneous	103,846.02
Reserve—Claims Awaiting Proofs	91,000.00
Death Losses Proven and Unpaid	None
Advance Premiums and Trust Funds	244,487.53
Total Liabilities	\$ 3,593,675.44
Assets over Liabilities	10,240,656.65
Total	\$ 13,834,332.09

RESULTS—YEAR 1928

Insurance in Force January 1, 1929	\$176,957,726.00
Claims Paid (27 years)	11,208,410.29
Claims Paid in 1928	1,291,388.69
Actual to Expected Mortality	59.89%
Death Rate per \$1,000 of Insurance	8.24
Interest and Rents Collected	\$ 662,361.43
Average Rate of Interest Earned	5.25%
Assets over Liabilities	\$ 10,240,656.65
Increase in Assets for Year	\$ 1,527,687.24

Part Time Agency Contracts, with liberal commissions, are available to Bankers. Write for full particulars.



PHIL HALL, President
Nebraska Bankers Association



WM. B. HUGHES, Secretary
Nebraska Bankers Association

Merge in Lincoln

The Continental State bank and the Nebraska State bank, both of Lincoln, Nebraska, announced a merger and the new institution will occupy the banking rooms in the Richards block at Eleventh and O, formerly occupied by the City National bank. William Seelenfreud, president of the Continental for the past twenty years and F. E. Beaumont, executive cashier of the Nebraska State for a like period, will remain for an indefinite period but will eventually retire. The new bank expects to be installed before April 1 in its new quarters. It will start with approximately \$6,000,000 deposits. Capital of \$200,000; surplus of \$200,000 and undivided profits of \$100,000.

Charles T. Knapp, now president of the Nebraska State bank, will be chairman of the board of directors. The president and active executive officer of the bank will be Edwin N. Van Horne. Otherwise, the staff of the two banks will remain the same. The directorate of the new bank at the time of our going to press will include Charles T. Knapp, Edwin N. Van Horne, Walker Battey, Samuel R. McKelvie and Maxwell V. Beghtol. Vice-president, cashier and probably some addition directors will be named soon.

Change in Officials

At a recent meeting of the directors of the Farmer's State Bank at Nick-
Central Western Banker, April, 1928

Nebraska News

erson, Nebraska, Herbert N. Koyen of Fremont, who has been the cashier for a number of years was made vice-president and F. L. Fenner was advanced from the position of assistant cashier to cashier.

New Bank

It is reported that a movement is under way to soon start a new bank at Crab Orchard to replace the Bank of Crab Orchard.

Re-elect

At the recent annual meeting of the directors of the Bank of Benkelman, Nebraska all the present officers were re-elected for the ensuing year. They are: J. W. Murphy, president; J. A. McDonald, vice-president; R. E. Moore, cashier; Chris Anderson, assistant cashier, and J. A. McDonald, J. W. Murphy, R. E. Moore and L. T. Hamilton, directors.

Install Trust Department

The First National Bank of Alliance, Nebraska has been granted authority by the Federal Reserve Board at Washington, D. C., under the provisions of the Federal Reserve act to operate a trust department to act as executor of wills, administrator of estates, trustee, guardian of estates, registrar of stocks and bonds, assignee, and other fiduciary capacities such as are permitted by the state laws. The department will be operated entirely separate safes, books and records.

Bank Clearings

February bank clearings, announced by the Omaha Clearing House association, were \$167,538,655, compared with \$174,511,567 for February 1928, which had an extra day because of leap year. Bank debits for this February show a gain of nearly 13 million dollars over February, 1928. The figures for debits are: February, 1929, \$198,122,479; February, 1928, \$185,719,571.

January clearings were \$191,456,537, and January debits were \$252,624,295—second only to Kansas City in this federal reserve district and ahead of Denver, Oklahoma City and Tulsa by a wide margin.

Sells Interest

Recently a deal was made wherein M. Inhelder, president of the Farm-

ers State Bank at Hadar, Nebraska, sold out his interest to R. G. Rohrke, of Hoskins. This bank was organized with a capital stock of \$5,000 three years ago and shortly after the stock was increased to \$8,000.

High Average Deposits

Each Nebraska inhabitant in 1928 should have had \$136 in savings deposits, according to a recent monthly review of the Federal Reserve Bank of Kansas City. Statistics show that savings deposits in Nebraska banks for 1928 totaled \$192,089,000. Savings depositors increased from 438,995 in 1927 to 462,131 in 1928. Average deposits were larger than in any other state in the Kansas City reserve district.

Bank debits for January, 1929, compared to January, 1928, increased \$14,915,000. Retail sales of four department stores reporting increased 1.6 per cent.

New paid-for life insurance for Nebraska gained \$6,165,000 in 1928, aggregative to \$85,030,000.

Omaha flour mills produced \$107,357 barrels of flour in January, compared to 103,958 in December, 1928, and 98,527 barrels in January, 1928.

