We Are Always Glad to See You

Our correspondent banks and their customers are always welcome at the First National Bank of Omaha. We like to have you visit us and discuss your problems. Your problems are our problems and we enjoy helping you.

BOND DEPARTMENT FOR OUR CORRESPONDENTS

Included in the complete banking service which we offer our correspondents is our large bond department of the First Trust Company. We shall be pleased to give you any investment service you desire.
J. R. KRAUS, vice-president and executive manager of the Union Trust Company, Cleveland, has been elected president of the Reserve City Bankers. The annual convention of the Association was held in Detroit early in June. Membership is made up of executive officers of 75 reserve cities throughout the United States. The next annual meeting will be held in May, 1930, in Memphis, Tennessee.

THE EXECUTIVE Council of the South Dakota Bankers Association has selected June 11, 12, and 13 as the convention dates for the Association for 1930. The convention is to be held in Aberdeen.

THE EQUITABLE TRUST Company of New York announces the formation of a department devoted exclusively to the study and analysis of the general assets making up personal estates for the purpose of presenting unified plans of protection and efficient management. This department will be a proving ground for needed trust and insurance service.

MORE than 50,000 families in Greater New York were helped over financial emergencies during the past twelve months through the personal loan service inaugurated by the National City Bank of New York. Loans during the first year totalled more than $16,500,000, an average of about $320 per borrower.

WORKINGS of the Federal Reserve board are described in non-technical language in a booklet recently prepared by the National Shamut Bank of Boston. Factors controlling Federal Reserve policies, the importance of the board in the control of credit, and the effects of its operations on national industry and finance, are discussed in terms easily understood by the layman. A limited printing of the booklet is available.

RUFUS D. LEE & COMPANY, well-known Omaha investment house, have announced the removal of their offices to 1116-1122 City National Bank Building. Their offices formerly occupied space on the second floor of this same building.

Dale Graham, assistant vice-president of the National Park Bank, New York City, has been appointed a director of the Financial Advertisers Association. Mr. Graham has been active in financial advertising circles for several years, having formerly been advertising manager of the Mississippi Valley Trust Company of St. Louis.

THE BOARD of Directors of the Chase National Bank, New York, has declared a quarterly dividend of 33/4 on the capital stock of the bank, and the board of the Chase Securities Corporation has declared a dividend of $1.00 on its capital stock.

THE FIFTH Mid-Continent Trust Conference will be held in Detroit, Michigan, November 7 and 8 under the auspices of the Trust Company and National Bank Divisions of the American Bankers Association. Robert O. Lord, president of the Guardian Trust Company of Detroit, will serve as general chairman of the conference.

DIRECTORS of the Central Trust Company of Illinois recently approved plans for adding $5,250,000 to the capital structure of the bank and its affiliated investment organization, the Central Securities Company, in which each bank stockholder has a beneficial interest.

ALBERT H. WIGGIN, chairman of the board of the Chase National Bank of the City of New York, and Charles S. McCain, president of the National Park Bank of New York, have announced that the boards of directors of the two institutions have voted to recommend to their respective stockholders a merger of the two banks.

Formal notice outlining the plans in detail will be sent to stockholders about July 10, calling a special meeting for August 12.

A MEETING of the stockholders of the Seaboard National Bank was held recently author-
TEN YEARS ago I was the cashier of a flourishing bank in a small city or large town (depending on the point of view) in one of the eastern cities, and if I was not a loud success as a banker, at least I made no outstanding blunders.

I decided, however, to study law, was admitted to the bar and have practiced for the last seven years in the same "town" which is now a city, judged by any standard, and no mean one, either.

If I have made no appreciable dent in the legal horizon, I have at least earned a fair living; the law's a mighty interesting study; I enjoy my work—and what more could I ask?

At the same time, I have never lost my interest in the banking business. The bank man who applies to me for advice, no matter how small a fee he can pay, and even if he can pay none at all (and that is the limit of legal generosity), is sure of a sympathetic reception and the very best assistance that I am capable of rendering; as I read the current law reports I first turn to the "B" index, and look to the cases on banking law as the sort of interesting point of departure.

In my rare and appreciated moments of leisure I often think of incidents and complications that arose in my banking days, review my mistakes, and am surprised at the number of pitfalls that I could have avoided if I had known even as much banking law as I carry in my head today. Recently it occurred to me that some of these incidents, written up as properly as my limited literary capacity will admit, coupled with the legal knowledge I now possess, might be of some interest and assistance to the bank man who is interested in something more than his salary, and who despises neither efficiency nor the day of small change.

The Georgia Bond

Three months after I was "elevated" to the position of cashier, a customer by the name and handle of John M. White, strolled in one rare morning in June, and "boned" me for a loan of $1,000.

"What security can you offer?" I demanded.

"Here's a bond issued by the town of Carson in the state of Georgia, that I'll put up for collateral security," White told me.

I examined the bond. It was in the usual negotiable form, signed by the proper officers of the town, the town seal was duly affixed, and it set forth therein that all the legal requirements necessary to the proper issue of the bond had been properly complied with.

"The first yearly coupon for $60 interest hasn't been clipped, so I figure it ought to be good security for $1,000," White suggested.

I accepted the bond, put $1,000 to White's credit, when the $60 coupon fell due I forwarded it to a bank in Carson for collection, and the town refused to pay.

"The town claims that this entire issue of bonds is invalid, on the ground that the 'validation' proceedings were held outside the county in which the town of Carson is located, that two thirds of the qualified voters of the town did not vote in favor of the bonds, and other irregularities too numerous to mention, and on those grounds they refuse to pay your coupon or recognize the bond in any way," the Georgia bank wrote me.

"Tell them that the bond we hold says on its face, over the signature and seal of the town, that all these requirements were fulfilled," I wrote back, but the town stood exceedingly "pat," and, as White was then on the verge and frontier of bankruptcy, I was a rather worried cashier.

Said Nothing to Directors

I said nothing to the board of directors, and I thought it wise to meet trouble when it came—not to stir it up, and two weeks later my brief and annual vacation came on.

I had decided to spend it in the south, anyway. Before I came back I spent $50 of my own money in making a side trip to Carson, paid a lawyer there $25 for legal assistance, persuaded the town to pay the coupon and recognize the bond—returning home at the end of my brief holiday relieved in mind and pocket.

Now, if I had known, I wouldn't have spent a cent of my own money, nor lost a wink of sleep. I would have sued the town of Carson in the Georgia Courts and forced them to pay by legal process—and not by moral suasion.

In the case of Climax vs. Burnside, 104 S. E. 435, the town of Climax issued bonds in the following form:

"The town of Climax in the state of Georgia and county of Decatur hereby acknowledges itself to owe and for value received hereby promises to pay bearer, or if registered, to the registered holder thereof, one thousand dollars ($1,000.00), on the first day of November, 1933, with interest thereon from the date hereof, at the rate of six (6) per cent per annum, payable semi-annually on the first day of May and November in each year, upon presentation and surrender of the annexed interest coupon as they severally become due, or in case of registration, to the registered holder of the bond.

"This bond is one of a series of like tenor, aggregating the sum of five thousand dollars ($5,000.00), issued for the purpose of establishing a system of electric lights in said town, under authority of the Code of the state of Georgia, of the charter of said town, and of an election duly called and held in said town on the 12th day of November whereat more than two thirds (2/3) of the qualified voters of said town, ascertained and determined according to law, voted in favor thereof.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the issuing of this bond have been done, happened, and been performed in regular and due form, as required by law; that a direct annual tax has been levied sufficient to provide funds for the payment of the principal and interest of this bond at maturity; and that the total indebtedness of said town, including this bond at maturity; does not exceed the statutory or constitutional limitations.

