

CENTRAL WESTERN BANKER *of Omaha*



JUNE
1929

NEBRASKA STATE CAPITOL

Essentials of Good Bank Management



Nebraska's Seventy-fifth Anniversary

On September 25, 26 and 27 the Seventy-Fifth Anniversary of Nebraska as a territory will be celebrated in Omaha with a special program to be announced soon.

Seventy-five years have shown much change . . . from sodhouses to mansions, from prairies to skyscrapers, from wagons to six-wheel motor trucks, from pony express to air mail . . . and the newest developments of radio, television, talking pictures, electricity.

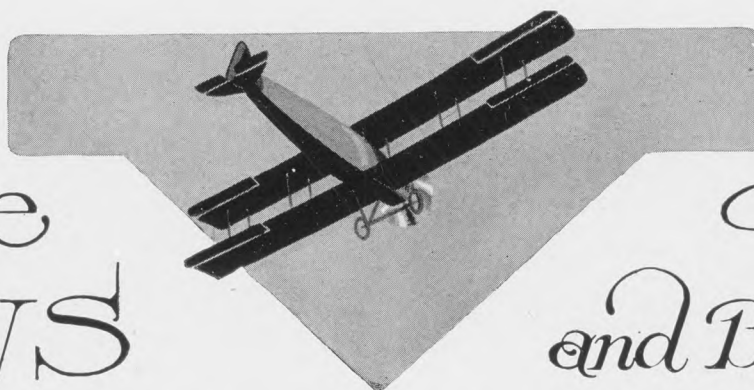
Three years after the territory was created, the First National Bank of Omaha, then known as Kountze Brothers, came into existence. Throughout these seventy-two years we have served Nebraska and the middlewest . . . keeping progress with the ever-changing years.

Many of our customers have been with us for more than a half century, some for nearly three-fourths of a century.



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

Last minute NEWS



of Banks and Bankers

WALTER W. HEAD, president of the State Bank of Chicago, was re-elected for the fourth time to be president of the Boy Scouts of America. He is an enthusiastic supporter of all better boy movements and has given a great deal of his time to them.

THE CHASE NATIONAL Bank of New York has opened an American Express travel office on the main floor of its building at Pine and Nassau streets, making available the world-wide travel facilities of the American Express organization. Complete arrangements for travel accommodations can thus be made through the Chase Bank.

KAHN I. FOSDICK, formerly vice president of the Northern Trust Company of Chicago, has been appointed resident partner in charge of the Chicago office of Colvin & Company, effective immediately. Mr. Fosdick was associated for many years with the Northern Trust Company, with which he became associated more than a decade ago as a salesman. At the time of joining Colvin & Company, he had risen to executive vice president in charge of the bond department.

MERGER of Central Union Trust Company and Hanover National Bank, New York, will result in the combined bank being called Central Hanover Bank and Trust Company. This merger will not affect the traditional investment policy of either institution.

THROUGH the consolidation of the National Bank of the Re-

public and the Chicago Trust Company, which was announced following the meetings of the boards of directors of both banks, Chicago is to have another mammoth bank. The combined resources of the two banks will be in excess of \$200,000,000.

The combined bank will be the third largest in Chicago. The National Bank of the Republic, at the March 27th call, had deposits of \$121,602,000 and the Chicago Trust Company deposits of \$32,913,000. Cash resources and capital stock of both institutions bring the total resources above the \$200,000,000 mark. The capital, surplus and undivided profits of the combination will be \$18,000,000. The National Bank of the Republic having capital of \$10,000,000 and \$3,000,000 surplus and undivided profits, and the Chicago Trust Company having capital of \$3,000,000 and \$1,000,000 in surplus and undivided profits.

ELECTION OF Harold E. Wood of St. Paul as vice president and

director of the Foreman Securities Company of Chicago was announced recently. With this appointment the executive personnel of the Foreman Securities Company is complete.

AN AFFILIATION of the Chase National Bank of New York, the Chase Securities Corporation and the American Express Company was approved recently by stockholders of the bank and of the securities corporation, who authorized an increase in the capital of each institution from 610,000 to 800,000 shares and a split-up of the shares on a five-for-one basis as a step in carrying out the consolidation of interests. Upon consummation of the plan, the combined institutions will have capital, surplus and reserves exceeding \$283,000,000.

ONE OF the most famous collections of money in the world, constituting more than 40,000 specimens assembled over a period of forty years, has been acquired by the Chase National Bank of New York and will be installed as a permanent exhibit in its building at Nassau, Pine and Cedar streets. The acquisition represents the largest single transfer of varieties of money that has ever taken place.

FOR THE sixth successive time E. H. H. Simmons has been elected president of the New York Stock Exchange, his sixth election having taken place recently. Mr. Simmons, in his annual report reiterated his attitude in opposition to critics of the stock market employ-

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ment of credit to such a large extent in brokers' loans.

JULIUS RUBINER, vice president of the National Bank of Commerce

of Detroit, has resigned from that office to become vice president of Ungerleider Financial Corporation, the new \$25,000,000 investing company sponsored by Samuel Ungerleider,

William Fox, William C. Durant, and a group of middle-western and Canadian capitalists.

The best thing to live inside of is your income.

What A Clear Title Means In Selling Land

By the Legal Editor

"I'VE JUST sold the Juniper farm to Peter Brooks," Henry Anderson averred.

"Get a good price" lawyer Parker queried.

"\$20,000," was the smug reply.

"\$20,000—is the man a raving lunatic?"

"No—but he will be when he comes to his senses."

"Got the bargain all nailed down tight? Written agreement, and all that sort'a thing?"

"Not the scratch of a quill, but I got \$8,000 cash down, and—"

"And you figure that if Brooks don't pay any more you can sell the land to some other stranger for \$12,000."

"That's the idea, but after I got the coin I got to wondering if Brooks could cancel the trade and make me pay back the coin. I've understood that a sale'a land or any interest therein has to be in writing to be legal. Heard Judge Chandler explain it to the jury that way down at the Circuit Court last fall, but I thought I'd better get the cash and let the future take care of itself. Didn't want to seem too anxious to get a signed agreement or Brooks might'a got suspicious."

"You're correct in your law, and a verbal sale of land isn't binding on either party, unless the buyer takes possession of the land under the verbal agreement," Parker explained.

"Then I may be stung after all."

Parker selected a bulky volume from the book case on the western wall.

"While this is true," Parker went on, turning to a marked page, "the rule is that the buyer cannot get this money back, even if there's nothing in writing, where the seller's ready, willing and able to deed him the land."

"Well, that puts me on safe ground, for my title's as good as gold, and as being willing to deed that land away, for \$20,000, oh, say, willing's no name for it."

"This rule has been laid down by the Arkansas, California, Illinois, Indiana, Iowa, Kentucky, Maine, Maryland, Massachusetts, Minnesota, Missouri, New Hampshire, New York, North Carolina, Tennessee and Washington courts," Parker explained.

"That's great," Anderson declared, "and I put another one over on Brooks too. You know about that 3 acres or so down Hamilton Brook that we called the 'debatable territory'."

"The 'devil's half acre,' you mean."

"Yes—well I sold that to Brooks along with the rest."

"But you haven't a good title to that place. The Prosser heirs have never been bought out."

"That's the joke of it. Old Hill Prosser's boys say they'll burn the

Vermont and Wisconsin courts have ruled that when the seller is unable or unwilling to perform his part of the contract, then the buyer can force him to hand him the money."

"Well, I've certainly stung myself."

"You surely have."

At the same time Brooks was explaining the same situation to Harold Ross, the attorney for the Ashland Savings bank.

"And the worst part of it is that part of the money I threw away I borrowed from your bank," Brooks declared.

And then Ross took down the same book, and explained the law to Brooks just as Parker had "doped it out," to Anderson.

"So you see it's that little disputed piece that saves your bacon," Ross assured him.

"But how could it be when Anderson's able to give me a good title to all but that little piece? Can I still get my money back, just the same as if his whole title was bad?"

"I'm expressing no opinion on that point, for Parker'd never think of that in a month of Labor

days," Ross assured him.

Dies in Denver

J. H. Pattison, 58 former well-known Colorado Springs business man and at one time vice-president of the State Savings bank with which he was affiliated in an executive capacity for several years, died recently at his home in Denver. Death came as the result of a heart attack after an illness of only a short duration.

A. F. CLOUGH, president of the Security State Bank of Canova, South Dakota, and Mrs. Clough, celebrated their fiftieth wedding anniversary recently. More than 150 of their old friends and neighbors gathered to do them honor.

"A number of State courts have ruled that when the seller is unable or unwilling to perform his part of the contract, then the buyer can force him to hand him the money."

roof over the head of the first man that cuts a stick of wood on it this winter."

"Anyone hear you and Brooks make the trade?"

"Yes—Rev. Mr. Sipprell."

"Well, you're certainly one unmitigated fool."

"What do you mean?"

"Can't you see a hole in a five year tire?" Parker fumed. "When you put in the debatable territory you can't be ready and able to give a title, so Brooks can sue and make you pay back every cent of the money."

"And that's the law?"

Parker turned to the bulky volume for a second persual.

"Yes, the Alabama, Arkansas, Georgia, Illinois, Indiana, Kansas, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, New Hampshire, New York, North Carolina, Ohio, Pennsylvania, Tennessee,

At the Nebraska Group Meetings



From left to right: (1) Ralph E. Smith, Peters National Bank and Frank Boyd, vice president, Omaha National Bank, Omaha; (2) Joe Ringland, U. S. National Bank, Omaha; (3) Mark C. Ilor, assistant to vice president, Continental Illinois Bank and Trust Co., Chicago, and Wm. B. Hughes, secretary of the Nebraska Bankers Association; (4) Guy Kiddoo, vice-president, Omaha National Bank and Chas. Brittan, vice president, First State Bank, Alliance; (5) C. F. Brinkman, assistant vice president, U. S. National Bank and E. Moser, secretary, U. S. Trust Company, Omaha; (6) "Billie" Johnson, Sidney and J. F. Coad, president, Packers National Bank, Omaha; (7) A. J. Jorgenson, president, American State Bank of Sidney; (8) E. C. Cole, president, Ranchers State Bank, Cody; (9) Homer Peterson, sales director, U. S. Check Book Co., Omaha and Col. Phil Hall, Greenwood; (10) Dan Riley, president, Dawson Bank, Dawson, and W. B. Ryons, vice-president, First National Bank, Lincoln; (11) E. F. Jepson, assistant cashier, First National, Omaha; P. B. Kendrick, assistant vice-president, U. S. National Bank, Omaha; John Frazee, Nebraska manager, American Surety Company; and E. F. Folda, Stock Yards National Bank, Omaha; (12) George A. Gregory, cashier, Federal Reserve Bank, Omaha; and W. H. Dressler, cashier, Stock Yards National Bank, Omaha.

Central Western Banker, June, 1929

The 4 Big Essentials of GOOD BANK Management

THE FOUR requisites of Bank Management are Supervision, Information, Security, Earning Power.

There were 3800 bank failures in the United States in the past six years, in spite of all laws, examinations and restrictions. We will continue to have failures until bankers, through proper supervision and cooperation, educate themselves to a point of self-restraint and recognize the safety of obeying the laws governing their institutions without being compelled to do so. We have had an over-banked condition here in Nebraska, due to poor banking laws in the past, resulting in lack of cooperation, unfair competition and lack of supervision. These have been the basic causes of our bank troubles. Unless we as unit banks apply the principles of sound bank management, backed by a strong organization, we will have to give way to branch banking, which dominates and eliminates, by monopoly, all competition.

Cooperation is the big word in ushering in a new era of safe banking in Nebraska. The magnitude of counsel is the height of safety and wisdom.

The day has passed when individual unit bankers can say we do not need to belong to any county, group, or state bankers organization, or to any county credit or clearing house bureau. It is this class of bankers who have been the high-raters, and who have deliberately turned their banks into charitable institutions by refusing to hold interest rates in keeping with their earning power, and who insisted upon giving away bank services. Most of them are today among the missing. The good bankers, the conservative bankers, I mean, are not wearing mourning for this class of departed brothers. The public is more interested in safe banks than they are in free service and high interest rates.

Supervision

In a recent interview with Governor Weaver and Secretary Bliss of the Department of Trade and Commerce, they stated that their desire was to assist the banks in every way possible to become better, stronger and bigger institutions. Secretary Bliss stated that from now on he will bend every effort to clarify the banking situation by better examinations, consolidations, and refusing to grant bank charters when unnecessary. He is anxious to have the united cooperation of all the banks in carrying out the new program. The pro-

gram provides for two examiners from now on instead of one for bank examinations; one to be the examiner, the other a helper who will later on be qualified to become a regular examiner. He stated that there were 61 closed operated banks taken over from the Guaranty Fund Commission under the new act of the recent Legislature; that the plan is to place these banks in a receivership at once, the Department of Trade and Commerce to act as Receiver, and all business to be handled by deputy receivers, and all settlements and adjustments to be approved by the court.

Hereafter should it become necessary to close a state bank, the capital



COL. PHIL HALL

and surplus will be used to charge off losses. Should this fail to meet the demand of the Department, the depositors will be asked to organize and meet with the stockholders of the bank, and if an agreement can be reached by the depositors whereby they are willing to discount their deposits to a certain extent in order to take out slow or doubtful paper, the Department will then authorize the bank to continue as a going institution. This is the new law passed by the Nebraska Legislature, copied from the Minnesota law, all notes charged off under such conditions to be turned over to the depositors for collection, any moneys collected to be prorated to them. It is believed that by this system, with proper bank management, should any state bank ever fail, the

By Col. Phil Hall

President, Nebraska Bankers Association

(Address before Nebraska Group Meetings)

loss to depositors will be the minimum.

The Department will adhere strictly to the law, in granting bank charters only where there is a public necessity for a new bank. No state bank charters have been issued by the Department in the past six months.

Bankers should cultivate the habit of observation, and should require all employees to do likewise. Many things happen every day or week in the routine of banking that a keen observer can detect, and that will many times prevent a loss later on. Every banker should keep an alphabetical mortgage ledger wherein all local mortgages are recorded. This is a marvelous source of information, always ready for immediate use in supplying credit data. If a new man comes into your community, get a line on him, and if he later desires a loan you can handle him intelligently.