Goes to Los Angeles

Harry C. Nicholson, formerly vice president of the Packers' National bank in South Omaha, has been named vice-president of the Seaboard National bank of Los Angeles. He has gone west to assume his new duties.

Mr. Nicholson was born in Paw Paw, Ill. He was graduated in law from the University of Iowa, but went immediately into the banking business and was for 18 years connected with the Packers' National bank. His father, the late D. F. Nicholson of Lamoni, Ia., was also a banker in that town where his mother still resides.

Mr. Nicholson was at one time state bank and later national bank examiner.

Re-opens

With the cooperation of the people of Shelby, Nebraska and the surrounding vicinity the Shelby State Bank was reopened for business recently.

When the bank reopened it had a cash reserve which satisfied the legal requirements and deposits were steadily growing.

The officers are D. C. Cole president and A. I. Scott, cashier. Neither were there any changes in the former membership of the board of directors although two new members were added. They are J. L. Cartney and A. B. Denning.

Merge in Kenesaw

Recently a deal was concluded whereby the business of the Kenesaw State Bank, of Kenesaw, Nebraska, was merged with that of the First State Bank, of Kenesaw. After careful consideration on the part of the officers and directors of both institutions, it was decided that the business could be operated more profitably in a consolidated form. This move is in line with the modern trend of business to make fewer and stronger institutions and reduce the overhead expense of operation. The business will be conducted in the banking rooms of the First State Bank.

With Fremont State

Harold T. Uehling, who has been cashier of the Farmers State Bank of Uehling, Nebraska, has resigned his position and has gone to Fremont to accept a position with the Fremont State bank and the Fremont State company.

Mr. Uehling will have charge of the investment, farm loan and insurance departments of the two institutions.

To Reorganize

Reorganization of the Nebraska State Bank, of Bloomfield is to be undertaken, and a meeting of the depositors has been called for that purpose.

Meet in Aurora

With members of every bank in the county present, the Hamilton County Bankers association held a meeting recently in Aurora, Nebraska to consider banking problems.

Short talks were given by those present, and a round table discussion was part of the program.

M. E. Isaacson is president of the association and Carl Swanson is secretary-treasurer.

Credit Bank Branch

Plans are under way to establish a branch of the United States Intermediate Credit bank to supply money with which to develop the dairy industry at the Bridgeport, Nebraska end of the North Platte valley.

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Capital \$300,000.00 Surplus \$100,000 Undivided Profits \$100,000

Central Western Banker, April, 1928



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that the slightest delay in the transmission of funds often causes a great inconvenience, we wish to impress upon bankers the importance of having us handle their live stock credits at this market. Our location in the Stock Yards is an advantage to you as well as to us. Why not make use of this advantage?

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Introduce Two Bills

Two bills providing for reconstruction of the Nebraska guaranty fund and paying its debts were added recently to the already bewildering mass of legislation proposed on that subject. Both bills obviously represent the ideas of the "old guard." They were presented as committee substitutes by the house and senate banking committees.

Scofflaws who brew their own beer would pay a good share of the 20 million dollar guaranty fund deficit, under the house proposal. It provides for a tax of 1 cent an ounce on malt and 4 cents a package on cigarets, the proceeds to go to paying the deficit.

Elect Officers

At a meeting of the organizers of the National Bank of Wakefield, Nebraska, the following were elected directors: James F. Toy, Sioux City, Iowa; E. S. Kiernan, Aurelia, Iowa; Thomas Rawlings, Carl Anderson, Theo. Gustafson, Fred Muller and C. A. Sar. They in turn elected officers as follows: James F. Toy, president; C. A. Sar, vice-president; E. S. Kiernan, cashier, and Robert E. Anderson, assistant cashier.

Mr. E. S. Kiernan of Aurelia, Iowa, who will be cashier, will move to Wakefield and take charge of the bank when it opens.

Pioneer Banker Dead

Herman Hogrefe, 80, president of the Battle Creek Valley bank for 40 years, and one of the four founders of the town of Battle Creek, Nebraska, recently died at his home. He suffered a stroke of paralysis which brought on death.

Born in Germany in 1848, he came to the state in 1869, taking the homestead which is now part of the town of Battle Creek. He married Ida Gunkel in 1878. She, with her two sons, of Battle Creek, survive.

Pay Assessment

All state banks in Nebraska, including the 559 which filed an injunction suit last December to prevent the state from collecting a special assessment for the state guaranty fund, have paid to the state banking bureau their regular semiannual assessments. The total was about 127 thousand dollars, which has been used to retire outstanding certificates against certain failed banks.

There were 726 banks that received notice of the regular January assessment, which was one tenth of 1 per cent of their average deposits for six months preceding.

News of the Omaha Stock Yards



Direct Buying Is Condemned

THE EXECUTIVE committee of the Kansas Live Stock association at a recent meeting decided to submit the following to the convention for action:

Recommend a protective tariff on live stock and meats sufficient to prohibit importation of beef from South America, and a tariff on canned meats and hides.