"In witness whereof, the town of Climax has caused this bond to be sealed with its seal and signed in its name by its mayor, and countersigned by its clerk, and the attached coupons (Continued on Page 11).
How South Dakota Banks Are Keeping Step

By R. E. Driscoll

Retiring President, South Dakota Bankers Association

(From Rapid City Address)

SOUTH DAKOTA is primarily an agricultural state and the Association claims to be playing its part in promoting agriculture. Our Agricultural Committee this year has taken a keen and active interest in trying to be of some real and concrete assistance to the South Dakota farmer. One of the outstanding tasks has been that of promoting interest among bankers in the outstanding tasks has been that of bringing into the state a fine grade of keen and active interest in trying to be constructively concerned in promoting agriculture. Our Agricultural Committee this year has taken a large part in the work of our Department of Agriculture and in Congress against any attempts to make the banks targets for adverse tax legislation, but in this report I would like to charge the next administration of the South Dakota Bankers Association with the duty of additional work on our tax matters. The state taxing officials are still looking to us for assistance. Do we intend to cooperate in writing our own tax laws into the statutes of the State of South Dakota, or are we willing to remain entirely quiescent and have them written by our adversaries? We have clean hands now and admit that our tax problems are as perplexing to us as to our tax officials, but will our hands remain clean unless we strive to be of greatest assistance in trying to solve the problem? Gentlemen, I submit to you the proposition that the tax situation is a long way from being a one-sided question. There are many banks in the state who are paying sufficient taxes. There are other banks who are not carrying their share, due to economic conditions and our tax laws. Your Legislative Committee and your Taxation Committee this year devoted their time untringly to their duties. They did their work remarkably well and in the last two sessions of the Legislature out of a score or more of bills introduced which we believe adverse to public welfare, not one single bill became a law!

R. E. Driscoll

A Changed Attitude

Some six or eight years ago, the dignity of the banking profession became eclipsed due to a series of bank failures with all which that implies. The banker in many communities became almost an object of derision. How often of you had the feeling that I have had, for instance, when out of the state in having to admit apologetically that you were in the banking business in South Dakota? The South Dakota Bankers Association has made a systematic campaign to correct this wrong impression. By education and publicity, through our Public Relations Committee and through the secretary's office, this attitude has been altered. Today it is clearly apparent that the bankers of South Dakota are again taking their place under the sun, as well they may, because in no place in the Northwest have bankers applied themselves more earnestly and studiously to the matter of better banking methods than in South Dakota. There is still work for this Committee. We have been, moreover, confronted with some adverse tax legislation, but in this report I would like to charge the next administration of the South Dakota Bankers Association with the duty of additional work on our tax matters. The state taxing officials are still looking to us for assistance. Do we intend to cooperate in writing our own tax laws into the statutes of the State of South Dakota, or are we willing to remain entirely quiescent and have them written by our adversaries? We have clean hands now and admit that our tax problems are as perplexing to us as to our tax officials, but will our hands remain clean unless we strive to be of greatest assistance in trying to solve the problem? Gentlemen, I submit to you the proposition that the tax situation is a long way from being a one-sided question. There are many banks in the state who are paying sufficient taxes. There are other banks who are not carrying their share, due to economic conditions and our tax laws. Your Legislative Committee and your Taxation Committee this year devoted their time untringly to their duties. They did their work remarkably well and should be highly commended. Out of a score or more of bills introduced which we believe adverse to public welfare, not one single bill became a law!

A Fine Record

"Your Legislative Committee and your Taxation Committee this year devoted their time untringly to their duties. They did their work remarkably well and in the last two sessions of the Legislature out of a score or more of bills introduced which we believe adverse to public welfare, not one single bill became a law!"

(Continued on Page 30)
Colorado, the Nation's Playground

By Raymond A. Eaton

Ages before Columbus sailed a call, how uttered or how spread, went out from the mountains of Colorado, probably the first of almost countless others, and which still is being sounded. So far as the delver into the past has discovered this first call summoned the cliff dwellers who left their ruins in the cliffs of Mesa Verde National Park.

The world's most eminent scientists have studied these ruins, an effort to discover the true identity of their builders, but have reached no conclusion. They knew agriculture as shown by the burned corn; they knew the art of building construction.

History credits these mysterious people as probably the original ones to answer the call, but that, scientists say, is not fully established. History, however, has a fairly close touch of the Indians, for as far back as it goes there are accounts of the red men — and then came the Spaniards.

It is interesting to know that the Spaniards heard of Colorado — the call of gold. It was a marvelous story that an Indian, called El Turco, because of his resemblance to a Turk, told the Spaniards. It was a tale; far away where there were the seven cities of Gioloto, and where streets were of turquoise and buildings encrusted with gold.

It required no stretch of the imagination to realize how the story thrilled the Spaniards. In April, 1541, Francisco Vasquez de Coronado at the head of his troops began the march to the cities, with the Indian as guide. He was the first white man who heard the Call; the first white man to set his feet in the confines of the present state. The marvelous coloring of the mountains, with red predominating, prompted him to name the country Colorado — "color red" in Spanish.

CORONADO failed to find the cities, but he did find that the Indian had told a fanciful story to lead the Spaniards into the wilderness to die or be slaughtered by savage tribes. He was promptly killed, and Coronado returned home — disgraced. Oddly, perhaps, the story lingered and for 200 years Spaniards still sought for the cities, traversing a vast part of Colorado.

Spaniards, French adventurers, traders and trappers follow-
Colorado, the Nation's Playground

ed, and in 1806 came Pike and in 1820 came Long, following the Platte River and the South Fork, or South Platte river of today, and others to answer this mysterious summons to the Colorado Rockies.

The Call brought the party of gold seekers from Georgia who found gold on the site of Denver, then the founding of Denver in November, 1858, and in quick succession the discovery of gold that created the “Pike’s Peak or Bust” cry in the Spring of 1859. So responsive were the people of the United States to this Call that in eighteen years a state had been carved out of this wilderness.

One may pause to wonder what Juan de Zaldevar, who in 1597 came out of the mountains near the site of Denver and observed a river which he named the Rio de Chato or “flat river,” and of the Mallet Brothers from the French settlements in Illinois, in 1739 traversing Nebraska saw the river and named it the Riviere de Plat, or “flat river,” would think today could they come back and see what the intervening centuries have wrought.

Gold built Denver—and gold was the Call of Colorado in those days. Clark, Gruber & Company opened a private mint in Denver in May, 1860, and gold pieces of $2.50, $5, $10 and $20 were minted, containing one per cent more gold than the coins of the United States. Of this coinage some $3,000,000 was minted and passed. By an act of congress approved April 21, 1862, the Secretary of the Treasury purchased the Clark-Gruber mint. The present mint in Denver is one of the greatest in the world.

In those pioneer days Colorado gold was unusually good, having a coin value of from $18 to $19 per ounce. The Call was answered by the Kountze Brothers of Omaha among the first to hear it. In the first week in December, 1862, they opened the Kountze Brothers Bank in Denver, and August 1866 it was nationalized as the Colorado National Bank, an institution which today is among the strongest in the United States. The Kountze Brothers advertisement of that day says the bank “buy gold dust” then a medium of exchange.

It is interesting, perhaps, to recall that Omaha played a very important part in the first gold discoveries. Two men, one of them the late William N. Byers, founder of The Rocky Mountain News, was an Omaha man. He collected some $3,000 in gold dust and in company with another man, and driving only at night, as the day was dangerous on the plains, reached Omaha in twelve days, there displayed the gold, and sent the word out by wire—the only telegraph station then being in Omaha. It was this message that created the “Pike’s Peak or Bust” rush in 1859.

Passing over the later history of Colorado, we find today the Call is just as urgent as it was back in the days of the pioneers or of the Spaniards or the Cliff Dwellers.

Scenically, Colorado must always be the outstanding state of all the commonwealths. The United States Government has recognized this in two National Parks, four National Monuments and seventeen National Forests, and the state in eighteen Game Refuges. Of the sixty named peaks in the United States of 14,000 or more feet above the level of the sea, forty-seven are in Colorado. Aside from these are some one thousand mountains of 10,000 feet or more in elevation. Colorado is the highest state, naturally, in the Union ranging upward from one mile above sea level at Denver.

THOEBE DE ROOSEVELT characterized the state when he said upon a return from a hunting trip that “Colorado is the playground of the Nation.” The expression today is quoted all over the country.

Denver has recognized the grandeur of the Rockies by the creation of a system of mountain parks in which more than $2,000,000 has been expended in construction of boulevard-like highways and other improvements. There are two entrances to their area, each reached from Denver by a paved road. They include some of the most entrancing scenery in the Rockies. In a round trip easily made from Denver in a day the motorist is taken up Mount Evans, where banks of snow are beside the highway, with wild flowers growing nearby. At the foot of the mountain companions is Echo Lake and several other lakes, all snow-fed, are found in the region.

There are so many allurements in Colorado that visitors have for several years simply abandoned an attempt to make a complete list in their letters to friends, and correspondents for newspapers and writers for magazines have found the same difficulty. One may, for example, find within the state 6,000 miles of trout fishing streams to lure the angler; there are more than 9,000 miles of improved road to entice the motorist into all parts of the state, to cross and recross the Continental Divide; there are accommodations for every person—hotels, cottage camps, fishing camps, and with prices that meet the pocketbook of the millionaire and of the average wage earner.