Memory is a wonderful asset, but a complete set of property statements on your borrowers not only gives you an opportunity to study your loans, but is of great assistance to your examiner, and in fact it furnishes him with the exact information he desires in passing on your loans.

Security

The day has passed when Bill Jones can walk into a bank and demand a loan of \$500 or \$1000 "right now," sign a note and walk out of the bank with the money. Not only for the information of the examiner, but for the information of the banker, Bill will have to make out a property statement. If Bill's worldly possessions are insufficient for a loan he will hear the banker say N-O, in capital letters. If Bill has sufficient liquid security he will be asked to trust the bank with it while the bank trusts him with the money. If Bill desires to put his home up as security, and has nothing else in his name; the chances are

(Continued on Page 21)



From left to right, two war "buddies," George Althouse, veteran group meeting porter, a World war sergeant, and his colonel, Phil Hall, president of the Nebraska Bankers Association; center, Lawrence M. McCague, First Trust Company, and E. F. Jepsen, assistant cashier, First National Bank, Omaha; right, R. C. Johnson, assistant vice president, Continental State Bank, Lincoln and R. H. Kroeger, assistant cashier, Livestock National Bank, Omaha.

Heard and Seen at the Nebraska Group Meetings

THE MEETING AT FAIRBURY on Monday, May 20th, furnished one of the best meeting places of the week's meetings, sessions being held in the spacious Elks Club Room. The morning session was marked by a lively exchange of repartee between the presiding officer, Carl D. Ganz, and Henry A. Guthmann, Cashier of the Bank of Murdoch, who delivered the response. Other speakers on the day's program included Dan Riley, President of the Bank of Dawson, who spoke at each meeting on "Bank Legislation," since Mr. Riley is chairman of the Association Legislative Committee; President Hall; Carl Weil, Vice President of the National Bank of Commerce, Lincoln, whose address on "The Call Loan Market" is to be found elsewhere in this issue; Charles Smrha, President, Farmers and Merchants Bank, of Milligan, who spoke on "Loans;" and F. B. Brady, Vice President of the Commerce Trust Company of Kansas City, who talked on "Current Trends in Banking." E. F. Folda, of the Stock Yards National, Omaha, conducted an interesting question box.

GROUP 4 held its sessions in the District Court Room at Holdrege, and in addition to the addresses of President Hall and Mr. Riley, delegates were treated to two excellent addresses, one on "Bonds and Banking" by T. B. Strain, Vice President of the Continental State Bank, Lincoln, and "Service Charges and Float," by Guy C. Kiddoo, vice-president of the Oma-

ha National Bank. Mr. Folda conducted a Question Box, which was followed by a general discussion of the Guaranty situation, under the supervision of Fred C. Gund, President of the First National Bank, Blue Hill. The evening banquet was ably presided over by J. R. Cain, Jr., Vice President of the Peters National Bank, of Omaha.

GROUP 5 MEETING, held at Lexington in the Majestic Theatre, enjoyed on the morning session a splendid address on "Bank Vision" by President R. F. Stuckey of Group 5, addresses by President Hall and Mr. Riley, and an address on "Secondary Reserve" by Byron Dunn, Vice-President, National Bank of Commerce, Lincoln. The evening banquet was held at the Lexington Country Club.

GROUP 7 met at Sidney on Thursday, with registration at the Commercial Hotel and the sessions held at the U.S.A. Theatre. Features of the meeting were addresses on "Commercial Bank Management" by W. H. Dressler, Cashier, Stock Yards National Bank, Omaha, and "Better Banking" by Claude F. Anderson, Assistant to President, State Bank of Omaha. The evening banquet was held at the Sidney Country Club and the delegates were treated to some splendid talks by Bert Wilcox, Vice President of the Omaha National Bank, and the well-known Cullen N. Wright, with his usual collection of humor and philosophy.

THE FINAL MEETING of the week was held May 24th at Cody, with addresses by Messrs. Anderson, Riley, Dressler and President Hall. In the evening a banquet was held, followed by dancing.

WHILE NO ONE can guess the final outcome of the Nebraska Guaranty Law situation, the Nebraska bankers are generally optimistic over the future of Nebraska banking. They are unanimous in their statement that, as one speaker put it, "We have millions for defense, but not one cent for deficit." It is felt by all of them that Judge Frost's injunction against the collection of special assessment will be upheld by the Supreme Court.

DAN RILEY, Chairman of the Association Legislative Committee, at each meeting made an excellent summary of bank legislation which was both passed and defeated at the last session. He gave as his opinion that the personnel of the last legislature was fully equal to or superior to that of any former legislature, and that the lawmakers did their best to grant banking relief, which was really an impossible task.

CHARLES SMRHA, President of the Farmers & Merchants Bank of Milligan, said in regard to loans, that "You don't know your customer until you see him at work on his farm. Visit him often and check up on him, just as the Bank Examiner visits and checks up on you."

T. B. STRAIN, Vice President of the Continental State Bank of Lincoln, in his Holdrege address predicted the time is at hand when banks must study common and preferred stocks in order to promptly advise their customers on investments.

GUY KIDDOO, Vice President of the Omaha National Bank, delivered one of the finest addresses of the entire week at Holdrege, speaking on "Service Charges." He injected some humor in his introduction, by requesting a rising vote, first by bankers who have the service charge, and second, by bankers who don't have the charge but would like to have it. He then stated he should become an evangelist and convert the second class of voters into hitting the sawdust trail.

MARK COLLOR, Assistant to vice-president, of Chicago's new billion-dollar bank, the Continental Illinois Bank & Trust Company, was the only representative of any of the Chicago or New York banks who made the entire series of Group Meetings. Mark is an extensive traveler, and will make both the South Dakota and Iowa State conventions in June.

BERT WILCOX, Vice President of the Omaha National Bank, at the Sidney banquet went on record against the principles of chain banking. He says there is no comparison between chain stores and chain banks, since a chain store sells for cash and there the transaction ends, while in the case of a bank the first transaction is only the start of numerous close relationships.

R. H. KROEGER, Assistant Cashier of the Live Stock National Bank of Omaha, represented that institution at the Group Meetings. He and other officers of the bank, are justly proud of the steady growth of this institution, which now has resources and liabilities of almost \$7,000,000, with deposits of \$5,972,000.

IN AN ENDEAVOR to render a more complete service to their many clients, Smith, Landeryou & Company, well-known investment house of Omaha, have moved their offices to larger and more convenient quarters at 210 Farnam Building.

Low Bridge

"Why all the bandages on Jones' head?"

"Rotten bridge."

"Break through?"

"No, trumped his wife's ace."

Central Western Banker, June, 1929

Third Largest Chicago Bank



Left to right: Joseph E. Otis, president; William R. Dawes, vice-president; James G. Alexander, executive vice-chairman, and C. Howard Marfield, vice-president and chairman of the discount committee.

The physical consolidation of Central Trust Company of Illinois and the Bank of America, Chicago, has been completed by removal of both offices of Central Trust Company to new quarters at 208 South LaSalle Street.

For several months after the legal merger, Central Trust Company transacted its business at both 125 West Monroe Street and at 9 South LaSalle Street, the banking home of the former Bank of America. Now, for the first time, the combined bank and its officers and employees are under one roof.

Now the third largest independent bank in Chicago, Central Trust occupies quarters formerly used by the Continental National Bank and Trust Company. On the street floor are housed the Savings, Bond, Real Estate Loan, Foreign and Travel Departments. On the main banking floor are the Commercial Banking and Trust Departments.

Founded by Charles G. Dawes 27 years ago, immediately after the completion of his term as Comptroller of the Currency under President McKinley, the Central Trust Company has enjoyed phenomenal growth. It is one of the few banks in America ever to reach over \$120,000,000 in deposits in the short span of 25 years. Today Mr. Dawes is still associated with the

bank as chairman of its Board of Directors.

Joseph E. Otis, President of the bank, has been its chief executive officer for the past fifteen years. It has been under his guidance that the business of the bank has developed to a point requiring greatly added space and facilities. "Having handled the largest volume of business per square foot of floor space of any downtown Chicago bank for a considerable time, the growth of the bank has been limited by its facilities" said Mr. Otis in a recent interview. "Now, with one of the finest and most complete banking rooms in the country, growth will no longer be impeded and a greater development may be expected. Chicago and the Middle West are growing hourly and Central Trust Company is preparing to meet the demands of increasing Chicago and Middle Western business."

Associated with Mr. Dawes and Mr. Otis in the active management of the bank are M. E. Greenebaum, Vice Chairman of the Board, Eugene V. R. Thayer, Chairman of Executive Committee, C. Howard Marfield, Vice President, and Chairman Discount Committee. William R. Dawes, James G. Alexander, Edwin F. Mack.

We all have to be our own center but are obliged to be our own circumference.

With a Capital of \$25,000--- How Much Should a Bank Earn?

By W. C. Rempfer

*Cashier First National Bank
Parkston, South Dakota*

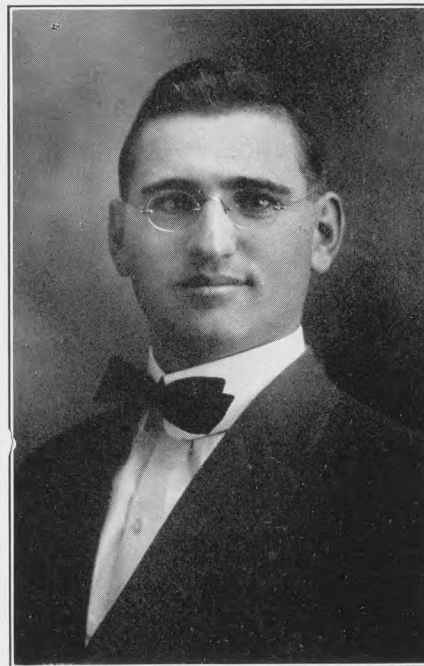
IF THE subject is to be handled from a practical standpoint it will be necessary to direct your attention to the set-up of a specific bank, and to point out where improvements looking towards more efficient service and increased earnings can be made. At the outset it must be said that unless one analyzes the cost of operating the various departments of a bank, it is impossible to determine what the earnings should be. The 1928 figures for a certain state show that more than half of the open banks are losing money, more than 25 per cent are just breaking even, and less than 25 per cent of the banks in the state are showing earnings on their capital investment. Surely this proves that the crying need of the small bank is "cost analysis" and "scientific management."

The bank of \$25,000.00 capital to which reference is made, has a surplus fund of fifteen thousand dollars. With such a capital structure it supports deposits of approximately \$400,000, half interest bearing and half subject to check. 20 per cent of deposits are required in the form of cash and sight exchange, not to exceed 40 per cent are placed in local loans and the remainder in bonds, commercial paper and demand collateral loans. Such a set-up earns from 40 to 50 per cent on the capital stock. A bank with small deposits and a large part of its investments placed in liquid and therefore yield securities, must depend on other sources of income for a part of its earnings. It is therefore obvious that the bank under discussion makes its checking, exchange and commission departments yield a profit.

Over a year ago this bank adopted the policy of imposing a service charge of 50 cents monthly on checking accounts which fell below \$50 at any time during the month. While the results are very gratifying there is still room for improvement. At the end of the year the number of checking accounts had decreased 35 per cent, while the total deposits had increased 7 per cent. The competing bank in the same town does not impose a service charge and has three times as many checking accounts, but its total deposits subject to check are approximately the same as the other bank. Another interesting point in this comparison is that the number of employees and the payroll in the check-

ing department of the competing bank are 100 per cent greater than those of the bank imposing the service charge. Naturally, the other costs of handling the department are greater in proportion.

After analyzing the cost of operating the checking department of the bank for 1928, it was discovered that the account with an average balance under \$200 did not pay its way, in spite of the fact that the overhead in this bank is less than the average of 2,300 banks which have been analyzed. The analysis further showed that the collection of the 50 cent monthly service



W. C. REMPFER

charge still left a loss of \$1.00 per year on the account, and the accounts with balances between \$50 and \$200 upon which no service charge was imposed, caused the bank to lose an average of \$3.00 during the year. A certain checking account which had a daily average balance of \$12,000 and upon which a \$300 service charge per year was imposed, did not make any money for the bank because of its activity.

When a customer of this bank deposits a check or draft drawn on Chicago or any other point, an exchange charge of 10 cents per hundred dollars or fraction thereof is collected from the customer, on the theory that the original function of a bank is the

transmission of money from one point to another at a certain rate of exchange. These exchange charges and the exchange received on drafts purchased bring a yearly revenue to the bank aggregating 10 to 14 per cent on its capital stock.

Another source of revenue is the commission charged on bond sales, real estate loans and installment automobile paper purchased from local dealers. Only choice three to six months automobile paper bearing the regular over the counter rate is purchased with the absolute guaranty of the local dealers, but at an additional 2 per cent discount, which is charged as a collection fee and is less than that charged by acceptance corporations. The revenue from these commissions over a period of years has yielded 8 to 10 per cent annually on the capital stock, and the bank has not suffered a single loss from this class of paper.

Interest paid on time deposits is at the rate of 3 per cent for 6 months and 4 per cent for a year. The spread between this rate and the over the counter rate is 4 to 5 per cent. The cost of handling the loaning end of the bank including losses is 1½ per cent of the total loans and bonds held by the bank so that most of the income of the bank comes from this sources. Losses during the past 20 years have averaged 3 per cent annually on the capital stock and the bank has never missed a dividend. The low loss ratio is partly due to the fact that the average local loan is less than \$600 and as a general rule the bonds and securities department does not purchase more than \$2,000 in bonds of any one issue.

In order that the bank may earn a fair return on its capital stock it is essential that it make a profit in every department and on every account. If a department or a checking account is not paying its way it should be discontinued or put on a paying basis. The co-operation of a competitor is not necessary in imposing service charges, although it is helpful. An analysis will show whether there are too many high priced executives, too much money invested in the bank building or other real estate, too much

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money spent for advertising or in effecting real estate, too much money spent for advertising or in effecting collections, too many free services rendered, or too much waste permitted. By adopting the policy of restricting the amounts invested in local loans, diversification is achieved, the choicest loans are obtained, and losses are reduced to a minimum.