Recommend that the association go on record against direct buying and for changes in the packers' and stock yards' act to permit the secretary of agriculture to act in regulating packers' interest in stock-yards and in buying of live stock.

Recommend setting aside the packers' consent decree.

Approve the work of the national live stock and meat board.

Direct buying was indicted in the Kansas Live Stock convention by J. E. Poole as causing disorderly marketing "without possibility of disproof." Direct buying is the most effective agency of market demoralization ever conceived, he declared. That it is a menace to orderly marketing Mr. Poole told the convention that the huge run of hogs that started to market one month early last fall was the result of fear by producers that the low price paid in the fall and winter of 1926-27 would be repeated in 1928-29. If the disastrous level of prices in 1926-27 was made possible by direct buying, most assuredly it could be duplicated when the 1928-29 winter season opened.

"Proponents of direct county buying have advertised that innovation as a remedy for erratic price movements, and as insurance of more orderly marketing," said Mr. Poole. "If they seriously entertained such notions they must be undeceived by this

time. Of course they are open to the accusation of kidding themselves. Nothing has been accomplished by direct hog buying except more or less acute demoralization of market conditions, wide and unreasonable price fluctuations, and depression of prices during the period the major portion of annual production goes to the butcher according to nature's design. If the purpose was to put the great bulk of production in killers' cellars at the low end of the season's price range it could not have been more effective during the process of cashing the last two winter hog crops.

Loss of Morale

"Direct hog buying in the country by reducing competition at the open markets where values are determined, seriously impaired the morale of growers last fall when the new hog crop reached maturity stage. Apprehensive of what happened when the previous crop went to market, and packers' droves were put up around or under \$8 per cwt., growers apprehensive of serious loss by feeding hogs out began dumping early last fall, filling the market hopper to the overflow stage, breaking prices on themselves with heavy resultant sacrifice. Had normal confidence existed in producing circles, the hog crop marketed during the past winter would have gone to the shambles in orderly fashion, with more weight and in better condition. It is possible that prices would not have averaged much higher, but the big end of the crop would have realized more money as the low price period resulting from more or less frenzied liquidation would not have occurred. If the purpose was to bag the bulk of winter production at prices below cost of production, it succeeded. Marketed

in orderly fashion it is improbable that the \$8 market of December would have developed, as price-demoralizing numbers would not have gone to the shambles at that time.

Grain On Farms

Stocks of grain on farms on March 1 were larger than last year, but about equal to two years ago and equal to the five-year average, the agricultural department announced last month.

Combining the estimated farm stocks of corn, wheat, oats, barley and rye farm holdings on March 1 amounted to 43,800,000 tons, compared with 39,900,000 a year ago, and average stocks of 43,400,000.

Stocks of corn of 1928 crop on farmers March 1, 1929, were estimated today by the agricultural department at 11,029,572,000 bushels, which was 36.3 per cent of the 1928 crop.

Similar figures for other principal grain crops of 1928 were:

Wheat, 148,813,000 bushels, 16.5 per cent.

Oats, 501,321,00 bushels, 34.6 per cent.

Rye 5,564,000 bushels, 13.3 per cent.

Barley, 970,550,000 bushels, 27.2 per cent.

The merchantable proportion of the 1928 corn crop is about 83.1 per cent, compared with 73.4 per cent of the 1927 crop.

Pig Situation

D. S. Burch, United State department of agriculture says:

"The splendid results from the modern system of swine sanitation have done much to impress on live stock owners their ability to reduce losses formerly thought to be unavoidable. The method is essentially that of having sows farrow in clean pens

and then raising the pigs on clean pastures, away from old worm-infested hog lots. This system protects the pigs from intestinal round worms and also from kidney worms, mange mites and similar enemies. Throughout the United States as a whole about 55 pigs in every 100 farrowed reached market age; the others die from various causes. Under the sanitation system, swine owners are raising 76 pigs out of every 100; the others fall victims to hostile forces such as exposure, accident, poor feeding and other causes apart from those preventable by sanitation.

Alfalfa Hints

One cannot study the behavior of alfalfa in different fields in Nebraska without coming to the conclusion that there is a great difference in the ability of various lots of seed to maintain a stand and to resist killing out, says R. H. Stewart, Nebraska College of Agriculture. Examples can be found of wide differences where two lots of seed are sown in the same field. One lot may show much killing out and disease while the other holds its stand in fine shape. That the difference is heredity one, due to the inherent qualities carried in the seed can be the only conclusion.

Although farmers may appreciate the fact that seed differs greatly the solution of the problem is not so easy, as it is not always easy to get good seed. The tendency toward Grimm and Cossack alfalfa in Nebraska is growing and perhaps rightly so where farmers want seed that will be quite sure to hold its stand for a number of years. There are old fields in the Platte valley some of which are nearly 40 years old that are still good stands. An effort is being made to secure seed from these old fields for sowing new ones in seed growing areas of Nebraska.