One will find, of course, the dude ranch, now a recognized institution throughout the West.

Of pastimes one finds golf, tennis, boating, swimming, mountain climbing, polo—and there are the cool days, the colder nights with the need of a blanket, and the invigorating air that makes one joyful just to be alive!

The old timers in Colorado are observing that each season sees an increasing number of summer visitors who are camping out—living in the forest of the National Forests, offer these opportunities where one may be isolated or camp near villages or telephones. There has also grown up in the last few years fishing camps where the visitor may have an individual cabin, with meals in a central dining room. This assures the privacy that a very considerable number desire. Rest and Recreation are the two dominant words in Colorado—and they may be classed as the basis for the Call as it exists today for the summer pleasure seeker.

Central Western Banker, July, 1929
Your Bank’s Secondary Reserve

I HAVE been surprised at times to find so many out-state banks without any secondary reserve and very little cash reserve. 

The first argument that probably will be advanced by you that oppose a secondary reserve will be that you do not have enough funds to take care of the needs of your local community borrowers. 

Your first obligation is to your depositors to maintain your bank in such condition that they may be sure they may have their money on demand or when due. We even make our C.D.’s payable on demand without interest. Your depositors are entitled to their money at any time they need it. 

Your second obligation is to your stockholders, who are entitled to demand a profit and a right to demand that the bank be kept in such liquid condition that they will not be compelled to “dig” into their pockets for an assessment. 

The only way this can be accomplished is to build a big secondary reserve so you will not drift into making frozen loans that you pay out your depositors’ good money for and are never able to get back—let alone get back when they need or want it. 

In the early days of our State, Secondary Reserve probably was not as necessary; prices and deposits were on the up-grade and the capital of the banks were in a larger ratio to deposits than today, and you were loaning more of your own money than you are today. 

The wise banker saw the change coming as soon as his deposits began to go up faster than usual and prices were changing he started a secondary reserve the same as the New York and Chicago banks demand larger margins on Call Loans when the stock prices began to boom. 

Bad timing can absolutely ruin a community; temporary bad business conditions can not ruin a strong bank or community if the bank is expertly managed. 

A Real Community Asset 

A well managed bank, one that does not loan all their money in their own community—and what they do loan—is well secured and can be collected when needed by the bank, is an asset to the community, and attracts depositors from a wide area and attracts and draws the right kind of people for the community. 

In making your investments, keep in mind your depositors’ needs and you will naturally select a diversification of loans which will give you secondary reserve. Apply your protection in the right place. The borrower does not need protection—he gets the money—but the depositor and your stockholders do need protection. 

I am afraid that a lot of us bankers have a mistaken notion that we make our money off of our borrowers. We don’t. We make our money off of our depositors and we should protect our paymaster, and I don’t believe it can be done without plenty of secondary reserve plus the necessary amount of cash reserve. 

You have all heard the “slogan” but have not thought to apply it to your bank: “Do not put all your eggs in one basket,” and the “echo” of: “Put all your eggs into one basket and watch it.” I like to use both of the “slogans” and say to you—“Do not put all your eggs into one basket and watch them.” 

The Board of Directors should also be asked to attend these Group Meetings. They are usually made up of the leading men of the community and are inclined to strain the bank’s resources for the benefit of the local borrower. 

The point I want to stress is the limit in making local loans. Any bank should be compelled to stop making even the most desirable loans at some point long before they impair the bank’s cash reserve. 

The Proper Amount 

The next natural question is: The present rate on Commercial Paper, I am inclined to believe that no rule of thumb can be laid down for all banks; every community has a different problem as to kind and amount of secondary reserve that should be studied and learned. 

The correct proportion should, I believe, be determined from a study of the depositing and borrowing habits of each community. 

A community that consists of people—the majority of whom own their own homes or farms, has a different investment need than a community that consists of renters and laborers. I feel that, at least, 25% outside of the necessary 15% cash reserve should be invested in secondary reserve. 

I would like to say a word here about where your primary or cash reserve should be invested. It should be carried in a reserve city bank that carries enough secondary reserve to meet your requests, if you should need it. 

The exchanging of cash balances with your neighboring banks should not be counted as cash reserve; neither should paper carried for a neighboring bank be considered as secondary reserve. 

Commercial Paper, I believe, should occupy the larger portion of your Secondary Reserve. 

Commercial Paper has netted over a period of twenty-five years 4.88 per cent; high-grade bonds, 4.65 per cent; in 1928 Commercial Paper netted 4.93 per cent; Call Loans 5.85 per cent. The present rate on Commercial Paper is 5.75 to 6 per cent. 

The purchasing bank has a selection of names and should diversify, geographically, as well as to kind of industry. It is sold to you with a ten-day option in which you may investigate thoroughly and if not satisfied, return the paper without cost. 

When you purchase Commercial Paper, the rate is fixed and you receive your interest in advance. It is not added into the note but deducted from the remittance. 

It can be purchased with a maturity of from sixty to one hundred eighty days. There is no charge for buying or selling. There will come a time when there will be a charge for this service (Continued on Page 28)
COLORADO has long been noted for its rugged mountains and beautiful scenery. In fact, many persons probably think that the great state of Colorado is just one vast pleasure resort and tourist camp. They do not realize that Colorado has thousands of acres of rich, level soil, ideally adapted to the growing of diversified crops, and that agriculture contributes a generous share to the resources of this great commonwealth.

Inasmuch as Colorado does look to agriculture for a considerable source of her income, the condition of crops is always of vital interest. The Central Western Banker presents here a cross-section of Colorado crop conditions, obtained from banks in every section of the State. With the exception of a few localities which are in need of rain, the prospects for Colorado agriculture this year are exceedingly bright.

In analyzing the following reports, it must be borne in mind that the information was obtained during the latter part of last month, and since that time needed rains or other climatic conditions may have had an influence on the situation.

The reports are as follows:

**Grand Valley National Bank, Grand Valley**

"Crop conditions in this immediate vicinity are probably above last season with the possible exception of the beet acreage. The bean acreage is larger and the small grains never are large, i.e., in comparison with small grain areas. Normal here. The alfalfa crop is getting less each year on account of the fields going to grass and we are losing in tonnage each year.

"Acreage on tomatoes and peppers will be normal and some increase on seed acreage for the different varieties for the seed companies which is getting to be quite an item."

**Montezuma Valley National Bank, Cortez**

"It is too early to give anything real definite about the crop harvest at this time. However, the first cutting of hay is much better than last year and is up to average. Fall wheat is quite good, and up to average or better. Spring crops of which most of the land is planted is looking very good, but we are having considerable wind which is drying the ground. The dry land section to the northwest of here has in the largest acreage in its history, and deep snow last winter killed off the most of the Jackrabbits which were a very bad pest of the dry land section. There is a very large acreage in both Mexican and garden seed beans this year and at the present time they are in the most part just up. There is a very good stand and they look good. General farm conditions are good and much better than at this time last year."

**American State Bank, Brighton**

"The beet acreage in this territory is the largest in history with early moisture conditions being very favorable. Grain crops looked especially good and considerably above the average on June 1. However, hot dry weather of past two weeks has materially cut grain prospects and while not yet affecting beets, will have unfavorable results for the beets if it continues longer. Water conditions are somewhat below normal and water supply is less than for past several years. However, seasonable rains would relieve the situation so that normal or better returns would result on irrigated lands.

"The dairy cow continues to constitute our principal source of income next to the sugar beets. The price for good grade cows is at highest point in past five years ranging from $100 to $175 for the Holstein. California has taken a considerable number of our cows in past several years so that no surplus of animals has accumulated in this territory."

**Farmers State Bank, Cope**

"Crop prospects this season in our territory are good; small grain beginning to head, and in good condition although somewhat late. Large acreages of corn, barley and hays have been put in for feeding purposes in an attempt to offset the ruinous market prices of grain."

**Farmers State Bank, Haxton**

"It is just a little early to even make a guess on the corn or spring crop conditions or prospect. The fall wheat in some localities South of Haxton are hurt considerable now for the want of rain, however, there is a lot of wheat near Haxton, especially North, Northwest and Northeast that is looking good and we anticipate an average crop in this territory.

"The stand of corn is good and the spring wheat and barley looks fine to date, but we are needing rain very badly."

**Blanca State Bank, Blanca**

"Last year we shipped 600 cars of lettuce, peas, and cauliflower, this year we will ship around 1,200 cars. I believe that conditions of farmers here financially are the best in the State owing to these crops. This is also a great sheep country, lambs sold for 12½ cents, wool worth around 28 cents cash. We also have a good many cattle, both dairy and stock."