When one reflects upon the fact that the United States suffered a mortality of over 10 per cent, and some of our northwestern states over 50 per cent among their banks since the war, it is easy to see why the public in some

sections of the country thinks that any change will be one for the better and are eagerly welcoming anything which promises relief. The excessive mortality among small banks during the post-war period while resulting largely from competitive causes, proves not only that the small banks of the country possess less capable management than the big banks, but also that, due to lower earnings, they could not afford to hire expert managers as individuals units. This problem can be solved in the future only in one of two ways. Either large groups of directors or small banks must co-operate in hiring expert auditors with

powers superior to those of the active officers of the banks or some form of chain or branch banking will be developed which will furnish these auditors.

When one considers the trend of the times towards the formation of big mergers and notes the organization of larger and larger corporations with numerous branches, it seems possible that eventually there will be a few groups or chains of banks in the United States, which, with scientific management and efficient stabilization, will put an end to bank failures and at the same time supplant our present system of unit banking.

Feeding the "Expensive" Boarders

OLD COWS may rightfully be termed "expensive boarders" and to be handled successfully on cornbelt farms must be fed as large a quantity of low grade, cheap roughage as possible, giving them only a quick spring finish on grain. These were the outstanding deductions from a cow feeding and wintering experience which has been conducted the past season by the animal husbandry department of the Nebraska College of Agriculture.

The fact that the subject of wintering cows is of growing importance in the cornbelt was what led the college investigators into this work. Feeding operations are working more and more onto a calf basis each year with range supplies of calves limited in number, more cornbelt operators are turning back to breeding operations on their own account. Yet cornbelt farms have or can maintain herds of breeding cows the year 'round and to supply the breeding stock, farmers have the option of going to market in the fall and pick up bred cows in much the same way that they do the "one-year" breeding ewes which have become a well known trade commodity.

It stands to reason that most of the well bred western cows which come to market have been discarded because they have outlived their usefulness on the open range. However, with the more concentrated feed of the cornbelt they may easily be good for one or more years of added productivity. One year is probably all that the average farmer would care to keep them, for with a limited amount of pasture and roughage the logical thing to do would be to fatten and sell them as soon as possible after the calves are weaned.

The experiment at Lincoln fell into two distinct periods or phases. In the

first of these three lots full of aged range cows, 10 head in each lot, were fed a group of fattening rations for 66 days starting November 28, 1928.

Literally they ate their heads off. Shelled corn and alfalfa, ground ear corn and alfalfa and ground shelled corn and alfalfa were the three rations used, and while there was a definite indication that the ground feed was the more desirable feeding ration for the aged cows in the trial, feed consumption and costs ran so high in all lots that the original question of what profit might be shown was soon turned into one of how the loss on the operation might be minimized. Obviously full-feeding old range cows for the winter market was not to be considered.

To cut down the already enormous feeding cost, the 3 lots were thrown back into one group and fed a coarser ration made up of a liberal quantity of ensilage, a few pounds of ground ear corn, cotton seed cake and alfalfa hay. Gain costs remained out of all proportion to market values in fact, but they were reduced somewhat, and the ration was more in conformity with the newly adopted plan of letting the cows, most of which were bred, drop their calves and carrying the test out on a calf raising basis.

Most of the cows have dropped their calves and remain under observation at the experiment station and the few which had no calves have been marketed. A sharply rising market made this last phase of the test profitable, but so far as gain costs were concerned the cows proved to be expensive eaters from start to finish, as \$19.66 worth of feed was required to 100 pounds of gain even during the second period.

Grain Should Be Ground

Summing up the results of the ex-

periment, Prof. Gramlich observed that the cows used were 10 to 12 years old and in all probability better results would have been obtained with slightly younger cows.

"Cows are expensive boarders," was his conclusion. "They have enormous capacities for food and cannot compete with young cattle in producing economical gains when they are fed on standard beef cattle fattening rations. Where grain is fed to old cows it should be ground, and they make good use of silage.

"But there are several limitations upon the practice of cornbelt farmers buying old range cows for calf raising purposes. These are:

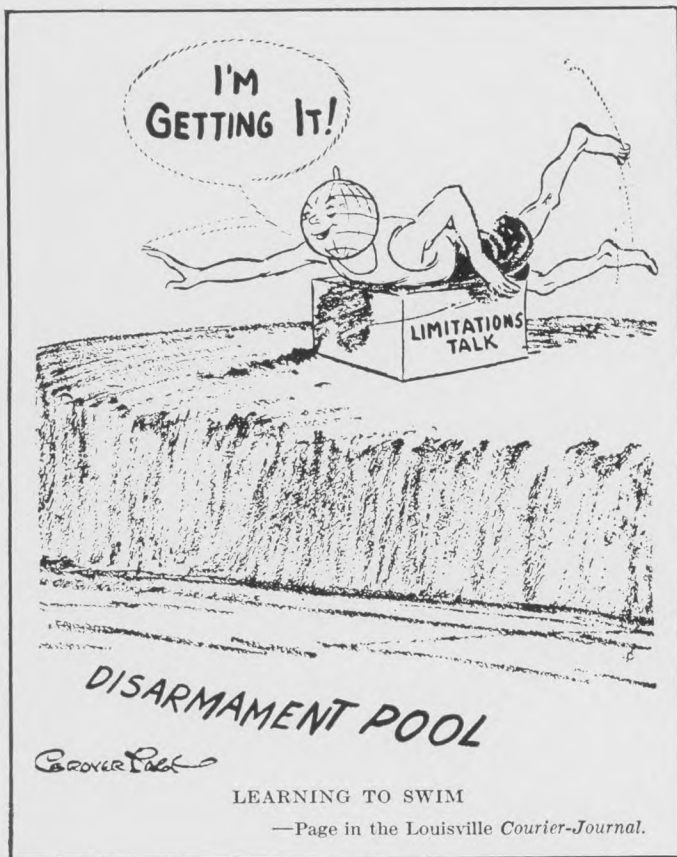
1. Uncertainty of date of calving. Calves are apt to come over a rather long period of time as ours did at the college.
2. Relatively long period before cows and calves are ready for market.
3. Inefficient use of common corn belt feeds by cows.
4. Possibility of abortion and other diseases and the uncertainty as to whether or not the cows are in calf.

Finish for Spring

"As was the case this year, the mid-winter market on cows is usually rather low, so the probable best method of handling old range cows on corn belt farms is to feed largely on low grade roughage during the winter and giving them just a short finish on grain for an early spring market. Or if they are held until after calving, the cows can be fattened with the calves and the latter marketed with their mothers as veals weighing 150 to 300 pounds."

By time and toil we sever
What strength and rage could never,
—La Fontaine.

CARTOONS OF THE MONTH



Announcement

is made of the formation of

LLOYD PHILLIPS & CO., Inc.

as successors to

PHILLIPS & COMPANY

With the following Officers and Directors in charge:

LLOYD W. PHILLIPS President
 LOUIS E. MAY Vice-President
 LAMBERT G. FALTYS Secretary-Treasurer
 STANLEY H. INGALLS Ass't Secretary-Treasurer
 ELMER C. DUNKELBERG Field Manager

CEDRIC H. SMITH,
 President Smith Burris & Co., 120 So. LaSalle, Chicago

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 President National Association of Securities Commissioners, Lincoln, Nebr.

WADE R. MARTIN,
 President Commercial Banking Co., Stratton, Nebr.

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 Vice-President and Manager The Hanson Audit Company, Fremont, Nebr.

JOHN SONIN,
 Merchant, Fremont, Nebr.

EARL R. HAMMOND,
 Vice-President Crystal Refrigerator Company, Fremont, Nebr.

JULIUS T. HAIRHOUSE,
 Retired, Fremont, Nebr.

This Corporation, as successors to Phillips & Company, will continue to conduct a general Investment Securities business, dealing in listed and unlisted Stocks, Bonds, and Investment Trusts.

Special advisory services are maintained for the benefit of investment counsel to Banks, Institutions and Individuals.

A cordial invitation is extended to visit our offices.

LLOYD PHILLIPS & CO., Inc.

Investment Securities

201-205 Union National Bank Building

Telephone 348

Fremont, Nebr.

BONDS AND INVESTMENTS

THE STOCK market, during the past year, has been the center of interest of a large portion of the people whom the writer, and I presume, the members of this group come in frequent contact with, and in connection with the stock market—the advance in prices of stocks listed thereon and the interest rates charged on funds with which to carry a large portion of the stocks traded in, that are not actually paid for, and which is known as the “call money market,” and the interest rate thereon, might be, I thought, of interest.

A Similar Situation

To the writer it seems that the stock market is in exactly the position of the land market in Nebraska a few years ago. At that time land was only producing an income of a very small percent on its actual or sale value; the owner figuring his profit in the advancing price of lands. Identically the same condition is existing today in the stock market. A man purchasing stocks, whether he pays for them in full or carries part of the purchase price through his broker paying the call rate, is receiving only a small percent of his investment—depending upon the advance in the price of the stocks for his profit, and every comparison shows, since a complete record has been kept beginning with 1926, on what are known as brokers loans, a comparison of stock prices between that day and the present time would not indicate that any more money was required to carry the same number of shares of stock had the price of such stocks not materially advanced. For instance, in January, 1926 there was loaned about \$3,100,000.00 on brokers loans. This was divided, about \$1,200,000.00 for the account of New York banks; practically the same amount for out-of-town banks, and about \$600,000,000.00 for the account of others than banks. The same week in 1929 showed \$5,500,000,000.00; about \$1,000,000,000.00 for the account of New York banks; \$1,800,-

CALL LOANS or BONDS?

By Carl Weil

Vice president, National Bank of Commerce, Lincoln

(From address before Fairbury, Nebraska, Group Meeting)

000,000.00 for the account of banks outside of New York, and about \$2,600,000,000.00 for the account of others than banks.

There has been appearing in the paper quite a number of articles about the efforts of the Federal Reserve bank to restrict these brokers loans on the theory that the high rates being offered for such loans is diverting money out of ordinary commercial

It is possible that the speculative spirit that has existed during 1928 will continue well into the fall of 1929 but, I believe, that next year at this time will see a very material change in the market price of stock and a corresponding decline in the funds required for their handling.

channels. There is no question about that being true, but the fault does not lie with the banks because New York city banks have loaned today less than they had in 1926; the out-of-town banks but slightly in excess of the amount loaned at that time; while funds loaned for the account of others than banks is almost five times the amount that was loaned in 1926.

“Account of Others”

The Phillips Petroleum company, whose statement I have, you will notice show call loans to the amount of \$7,400,000.00.

The president of a small life insurance company in New Jersey, under date of March 11 writes that on December 31 his company had loaned on

call, \$100,000.00, and on the day that he was writing, they had increased this amount to \$150,000.00—advising further: “We are simply using this

money in this manner waiting until the bond market is in such shape that our investment committee feels a permanent investment should be made. If at any time the stock market should have what appears to be a permanent “turn” downward, we will undoubtedly put this money, in more or less, permanent investments, as that will be to us an indication that bond prices have reached their low point.”

In other words, the high interest rate on call loans is attracting to the stock market funds that should be invested in bonds and farm mortgages. Liberty bonds yielding $4\frac{1}{2}$ per cent at one time had advanced to such a price that they were yielding about $3\frac{1}{2}$ per cent, or maybe a trifle less. Today Liberty loan bonds are selling right around 99 par, or yielding a trifle in excess of $4\frac{1}{4}$ per cent.

Call Loan Rates

The call money market rate fluctuates from day to day. These slips cover funds loaned on the New York market.

In Chicago the call rates are handled just a bit different. For instance: They have placed their call rate at 7 per cent and it has remained at that rate for

quite a few months time. The average will be about the same.

Then in addition to the call rate on loans secured by stock exchange collateral are the loans known as collateral loans and which run for a period of four or six months. I have with me a circular from one of the brokerage houses quoting loans secured by stock exchange collateral at $6\frac{1}{4}$ per cent discount. The borrower must pay the broker a quarter of one per cent for placing these loans which would make the funds cost him not less than $6\frac{3}{4}$ per cent.

With these thoughts before us, the question that naturally arises, I presume, is what can be the ultimate outcome of the situation; why the con-

Central Western Banker, June, 1929

cern of the Federal Reserve bank; is it justified and do banks, members of the Federal Reserve system, feel the same concern? I believe the banks are more concerned than is the Federal Reserve system. With Practically \$3,000,000,000.00 of loans outstanding in the hands of others, it would mean that if for any reason these people should decide that the time is opportune for the reinvestment of their funds in bonds or securities of a more permanent nature, and they were to call in the funds which they have out on the stock exchange, that the burden of refinancing them would fall on the banks in the reserve centers; that if the Federal Reserve system should maintain their position that banks having money loaned on the market at call were not in a position to ask the Federal Reserve bank for rediscount privileges, it would mean that the price of stocks listed on the New York Stock Exchange would have to be materially reduced so that the same amount, or less, that is being used at the present moment would finance the same number of shares. In other words, stock of the Radio Company of America, which has never paid a dividend and which at one time sold in excess of \$400.00 a share, might have to be reduced to \$100.00 or \$150.00 a share, and other stocks in proportion. As a matter of fact, personally, I believe that the holders of stocks which are netting them an average return of say 3 per cent will of their own accord in time start disposing of these stocks, reinvesting the funds in bonds rather than stocks; that the speculative demand for stocks will decline and possibly quite rapidly, and not near the

amount of money will be required for their handling. While it is possible that heavy demand made by outside interests for their funds loaned at call on the stock exchange may cause a serious condition to occur which, without doubt, would be almost a panic, at the same time, in the judgment of the writer, I do not believe that while such condition is possible that it is likely to be probable because, I believe, the liquidation is going to be reasonably easy and gradual.

Credit Dangers

The danger in the present credit situation does not lie in the amount of call loans outstanding but rather in the manner in which this money can be withdrawn from the market, Charles S. McCain, president of the National Park Bank of New York, said in an address before the Arkansas Bankers' Association at Little Rock. Mr. McCain expressed his doubt that brokers' loans were high in comparison with the business done ten years ago.