Farmers buying alfalfa seed should have in mind the all important question of—Where was it grown? The Verified seed service conducted by the United States Department of Agriculture will assist materially in supplying reliable information as to the origin of the seed.

Verified alfalfa seed has been checked by representatives of the United States Department of Agriculture as to the place where grown. It is available to Nebraska farmers and local merchants handling seed through a number of wholesale seedmen who cooperate in the verification. Verified seed should carry a United States verified tag. Certified seed of Grimm and Cossack if sealed and tagged by state associations can usually be relied on to be true to name and of good quality.

Alfalfa Worth \$50 An Acre

Alfalfa grown on Iowa farms in 1928 was worth a little more than \$50 per acre right on the farm where it was produced, and if it was fed, it was worth even more according to H. D. Hughes, head of the farm crops at Iowa State college.

From Nebraska and Kansas, Iowa farmers are shipping in car loads of baled alfalfa which is low in quality and food value and costs \$26 to \$32 per ton. On this basis Mr. Hughes maintains that the Iowa grown hay is worth at least \$70 on the farms where it is produced.

Alfalfa gives greater return than can be expected from any other field crop adopted to growth in Iowa, he says. This is shown by the fact that the average acre of corn in 1929 had a farm value of only \$30; winter wheat \$25; spring wheat, \$22; barley, \$22; and oats, \$16.

From the summit of power men no longer turn their eyes upward, but begin to look about them.—*Lowell*.



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For Better Cows

T. M. Olson, South Dakota State College: "It has been proven from an experimental point of view and from practical experience that high-producing cows are more profitable than low-producing cows. The upper limit of profitable production would naturally vary with the different dairymen, depending upon market conditions and other factors. Some very recent experimental work seems to indicate, however, that about 500 pounds of butterfat per cow in one year is the most profitable production under average conditions. When production exceeds this amount additional feed costs, labor and care increase rapidly, and partly or wholly uses up the profits due to increased production. In other words, the economic law of diminishing returns comes into operation. The returns per unit spent for feed diminish so rapidly that from a purely profit standpoint, it no longer pays to increase production.

"It must be kept in mind, however, that we are now speaking of average conditions. In specific instances where a high price is received for milk, or where some other local con-

ditions are very favorable, it may be profitable to increase production to 600 or 700 pounds of fat. Again from a breeder's point of view it often pays to get maximum production, even though the cost per unit of production is higher because the value of the offspring will be worth enough more to pay for the additional cost of the higher production."

Nebraska Crop History

Excellent small grain crops, low yields of corn and hay, unusually heavy movement of corn to market early in the year, heavy sheep feeding, depressed hog prices for the most part, reduced stock cattle supply, abnormally high prices of grass-fat cattle increased stock yard receipts for each class of live stock, marked increase in the gross farm income for the fiscal crop year ending June 30, heavy early run of sheep and cattle to feed lots with increased numbers of cattle on feed and greatly increased numbers of sheep on feed at the close of the year are the outstanding features in the Nebraska agricultural situation for 1928 according to A. E. Anderson, agricultural statistician. Gross farm income was 52 per cent greater than the low point reached in

1922. Prospects for the present year are very favorable.

The December 1 value of all crops major and minor, is \$328,070,000 as compared to \$373,165,000 last year and \$254,099,000 in 1926. The price of corn is higher, but wheat and nearly all other small grain crops are lower. Hay is somewhat higher. Sugar beets brought considerably less and potatoes are extremely low priced. However, the state maintained its usual high rank in production of leading crops, being first in winter wheat, sugar beets and alfalfa, and third in corn and all hay.

The preliminary estimate of total gross farm income for the year ending June 30, 1928, is \$458,020,000 as compared to \$396,580,000 the previous year and \$289,099,000 for the year ending June 30, 1922, which was the lowest since the event of depressed prices in 1920. Gross farm incomes was 52 per cent greater than in 1922, the year of lowest returns since 1920. Sales of each crops contributed nearly 35 per cent of this income which is a higher per centage than usual from this source due to the heavy production of wheat and corn in 1927. Live stock and its products supplied the balance of the farm income.



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South Dakota News

With Bancorporation

Merger of two largest banks at Watertown, South Dakota, the First National and Citizens National, with the Northwest Bancorporation, Twin City holding corporation owning a group of northwestern banks headed by the Northwestern National of Minneapolis, was announced recently. While both banks pass into the control of one institution, it was announced both would be operated as individual units under the same officers as are now in charge.

The First National, one of the oldest banks in the state, has capital of \$100,000 with about \$2,000,000 deposits. H. D. Walrath, founder of the First National, now chairman of the board, will complete 50 years of service with the institution early next year. W. D. Morris, president of the Citizens National, also has been in control of that institution since pioneer days.

Killed in Florida

E. P. Beebe, pioneer banker and real estate man of Sioux Falls, South Dakota, died recently at Fort Myers, Fla., from injuries suffered in an automobile accident. Mr. and Mrs. Beebe left sometime ago to spend the winter in Florida. Mr. Beebe came to Sioux Falls in 1881 from Illinois. He engaged in banking for many years and later entered the real estate business.