"Above, farm scenes in Nebraska and South Dakota, where dairying and the raising of hogs are fundamental to farm prosperity."
First National Bank, Center
“'The present outlook for the crops in this locality are about as usual. Some claim the prospects for a wheat crop are not as good as usual. Potatoes are the main crop here and they are looking fine. Some of the alfalfa died last winter and many prophesy a shortage this fall. Prospects for a good yield of barley, oats and peas is good.”

First National Bank, Greeley
“The agricultural condition in this country at the present time is very promising and if nothing unforeseen happens to injure it we are looking for the best return in the past four or five years.”

Bank of Del Norte, Del Norte
“Crop conditions in the San Luis Valley are generally fair except that the growing season is about 3 weeks late this year. There is, perhaps, a cut in the potato acreage this year over last year. Sheep, cattle and hogs are doing well and came through the winter in fine condition. The spring pig crop is decidedly short as nearly all litters have suffered a heavy mortality in the first three weeks after birth. The

Letting crop around the Del Norte district is late, and there has been considerable trouble with cut worms. Plenty of water for irrigation, with prospects good for fair prices. Lambs are all contracted at a good price for October delivery, shearing is in progress and flocks are beginning to move onto the high ranges for summer pastures.”

Citizens National Bank, Glenwood, Springs
“Conditions are about an average, in western Colorado, except for a

(Continued on Page 17)

What the “Credit Bureau” Can Do For the Country Bank

By L. L. Lunenschloss

Vice-President Security State Bank
Madison, Wisconsin

Today, clean credits mean more to assure a bank’s solvency, than any other factor. Carelessly made loans, loans without collateral, and duplicate borrowing, will all bring troubles never known before.

Credit bureaus are direct vehicles to assure the banks’ solvency, and to conserve its profits. Every banker, therefore, should be interested in learning of the operation of these bureaus and of what has been accomplished through them in building a stronger and more closely welded banking structure. None of us will admit that he is working for his health. And who of us ever heard of a bank that was a safe profit maker over a long period of years, getting into serious difficulties.

Banks in villages and small cities, especially need the aid of a credit bureau because of the lack of contact with other bankers which is sometimes caused by rivalry. The credit bureau often eliminates destructive competition and supplies constructive cooperation. You will be interested, therefore, I am sure, in a brief account of the methods and operations of the credit bureau plan.

In Wisconsin, my home state, our credit bureau plan is this: Organize a certain locality (one or more counties) for the purpose of interchanging credit information to eliminate the unworthy borrower. Such banks when joining, must have the sanction of their directors and must pledge not to take advantage of other member banks when duplications are discovered.

Credit bureau member banks report all loans on separate cards prepared for such purposes—secured or unsecured, excepting commercial paper—as to name, address, etc., but no amounts are shown to the Credit Bureau manager. The cards are then assorted and duplications are reported back to the interested banks, indicating the banks affected by symbols or key. The interested banks then know from what banks the customer is borrowing and can communicate with such interested banks. These banks must report all lines of credit when fully retired. This is as important as reporting new lines when taken on.

Another real value is in being able to call the bureau manager before a loan is made to ascertain from what other source, if any, he is borrowing. This affords ample opportunity for checking the borrower before the loan is made. Why wait to awaken with a headache from a loan?

The cost is so small in comparison to results obtained that it is not worth serious consideration. It is true that in Wisconsin, there are 11,063 duplicate or 15 per cent, 8,932 or 12½ per cent, borrow from two banks; 1,735 or 2.4 per cent from three banks; 309, 4 banks; 57, 5 banks; 16, 6 banks; 9, 7 banks, and 2, 8 banks.

It has been said that the large commercial banks loan their funds in such a way that credit bureaus are of but little value—and yet I know of several instances here in our big mid-western city, where certain banks would have saved large sums had an efficient credit bureau been available. The occasions may not be so numerous, but the amounts involved are great. The problems of large banks and small banks are about the same, only in different ratios.

Of course, in all this it must be recognized that a credit bureau is not a “cure-all,” nor is the Regional Clearing House. However, both will serve admirably as effective, worthwhile preventative which you will all agree are much preferable to post mortems. All of us spend money to increase totals; is it not much better business to conserve that which we already have? Modern industrial management is undergoing drastic changes. The same is true in modern banking. Credit bureaus and regional clearing houses make for direct saving in charge-offs, reducing operating costs and helping to realize adequate profits. The underlying idea back of both of these movements is, of course, that in unity there is strength, and that through closer cooperation of our banking interests and the best interests of our depositors at the same time.
EFFECTIVE July 1, Wm. H. Maas will represent in Chicago as Vice President of the De Puy Publishing Company all of the magazines included in the De Puy Group of Banking and Insurance Publications which is composed of the Central Western Banker of Omaha, the Northwestern Banker and the Iowa Bank Directory of Des Moines, the Mid-Western Banker of Milwaukee, and the Underwriters Review of Des Moines, the Middle West’s leading general insurance magazine.

Editorial and business offices will be maintained at 1221 First National Bank Building and Mr. Maas will have charge of the activities of the De Puy Publishing Company in the important Chicago territory.

Mr. Maas has an extraordinary faculty for making friends and during the seven years in which he has been associated with the De Puy Publishing Company he has extended his friendship by the hundreds into banking, financial and insurance circles of the entire Mississippi Valley.

In 1915 and 1916 he was the owner and editor of The Belle Times, Belle, Missouri. He later served on various metropolitan newspapers, having written the financial and business news for the St. Louis Republic in 1918 and 1919.

He is a member of the board of directors and chairman of the program committee of The Prosperity Club of Chicago; is a member of the board of directors and vice-president of the Press Club of Chicago; is listed in “Who’s Who in Journalism,” and is a member of the Grinnell College Chapter of Sigma Delta Chi, professional journalistic fraternity.

“If I Had Only Known the Law” (Continued from Page 4)

to be authenticated by the facsimile signature of its mayor."

In the case referred to the Supreme Court of Georgia held that the bonds were valid in the hands of a bona fide holder for value, and that the town could not deny the statement in the bonds that all the requirements of the law had been complied with.

“If a municipal corporation, having general authority to issue bonds for specified purposes, puts forth a negotiable municipal bond issued for such lawful purpose, and therein recites, through its duly authorized proper officials, whose province and duty it is to ascertain and peculiarly to know the facts, compliance with the specific provisions of the law essential to the issuance of the bond, the municipality is, as against bona fide holder of the bond, purchasing for value, and on faith of the recitals, estopped to deny the truthfulness of the recitals,” said the Court.

Touchy

A Negro private met a captain one morning, and greeted him with “Howdy, boss.”

Followed a long tirade from the captain on the correct way to salute. The buck private listened in silence, scratched his head, and finally said:

“Lawsy, boss, if Ah’d thought you was gwine git so mad about it, Ah wouldn’t of spoke to you a-tall.”

650 Telephone conversations every second

The American people send more than 20,000,000,000 telephone messages over Bell System wires in a year. Connecting in and with the Bell System are more than 19,700,000 telephones, and the number is increasing at the rate of 800,000 a year. The System is expending more than five hundred million dollars a year for plant and equipment.

Vital Facts for Investors about American Telephone and Telegraph Company Stock

Back of the stock of the American Telephone and Telegraph Company is a total plant investment of more than $3,500,000,000. More than 60,000,000 telephone messages a day are sent over wires of the Bell System. Its stock is now owned by more than 450,000 persons. A far-sighted management carries on extensive research work, plans future expansion, and at the same time maintains a continuous dividend.

May we send you a copy of our booklet, “Some Financial Facts”?
HERE'S HOW---

**to**

- Sell savings over bond competition
- Build small unprofitable savings into profitable accounts
- Revive dormant savings accounts
- Establish a Real Estate Loan Department
- Advertise for large construction loans
- Advertise for small housing loans
- Solicit correspondent bank accounts
- Sell commercial banking to business men
- Sell the checking account as a financial service
- Inaugurate and announce the service charge on checking accounts
- Meet trust objections in selling
- Fit trust advertising into a general campaign
- Analyze the trust department
- Prepare institutional copy for investment houses
- Develop sales promotion for investment houses
- Coordinate sales, buying, advertising and sales promotion for investment houses

---

**TO FIND OUT—ATTEND THE**

**Fourteenth Annual Convention**

**FINANCIAL ADVERTISERS ASSOCIATION**

**HOTEL BILTMORE**

**OCTOBER 30**

**TO**

**NOVEMBER 2**

**ATLANTA - GEORGIA**
Investment Trends of the Present Day

By T. B. Strain

Vice president, Continental National Bank, Lincoln

(Address Before Nebraska Group Meetings)

The years from 1922 to 1928 witnessed a remarkable period of expansion and development, not only in this country but abroad, and the necessary financing accompanying periods of this kind, proved to be very profitable.