Asserting that funds for the call loan market should unquestionably be supplied by banks rather than individuals and corporations, Mr. McCain pointed out that the situation today was just the reverse, with only \$2,500,000,000 of outstanding brokers' loans provided by the bankers of the country and \$3,500,000,000 provided by others. Just as surely as a demand comes in any business to use its funds, where they are lending on call, he said, they will be withdrawn by that concern, or if a lack of confidence should develop in the security of such loans, private individuals and cor-

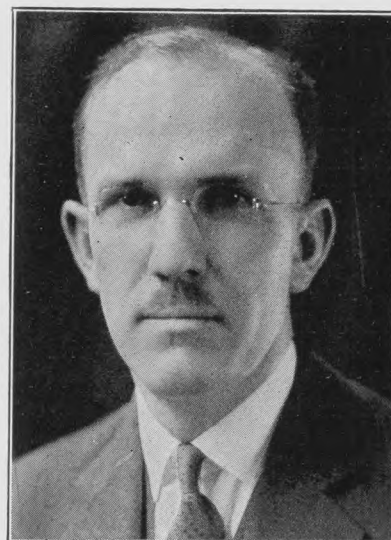
porations would withdraw and put their money in the banks or in some other form of short time investments. In ordinary times banks could regulate this, but today others control the situation and no one can control them.

"It is an unusual situation," Mr. McCain said, "when a broker finds himself lending a customer at 5½ per cent, and some two weeks later if that customer receives an amount of money which enables him to pay off his note and leave a surplus, the banker is requested to lend that for him at 20 per cent.

Heads Bond Department

George F. Spaulding, second vice-president of The Northern Trust Company, Chicago has been placed in charge of the Bond Department of that Company to succeed Kahn I. Fosdick, vice-president, resigned.

Mr. Spaulding was born in Dubuque, Iowa. As a Rhodes Scholar to



GEORGE F. SPAULDING

Orford he received his B. A. and M. A. degrees. In 1914-15 he was a member of the American Commission for Relief in Belgium and later became a member of the American Ambulance Corps in France before America's entry into the World War.

In 1916-17 he was a Master of Rugby School. During 1917-19 he served as Pilot and Pilot Instructor, Royal Air Force, spending one and a quarter years of that time in Egypt.

Mr. Spaulding has been with the bond department of The Northern Trust Company, upwards of seven years. His first assignment was that of salesman, following which he specialized in inheritance tax problems affecting investments, later serving as sales manager and then manager of the bond department, being elected vice-president in January, 1929.

MONTH after month we please more banks and bankers, and through them serve their friends and clients.

RUFUS E. LEE & COMPANY

Investment Bankers

204-210 City National Bank Building

Omaha

Central Western Banker, June, 1929

Reorganize With Larger Resources

THE ORGANIZATION of Lloyd Phillips and Company, Inc., to succeed Phillips and Company, which has dealt in investment securities, in Fremont, Nebraska, in the past 16 months, was announced recently by its president, Lloyd W. Phillips. The new corporation has already begun operation with much larger resources than were possible in the old company.

The new company will have an authorized capital of \$100,000. Seven

percent cumulative participating preferred stock and five thousand shares of common stock. Its purpose is the wholesale and retail distribution and underwriting of investment securities.

Officers of the corporation are Lloyd W. Phillips, president; Louis E. May, vice president; Lambert G. Faltys, secretary and treasurer; Stanley H. Ingalls, assistant secretary and treasurer; and Elmer C. Dunkelberg, field manager.

stockholders of the company.

At the present time the corporation has under contract three different investment houses in Chicago and New York whereby it can distribute various classes of investment securities to established investment dealers, banks and trust companies in Iowa, Missouri, Nebraska, Colorado, Wyoming and South Dakota. With the present organization, Lloyd Phillips and Company, Inc., is as well equipped to handle this business as many of the larger investment offices in the larger cities.

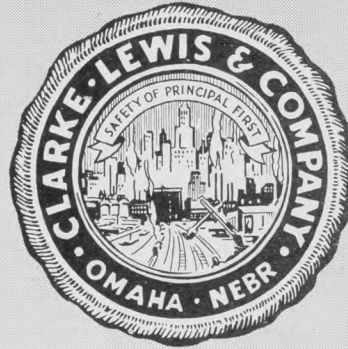


LLOYD PHILLIPS

These officers and the following stockholders will constitute the board of directors: Cedric H. Smith, president of Smith, Burris and Company, 120 South LaSalle street, Chicago; Percy H. Whiting, president of P. H. Whiting and Company, 72 Wall street, New York City, Wade R. Martin, president of the Commercial Banking company, Stratton, Neb; Jesse V. Craig, president of the National Association of Securities Commissioners, Lincoln; Ray W. Hammond, vice president and manager of Hammond Printing company, Fre-

mont; James R. Hanson, vice president and manager of The Hanson Audit company, Fremont; Julius T. Hairhouse, retired, Fremont; Earl R. Hammond, vice president of Crystal Refrigerator company, Fremont; and John Sonin, Fremont merchant.

The additional capital which is available as the result of the incorporation will be utilized to create an investment fund for the benefit of the



*Investment Counsel
and
Conservative Bond Issues*

CLARKE, LEWIS & CO.

318 SOUTH NINETEENTH STREET

OMAHA

Elected Cashier

T. J. Tucker recently purchased an interest in the State Bank of Nickerson, Kas., and has become cashier of the institution. With this change, H. E. Fleming becomes assistant cashier. Mr. Tucker has had considerable banking experience having been cashier of the Chautauqua State Bank and the Sedan State Bank.

For Wheat Belt Bankers

The Combine has proved a boon to the wheat belt banker, in the view of many who have had considerable experience with this new power development in wheat farming.

A great saving is possible by the use of the Combine. The Gleaner

Combine Harvester Corporation of Independence, Mo., one of the larger manufacturers of Combines has assembled statistics which give a real glimpse into the possibilities of this machine.

From actual figures supplied by hundreds of farmers, the company has determined the average cost of harvesting and threshing a bushel of wheat with Gleaner Baldwin Combines in 1928, was 2.4 cents, not counting depreciation, taxes or interest charges. In a single county in Nebraska — Keith County, the average acre cost was 37 cents. Much of the wheat made from 15 to 25 bushels to the acre.

To the banker, such a saving means more rapid liquidation of farm loans.

Whale Bones

"You boy over in the corner!" Thus the brutal examiner to the nervous looking pupil in the class. The boy over in the corner shot up like a bolt.

"Answer this," continued the examiner. "Do we eat the flesh of the whale?"

"Y-y-yes, sir," faltered the scholar.

"And what do you do with bones?"

"P-please, sir," responded the nervous one, with chattering teeth, "we l-leave them on the s-side of our plates."

With Continental Company

W. A. Gray, who for 12 years was assistant cashier of the City National Bank of Lincoln, Nebraska, and later was for four years treasurer of the First Trust Company of Lincoln, has been elected secretary and treasurer

SHORT TERM INVESTMENTS FOR BANKS

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 GMAC possess a degree of investment strength nationally recognized by a clientele of over seven thousand banks. GMAC paper is obtainable in convenient maturities and denominations at current discount rates.

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CAPITAL, SURPLUS AND UNDIVIDED PROFITS
 OVER \$65,000,000

Central Western Banker, June, 1929



W. A. GRAY

of the Continental Company, an investment company which is affiliated with the Continental National Bank of which Edwin N. Van Horne is president. The Continental Company will do a general investment business.

Through his new connection, Mr. Gray will become associated with T. B. Strain, who was formerly vice president of the First Trust Company of Lincoln and is now executive vice president of the Continental National Bank and the Continental Company.

Both of these gentlemen have an extensive acquaintanceship throughout Nebraska and the surrounding territory and under their direction the Continental Company will undoubtedly enjoy an increasing business.

A Real Problem

A vault door so heavy that it could not be hauled across any of the bridges spanning the Chicago river recently confronted the Foreman National Bank with a unique problem.

The door, which weighed 60 tons, was constructed at Hamilton, Ohio, for the new 40-story Foreman National Bank building at LaSalle and Washington streets in Chicago. It was shipped into Chicago to the railroad switch yard nearest the new building. This point was on Chicago's west side and required that the door be trucked over one of the city's bridges in order to bring it into the loop. When a trucking permit was sought, Commissioner of Public Works Richard W. Wolfe refused to approve the permit on the ground that no bridge in the city was strong enough to sustain the tremendous weight of the vault portal.

It was necessary to ship the tremendous mass of steel out of the city and bring it in again on a railroad which ran into a switchyard on the south side of the city. From this point it was hauled to the building—but not over a bridge.

A few days later the 40-ton guardian of the vaults in the basement of the Foreman skyscraper was followed by a 60-ton door. Needless to say no effort was made to obtain a permit to bring this door over one of the river spans.

Two Old Banks

The opening of the First National Bank and Trust company's new home in Yankton, marks an epoch in the life of two long-established banks in South Dakota. On September 7 of last year there was announced the merger of the First National bank and the First Loan and Trust company.

The First National is the oldest banking institution in the two Dakotas. It was founded in 1871 and chartered under the laws of Dakota territory in 1871. Its first president was Moses K. Armstrong who was followed by J. C. McVay. Other presidents have been W. H. McVay, F. L. Van Tassel and W. E. Heaton.

In 1909 the First National and Yankton bank were united. The Yankton National was also an old banking firm in the city. At this time W. E. Heaton organized the First Loan and Trust company, which continued in business until the merger was announced last fall. E. R. Heaton and C. W. Boteler took over the interests of the First Loan and Trust and are president and vice president respectively of the new institution.

SINCE DECEMBER 31ST, 1928, the Live Stock National Bank of South Omaha has increased its surplus account from \$75,000 to \$100,000. Much credit is due the officials of the institution whose careful management made this increase possible.

THE FIRST TRUST COMPANY of Lincoln, Nebraska, announces the appointment of Bennett S. Martin as manager of their bond department. Payson D. Marshall, formerly chief of the bureau of banking for Nebraska, recently became associated with the same department.

LEE BASYE, former assistant attorney general of Nebraska, more recently practising law at Lincoln, has been appointed legal aide to Ashton C. Shallenberger, in the investigation of the state banking department and guaranty fund commission. His salary will be \$325 a month.

How to Grow Old

"To what do you attribute your great age?"

"Well, for the first seventy years of my life they wasn't no automobiles, an' fer the last twenty-five I've been confined to the house."

IN AN endeavor to render a more complete service we are pleased to announce the removal of our offices to larger and more convenient quarters

AT

**210 Farnam Building,
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OMAHA

SMITH, LANDERYOU & CO.

Greater Future for Banking

Changes taking place in America's banking system indicate that in the next five years its achievement will far surpass anything accomplished by it in the past as a constructive factor in the nation's progress, Craig B. Hazlewood, President American Bankers Association, Vice President First National Bank of Chicago, told the annual convention of the Ohio Bankers Association recently.

"In these days of swift interchange of ideas and methods, business and banking progress has become visible and tangible," Mr. Hazlewood said in part. "There was a time when business seemed without leadership and without direction. Progress consisted in a mere groping towards the light.

Today, the reverse is true. A better method is discovered, the news is broadcast, the idea is promptly accepted, and the various industries and units of business march forward with greater assurance and increased rapidity.

"As the student of business looks out over the industries whose inter-related activities make up the fabric of American business, he cannot help but see that certain businesses have gone far along the road of progress and organization; in other businesses, he will find that the new management idea has just taken hold; and in still others, he must of necessity conclude that there is a great deal of groping and a genuine need for new thinking. He sees agriculture struggling to

apply the principles which industry has so successfully utilized. All lines are facing in the same direction, but some are much farther advanced towards a solution of their immediate problems than others."

Serving Nebraska Bankers

In charge of country bank business, Laurence McCague, who is associated with the First Trust Company of Omaha, is well known to the bankers of his home state.

Mr. McCague has been connected with the bond and investment busi-



LAURENCE McCAGUE

ness for a number of years. He got his start with Burns Brinker back in 1920, remaining with them for five years, and was active in both the Omaha and Lincoln office.

Later he was associated with his father in the McCague Investment Company handling real estate and insurance.

Mr. McCague saw active service in France during the World War with both the French and American armies.

Announce Promotions

Announcement of the promotion of Russell F. Thomes to assistant vice president and O. M. McCullough to assistant secretary was made by the Central Union Trust Company of New York.

Mr. Thomas has been associated with the Central Union since 1916. At the time of his election he was assistant treasurer. He is President of the New York City Bank Comptroller and Auditors' Conference and a committee member of the National Auditors' Association.

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MAN CAN HELP YOU



...when you want to diversify your bond account

The more carefully your investments are balanced, one type against another, the greater your security and the surer your income. The bonds offered you by The National City Company are widely diversified — Governments, Municipals, Railroads, Public Utilities, Industrials, Foreigns. In our current list you are almost sure to find issues which will round out your account. A National City man at our nearest office is familiar with the investment requirements of banks and will help you make selections.



The National City Company

National City Bank Building, New York

Offices in more than 50 leading cities throughout the world

BONDS • SHORT TERM NOTES • ACCEPTANCES

Central Western Banker, June, 1929

Why Hail Insurance Is Income

"Hail insurance needs cooperation among managers. In this group should be included general agents and adjusters. Hail insurance men should get together and by earnest and concentrated endeavor work out the many complicated problems which today cause the public to regard hail insurance with more or less apathy and distrust."

Protection

By W. A. Rutledge

Secretary, Farmers Mutual Hail Association, Des Moines, Iowa

IN MANY respects hail insurance on growing crops is very similar to any other kind of insurance, but it has its peculiarities. It will be my object to point out some of those peculiarities rather than to dwell on its general character as insurance protection.

Hail insurance is that kind of protection which indemnifies a farmer for loss sustained to his growing crops caused by hailstorm. It is a protection on his income and working capital rather than on his savings.

Hail losses are the result of upheavals of nature in the air caused directly from hot, moist air mixing suddenly with a very cold current of air, and usually come after an unseasonably hot sultry day.

False Claims Often Made

Being the result of natural causes, a loss by hailstorm is considered generally free from moral hazard. However, many excessive, unjust and unwarranted claims are made and the companies have small chance to evade them if they are persisted in.

The falseness of some of these claims, while readily detected by the adjuster, is sometimes very difficult to combat or prove. It is therefore quite generally understood by officers of hail associations and companies that there is a pronounced moral hazard in this line of protection.