Elected President

At a meeting of the stockholders and directors of the First State Bank of Stratford, South Dakota, F. B. Gannon, of Aberdeen was elected president, O. H. Christian, vice-president and Arthur Sueltz, cashier. The board of directors consists of F. B. Gannon, August Sueltz, Arthur Sueltz, Henry Stange, G. A. Robinson and O. H. Christian.

Elected President

M. L. Thompson was elected president of the First National Bank of Vermillion, South Dakota, at a regular monthly meeting of the board of directors. Mr. Thompson succeeds to the vacancy caused by the death of his father, M. D. Thompson, veteran banker, pioneer business man and civic leader.

Mr. Thompson held the position of vice-president previous to his election. No other changes were made in the personnel of the bank.

Join Corporation

Announcement has been made by the First National bank of Deadwood, South Dakota and by the First National bank of Lead, of their merger with the Northwest Bank corporation, a holding company for a selected list of banks in South and North Dakota, Iowa, Minnesota and Wisconsin.

The purpose of the merger, as stated by officers, is to effect stronger, better and safer banking. The central factor in the combination is the Northwestern National bank of Minneapolis, with resources of approximately \$125,000,000. The new holding company will have a capitalization of \$75,000,000.

Present policies and management of the Lead and Deadwood banks will remain the same, officers declared.

Reporters Barred

The legislative inquiry into the affairs of the South Dakota banking department was resumed recently with the joint investigating committee working behind closed doors "to prevent obstruction of its work by newspaper reports."

A full report of the proceedings of the committee will be given newspaper representatives when the investigation is completed, and a report ready for the state legislature, Senator A. B. Gunderson, chairman of the committee said.

The committee acted to hold closed meetings, Senator Gunderson explained, after receipt of complaints from witnesses other than the banking department, on publicity given the proceedings.

"A majority of the committee felt that publicity on testimony of witnesses would react to hamper the effectiveness of the investigation," the chairman said, "and voted to hold its further meetings behind closed doors."

"The general sentiment of the committee was that witnesses would not testify as freely or as fully with newspaper representatives present."

It is a mere and miserable solitude to want true friends, without which the world is but a wilderness.—*Bacon.*

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STANLEY MALY, Vice-Pres.
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B. O. CAMPBELL, Jr. Vice-Pres.
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FRED D. STONE, Mgr. Service Dept.

CAPITAL & SURPLUS

\$1,050,000.00

ASSETS OVER \$14,000,000.00

Central Western Banker, April, 1928

Facts About the Belle Fourche Section

That the Belle Fourche section of South Dakota is rapidly coming back into its own as one of the greatest cattle and sheep raising territories in the country is the firm belief of G. C. Nelson of the South Dakota city of the same name, who was on the Omaha market recently with cattle.

"When I first moved to Belle Fourche from Riverton, Wyoming, the territory surrounding it was famous for the number of cattle it raised," he recalled. "At that time it was claimed that cattle loadings out of Belle Fourche were the heaviest of any point in the country.

"Then came the move to irrigate and reclaim the land. Much of it was homesteaded and broken up for cultivation. The stockmen were driven off the range, and the cattle and sheep growing industry slumped accordingly. Irrigation alone, however, won't turn a gumbo country into an area of fertile fields. A good many of those who took up homesteads either didn't know how to treat the soil, or wouldn't do it. Mortgages were foreclosed and much of this land is again available as range country. Consequently, the number of cattle and sheep raised has

increased substantially in recent years.

"This particular season we are faced with the problem of having more feed than we know what to do with. We have a market for our hay and beet tops, but last year was a wonderful crop year. Yields of 100 bushels of oats per acre were not uncommon. At the same time feeding cattle and lambs were high and feeders stocked up light. There is, therefore, a world of grain that is not being put to use so far.

"The weather this winter could not have been better if it had been made to order. We have had no really cold spells and practically no snow. The weather that you are having here today is the worst I have seen during the present season."

A Case of Too Many Doctors

(From an article by Representative J. S. Parker of New York, in Nation's Business.)

Forty different executive branches of the federal government at Washington, seven of them acting in a major capacity, are now endeavoring to direct national public health activities.

Inevitably their duties overlap, leading to duplication, wasteful practices and sometimes inefficiency.

To start with, we have the United

States public health service itself. Though it is not identified in any way with the country's fiscal affairs, it has been made a division of the treasury department.

Then there are the children's bureau in the department of labor; the division of vital statistics in the census bureau, which is a branch of the department of commerce; the medical division in the office of Indian affairs and the division of school hygiene in the bureau of education, both of which are in the interior department; the bureau of chemistry and the bureau of animal industry, which are in the department of agriculture.

Including the public health service here are seven important centers of health administration that are now conducted in five departments. But they are not all. The postoffice department has a service relations division, and the state department has the consular service, in both of which branches secondary health activities are directed; while the war and navy departments have their hospitalization work and other health programs of a peculiarly military nature that belong to them as to no other national health service. Thus nine of the ten executive departments are engaged in health protection with only the department of justice left out.