Changing Times

"Bruce Barton had an article in a recent issue of the American Magazine entitled, 'When We're Through Changing We're Through,' and this is the thought I would like to leave with you. The bond account of the Bank, the growth and development of the community, the very bank itself, will depend upon the ability of the banker to adapt himself to changing conditions and upon his vision into the future."

A Natural Step

With interest rates as attractive as they were in 1922 it was but a natural step for the banks themselves to become interested in the security markets.

Your Cash Reserve

Whenever practical a cash reserve of 20 to 25 per cent should be maintained at all times and a secondary reserve equivalent to it should be set up. The old time banker doing this would be criticized for not taking care of his community. Modern bankers know that this sort of a bank is the one that can take care of them.

Central Western Banker, July, 1929
short term and long term bonds of a strictly marketable and liquid character.

As proper diversification for the list I would suggest:

- 20% Government or Treasurer Certificates.
- 30% Short term bonds—one to five years.
- 30% Long term listed bonds.

Once this program is adopted it is not enough to rest the responsibility upon the City banker or the bond house.

Modern banking frowns upon the institution that does not maintain adequate and up to date credit files. It should also frown upon the banker that buys commercial paper and does not know all there is to know about it. Complete files should be kept on the commercial paper lines that you are buying and up to date statements should be obtained and kept up to date on the corporations whose names you buy.

Call money has been very popular this past year. Much argument has been had as to its safety and plenty of authority can be had on both sides of the question. It does not seem practical to invest funds in a security that will gyrate from 6 to 20 per cent but on the other hand on my last trip east I failed to find a New York banker or bond house that expressed the slightest concern over it. Sooner or later rates will adjust themselves and interest will disappear in this class of security.

Short term bonds classify as those having maturity from one to five years. However, care should be exercised that the securities bought represent well known companies and that the issue is large enough to command a ready and liquid market.

To obtain a higher yield it is perfectly natural to place a portion of the secondary reserve in long term bonds. However, rate will be ignored more in the future than it has been in the past and care will be used to buy high grade securities commanding a ready market.

Here, too, responsibility will not rest alone on the bond house. Files should be kept on each security and earning statements should be obtained at least once each year. Speculative issues have no place in a bank’s list.

It is easy enough to pass upon a credit applied for by one of your local business men or progressive farmers. Why? Because you are able to see what he is doing or can conceive with him the plan he has in his mind.

It is not enough to diversify a security list as to maturity, but this same program should be carried throughout the entire list. A certain percentage should be placed in government bonds, part in railroad securities, and part in utility and foreign governments.

It is hard to determine an exact rule of diversification but most authorities divide a list about as follows:

- 30% United States Government.
- 30% Railroads.
- 20% Utilities.
- 10% Industrials.
- 10% Foreigns.
Diversification in a bond list is just as important as diversification in general banking. Conceive if you can a bank depending entirely upon farm or city business. A crop failure or an industrial difficulty would soon ruin the managed institution.

In our own state we have gone through the period of converting our farmers away from the one crop idea, and have had a great deal to do with the building up of the state's present dairy business.

While in New York a week ago I talked with several of the executives in the National City Bank. They feel that the changing over of the South from an entirely cotton growing section to small farming and dairying and produce has been a real accomplishment.

Investment Knowledge

It is also necessary in setting up an investment account to have some immediate knowledge of the corporation you are loaning your money to.

The management of the corporation is of vital importance. The type of business operated, whether the corporation is able to turn its inventory often or whether it is dealing in larger units.

The record of earnings is even more important than is the relation of property values to funded debt.

Vision is another important essential to careful security buying, as it is conservative banking. If it is our belief that the country is going backwards and that the outlook for business is not good, it is going to be nearly impossible for us to do conservative banking.

While riding on the New York Central's crack train, the Twentieth Century Limited, I picked up a little booklet showing the advantages of this particular train. This booklet called attention to the fact that the equipment of that particular train stood an investment of $1,046,000. It seemed like a terrific investment but when one considered the volume of business being done and the earnings that this road is making, the thought comes that the officials of this road must have had some vision as to the future possibilities.

In the same way modern invention has been able to fit into present large business and we find aviation linking up with our large railroads, radio used in ways never before dreamed of, and so on in hundreds of other ways.

The individual has also changed his ideas in so far as investments are concerned and has gone a long ways from the timid soul of liberty loan days.

His change has been so rapid and pronounced the past year that we have sometimes called the change speculation. There is not much argument about it but out of it all we as bankers will find that we will have to change our own opinions to some extent if we are to serve him, for it seems to be a pretty general opinion that a great proportion of investment funds are likely to be placed, in the future, in common and preferred stocks.

Our attitude out here in the middle west has been affected by recent actions on the part of the Federal Reserve banks in their attempt to curb speculative trend, and we have been apprehensive as to final results. Opinions seem to be general that other methods than high money, will have to be used to bring about the desired result. It is rather doubtful, however, that anything will be done to disturb the seeming prosperity of our American Corporations.

Encouragement should be given our customers to again buy land, and if this can be accomplished thousands of dollars can be released for productivity and investment.

The banking situation in Nebraska has been a complicated one these past few years, due to the fact that we have been constantly kept before the public's eye. It is going to be necessary to do some educational banking.
and the sooner it is started the quicker Nebraska banking will regain its old stability. Bankers themselves should take pains to show their customers the strength of their institutions. Commercial Clubs and business organizations should join hands with the banks in concerted effort to re-establish faith, and it will not be long until the cry of the wolf will entirely disappear.

Bruce Barton had an article in the March issue of the American Magazine entitled "When We're Through Changing We're Through," and this is the thought that I would like to leave with you.

The Bond account of the bank, the growth and development of the community, the very bank itself, will depend upon the ability of the banker to adapt himself to changing conditions, and upon his vision into the future.

Must Have Investment Facts

With millions of Americans now owning securities, and their value in the aggregate running into billions of dollars, a background of facts for their investments has become essential to the people of the United States generally. Hugh Bancroft, president of Dow, Jones & Co. and publisher of Barron's, the Boston News Bureau and the Philadelphia Financial Journal, declared in an address delivered over the radio recently as guest speaker on the Halsey, Stuart & Co. radio program.

"As you look through the stock and bond tables," Mr. Bancroft advised, "make it a point to notice the course of seasoned securities, as well as those that may be temporarily in the limelight or those you happen to own."

Prices in the long run, Mr. Bancroft said, are determined by values, which in turn are determined by earnings. Earnings statements, he said should be read in comparison with the reports for the corresponding period of the previous year, as most companies show seasonal variations.

Other items which Mr. Bancroft advised watching included car-loadings—one of the most significant business indexes, and one which should also be compared with the previous year; the money market, with special reference to time money and commercial paper rates; the Federal Reserve statement, and the export and import movement of gold; and commodity prices.

"The course of commodity prices has a profound effect on security prices, both general and specific," he continued. "As commodity prices decline, a given amount of money will buy more things. Therefore, fixed income-bearing securities, bonds and preferred stocks, become more desirable in contrast with common stocks and commodities."

Scrutiny of financial columns for announcements of changes in management of banking sponsorship, and of mergers and consolidations, was also urged by Mr. Bancroft, who declared management to be the greatest single factor in successful business. A reader should also learn to discriminate in his appraisal of the reported opinions of market observers and financial authorities.

A. I. B. Elects

Arthur B. Hanson of the Colorado Title and Trust company was elected president of the Colorado Springs chapter of the American Institute of Banking at a meeting of the organization held recently at Bruin Inn. He succeeds W. C. Bybee. Grover L. Scott of the Exchange National bank was elected vice president; Miss Eunice Witten of the City National bank, secretary, and Otis Bymaster of the First National bank, treasurer.

The meeting was a dinner, followed by a dance, and there were present
about 15 members of the association and their wives from Denver. In the Denver party were Ben Aley, vice president of the United States National bank there, and James Fisher.

**Pre-Convention Meeting**

Past presidents of the Colorado State Bankers association met in Colorado Springs the day preceding the annual state convention for a banquet and informal gathering at the Antlers hotel, June 21-22. Willis Armstrong, present head of the association, presided.