The line to be drawn between stock and mutual companies is very largely the same line that can be drawn in other classes, but between the mutual underwriters themselves there appears to be less regard for the rights of each other and a lower standard of ethics.

I am not convinced that the men who are handling this class of risks are not as honorable and high minded as those in any other line, and I think most of them are honestly endeavoring to correct the ethics of hail insurance writers. But the problem seems much more difficult to handle. Perhaps this is due to the fact that in many instances transient or drifting agents are used. The business is a very short season business. Many new agents must be taken on each season for only a few weeks, and untrained

and inexperienced agents do not imbibe the spirit of loyalty nor the idealism necessary to high ethical conduct.

In time this may be cured, but it is going to take a supreme effort on the part of the managers of the companies and frankness and confidence in the good intentions of each other. The companies which have a large windstorm business and more permanent and fixed agents have a better opportunity to control the agents' actions than those companies which run largely to hailstorm risk.

There are two general plans of writing crop insurance, and many different methods of operating these plans. The plans may be identified as the bushel, or market value, plan and the percentage, or agreed value, plan. In the bushel plan the crop is generally insured as so many acres at so much per acre with a provision in the contract that unless the insured carries a minimum, generally fixed at \$20 or \$25 per acre, on corn and wheat and from \$10 to \$15 per acre on oats, the loss will be pro-rated. This clause acts somewhat like a co-insurance clause.

The accepted method adopted by most of the companies using the bushel plan of settlement is to determine the number of bushels lost and to pay for it at the local market price per bushel at a given date, usually Oct. 1 on small grain and Dec. 1 on corn. The advocates of this plan stress the idea of full market price as its strong point, although one member may be carrying on his crop a maximum of 40c a bushel on corn while his neighbor carries \$1 a bushel, and the latter pays two and a half times as much for his protection as the former.

The percentage or agreed value plan is one under which the policy issued states that it is agreed that the actual value of the crop is the amount of insurance carried on it. On this plan there is no minimum nor maximum limit. A farmer fixes the value of his own crops at the time he insures them. The market price does not in any way affect the value of a crop insured under this plan, nor does the value of the crop change.

Advocates of this plan contend that it is more just because under it the insured get just what he pays for. The one whose crop is insured for what amounts to 40 cents a bushel gets 40 cents, while the ones whose crop is insured for \$1 get \$1 per bushel. Like the policyholder insured under the bushel plan, the latter man pays two and one-half as much as the former, but in this instance he also gets two and one-half times as much for his loss. Those advocating this plan claim it to be much less complicated and that it can be more fairly and easily administered.

An Association Function

Perhaps one of the most important functions of a hail association is the adjustment of losses. And because the loss is on a crop not yet made and because losses occur at all stages of growth, it is much more difficult to get at the actual loss. Dishonest claimants can make such outrageous demands and cover those demands with such a cloak of seeming frankness that it seems impossible to get at the real claim. It is therefore of as much importance to be able to adjust the man as it is to adjust the loss.

The adjuster must be well up on plant life and be able to explain how a plant grows. He must be familiar with the ravages of insects and worms as enemies to crops and know at a glance the symptoms of the different diseases, of which there are many.

He must be athletic and healthy, able to tramp the fields all day, and a quick thinker, able to arrive at results surer and quicker in his head than the other man can on paper. He should, however, never settle a loss without figures and should lead the assured through all the transactions step by step so that the loser may know when the result is reached that it is correct and has been fairly arrived at.

Must Know Effects of Weather

The adjuster must be familiar with the effects of the weather for the next two weeks following the storm and be able to a nicety to determine the growing conditions and the degree of nature's healing. No loss occurring

Central Western Banker, June, 1929

while the crop is still green and growing should be adjusted within two weeks from the date of the loss.

Hail insurance needs cooperation among the managers. In this group should be included the general agents and adjusters. Hail insurance men should get together and by earnest and concentrated endeavor work out the many complicated problems which today cause the public to regard hail insurance with more or less apathy or distrust.

Recent Appointments

The Bankers Reserve Life Insurance Company, of which R. L. Robinson is president, has made several recent appointments of interest in the states of Iowa and Nebraska.

C. F. Carl, who has been with the Midland Life of Watertown, South Dakota, becomes Supervisor of Agents for Nebraska. In this capacity he will be associated with H. B. Bossart, another former Midland executive. Mr. Bossart is Agency Supervisor for a considerable section, including Nebraska.

A. E. McGlothlen of Des Moines, formerly with the National Life Association, was made Supervisor for Eastern Iowa and J. Philip Orchard of Council Bluffs, whose former connection was with the John Hancock Mutual Life Insurance Company, was made Supervisor for Western, Iowa.

Insurance Investments

Points in the new Nebraska law regulating investments of domestic in-

surance companies were discussed by C. Petrus Peterson, general counsel for the Bankers Life of Nebraska, at a recent meeting of the Lincoln Life Underwriters Association.

Mr. Peterson said few companies will be able to meet the standard set for industrial and public utility bonds for investment purposes. The new law permits investments up to 2 per cent of capital and 10 per cent of assets in preferred and common stocks. Because of the development of government loan agencies and the great amount of private capital available for mortgage loans, competition has developed that has brought down the earnings of mortgages, Mr. Peterson said, and it was to procure a diversification which would help insure stability that the Nebraska investment law enacted.

PASSENGER LIST

Passengers on the Nebraska west group meeting special train last month were as follows:

Omaha

Claude F. Anderson, Assistant to President, State Bank of Omaha; Frank Boyd, Vice President, Omaha National Bank; C. F. Brinkman, Assistant Vice-President, United States National Bank; C. J. Claassen, Vice-President, Peters Trust Company; J. F. Coad, President, Packers National Bank; W. H. Dressler, Cashier, Stock Yards National Bank; John Frazee, Manager, American Surety Co. of New York; George A. Gregory, Cashier, Federal Reserve Bank; Wm. B.

Hughes, Secretary, Nebraska Bankers Association; P. B. Hendricks, Assistant Vice-President, United States National Bank; C. A. Jeffrey, State Agent, National Union Fire Insurance Co.; E. F. Jepsen, Assistant Cashier, First National Bank; Guy Kiddoo, Vice-President, Omaha National Bank; R. H. Kroeger, Assistant Cashier, Live Stock National Bank; Leslie Kizer, Continental Illinois Company, Chicago; Francis Martland, A. G. Becker & Company, Chicago; E. Moser, Secretary, United States Trust Company; R. W. Moorhead, Editor, Central Western Banker; Laurence M. McCague, First Trust Company; J. B. Owen, Vice President, Stock Yards National Bank; Homer H. Peterson, Director of Sales, United States Check Book Co.; Ralph E. Smith, Peters National Bank; Frank L. Vlach, Vice-President, South Omaha State Bank.

Lincoln

Jack Eiser, First Trust Company, Lincoln; R. C. Johnson, Assistant Vice-President, Continental National Bank; W. B. Ryons, Vice President, First National Bank.

Greenwood

Phil Hall, President, Greenwood State Bank, (President Nebraska Bankers Association).

Kansas City, Mo.

Richard L. Dunlap, Assistant Cashier, Commerce Trust Company.

Dawson, Nebraska

Dan Riley, President, Dawson Bank.

Chicago

Mark Collor, Assistant to Vice-President, Continental Illinois Bank & Trust Co.

New Group Officers

Group 1—President, Carl Ganz, cashier, Farmers and Merchants Bank, Alvo; vice president, A. D. Spencer, cashier, Bank of Barnston; secretary, R. W. Heim, assistant cashier, Bank of Dawson.

Group 2—President, Emil E. Wolfe, vice president, Bank of Morse Bluffs; vice president, D. V. Blatter, president, Albion National Bank; secretary-treasurer, Herman F. Meyer, cashier, Farmers State Bank, Scribner.

Group 3—President, H. L. Gerhart, vice president, First National Bank, Newman Grove; vice president, Rollie W. Ley, president, State Bank of Wayne; permanent secretary, Fred W. Muller, cashier, Se-

The SERVICE LIFE INSURANCE COMPANY

of Lincoln, Nebraska

B. R. BAYS, President

The Service Life is known as a company of Service,
Ideals and Aggressive Principles

WE STAND ON OUR RECORD
STARTED BUSINESS SEPTEMBER 20, 1923

Total Admitted Assets		Standard Business in Force
\$125,682.73	Dec. 31, 1923	\$196,000
\$140,737.36	Dec. 31, 1924	\$3,142,500
\$303,724.87	Dec. 31, 1925	\$7,058,600
\$522,557.94	Dec. 31, 1926	\$10,829,700
\$767,380.73	Dec. 31, 1927	\$13,071,662
\$1,013,048.00	Dec. 31, 1928	\$15,506,000

curity State Bank, Norfolk; treasurer, A. G. Zuhlke, vice president, First National Bank, Bancroft.

Group 4—President, Wade R. Martin, president, Commercial Banking Co., Stratton; vice president, Ralph Bloom, cashier, Bank of Axtell; secretary, Verne Manahan, assistant cashier, First National Bank, Hastings.

Group 5—President, John Lowe, president, Farmers State Bank, Kearney; vice president, J. G. Gaylor, president, McDonald State Bank, North Platte; secretary, F. J. Sibal, cashier, Citizens Bank, Ogallala.

Group 6—President, D. A. Criss, president, First National Bank, Stuart; vice president, A. H. Metzger, president, Anchor Bank, Merriman; secretary, W. P. Rooney, cashier, Chadron State Bank.

Group 7—President, Oscar Lovelace, cashier, American Bank, Mitchell; vice president, C. H. Burk, president Bridgeport State Bank; secretary, Marius Christensen, assistant cashier, Liberty State Bank, Sidney.

deeper she sinks into the mud. The only way we can get out of the rut is by jacking the old bus up with service charges, and then give her the gas and be on our way. Every banker is trying to do the right thing, but there is no right use of the wrong thing. By cooperation, state-wide counsel, through association, let us not only concentrate our efforts but capitalize our efforts so that they bring us a return, for after all we have nothing to sell but our honest effort.

Baseball is an all-American game requiring decision and teamwork. Just imagine for a minute that out in front of us is a big ball game, and over there on the right is a tremendous grand-stand filled to capacity with a cheering tempermental crowd. Right out in front of us are the ball-players, who are *you* and *I*. Over there in the center of the diamond is the umpire. There are just three decisions that the umpire can make that will govern the game and satisfy that great mass of people in the grandstand. They are, "You are safe," "You are out." It makes little difference to the crowd whether you or I are "safe" or "out." The crowd will only cheer or jeer for a few minutes, and we are soon forgotten; but the decision that counts, the decision that satisfies, is when the

umpire raises his hand, and his voice floats out over the diamond, "*play ball.*"

The Comptroller of the Currency in charge of the supervision of our National Banks, Secretary Bliss of the Department of Trade and Commerce, in charge of the supervision of our State Banks, are the umpires, and we have heard their decision to "Play Ball," not only in a new game, but in a new era of better banking for the safety of depositors, borrowers, and stockholders. We are all warmed up.

Let's win the game.

A Plan of Reading

As Rastus was reading the sport news in the paper, he was interrupted by his husky wife this: "Listen hea yo! ah didn't buy yo dat papah foh yo entehtainment. Jus' confine yoself to dem help want ads, niggah."

Blessed are the meek, for they shall inherit what is left of the earth after everybody else gets through.

You may not know my supreme happiness at having one on earth whom I can call friend.—*Lamb.*

A friend should be like money, tried before being required, not found faulty in our need.—*Plutarch.*

4 Essentials of Good Bank Management

(Continued from Page 6)

pay the bank. Should Bill negotiate a loan and then decide to stay away when the note comes due, and the bank is forced to carry it as past due paper, Bill is very apt to pay 10 per cent plus, and the cost of any mileage or additional efforts on the part of the banker.

So much for Bill.

All well informed bankers realize that the time has come when we must analyze ourselves, and the old unprofitable habits that were along the line of least resistance must be forgotten. This can best be accomplished by mass application. By agreeing as an association or organization that certain general practices which are unprofitable must be eliminated, and then all of us carry out our part. This will strengthen public confidence more than any other one thing, in addition to placing the state banks of Nebraska on that high standard toward which every serious banker is striving.

Frankly, we have been like a stalled truck in a rut, and the more gas we give her the more she spins and the

A contract with

OMAHA LIFE INSURANCE COMPANY
Omaha, Nebraska

TOGETHER

with the cooperation of the
Home Office, might be
valuable.

E. M. SEARLE, JR., President



PHIL HALL, President
Nebraska Bankers Association



WM. B. HUGHES, Secretary
Nebraska Bankers Association

Buys Alda Bank

The Nebraska State Bank of Grand Island, Nebraska, has purchased the business of the Farmers State Bank of Alda, Nebraska, and assumes the obligations to the depositors by taking over an equivalent amount of notes and mortgages held by the Farmers State Bank of Alda.

The Farmers State Bank has a capital of \$25,000.00, surplus of \$5,000.00 and undivided profits of \$2,200.00.

Fred Thomssen, of Alda, is president, Mrs. Bessie Carrahar, vice-pres-

ident, P. W. Carrahar, cashier, and the board of directors consist of the above named together with John Thomssen and F. T. Shaughnessy.

Heads Examiners

George Wilson, senior member of the Nebraska trade and commerce department's force of bank examiners, has been placed at the head of the examining department, a vacancy which occurred upon the resignation of Payson D. Marshall. Marshall has taken a position with the First Trust company of Lincoln.

Locates in Laurel

C. A. Abell, formerly of Elk Point, S. D., where for six years he was treasurer and register of deeds for Union county, has succeeded A. A. Soderstrom as cashier of the Security National bank of Laurel, Nebraska. Mr. Abell, also has several years experience in state and national banks.

Attend Meeting

The Albion, Nebraska, banking institutions were well represented at the annual convention of the Group Two bankers held at Columbus. D. V. Blatter and Alva Coulter attended from the Albion National; James

Nebraska News

Fox of the Citizens State was in attendance for the session and Carroll Krause was present for a short while in the afternoon; those attending from the First National were F. S. Thompson, F. M. Weitzel and Roy Day, while the Farmers State was represented by R. T. Flotree, H. B. Judd, and Raymond Whiting.