The Banker's Confidential Market

HGA—Leading bank, western Missouri county seat town desires to secure cashier who has the ability necessary to succeed president in a few years. Bank's deposits well over half-million mark. Requires investment of \$21,500.00.

TPB—Cashiership of good bank, modern, county seat town of more than 3,000 population can be had by acceptable banker through investment of \$17,500.00. Salary \$200.00 per month. Kansas Location with splendid future.

MRA—Control only bank, good, small western Missouri town, offered approximately "invoice value." Unusually large ratio of deposits to invested capital, hence fine earnings and good salaries. Cashier receives \$200.00 salary. Well developed "side lines" and dividends greatly increase this income. Requires investment \$22,500.00. Large "undivided profits" should be distributed.

MBR—Only bank, good north Arkansas town of 1,000 population. Good schools and churches and considerable industrial pay roll. Bank has \$25,000 capital, unusually "strong" board of directors, and earned 20% last year. 125 to 165 shares offered at \$155—practically "invoice value." Conservative banker can be substantially "financed" on this purchase.

WPA—\$11,250 secures 75 shares out of 350, conservatively managed bank in Western Missouri town of 700 to 800 population. Carries managing position at salary of \$1,800. Bank capable of earning materially more than the 12½% dividend declared in 1928. Price about "book value."

FLB—High class banker of suitable qualifications can secure the management of old bank, northern Kansas. Large amount charged off assets require particular attention. Immediate investment less material than ability to buy control later, after "check up" work done.

WBD—85 to 120 shares of the stock of only bank, eastern Oklahoma town of around 1,000 population offered at \$125—substantially book value. Carries salary of \$2,400 per year, together with well developed "side lines."

HSA—Management of only bank, small good western Mis-

souri town carried by stock offered about book value. Salary \$1,800. Requires investment \$10,000.00, which could be reduced quite materially through distribution of large "undivided profits."

SMB—Control of national bank in a good, county seat town, central Kansas, carrying presidency, offered at slightly over book value. Requires investment of \$17,000.00.

HBB—\$13,000.00 buys 61 of the 100 shares of good central Kansas bank in one bank town, together with the cashier's resident, which is valued at \$2,500.00. Stock priced about invoice value. Bank has very good earning history. Salary \$1,800.00. Large commissions from "side lines."

CBA—An investment of only seventy-seven hundred dollars will put you in cashier's position in only bank in western Missouri town of about 250 population. Salary and commissions about \$1,800.00. Very good earning power.

KOB—\$11,000.00 secures control of only bank, small town, east central Kansas. Salary, \$1,800.00, commissions from side lines about \$600.

EMA—Only bank, good town in southeastern Missouri. Population well over 1,500. Deposits more than \$180,000.00. Not over-capitalized. Position of cashier, carrying management of the bank, may be had by acceptable banker through purchase of 15 to 50 shares at \$180—substantially book value.

HBD—Investment of \$9,500 acquires holdings of cashier, central Oklahoma bank, at salary of \$3,000.00. One bank town.

LCB—56 of the 150 shares of stock splendid bank, east central Kansas, carrying cashiership at \$1,920 offered at \$300.00 per share—little more than invoice value. Very high dividend record. Good commissions.

GJB—One bank eastern Kansas town, eight miles to nearest competition and fifteen miles to county seat. Salary, sidelines, and bank earnings good. Investment about \$6,000.00.

BMB—Small bank in suburb splendid little city. Thoroughly modern living conditions. Unusual school facilities. Attractive salary. Investment \$9,000.00.

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

919 Baltimore Avenue

Kansas City, Missouri

Central Western Banker, April, 1928

Kansas News

Resigns

S. B. Apple has resigned as cashier of the American National Bank of Baxter Springs, Kansas. He is succeeded by W. T. Apple, who was formerly vice-president.

Install Vaults

The State Bank of Meridan, Kansas, has recently installed a new safe deposit vault. There are 106 boxes in the new installation, all to be rented at a nominal figure. These boxes complete former equipment which the bank purchased following a fire.

Died in Holton

A. D. Walker, well known farmer and capitalist of Holton, Kansas, died recently at his home at the age of eighty years. He was the father of Sidney C. Walker who has recently been named president of the Main Street Bank of Kansas City.

Convention Dates

The dates for the convention of the Kansas Bankers Association have been announced as May 22, 23 and 24, with the convention held at Hays.

Named President

J. J. Fleming has recently been elected president of the Farmers National Bank of Atwood, Kansas. He succeeds J. Q. Short who has held the presidency for the past ten years. A. B. Nichols retains his position of assistant cashier.

Cashier to President

Directors of the Citizens State Bank of Republic, Kansas, have elected J. W. Werts as president of that institution. Mr. Werts has held the position of cashier for the past twenty years.