**Colorado Bankers Report**

**Conditions Above Average**

*(Continued from Page 10)*

much less acreage of potatoes. First cutting of alfalfa will commence next week, with a good crop. Forest Reserves are being stocked to the limit with sheep and cattle. Lamb crop is about one hundred per cent, and early lambs will begin going out by the middle of August. Cattle and sheep are both in good condition.

**Elizabeth State Bank, Elizabeth**

"Prospects for this year are excellent, although it is a little too early to predict anything very definite. First cutting of alfalfa hay is just beginning, and the quality appears good. No alfalfa is shipped out of the district, as the irrigated acreage is limited and the non-irrigated alfalfa can only be depended upon for one good crop a year.

"The county is in need of more progressive farmers with means. Land is cheap and there is a considerable acreage which could be profitably put under cultivation. It is in the rainbelt on the north slope of the Arkansas Divide, and failures are practically unknown."

**First State Bank, Hillrose**

"Crop conditions at present look exceedingly good in our territory with the exception of a few patches of late sugar beets planted on sweet clover ground. It seems the sweet clover got a good early start this spring and considerable foliage was turned under. The ground was heavily irrigated and the decaying sweet clover gassed the young beet plants, causing a number of pieces to be re-planted. Our grain and alfalfa crops look good. The first cutting of alfalfa is ready to cut; fall wheat is headed out; spring sown crops are about knee high; the Sugar Company survey shows about eighty per cent of the sugar beets thinned. Barring hail we will have a good crop this year."

**First National Bank, Hugo**

"The largest percentage of wheat is grown in the northern half of Lincoln County where moisture conditions are spotted and on the whole not satisfactory and the wheat is being damaged but not to an extent as yet which would be likely to cut the yield much under a normal yield although the wheat prospects depend entirely on the immediate future.

"Ranges are well stocked with cattle and the condition of cattle and of sheep are satisfactory and approximately normal."

"Summing up. Corn and bean prospects are normal and wheat pros-

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**American Founders Corporation**

The American Founders Corporation was organized in 1922 by a group of financial experts, and at that time students of the investment business prophesied that the stock of this company would double in value in a few years.

During the seven years the company has been in existence the value of its common stock has doubled each year.

At the present time the American Founders Corporation is in a better position than ever before to grow and increase its earnings.

Ask for Complete Information

**SMITH, LANDERYOU & CO.**

210 Farnam Building,
Omaha, Nebraska
Ja. 5065

Central Western Banker, July, 1929
pects are only fair and can move quickly one way or the other."

First National Bank, Hudson
"First cutting of alfalfa, good. Wheat prospects fine at present, badly in need of rain. Large acreage of sugar beets, good stand and looking fine. Prospects fair for corn and other small grain."

First National Bank, Holly
"Agricultural conditions in southeast Prowers County are the best they have been in several years. Land is moving quite freely, and mercantile business is good. Bank deposits are higher than for several years, and crop prospects are very good."

First National Bank of Eagle County, Eagle
"Conditions in our territory are very favorable for a good crop this season. We have had a favorable, but little backward spring, plenty of moisture and crops are coming in excellent condition.

Our farmers had poor results with their potatoes last season and it has affected them to some degree. However, most of our farmers have cattle or sheep, and this along with their other crops have kept practically all of them in a liquidable conditions."

Hooper State Bank, Hooper
"Agricultural conditions in the San Luis Valley of Colorado, we should say on the whole are in a very satisfactory and promising condition.

While there has been but little rain, irrigation water has been abundant and all crops were put in on schedule time with soil conditions excellent in the most part.

"Stands of small grain are uniformly good—the prevalence of high winds may have in some instances ruined a portion of the crop, but on the whole seeding has been satisfactory and the crop at this time is in good condition.

"Potato acreage is about as a year ago, possibly a little less and the crop at this time is in excellent condition."

"An abundance of irrigation water seems assured to properly carry the crops through."

Hay has not done so well. Quite a little winter killing of alfalfa and sweet clover the past winter, so possibly the cuttings of tame hay this season will not equal those of a year ago.

"Pastures are some later and a little shorter than a year ago due to the continued absence of rain."

"Stock, both sheep and cattle are in good condition."

What Maturities of Bonds Should Banks Buy?

Should a bank buy:

Only short term bonds? Only long term bonds?
Both short term and long term bonds?
If so, what proportion should it buy of each?
Should it buy short term bonds at one period and long term bonds at another?

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

Ames, Emerich & Co.
105 South La Salle Street, Chicago

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

New York Philadelphia St. Louis Milwaukee San Francisco Los Angeles

Central Western Banker, July, 1929
Serving Your Prospect AND POLICYHOLDER

By Frank A. Smiley
Kansas City, Missouri

Equitable Life of Iowa

Insurance

What Service Does

"Service to your prospect or policyholder will bring you more quickly to your goal than any other feature. It breeds confidence in your prospect or policyholder, as to your ability. It begets also his confidence in his personal affairs that is given only to his nearest friend and when this stage is reached, you are in on the ground floor in the building and directing of his insurance estate."

Insure Your Prospect

I N S U R A N C E periodicals, from time to time, give us valuable information as to sales methods employed by outstanding underwriters, and many of us have been helped by the plans and suggestions offered.

Little has been said, however, about the use of one of the most important fundamentals of our business, that of service to the prospect and to the policyholder. A man just starting in life insurance selling will often hear the world service mentioned but, to my idea, it is not given the place in our insurance education that it merits and I doubt if we appreciate the full value of what service to the prospect and to the policyholder will mean to us in dollars and cents, and to bring home to us this value is the purpose of this short article.

Just As Important

It may be carrying the idea to an extreme to include the prospect in service offering but if you are working with the right kind of material it becomes, and is, just as important to render service to a good prospect as it is to give service to a policyholder.

Service to your prospect or policyholder will bring you more quickly to your goal than will any other one feature. It breeds confidence in your prospect or policyholder, as to your ability. It begets also his confidence in his personal affairs that is given only to his nearest friend and when this stage is reached, you are in on the ground floor in the building and directing of his insurance estate.

Service to your prospect and policyholder is also a stimulant to yourself. We always feel better when we know we have done something to help the other fellow and it necessarily follows that our mental attitude will be benefitted, for in following out the full meaning of the word service in our business and giving our prospect the result of our knowledge on analysis, programming, and conserving his present insurance estate or any addition that may be made to it, we have conferred a real favor on him. So let us not forget, to my idea, the greatest outstanding feature in our business.

If we render intelligent service to our prospect and policyholders, forget-have called, not to sell you any life insurance but to talk about the insurance estate you already have. I would like to explain to you how it can be conserved and projected over a period. It is possible, in many cases, to increase its efficiency 25 per cent, and, of course, to this approach may be added the explanation of analysis and programming.

In some instances this approach may cause the prospect to feel that if he allows you to do this, he will be under obligations to you to buy additional insurance. So the program type of approach must carry with it a sincere and apparent desire to really help your prospect in adjusting his insurance estate without any thoughts whatsoever, as to what it will return to you in the matter of commissions; and if we can bring ourselves to this attitude, the prospect, in many cases, will bring out his insurance contracts and place them in your hands on the first interview and when this has taken place, it is needless for me to comment further, the rest is up to you.

In conclusion I will cite a true story of a service call that will emphasize the foregoing points.

In 1926, I was given an old policy card to service. The contract was for $25,000, and had been in force for nine years and proceeds were left in a lump sum to the beneficiary. The policy holder made the statement that he had $100,000, of life insurance and was not in the market for any. The statement was so emphatically made that I made no attempt to sell him at that time. I asked him the question, if he had $25,000 in the bank not invested, would he not be interested in placing this so that it would be placed on an interest earning basis. He replied that he would. I told him that in event of anything happening to him that amount would be placed to the credit of his beneficiary and we could arrange it with our company so that this could be paid monthly and all during the period on any money remaining in our hands a nice rate of interest would be paid.

Placed the Contract

I was able to place his contract then, on a monthly payment plan to his beneficiary and for this service I received most hearty thanks. In making this change for him, necessarily, I learned something of his affairs and made up my mind to keep his card in my files, even in the face of his assertion that his insurance estate was definitely closed. I called to see him several times without exerting much sales effort. In May of 1928, out of a clear sky, came a telephone message that he wanted me to write him $200,000, to protect a loan. He was able to pass the examination and this, together with an additional $75,000, was delivered to him; and through his circle of influence came another $350,000. Much more business is in prospect from contacts made while this business was being written, and it all can be credited to "service to the prospect and to the policyholder."