To Reopen

Necessary arrangements have been made for the opening of the Farmers Bank at Raeville, Nebraska. New Stock has been subscribed and real estate held by the bank has been disposed of and all things required by the banking board have been done and as soon as a few necessary preliminaries are disposed of the bank will be ready for business again.

Heads Group Three

H. L. Gerhart of Newman Grove was elected president of group three, Nebraska Bankers association, at the closing session. Mr. Gerhart is vice president of the First National bank at Newman Grove. Rollie W. Ley of Wayne was chosen vice president; Fred Muller of Norfolk, secretary, and A. G. Zuhlke of Bancroft, treasurer. Trustees are Ray Swanson of Neligh; Mark O'Shea, Madison, and W. E. Minier, Oakland.

More than 400 persons attended the banquet.

Reappointed

Reappointment of Clarence G. Bliss, Elm Creek banker and former state senator, as Nebraska trade and commerce secretary under the code, which Governor Weaver submitted to the legislature in joint session was unanimously confirmed by a vote of 121 to 0.

Mr. Bliss has been serving temporarily as a holdover official from the McMullen administration, pending reorganization of the state banking administration. His name was not sent to the legislature last January, when three other code secretaries were appointed and confirmed, because Governor Weaver at that time contemplated the creation of an advisory banking board, as proposed in one of his bills; but the measure failed to pass.

helpful...

OUTSTANDING among the institutions cooperating with Nebraska banks and through them with their customers, is the National Bank of Commerce, a helpful, friendly bank, anxious to extend its helpful service to you.

National Bank of Commerce

LINCOLN

OFFICERS

M. WEIL, President

CARL WEIL, Vice-President

BYRON DUNN, Cashier

Merged With First National of Lincoln

NEGOTIATIONS were completed recently whereby the Central National bank of Lincoln, Nebraska, was merged with the First National bank of the same city and a consolidation of business effected. The physical merger took place at the close of business May 17th. The Central National will be liquidated and its charter surrendered. L. K. Roberts, the representative of the comptroller of the currency in the Tenth federal reserve district, is supervising the details.

The First National purchased the entire capital stock of the Central National, \$20,000, paying \$200 a share therefore, a total of \$400,000. It has a book value of \$165. Shareholders of the Central will be largely paid in cash, but the majority of them will become stockholders of the First National to a total sum of \$50,000.

The same plan as was followed with the merger of the City National with the First was pursued in this case. The First National capital will be increased to \$850,000 and surplus to \$275,000. Its last published report, shows deposits of \$12,401,000, while those of the Central were \$2,996,000. Increases since then will bring the combined deposits to close to sixteen million dollars. The First has nearly eight millions in loans, \$2,310,000 in bonds and warrants and cash and sight exchange of nearly three millions, total resources being \$13,467,000. The Central nearly two millions

in loans, a million in cash and sight exchange and bonds and warrants of \$800,000, or total resources of \$3,650,000. It had capital, surplus and undivided profits of \$130,000.

Official of that bank will join the official force of the First National. L. C. Chapin, vice president of the Central National bank, will be an active vice president of the First National and E. E. Emmett and Floyd Pope, respectively cashier and assistant cashier of the Central National, will be elected to equally important positions in the First National. W. W. Hackney, former Central National bank president, will be with the First National temporarily until he makes more definite plans. The First National directorate will be increased to provide for representation of the former Central National stockholders. Reduced to a cash valuation the Central National stock figured at \$200 per share in the deal, making a total amount of \$400,000.

President of Group Two

Emil F. Wolfe, vice president of the Bank of Morse Bluff, was elected president of Group 2 of the Nebraska Bankers' association at the 31st annual convention. He was vice president of the organization the past year.

D. V. Blatter, president of the Albion National bank, was elected vice president, and Herman F. Meyer, cashier of the Farmers State bank at Scribner, was reelected secretary.

Fremont was chosen as the 1930

convention city in accordance with the custom of the group to hold its annual meeting in Fremont and Columbus.

FRED H. EYLER, formerly of the Omaha National Bank of Omaha, Neb., and afterwards vice president of director of the Drovers and Merchants bank of St. Joseph, has gone to the State Bank of Chicago, to become manager of the Chicago branch of the Omaha National company which is affiliated with the Omaha National bank. Mr. Eyer went to Chicago at the invitation of Walter W. Head, president of the State bank of Chicago, and chairman of the board of the Omaha National bank. Mr. Eyer was born in Omaha. He was in the loan department of the Omaha National bank from 1919 to 1920. He is now 31 years old.

T. LESLIE KIZER has been appointed the manager of the Omaha office of the Continental Illinois company. This is the investment company which was formed by merging the interests of the Continental National Bank and Trust company and the Illinois Merchants Trust company in Chicago forming an institution with 20 million dollars capital. Mr. Kizer has been connected with the Omaha office under James W. Connell, who has been transferred to New York. He will serve all of Nebraska and Council Bluffs, Ia.

GEORGE W. WOODS of Lincoln, Neb., who resigned not long ago as cashier of the Lincoln National bank, has been appointed by Governor Weaver of Nebraska, to the new post

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OF LINCOLN, NEBRASKA

of state bank commissioner, created by the last legislature. Mr. Woods is 50 years old. His salary is to be 5 thousand dollars a year. In making the appointment Governor Weaver said that he believed Mr. Woods exceptionally well qualified because of his business and his banking experience.

THE FIRST NATIONAL Bank of Minatare, Neb., in the North Platte valley, was opened May 16. It gives the community banking service lost with the closing of the state bank in February. The new bank has a capital

of 25 thousand dollars and a surplus of 5 thousand dollars. Frank Abegg of the First National bank of Alliance, Neb., is president. G. A. Etter is cashier. The directors and stockholders of the new bank are Alliance, Scottsbluff and Minatare business men.

ATTORNEY GENERAL SOR-ENSEN of Nebraska has moved for a final liquidation of the affairs of the Ralston state bank which has been operated by the guaranty fund commission. Mr. Sorensen filed a petition in the district court at Omaha for

liquidation of the bank, setting forth that liabilities of more than 200 thousand dollars could only be met if every available outstanding account were collected and full value realized on other property.

AT BLOOMFIELD, Neb., the State Bank of Bloomfield has been reorganized and reopened under the provision of a state law which provided that 85 per cent of stockholders can revive closed institutions. The reorganized bank has a capital of 25 thousand dollars and a new surplus of 10 thousand dollars.

Slow and doubtful assets, including \$56,933 of real estate and a total of 170 thousand dollars, have been removed. The old capital and surplus of 35 thousand dollars was charged off. Sales of the other assets to depositors yielded 135 thousand dollars.

The new board of directors of the bank comprises J. B. Gossard, president; F. S. Mueller, vice president; Stephen Morten, cashier; J. H. Mettlen, J. J. McCort, J. H. Gesler, W. D. Funk, Rudolph Wolpert.

Deposits in the reformed bank are 519 thousand dollars, with a cash reserve of 158 thousand dollars, 15 per cent in excess of the legal requirement.

Secretary Clarence G. Bliss of the state department of trade and commerce praised the "Community spirit" of Bloomfield which made it possible to restore the bank.

The bank did not go into the guaranty fund for liquidation. The depositors paid 135 thousand into the organization by charging that amount off their deposit credits, and the new stockholders restored the capital and surplus by paying into the bank, 35 thousand dollars. The depositors received 135 thousand dollars, face value, of the bad paper in the bank; from which they expect to realize 35 thousand dollars, leaving a probable final loss, of 100 thousand dollars, or nearly 15 per cent of the former 700 thousand dollars of deposits in the bank.

ASHTON C. SHALLENBERGER of Alma, Neb., former governor of the state and former congressman, has been appointed, by Governor Weaver, to conduct the investigation in the state banking department and guaranty fund commission, authorized by the last legislature which appropriated 150 thousand dollars for the work.

Mr. Shallenberger immediately opened an office in Lincoln, and began organizing for his task. His salary will be 600 dollars a month.

The Continental National Bank

LINCOLN, NEBRASKA

"A Bank for Bankers"

Our consistent growth and progress, contributed to largely by our correspondents throughout Nebraska, is indicative of the careful service and prompt attention rendered them.

We solicit the accounts of Banks and Bankers, offering every facility and service.

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EDWIN N. VAN HORNE, President
T. B. STRAIN, Vice-President
EDWARD A. BECKER, Cashier

W. S. BATTEY, Asst. Vice-Pres.
RAY C. JOHNSON, Asst. Vice-Pres.
WHEATON BATTEY, Asst. Cashier.

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

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*"An Unbroken Record of Seventy Years
is a Guarantee of Safe and
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R. P. MORSMAN, President

G. H. YATES, Vice-President

J. C. McCLURE, Vice-President

T. F. MURPHY, Vice-President

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

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

R. R. RAINEY, Cashier

H. E. ROGERS, Assistant Cashier

E. E. LANDSTROM, Assistant Cashier

A. L. VICKERY, Assistant Cashier

V. B. CALDWELL, Assistant Cashier

On the basis of the finding of Mr. Shallenberger, and on the result of the appeal to the supreme court of the state from District Judge Lincoln Frost's opinion that special assessments under the guaranty fund are unconstitutional, Governor Weaver expects to call a special session of the legislature to frame new banking laws for Nebraska.

Mr. Shallenberger was governor of the state when the bank guaranty law was placed upon the statute books 20 years ago. He is a democrat in politics, while Governor Weaver is a republican. Governor Weaver announced that the appointment was made entirely outside of politics, solely with the view of obtaining all the facts about the condition of state banking affairs and the reasons for the deficit in the guaranty fund.

Mr. Shallenberger will hold hearings in various communities where state banks have failed, and will supervise the audit of the books of the guaranty fund commission. His investigation is expected to require possibly a year.

WHEN A BANK IS insolvent is defined by a statute passed by the Nebraska legislature, House Roll No. 98. The classification, insolvent, is held to apply to a bank when any of the following conditions exist:

1. If actual cash value of the assets is not enough to pay the liabilities.

2. If the bank is unable to meet the demands of its creditors in the usual and customary manner.

3. If it shall fail to make good its reserve as required by law.

4. If the stockholders shall fail to make good any capital impairment after receiving due notice of such impairment from the state banking bureau.

REVIVING OF dormant saving accounts in the Union National bank of Fremont has been undertaken by Ross L. Hammond, the new president, with results that have already proved gratifying. An examination of the accounts of the savings department revealed that many of them had been inactive for years, with relatively small sums of money accumulating interest. Letters were sent to all the saving depositors. In the letter the customer was told the present balance in his savings account, and was invited to build it up by regular weekly or monthly deposits.

A number of depositors came into the bank to confess that the account was one they had entirely forgotten. In some instances accounts had been



Building on a Sound Basis

SATISFACTORY service is the basis of all permanent business relationships. It has been the privilege of this old progressive institution to act as the Chicago correspondent of a large number of out-of-town banks over a long period of years.

This bank's methods of handling the business of banks and bankers are adapted to modern needs and measure up to every requirement. Inquiries will receive the prompt attention of executive officers.

OSCAR H. HAUGAN
Chairman of the Board

LEROY A. GODDARD
Vice-Chairman

WALTER W. HEAD
President

WALTER J. COX
Executive Vice-President

State Bank of Chicago

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Central Western Banker, June, 1929



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MAIN FLOOR RIGHT

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 JAS. B. OWEN, Vice-Pres.
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 W. H. DRESSLER, Cashier
 L. K. MOORE, Asst. to Pres.
 H. C. MILLER, Asst. Cash.
 C. L. OWEN, Asst. Cash.
 HENRY A. HOVEY, Asst. Cash.
 T. G. BOGGS, Auditor

THE MANNER IN WHICH YOUR ACCOUNT IS HANDLED IS OF GREAT IMPORTANCE TO YOU.

The members of our office force take a personal interest in the duties assigned to them which results in the efficient and intelligent handling of all business entrusted to us.

Stock Yards National Bank of South Omaha

The Only Bank in the Union Stock Yards

started for children, and then allowed to become inactive. One young man told of his surprise and pleasure in learning that he had more than \$70 in a savings account, of whose existence he had entirely forgotten. His experience was made the text of a second letter to customers that pointed out the growth of money through interest.

Four laws of importance to banks and banking were passed by the Nebraska legislature, in the session that adjourned late in April.

Probably the most important of these was Governor Weaver's bill providing for an audit and investigation of the bank guaranty fund commission; providing for appointment of a chief examiner; and providing for an appropriation of 150 thousand dollars with which to conduct the investigation.

Another measure defined an insolvent bank, declaring an institution insolvent when cash value of assets is not enough to pay liabilities; when the bank is unable to meet the demands of creditors; when it fails to make good its reserve as required by law; when stockholders fail to make good any capital impairment after receiving due notice from the banking department.

Another measure, a constitutional amendment, provides that stockholders of banks shall become immediately liable upon the closing of banks for their proportionate liability and assessment.

A final measure requires state banks, to furnish security bonds for county funds deposited with them.

GWYER H. YATES, vice president of the United States National bank of Omaha, returned recently from a trip to New Orleans and Biloxi, Miss. He attended sessions of the American Bankers association.

TWO HUNDRED of the younger employes of the Omaha and Council Bluffs banks participated in the annual dinner dance of the Omaha chapter of the American Institute of Banking, at the Ad-Sell grill in Omaha recently.

William Bruitt of the United States National bank of Omaha, the president of the chapter, presided at the banquet, introducing Rabbi Frederick Cohn who talked on "The World in the Making."

The haughty are always the victims of their own rash conclusions.—
Le Sage.

News of the Omaha Stock Yards



To Visit Omaha

Wednesday, June 12, will be Omaha day for Douglas county 4-H club members and leaders, and no attempt will be made to make the tour of the city at the time the Club Week delegation visits Omaha on June 7.

This change in plans is necessitated on account of the increased club enrollment in Douglas county and the larger number of members which will be in attendance at Club Week.

The Douglas county bunch will visit some packing house in the morning be entertained by the Stock Yards company at noon luncheon. The afternoon will be spent up town visiting Omaha industries.