No Private Banks

A bill to abolish private banks in Kansas was recently introduced into the legislature of that state. The bill provides for every bank to have a charter and as a state bank to come under state supervision. Of course private banks now in operation are not affected.

County Meetings

Kansas Bankers have been holding a number of county association

meetings recently. Miami county bankers met recently at Paola, while bankers of Morris county held their meeting in Council Grove. President Buzick of the Kansas Bankers Association recently addressed a gathering of Russell county bankers at Luray.

Resigns Position

Because of prolonged illness, Charles H. Herold, of Seneca, Kansas, has been forced to resign his position as assistant receiver of the Seneca First State Savings Bank of that city. His position has been filled by W. H. Bayless, jr.

Merged

The Citizens State Bank of Winchester, Kansas, and the Bank of Winchester. The capital stock of the institution was increased from \$15,000 to \$25,000. The total deposits of the combined banks are \$293,000.

Dies in West

Prominent in the early banking days of Red Willow County, Kansas, J. W. Dolan died recently at his home in Hollywood, California.

Saves Trouble

At a big party in London, a woman of the newly-rich and ostentatious class was sitting beside the wife of a prominent labor leader. The former began to talk about her leader. The former began to talk about her jewelry. "I clean my diamonds with ammonia," she said, "my rubies with Bordeaux wine, my emeralds with Danzig brandy and my sapphires with fresh milk. And you, Mrs. Blank," she asked, turning to the labor leader's wife.

"Oh, I don't clean mine," said the latter, airily. "When they get dirty, I simply throw them away."



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\$60	Adding Machines	\$100

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BANK OF NEW SOUTH WALES

AUSTRALIA

PAID-UP CAPITAL.....	\$ 37,500,000
RESERVE FUND.....	29,500,000
Reserve Liability of Proprietors.....	37,500,000
ESTABLISHED 1817	
Aggregate Assets 30th September, 1927	\$444,912,925



AGENTS—FIRST NATIONAL BANK, OMAHA, NEBRASKA
GENERAL MANAGER, ALFRED CHARLES DAVIDSON

HEAD OFFICE, GEORGE ST., SYDNEY LONDON OFFICE, 29 THREADNEEDLE ST., E. C.
537 Branches and Agencies in all Australian States, New Zealand, Fiji, Papua, Mandated Territory of New Guinea and London. The Bank Collects for and Undertakes the Agency of Other Banks, and transacts every description of Australian Banking Business.

Colorado News

Consolidated

The Commercial Bank and the First National Bank of Las Animas, Colorado, have merged. The merged institution has taken the name of the First National Bank, and the capital stock will remain the same as that of the First National Bank before the merger.

John McIntosh is president of the First National Bank and John W. Rawlings is cashier.

New Bank Head

A. P. Conway, formerly connected with the Denver branch of the federal reserve bank, has been appointed president and general manager of the Trinidad, Colorado, National bank.

Opens in Oak Creek

The Oak Creek, Colorado, State bank, with \$25,000 capital stock and \$2,500 surplus, opened its doors for business recently.

A. H. Dake and Albert F. Cruse, president and cashier of the Citizens State bank of Kersey, Colo., are the

largest stockholders in the new bank. Dr. E. L. Morrow, R. L. Gwillim, former county commissioners in Routt county; Charles P. Brennan, manager of the Bell Mercantile company; E. D. Acton, postmaster, and W. H. Stonehouse, merchant, are the Oak Creek business men who are stockholders and directors of the new institution.

Akron Banker Dead

George Murray, president and owner of the bank of Akron, Colorado, which he and his associates founded in 1887, died in the hospital at Fort Morgan, Colorado, age 81 years. An acute attack of Bright's disease recently developed, caused his death.

Pioneer Dies

Thomas B. Townsend, 78 years old, president of the First National bank at Montrose, Colorado, and a resident of Colorado since 1870, died at his home recently, after a short illness.

Born at Devonshire, England, Mr.

Townsend migrated to America while a youth. He came to Colorado and settled near Montrose, where he remained for thirty years, moving to Denver in 1900.

Besides being president of the Montrose bank, he was president of the Olathe State bank.

Hold Election

Directors of the Commercial Savings Bank of Sterling, Colorado, were elected at a recent adjourned session of the annual meeting. The directors are John R. Coen, W. A. Fyffe, A. M. Rex, Mrs. J. N. Sanders and J. N. Sanders. J. J. Woodring who has been a director of the bank since it was established eleven years ago, did not wish to stand for re-election. E. T. Conquest also retired from the board. The officers chosen are J. N. Sanders, president; A. M. Rex, cashier, and W. S. Sanders, assistant cashier.

Shows Increase

An increase in business and production over the same period in 1928 is shown by a survey of industry, trade and banking for the first quarter of 1929, announced recently for the tenth federal reserve bank district, which includes Colorado.