Report on Omaha

The engineers of the National Board in reporting on Omaha found the gross fire loss for five years amounting to $5,031,297. The average
age loss per fire was $422 and the average loss per capita was $4.72. The engineers say that the water supply is not liable to serious interruption. Adequate quantities are available in the congested value district at pressure suitable for engine supply. In other districts quantities range from poor to good. The fire department is undermanned and generally poorly equipped and trained. The fire alarm telegraph system is very inadequate.

Plan Omaha Insurance Exchange

Negotiations are being completed in Chicago by Robert H. Garrett, president of Benson & Garrett, realtors, for erection of an Insurance Exchange building at the northwest corner of Eighteenth and Howard streets. The project, including ground, will represent an investment of nearly $1,200,000. The building itself will cost approximately $9,000. The building will be seven stories high with a central tower of 12 stories.

Nebraska Blue Goose Field Day

The Nebraska Blue Goose held a field day June 28 at the Happy Hollow Club, Omaha. Officers of the pond promised a day filled with contests and entertainment, starting in the morning with a golf match, in which the "chuckers" were promised the same chance as the "good golfers." There was a luncheon at noon and in the afternoon a driving contest and other contests, as well as swimming. A big dinner and dance were arranged for the evening.

Complete Interrogatories

The fire insurance companies interested in the Kansas rate litigation have completed the set of interrogatories to be used in compiling the evidence in the case in the federal courts. Judge J. C. Egan, special assistant attorney general in charge of the litigation for the state is now drafting the set of cross-interrogatories to be submitted by the state.

School Ranks High

Students of the Vermilion high school hold a percentage of 93.9 in banking and as a result rank first of any high school in South Dakota for the month of May, according to D. B. Heller, superintendent of schools. Mitchell is second with an average of 93.5 and Aberdeen is third with an average of 82.

The school banked 100 percent during the month of May last year. The school this year has maintained an average well above 90 percent.

Attend Convention


Enter Holding Company

Three banks in Aberdeen, S. D., the First National bank, Dakota National bank and Citizens Trust & Savings bank, have been consolidated as the First National bank and the merged institution has become affiliated with the Northwest Bancorporation, the holding company headed by the Northwestern National bank of Minneapolis. This move is the result of negotiations that have been in progress for several weeks, E. W. Decker, president of the Bancorporation and of the Northwestern National bank, said recently.

The consolidated institution will continue under the management of executives of the First National bank of Aberdeen, with the addition of two officials of the other banks. These are Ed. A. Porter, cashier of the Dakota National bank, and D. H. Lightner, president of the Citizens Trust & Savings bank, who becomes vice president of the merged bank. The officers will be: F. B. Gannon, chairman of...

The combined institution will have deposits of around $3,500,000 and resources of well above that figure. The First National bank was established in 1883, the Citizens Trust & Savings bank in 1906 and the Dakota National bank in 1907. The other two of the five banks in Aberdeen, the Aberdeen National bank and its affiliated First State Savings bank, were purchased last month by the First Bank Stock Investment Co., controlled by the First National banks in Minneapolis and St. Paul.

Change Approved

At a special meeting of the stockholders of the Union Savings association held at its office in Sioux Falls, South Dakota, the stockholders authorized and approved the change from the Union Savings Association to Union Savings Bank.

The Union Savings Association was organized in 1894 and since that time has conducted a strictly savings business. The Union Savings Bank will continue to occupy the same quarters used by the Union Savings Association and will continue the business of the Union Savings Association, receiving only savings deposits and investing such deposits with its capital and surplus, with the exception of its legal reserve requirements, in first mortgage real estate loans, government, state and municipal bonds and securities of this character. It will receive no checking or commercial accounts and make no commercial loans. The Union Savings Bank will have a paid in capital and surplus of $300,000.00 and initial savings deposits in excess of one million dollars.

J. C. Vandagrift who has been associated with the institution since 1913 will continue as president of the Union Savings Bank. In addition to Mr. Vandagrift the officers of the bank will be M. W. Sheafe, vice president, Wm. C. Duffy, vice president, H. G. Hodgins, cashier, and H. O. Engen, assistant cashier. The directors will be, J. C. Vandagrift, Congressman C. A. Christopherson, General M. W. Sheafe, A. K. Pay, M. B. Hoffman, H. A. Hurl, J. W. Horn, Roy E. Willy, F. D. Burke, Wm. C. Duffy and H. G. Hodgins. These include present members of the board of directors of the Union Savings Association.

Appoints Three Vice-Presidents

Twenty-five years ago, John Y. Robbins entered the employ of The Equitable Trust Company as an office boy. Today he is a vice president of the same company. From 1908 to January of 1929 Mr. Robbins was associated with The Equitable’s Trust department, receiving the appointment of Assistant Vice President in 1925.

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

<table>
<thead>
<tr>
<th>Total Admitted Assets</th>
<th>Standard Business in Force</th>
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<tr>
<td>$125,682.73 Dec 31, 1922</td>
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<td>$149,737.36 Dec 31, 1924</td>
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<tr>
<td>$1,013,048.00 Dec 31, 1928</td>
<td>$15,506,000</td>
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The Time, The Contract
And The Man

We might aid you in bringing about the proper combination of these three elements.

OMAHA LIFE INSURANCE COMPANY
Omaha, Nebraska

H. E. WORRELL, Sec.-Treas.

Central Western Banker, July, 1929
He is now in charge of the company's Domestic Branch department. John J. Graeber, Jr., was with the old Bowling Green Trust Company in 1969 when it was merged into The Equitable. Mr. Graeber was taken over as a quick asset and for the next six years worked in every division of the bank with the exception of the Foreign Department. In 1915 he was assigned to the Trust Department and under J. N. Babcock, Vice President of the company and well known authority on Personal Trusts, received the best possible training. In 1918 Mr. Graeber was made an Assistant Secretary and assumed direction of certain divisions of the company's trust service. Last January he was appointed as Assistant Vice President.

Harold A. Rich came to The Equitable in 1919 from the Chase National Bank where he was a member of the Credit Department. He was made an Assistant Treasurer of The Equitable Trust Company in 1922 and in 1925 was assigned to the bank's 45th Street office following an appointment as Assistant Vice President.

George M. Stoll, another of The Equitable's twenty-five year men, has worked in many of the company's departments, and helped organize the bank's present credit department. With his specialized knowledge of credit work and general banking background, Mr. Stoll was a logical branch office executive. He was a member of the original staff of the company's 28th Street office, first with the title of Assistant Secretary, then Manager, and now Assistant Vice President.

**Banks Consolidate**

The Dupree State bank and the Farmers State bank, Dupree, South Dakota, have been consolidated under one organization, the Farmers State bank taking over the business of the Dupree State bank.

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**CALIFORNIA GROWS CLOSER to the REST of the COUNTRY**

We attach an importance to the business of out-of-town banks, to which we feel it is entitled. This is accomplished by giving to it the careful, experienced attention of an officer.

**THE NORTHERN TRUST COMPANY**

Northwest Corner LaSalle and Monroe Streets

CHICAGO

Central Western Banker, July, 1929

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Security-First National Bank of Los Angeles

Resources over 600 million dollars

The great regional bank of the southern part of California, with a branch system in principal cities from Fresno and San Luis Obispo south to the Mexican boundary.

24-HOUR TRANSIT SERVICE with speeded-up communications over the Bank's system.

The Logical Southern California Banking Connection.
Nebraska News

FRED THOMAS, vice president of the First National bank of Omaha, and Gwyer Yates, vice president of the United States National bank of Omaha, returned in mid-June from a three-day cruise by reserve city bankers on the Great Lakes. Sessions were held on the boat, between Detroit and Mackinac.

L. J. DUNN AND FLOYD SEYBOLDT of Lincoln, Neb., late in June concluded negotiations whereby Mr. Dunn purchased Mr. Seyboldt's stock in the Normal State bank at Normal, Neb. The bank is capitalized at 15 thousand dollars and has deposits of 60 thousand dollars. Mr. Dunn did not announce his plans for the bank.

B. F. HASTINGS, president of the defunct Commercial Bank of Grant, Neb., has given a warranty deed for two tracts of land valued at $46,900, for the payment of losses of trade and commerce. Both will handle receiverships, a work formerly under the direction of G. R. Buckner.

DENMAN KOUNTZE, vice president of the First National Bank of Omaha, has been elected treasurer of the Omaha Chamber of Commerce. Mr. Kountze recently led a team of Chamber of Commerce members in a campaign for new members, and his team was first in net gain. During the campaign he became the father of a son.