Meet at Lexington

A meeting has been called at Lexington, Neb., early this month, to aid in the campaign to increase the consumption of meat. Prominent stockmen and local business men are backing the movement, as no state in the union is more vitally interested in live stock consumption and meat production than Nebraska.

L. R. White, a leading stockman of Lexington was appointed a member of the Nebraska Meat Publicity committee at the Recent Feeders' Day meeting in Lincoln, and proposes to have his part of the state well informed and active in the campaign. He was in Omaha making arrangements to have Manager Pollock and other prominent speakers at the Lexington meeting.

Corn Yield Contest

Over 200 entries are expected in the Nebraska corn yield contest this year according to P. H. Stewart, extension specialist in agronomy. This will be the largest enrollment ever entered during the six years in which state-wide contests have been held.

The purpose of these contests is to determine the best practices which will result in the largest yields for a

given community. Profit per acre will also be considered. The state has been divided into eastern, central, and western regions in order that farmers living in different parts of the state may have equal opportunity.

The contests in the past have proved valuable in demonstrating the value of crop rotations and tillage practices which increase soil fertility and productivity. They have also demonstrated the use of labor saving machinery to increase profits.

Several farmers have raised more than 100 bushels of corn per acre at a cost very little higher than the average cost per acre. The contest has shown up the value of legumes as soil builders and proven that one acre of good corn returns as much net profit as 13 acres of average corn.

Heavier Feeding

Heavy cattle feeding operations are predicted for next fall and winter around Billings, Mont., by F. C. Pierce, head of the Billings Meat Co., who was in Omaha recently with cattle, and reported seeing plenty of snow in Wyoming on the way down.

"Our spring is about 30 days late," he admitted, "but the beet acreage is large and that means there will be plenty of pulp. It was the scarcity of pulp that cut down the number of cattle put on feed there last fall. With the exception of one string, the feed lots there are getting just about cleaned out."

E. M. Leflang Dies

E. M. Leflang, 78, rated as one of Omaha's wealthiest men, is dead from paralysis. Leflang came to Nebraska following the Chicago fire and settled at Lexington, where he raised cattle and sheep. His live stock holdings extended to adjoining western states and soon he became known as one of the country's biggest stock feeders.

He became connected with flour mills, banks, elevators and indepen-

dent telephone companies in western Nebraska. Selling out most of his Lexington holdings in 1908, he determined to retire from active business.

Truck Shipments

In order to facilitate the handling of stock shipped by truck and to eliminate delay and chance for errors, the board of directors of the Omaha Live Stock Exchange at a meeting recently passed a resolution recommending that where stock belonging to several owners is shipped in one truck, it should all be handled by one commission firm.

While only one waybill should be made out for the Union Stock Yards company, a separate ticket covering each owner should be made out for the commission firm just as has been done in the past. A description of the stock, with identification marks, should be shown on this ticket. In case of different owners' stock which is partitioned off in the truck, the different lots partitioned off may be consigned to different commission firms.

Good in Colorado

"Crop conditions are the best they have been in many years in our section of the country," said Jacob Asmus, prominent feeder of Ft. Morgan, Colo., who was on the Omaha market recently with a load of steers that averaged a little over 1,000 pounds and sold at \$13.90.

"We have had an abundance of moisture this spring and the ground is in excellent shape for crops of all kinds, as far as stock is concerned I would say there is about the normal amount on feed in our locality for this time of the year. This is true of both cattle and hogs.

Ardent Suitor—I'll give you a dime if you'll bring me a lock of your sister's hair.

Little Brother—Gimme a buck an' I'll bring you de whole wig.

Feeding History

The condition of this season's cattle market substantiates the conclusions drawn from experimental work done in connection with fattening beef steers of varying ages at the Nebraska Experiment station, according to a recent interview with Prof. H. J. Gramlich under whose direction the tests were conducted.

Men who purchased heavy feeding steers last fall have had to sell them on an unsatisfactory market. They have fed under adverse weather conditions and in addition paid an abnormally high price for their corn,

especially in view of the fact that there was a heavy corn crop in 1928. The result has been a heavy loss for the feeder of such cattle.

On the other hand, the feeder who had the "nerve" to buy light cattle last fall can hold them, continue to get satisfactory gains and probably sell on a more favorable market which Professor Gramlich feels will materialize as soon as the present marketward rush is over.

The results of the work done with steers of varying ages are now published in Experiment Station Bulletin 229 which is available for distribution. The conclusions from the tests

are verified in the present cattle market situation.

In these tests, the younger cattle made consistently larger and more profitable gains over a long period of feeding than did the older cattle. In fact, the older cattle failed to make satisfactory gains after a 75 to 100-day feeding period. The saddest condition was the unimpaired appetites of the older steers.

In contrast, the younger cattle made profitable gains over 200 to 250 day feeding periods. The most significant conclusions with reference to the present situation, is the fact that the feeder of heavy cattle must market his cattle when they are ready to go, regardless of the market conditions. The man who feeds younger cattle can hold them for a longer period, if necessary, to secure a favorable market, and yet get satisfactory returns from his feed.

A further advantage that the feeder of young cattle enjoys is that of a greater demand for his product. The cuts from the heavy cattle must be absorbed by a restricted class of trade such as large hotels and restaurants of the east while the cuts from the smaller animals are in demand by the majority of housewives.

In speaking of cattle feeding in general, Prof. Gramlich says that the feeders of heavy cattle must buy his feeder cattle at an appreciably lower price per hundred pounds in order to realize a profit on the finished product. On the other hand, the feeder of lighter cattle can operate on a smaller margin between the price of his feeders and the finished beef. He estimates that the heavy cattle must bring at least \$1.00 per hundred more as finished beef than the lighter cattle to realize satisfactory returns.

Seed Potatoes

Nebraska certified seed potatoes have again proved themselves to be among the most healthy seed lots for the southern potato grower to plant. Prof. H. O. Werner, Nebraska experiment station horticulturist, recently inspected potatoes at Hastings, Florida, grown from western Nebraska seed and found that they were almost entirely free from disease.

Nebraska seed potatoes have gained a reputation for themselves among southern potato raisers who buy large quantities of seed from western Nebraska growers each year. While seed potatoes from other sources are being introduced into the southern region the demand for the Nebraska grown product maintains a satisfac-



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tory lead. The freedom from disease which the Nebraska potatoes show is one of the reasons for the ready market in the southern states where ordinary potatoes display a greater percentage of disease.

Growers of healthy seed potatoes dig their "spuds" in the fall, ship them thruout late fall and early winter to southern farmers who plant them almost immediately. Early in the spring the potatoes are ready for market.

In spite of the low market price for ordinary potatoes last year there will be about normal planting by growers of certified seed in western Nebraska according to Professor Werner. Growers of certified seed potatoes have received from 75 cents to a dollar and a half more per hundred for their product than growers of table stock during the low price period.

Each year some of the certified seed potatoes grown by members of the Nebraska Potato Growers Co-operative are planted on trial in the southern states. This test is carried out in order to determine just how free from disease the certified seed really is. During the four days that Professor Werner took readings on the test at Hastings, Florida, he found some lots practically free and

others only slightly affected with disease.

Freight Rates Reduced

Doubt that proposed rate cuts on wheat from western shipping points to the eastern seaboard and the gulf would aid in keeping up grain prices was expressed by traders in Omaha.

Western trunk railroads recently announced freight reductions ranging from 4 to 20 cents from western points to Chicago, St. Louis, New Orleans and lower lake ports, following the lead of eastern roads.

The combined reductions announced by the two systems will result in cuts of from 7½ cents to 11½ cents per 100 pounds. It was pointed out in the announcement of the reductions, which are subject to approval by the Interstate Commerce commission, that the measures are of an emergency nature and must not be regarded as setting a precedent.

The reductions are made in connection with administration efforts to bring about farm relief.

Those familiar with the grain market pointed out that the reductions will permit perhaps a greater movement of wheat to the seaboard for export, but the question was raised as to where the wheat will be sent.

Faster Service

Monthly figures on livestock slaughtered under Federal inspection will be available at an earlier date hereafter, it was announced by the United States Department of Agriculture.

Through close cooperation between the Bureau of Agriculture Economics and the Bureau of Animal Industry, a new system was recently put into effect which made possible the release of the April figures on May 7—two weeks earlier than was possible under the old method. Hereafter the department expects to have the data available not later than the 8th day following the month for which they were compiled.

Federal meat inspection is conducted at approximately 850 establishments in more than 250 cities and towns, the department says, hence the collection and summarizing of the complete data require highly organized clerical work and prompt dispatch on the part of field stations. Figures from some of the stations are transmitted to Washington, D. C., by radio.

Elected President

Roy W. Motes of Axtell, was elected president of the Marshall, Kansas, County Bankers' Association recently. W. J. Burr of Blue Rapids was president last year.



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W. S. HOGUE, Asst. Cashier

South Dakota News

1930 Group Officers

The following are the names of newly elected officers for the several groups of the South Dakota Bankers Association for 1930, and also the members of the executive committee of the different groups:

GROUP I

1930 meeting at Vermillion: President, T. N. Hayter, Vermillion; vice president, Geo. K. Brosius, Vermillion; secretary-treasurer, Maurice Chaney, Vermillion.

Executive committee: Bon Homme County, R. W. Griffith, Avon; Charles Mix County, H. F. Warner, Geddes; Douglas County, E. E. Dubes, Armour; Clay County, M. J. Chaney, Vermillion; Hutchinson County, J. W. Ullmer, Menno; Turner County, F. E. Jackson, Hurley; Union County, Lawrence Authier, Elk Point; Yankton County, J. M. Lloyd, Yankton.

GROUP II

1930 meeting at Canton: President, E. A. Weiseth, Colman; vice president, C. T. Hegnes, Baltic; secretary-treasurer, G. J. Moen, Canton; executive council member, J. R. Coonrod, Flandreau.

Executive committee: Lake County, C. A. Stensland, Madison; Lincoln County, Louis Jacobs, Lennox; Miner County, B. R. Laird, Fedora; Minnehaha County, Otto Meyhaus, Sioux Falls; McCook County, Wm. Hoese,

Spencer; Moody County, W. G. Cowles, Flandreau; Turner County, Earl Hansen, Parker.

GROUP III

1930 meeting at Mitchell: President, E. W. Radeke, Alexandria; vice president, A. F. Smith, Mitchell; secretary-treasurer, E. A. Loomer, Mitchell; executive council member, L. M. Larsen, Wessington Springs.

Executive committee: Aurora, J. P. Gilbertz, White Lake; Brule, W. B. Martin, Pukwana; Davison, C. L. Breckenridge, Ethan; Hanson, C. T. Coyne, Emery; Hutchinson, William C. Rempfer, Parkston; Ierauld, H. F. Jensen, Wessington Springs; Jones, George Haynes, Draper; Lyborn, O. E. Adams, Artesian.

GROUP IV

1930 meeting at Watertown: President, J. A. McGillivray, Clark; vice president, A. R. Johnson, Brookings; secretary-treasurer, R. D. Goepfert, Watertown.

Executive committee: Grant, P. C. Lien, Revillo; Deuel, Elmer Peterson, Brandt; Hamlin, L. A. Jacobson, Brayant; Clark, L. J. Warkenthien, Willow Lakes; Codington, H. D. Rice, Watertown; Brookings, C. E. Lee, Volga.

GROUP V

1930 meeting at Huron: President, M. R. Brown, Onida; vice president, Russell Baird, Miller; secretary-treas-

urer, Geo. M. Townsend, Huron; executive council member, Geo. C. Fulinweider, Huron.

Executive committee: Beadle, L. O. Anderson, Hitchcock; Faulk, J. P. Shirk, Faulkton; Hand, C. W. Gardner, Ree Heights; Hyde, R. J. Drew, Highmore; Potter, R. Richardson, Gettysburg; Spink, M. J. Twiss, Doland; Sully, Arthur Owens, Onida; Kingsbury, T. H. Meyer, DeSmet; Hughes, L. L. Branch, Pierre.

GROUP VI

1930 meeting at Webster: President, H. E. Knox, Groton; vice president, F. R. Harding, Langford; secretary-treasurer, J. Schad, Roslyn.

Executive committee: Brown, C. L. Seeman, Warner; Marshall, W. L. Johnson, Kidder; Day, A. E. Lundeen, Bristol; Grant, L. N. Saunders, Milbank (Saunders); Roberts, H. A. Fenner, Corona.

GROUP VII

1930 meeting at Mobridge: President, Wilson Eyer, Lemmon; vice president, C. W. Christen, Roscoe; secretary-treasurer, H. A. Swenson, Mobridge.

Executive committee: Edmunds, C. W. Christen, Roscoe; McPherson, Phil Schamber, Eureka; Campbell, N. S. Schirber; Corson, R. H. Jackson, McIntosh; Perkins, R. A. H. Brandt, Bison; Dewey, Oscar Olson, Timber Lake; Ziebach, H. R. Hammedal, Dupree; Harding, H. W. Clarkson, Buffalo; Walworth, C. A. Potter, Selby.

GROUP VIII

1930 Meeting place to be selected by officers: President, Walter Dickey, Spearfish; vice president, C. O. Gorder, Deadwood; secretary-treasurer, B. E. Colby, St. Onge.

Executive committee: Butte, T. C. Gay, Belle Fourche; Custer, A. J. Wigness, Custer; Fall River, T. B. Quigley, Edgemont; Haakon, H. B. Lovald, Midland; Jackson, L. A. Pier, Belvidere; Meade, R. W. Douglas, Marcus; Lawrence, Guy Bailey, Whitewood; Pennington, Mrs. Erma M. Kluthe, Farmingdale.

GROUP IX

1930 meeting at Gregory: President, H. E. McKee, Gregory; vice president, W. H. Rahn, Whitten; secretary-treasurer, G. R. Burkholder, Gregory.

Executive committee: Mellette, O. A. Hodson, Norris; Gregory, L. S. Lillibridge, Burke; Tripp, J. E. Berens.