HOTELS OF HOSPITALITY

OMAHA

Hotel Fontenelle

LINCOLN

Hotel Lincoln

SIOUX CITY

Hotel Martin

CEDAR RAPIDS

Hotel Montrose

SIOUX FALLS

Hotel Carpenter

COUNCIL BLUFFS

Hotel Chieftain

MARSHALLTOWN

Hotel Tallcorn

and TEN others

Operated for Your Comfort by

EPPLEY HOTELS COMPANY

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

The Chase National Bank

of the City of New York

Capital.....\$ 60,000,000.00

Surplus and Profits..... 77,498,445.37

Deposits (December 31, 1928)..... 1,126,781,646.01

OFFICERS

Albert H. Wiggin

Chairman of the Board

John McHugh
Chairman of the Executive Committee

Robert L. Clarkson
President

Vice-Presidents

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

Vice-President and Cashier

William P. Holly

Second Vice-Presidents

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

Comptroller

Thomas Ritchie

Have You Heard This One?

And How!

Two Irish soldiers "Over There" were out reconnoitering one night and upon going over on the enemy's side of the line found a company of German soldiers asleep on the ground. "Shall we shoot them or bayonet them," says Hogan? "Hell no," says Casey, "Let's wake 'em up and have a fight."

Back Seat Responsibility

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

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

Plenty Old

The small girl was on a visit to her aunt and grandmother.

"Grannie," she said, after her aunt had left the room, "How old is Auntie Agatha?"

"I couldn't tell you dear," answered the old lady, "without looking it up in the family Bible."

"Gracious!" gasped the child, "is she old enough to be mentioned in the Bible?"

The World's Laziest Man

The wife, awakened by a fire siren, poked her hubby and said, "Wake up, darling, I think the whole town is on fire. The sky is all lit up. Wake up, wake up."

Hubby came to slowly, indolently arose, sleepily felt the four walls of his room, yawned and stretched and murmured to his spouse: "The walls are still cool," and he returned to bed.

Mixed

Two brothers were being entertained by a rich friend. As ill luck would have it, the talk drifted away from ordinary topics.

"Do you like Omar Khayyam?" thoughtlessly asked the host, trying to make conversation. The elder brother

plunged heroically into the breach.

"Pretty well," he said, "but I prefer 'Chianti'."

Nothing more was said on this subject until the brothers were on their way home.

"Bill," said the younger brothers, breaking a painful silence, "Why can't you leave things that you don't understand to me? Omar Khayyam ain't a wine, you chump, it's a cheese."

But Not Increases

"I have a question to propound to you, Pithecanthropus. Tell me, now, which is the most valuable, a five dollar bill or a five dollar gold piece?"

"Let me ponder, Neanderthal, let me ponder. Why the five dollar bill, of course. Because when you put it in your pocket you can double it."

"Right truly, Pithecanthropus, and when you take it out you will find it in creases."

Minimizing the Needs

A highpressure salesman was showing an Iowa prospect a strip of arid Texas land.

"This is the garden spot of the country," he said, "or it will be when a little development is done. Why, the truth is, all it needs now is a few good people and plenty of rain."

"I suppose so," answered the farmer. "That's all hell needs."

Surprise the Bishop

A British bishop was considerably upset recently when he received this note from the vicar of a village in his diocese:

"My Lord—I regret to inform you of the death of my wife. Can you possibly send me a substitute for the week-end?"

After Office Hours

"I have a party waiting," murmured the switchboard.

"You can count on me," returned the adding machine.

Taking No Chances

A couple of mid-western business men recently attended a trade con-

vention in a nearby city and managed to break away from their wives long enough for a quiet little dinner together in a cafe. At the end of the dinner, the waiter asked:

"Shall I bring in a couple of demitasses?"

"Gosh, no," one of the men replied, "our wives might come in at any minute."

Worse and Worse

Golfer (to partner): "Just look at that girl dressed like a man. What are her parents thinking of, anyway? I think its disgraceful."

Partner: "That, sir, is my daughter."

Golfer: "I beg your pardon. I didn't know you were a father."

Partner: "I'm not. I'm her mother."

Just Empties

An optimistic Colorado farmer, on seeing some clouds floating by, remarked: "Well, I guess we're going to have some rain."

"Aw," said his pessimistic neighbor, an ex-railway man, "those are just empties coming back from Iowa!"

Trying to Put One Over

The man halted in front of an enormous stuffed tarpon in a glass case. He stared at the tarpon for a minute or two in silence. Then he said:

"The fella who caught—hic—that fish is a—hic—liar."

The chairman of the gas company was making a popular address.

"Think of the good the gas company has done," he cried. "If I would say in the words of the immortal poets, 'Honor the light brigade'."

At this point a consumer jumped up with the shout: "Oh, what a charge they made!"

It is not the weariness of mortality, but the strength of divinity which we have to recognize in all mighty things; and that is just what we now never recognize, but think that we are to do great things by help of iron bars and perspiration. Alas! We shall do nothing that way but lose some pounds of our own weight—*Ruskin*.

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RESOURCES OVER

FORTY MILLIONS