Changes Name

Effective recently, the Minnehaha National bank, organized in Sioux Falls, South Dakota, in 1885, changed

UNITED—BETTER TO SERVE THE NEEDS OF
THE GREAT MIDDLE WEST



**FIRST NATIONAL
BANK OF CHICAGO**

Affiliated

**FIRST TRUST AND
SAVINGS BANK**

RESOURCES EXCEED \$600,000,000.00

its name to "The First National Bank and Trust Company in Sioux Falls," it was announced by the directors of the bank, who gave their permission for the change in name after receiving authority from the comptroller of currency. One reason for the change, it has been explained, was that the name "Minnehaha" was apt to be confused with the Minnehaha building, at Ninth street and Phillips avenue.

The only changes are in name and location, for the bank plans to move into its new quarters in the remodeled Smith block shortly after the change in name takes place, and the new, white stone building will be known as the First National Bank building. The stationery and printing of the bank will continue to bear the words "formerly Minnehaha."

The formal opening of the new home of the bank was held early in May.

Promote Calf Club

The Tri-County Bankers association which met in Woonsocket, South Dakota, recently, was attended by several representing the Jerauld County bank. L. M. Larsen was elected vice-president of the association.

J. W. Howe of the department of agriculture met with the association in the interests of the dairy industry. Through boys clubs to be formed it is hoped to foster the greater interest in dairying and better the dairy cattle of the different counties. Calf clubs will be organized in the counties of Sanborn, Jerauld and Buffalo which compose the association.

A carload, consisting of about fifty high grade Holstein calves is to be purchased, each bank being responsible for ten, and ten reliable boys are to become members of the club in their respective districts. Complete arrangements have not yet been made but an expert will go to Wisconsin to select the calves and the plan in detail will soon be announced. The Bank of Gann Valley, Jerauld County bank, Bank of Alpena, First National bank of Letcher and Sanborn County bank of Woonsocket were represented at the meeting of the association.

Joins Corporation

The Security National bank of Sioux Falls, the largest bank in South Dakota, has joined the Northwest Bank corporation of Minneapolis.

The local bank becomes the 12th member outside of Minneapolis of the corporation, which has combined resources announced as \$168,000,000.

The deal was completed by exchanging stock. Officials announced

that the personnel and operation of the Security National bank would not be changed.

The Difference

Rastus: "I tells you, Sambo, I done

found out de difference between men and de women at las'."

Sambo: "What—what is it?"

Rastus: "Wall, a man'll gib two dollars for a one dollar thing dat he wants, an' a woman'll gib one dollar fer a two dollar thing she don't want."

SECURITY-FIRST NATIONAL BANK OF LOS ANGELES

Capital, Surplus and Undivided Profits \$50,000,000

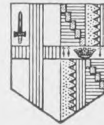
FORMED by consolidation of Security Trust & Savings Bank and Los Angeles-First National Trust and Savings Bank, combining two of the oldest and largest banks of Southern California.



HENRY M. ROBINSON
Chairman of the Board

The Security-First National is fully equipped to do every kind of banking business, and has branches extending from Fresno and San Luis Obispo to the Imperial Valley.

J. F. SARTORI
President and Chairman of
the Executive Committee



A Complete Banking Service

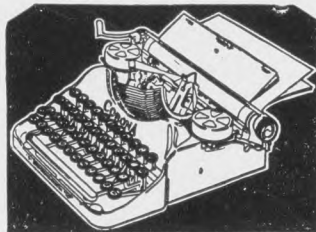
The Midland Bank offers exceptional facilities for transacting banking business of every description. Together with its affiliations it operates over 2450 branches in Great Britain and Northern Ireland and, in addition to offices in the Atlantic Liners *Aquitania*, *Berengaria* and *Mauretania*, has agents and correspondents in all parts of the world. The offices of the Bank in Poultry, London, E.C. 2 and at 196 Piccadilly, London, W. 1 are specially equipped for the use and convenience of visitors in London.

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Kansas News

Mergers

Three bank mergers were completed by the Kansas banking department recently.

The Farmers State Bank of Brewster was merged with the Brewster State Bank. The Yates Center State Bank was merged with the State Exchange Bank of Yates Center, and the West Side Union State Bank was merged with the Exchange State Bank of Parsons.

Pioneer Dies

Robert A. Marks, pioneer banker of Oberlin, Kas., died recently. He settled in Oberlin in 1879, and was the city's first banker.

County Bankers Elect

New officers of the Cherokee County, Kansas, Bankers' Association, were elected at a recent meeting. Dio D. Dailey, Assistant Cashier, Scammon State Bank, Scammon, was elected president, Thos. O. Moeller, Assistant Cashier, Galena National Bank, Galena, was elected Vice-president

for the ensuing year, and Wm. Hamlet, Cashier, Farmers & Merchants Bank, Crestline, was elected permanent secretary.

Meet in Whiting

Jackson County Bankers' Association met at Whiting, Kas., recently for its regular quarterly meeting.

W. A. Coleman reported on the Manhattan Banker-Farmer meeting. Prof. Frank Blecher gave an address on the Banker-Farmer movement. There was a discussion on tax equalization and a proposed schedule of uniform service charges was brought up and discussed.

Chapter Elects

Wichita, Kansas, A.I.B. chapter elected the following officers recently: J. M. Lawson of the Fourth National Bank, president; Ed Rosser of the Wheeler, Kelly, Hagny Trust Company, vice-president; J. P. Whitaker of the Federal Land Bank, treasurer, and Hope Young, of the First National Bank, secretary.

Merge in Parsons

A merger at Parsons, Kansas, was effected recently with the West Side Union State Bank and the Exchange State Bank the principal figures. The merged institution will be conducted under the name of the Exchange State. L. E. Goodrich, who has been actively at the head of the West Side bank is president of the new bank. Howard Read, formerly cashier of the West Side is cashier of the Exchange. J. S. Vance, who has been vice-president of the Exchange, remains in that capacity. H. W. Koenek, vice-president of the Exchange, was forced to retire on assuming the position of state banking commissioner May 1.

Celebrate Anniversary

The 25th anniversary of the organization of the Farmers State Bank of Lenexa, Kas., was celebrated recently when a banquet was tendered the stockholders and their families.

E. H. Haskin, the first president of the bank, and its cashier for the past 23 years was toastmaster and the meeting was addressed by E. J. McCreary, now assistant vice-president of the Fidelity National Bank and Trust Company, Kansas City, who organized the bank twenty-five years ago.

The Chase National Bank

of the City of New York
Pine Street corner of Nassau

Capital \$ 61,000,000.00
Surplus and Profits 79,937,918.04
Deposits (March 27, 1929) 1,048,009,157.21

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John McHugh
Chairman of the Executive Committee

Robert L. Clarkson
President

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Reeve Schley	Harry H. Pond	Joseph C. Rovensky
Henry Ollesheimer	Samuel S. Campbell	Ruel W. Poor
James T. Lee	William E. Lake	Edwin A. Lee
Sherrill Smith	Charles A. Sackett	Leon H. Johnston
Alfred C. Andrews	Hugh N. Kirkland	Wm. H. Moorhead
Robert I. Barr	James H. Gannon	Horace F. Poor
George E. Warren	William E. Purdy	Edward E. Watts

Vice-President and Cashier
William P. Holly

Second Vice-Presidents

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Alfred W. Hudson	Otis Everrett	Thomas B. Nichols
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EXECUTIVE OFFICES ~ OMAHA

Colorado News

Investment Consolidation

Consolidation of Boettcher, Newton & Co. and Boettcher & Co., two of Denver's leading financial firms of its kind in the West, was announced recently.

The consolidation will bring together two firms, specializing in different branches of the security business and with combined operations running into millions of dollars annually.

Boettcher & Co., one of Denver's oldest investment houses, has dealt largely in the underwriting and distribution of new security offerings and has participated in many of the largest financing projects of the Rocky Mountain region.

Meet in Boulder

Boulder, Colorado, was host to approximately 200 bankers on June 1, when Group No. 1 of the Colorado Bankers association, comprising the northern section of the state held their annual convention.

J. Perry Reynolds, cashier of the Mercantile Bank and Trust company is president of the group and Harrison Gilson, assistant cashier of the First National bank, is secretary.

Elected President

At a meeting of the board of directors of the Olathe State bank of Olathe, Colorado, for the purpose of electing a president to succeed the late T. B. Townsend, who died Feb. 13, 1929. T. B. Townsend, Jr., former vice president, was elected president. N. B. Callaway was elected to the board of directors to fill the vacancy caused by the death of Mr. Townsend.

The present officers are: T. B. Townsend, Jr., president; C. B. Akard, vice president; N. J. Darrow, cashier; A. T. Hawkyard and N. B. Callaway, directors.

Signs Bank Bill

Governor Adams of Colorado recently signed Senate Bill No. 199,

passed by the recent legislature. The bill makes examination fees charged industrial banks by the state bank commissioner the same as those charged other kinds of state banks.

Heads Denver A. I. B.

Walter C. Brinker, Jr., who was elected president of the Denver chapter of the American Institute of Banking, recently represented the chapter in an elimination public speaking contest on the subject, "The Best Investment," held at Salt Lake City, Utah.

Other officers of the Denver chapter of the institute are: R. C. Perkins, Denver National bank, vice president; J. E. Renstrom, First National bank, secretary; L. E. McKenzie, First National bank, financial secretary; Clare T. Roeder, Federal Reserve bank, treasurer, and Herman F. Feucht and Martin W. Hector, members of the board of governors.

To Liquidate

Directors of the First National bank of Ault, Colorado, have made arrangements for the voluntary liquidation of the bank with the cooperation

The Banker's Confidential Market

JAA—Only bank in southwestern Missouri town about 500 population. Gas, electricity, city water, good schools, three Protestant churches. Salary \$2,160.00, very good "side lines," attractive earnings on stock. Requires \$11,500.00 investment.

WHB—Cashiership only bank good eastern Kansas town 600 population. Good territory, splendid ratio of deposits to capital and good earning power. President and cashier both active, go "fifty-fifty" on responsibilities and income. Side lines especially well developed. Cashier's income from salary and side lines last year \$4,100.00. This year promises to be as good or better. Good bankers can secure this position through purchase of 37 shares at \$200.00 per share.

HBD—Splendid opening for two men, northern Oklahoma city of over two thousand population, not overbanked. Good salary and earning power. Stock reasonably priced. Requires \$35,500.00.

EBE—Control carrying presidency of only bank in good southwestern Iowa town of around 600 people offered for about \$20,000.00. Bank shows good earning power. Salary and side line earnings about \$2,800.00 per year.

BMB—Cashiership of small bank, attractively located in suburb of good, small city, having all modern conveniences. Salary \$200.00. Requires investment of \$4,500.00.

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 indus-

trial 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."

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 Missouri 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."

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.

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.

For Further Data On These Or Other Offerings, Address

BANKERS BROKERAGE COMPANY

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

919 Baltimore Avenue

Kansas City, Missouri

of the Farmers National bank of Ault.

All depositors of the First National of Ault are fully protected in the agreement. Deposits of the First National of Ault will be payable at the Farmers National. Directors of the First National are commending the Farmers National to their patrons so it is probable that most of the deposits of the First National will remain as deposits of the Farmers National.

Clearings Gain

Bank clearings in Pueblo, Colorado, recently, gained more than \$555,000 over the figures for the corresponding week in 1928, according to figures compiled by R. G. Dun Co., national finance reporters. The total clearings were \$1,962,322.59, and for the same period last year the total was \$1,410,-/11.91.

Celebrates

The First Industrial Bank of Denver recently celebrated its 16th Anniversary. The institution was opened in Denver on May 14, 1913, under the name of the Economic Loan and Investment Co. It was the 11th Morris Plan bank in the United States and the first west of St. Louis.

Since its organization, the bank has made approximately 57,000 loans, in the amount of \$10,819,343.

Of the original board of directors E. S. Kassler, Sr., H. T. Lamey, W. H. Kistler and Frank L. Woodward are still serving. Other directors are C. A. Bowman, C. A. Kendrick, A. E.

Liverman, W. R. McFarland, H. M. Stoll, Dr. George P. Shumacker, E. S. Kassler, Jr., and Carl W. Sorenson.

County Bankers Meet

At the meeting of the Delta County Bankers' association, held in Hotchkiss, Colorado, M. H. Crissman gave an interpretation of one of Chic Sales' humorous sketches which delighted the audience.

Senator J. E. Hillman and Representative H. B. Fetzz gave interesting reviews of the session of the legislature just closed.

The association elected officers, Charles Myers of the First National Bank of Hotchkiss being chosen president; Floyd Hammond, Fruit Exchange State Bank, Paonia, vice president; H. H. Addams, North Fork State Bank, Hotchkiss, secretary, and Charles Parker, Colorado Bank and Trust company, Delta, treasurer. The old executive board, including M. H. Crissman and Walt Thomas, holds over.

Changes Departments

Increasing business has necessitated certain department changes at the American National Bank, of Denver, according to Frank Kirchof, president.

The trust department has been moved to the balcony, insuring more privacy. Statements will now be given at Window No. 1, and the loan department has been moved to Window No. 22.

These changes have been made in

line with the policy of the American National Bank to do everything in their power for the better accommodations of the patrons.

To Erect Building

The International Trust Co. of Denver recently announced plans for immediate construction of a two-story building, adjoining its present banking quarters, to care for growing needs of its investment and securities department.

The new building will front on 17th street and will extend from the bank's main building, on the corner of 17th and California streets, to the alley between California and Welton streets. It will take the place of an older building on the same site, part of which is now being utilized by the bond department.

The new structure will harmonize in architectural style with the main bank building and will be equipped with modern facilities for customers and employes. Cost of the project, it is understood, will be approximately \$200,000.

BERT C. RANZ has been elected president of the Farmers and Merchants bank of Benson, Neb., succeeding Dr. J. M. F. Heumann. Mr. Ranz will be the active directing head of the bank. He takes the place on the board of directors of P. W. Murphy, vice president, who resigned. H. G. Hoermer was elected vice president of the bank and Arthur O. Nelson, cashier.

AUSTRALIA BANK OF NEW SOUTH WALES

ESTABLISHED 1817

(With which is amalgamated THE WESTERN AUSTRALIAN BANK



PAID-UP CAPITAL.....	\$ 37,500,000
RESERVE FUND.....	29,500,000
RESERVE LIABILITY OF PROPRIETORS.....	37,500,000
	\$104,500,000



Aggregate Assets 30th September, 1928, \$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. 2

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