THE CONTINENTAL STATE bank of Lincoln has reopened as a national bank, after having been conducted for years as a state bank.

THE STATE BANK OF SURPRISE, Neb., which was taken over by the banking department March 11, and placed in the hands of the guaranty fund commission, reopened for business recently.

T. G. BOGGS of the Stock Yards National bank of Omaha is the new president of the Omaha chapter of the National Conference of Bank Auditors and Controllers. The election was held at a meeting at the Chief-tain hotel, Council Bluffs, 1a., when three other officers were named: E. H. Spetman, Council Bluffs National Bank of Council Bluffs, second vice president; T. N. Gloyer, Peters National bank, Omaha secretary; and N. L. Sholin, United States National Bank of Omaha, treasurer.

THE CITY STATE BANK of Sutton, Neb., which closed April 1, 1929, reopened June 3, with these new officers: B. G. Kearney, president; W. D. Matteison, vice president; Philip M. Lewis, acting cashier. The Sutton State bank was recently closed, and for a week the community was without a bank.

TOM MURPHY, vice president of the United States National bank of Omaha, who has been ill with neuritis and spent five weeks at Mineral Wells, Texas, returned to his desk, greatly improved in health, June 17.

Change at Brainard

A change in the ownership and management of the Brainard, Nebraska State Bank was made recently, when Horacek Brothers, who had owned and controlled the bank since it was founded in 1915, sold their holdings in the bank and will devote their time to their bank in Omaha, the Union State Bank. J. A. Proskovec, head of the Farmers and Merchants Bank, Bruno, for some 16 years, becomes cashier and a director of the Brainard State Bank. The other officers and directors are Joseph Rerucha, Sr., president; C. J. Davis, vice president; J. E. Prai, assistant cashier; F. C. Semin and Ray M. Rerucha.

Is Made Cashier

Harlan D. Wells, well known west Nebraska banker, has been made cashier of the First National bank of Alliance. He succeeds Fred L. Pelton, who resigned to accept the cashiership of the Stockyards National bank at Fort Worth, Tex.

Cashier at Lewiston

W. W. Joekel has accepted the position of cashier of the Bank of Lewiston, Nebraska. He will succeed D. B. Richardson, brother of T. R. Richardson, president of the bank.

Consolidate

The merger of the Crete State and the First State banks of Crete, Nebraska, was affected recently, according to announcements made by J. E. Sperry, president of the consolidated banks. The name of the new institution will be the Crete State bank and the business will be transacted in the quarters of the old First State bank.

Besides Mr. Sperry other officers of the new Crete State bank are: Charles Lucki, vice president; L. H. Westerhoff, cashier, and A. L. Pospisil, assistant cashier. Mr. Sperry has been president of the First State bank since last October, coming from Gresham, where he was with the First National bank. Mr. Lucki has been cashier of the First bank. Mr. Westerhoff and Mr. Pospisil have been with the Crete State in the same positions they hold with the new bank.

W. S. Collett and Thomas J. Aron, the president and assistant cashier of the Crete State bank, are to retire.

Heads Bankers Group

Bob Clarke, cashier of the Banking House of A. W. Clark, Papillion, Nebraska, was honored at the Sarpy-Douglas group meeting of bankers held in Waterloo recently by being elected president of the association.
George Hedlund of Washington was elected vice president, and Bob Hall of Millard secretary-treasurer.

Clarence G. Bliss, secretary of the state department of trade and commerce, was present and explained fully the workings of the new law affecting failed state banks.

Forty-five members of the banking fraternity were present and were entertained by the bankers of Waterloo, Valley and Elkhorn.

Reopen Bank
The Mason City, Nebraska, Banking Company reopened recently.
The bank re-opened with a capital stock of $25,000. Officers are E. G. Burrows, president, and H. L. Lang, cashier.

After-Hour Deposits
All of the downtown banks in South Omaha including the Live Stock National, Packers National and South Omaha State, are installing after business hours depositories to be available to the public 24 hours daily including Sundays and holidays.

These depositories consist of a door slit and chute which carries the deposit to a protected safe, the contents of which is fully covered by insurance. In this way a depositor need not wait until morning to make the deposit as is necessary in most lines of business at the present time.

Cash, checks, valuable papers, etc., may be deposited in any chute whether or not the depositor is a customer of the particular bank in which he makes the deposit, for it will be claimed, if the deposit is properly marked, by the depositor's own bank the next morning.

Elected Cashier
James R. Dougan, vice president of the Lincoln, Nebraska, National bank, was elected cashier and secretary of the board of that institution at a meeting of the board recently. Mr. Dougan succeeds George W. Woods, who resigned to become state banking commissioner. Mr. Dougan will retain the vice presidency.

Dr. W. C. Becker was appointed to the board of directors to fill the vacancy caused by Mr. Woods' resignation. H. E. Leninberger, head teller, was promoted to the position of assistant cashier at the meeting.

Merged
One of Nebraska's oldest banks, the Farmers' State of Chester, chartered in 1886, was merged recently with the Chester State bank, Clarence Bliss, trade and commerce department secretary, announced.

The merger, he stated, was in accordance with the banking department's policy of consolidating institutions in smaller towns.

In the merger the new institution, to be known as the Chester State bank, will have $30,000 capital and $6,000 surplus.

All of the officers of the old institution have retired and the new bank will be headed by A. Richards as president, and W. H. Kuhlmann as cashier.

The banking department also announced the purchase by the State bank of Hastings of the Farmers' State bank of Ayr, which had been in operation since 1912.

The transaction includes absorption of $85,000 worth of deposits in the Ayr bank and the purchase of all of the assets of that institution.

The sale leaves Ayr without a bank.
Elect Officers

The new stockholders of the Citizens State bank of Ainsworth, Nebraska elected their new directors and officers recently.

The directors elected were Jos. Stejskal, C. M. Wolcott, R. M. Herre, J. F. Bejot and J. L. Zweible. J. H. Davison was elected but declined to serve.

The new directors organized and elected the following officers: C. M. Wolcott, president; J. F. Bejot, vice president; R. M. Herre, cashier.

Celebrates Birthday

Frederick H. Davis, the president of the First National Bank of Omaha, celebrated his seventy-sixth birthday Monday, June 10, and his celebration consisted of attending to his usual duties at the bank. Mr. Davis is in excellent health. The evening of his birthday a party was held in his honor at the home of his son, Thomas L. Davis, the vice president of the First National Bank.

Cashier Resigns

At a recent directors' meeting of the Park County bank, Powell, Wyoming, the resignation of W. S. Perrin was accepted. Mr. Perrin is planning to move from Powell to take up his residence at Las Vegas, New Mexico, where he will engage in the insurance business.

In the place of Mr. Perrin, Gerald Williams, who has been serving as assistant cashier, will be raised to the cashier vacancy.

In Good Condition

Old Man Gloom finds nothing to console himself in the statement made by John A. Reed, Wyoming bank examiner, to the department of Commerce and Industry in presenting a summary of the condition of state banks and trust companies of Wyoming compiled from the figures obtained from a recent call.

The sixty-two banking concerns coming under the supervision of his office reflected aggregate assets of $31,812,201.51, an increase of more than eleven per cent at the nearest corresponding date of a year ago. The increase of $3,314,995.45 consists largely of deposits amounting to $2,298,596.78 or more than $10 per capita of the state's population.

The report of the state banks shows a customer loan increase of $1,875,186.88 while the increase in bonds and warrants alone amounts to $1,052,595.04 which together with an increase in cash reserves amounting to $338,201.67, or 21 per cent net, reflects a very healthy condition following the winter season when the demands upon the banks have been most heavy.

The 25 National banks of the state have run parallel to the state banks in keeping up the reserve ratio which
OUR BANKING ROOM
MAIN FLOOR RIGHT

OFFICERS
FORD E. HOVEY, President
JAS. B. OWEN, Vice-Pres.
F. J. ENERSON, Vice-Pres.
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

WOULD you accept the services of 50 people to represent you and protect your interests, if they were offered to you without charge.

A connection with the Stock Yards National means precisely that.

Stock Yards National Bank
of
South Omaha

The Only Bank in the Union Stock Yards

combined with the state banks develops 21.4 per cent, more than twice the amount required by law on savings deposits and above the amount necessary on demand deposits.

The total National bank assets shown by this call amount to $42,819,588.84 which with the state banks and trust companies gives Wyoming a combined banking asset of $74,591,335.71

A Great Time Saver

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 combines in 1928, was 2.4 cents not counting depreciation, taxes or interest charges. In a single county in Nebraska—Keith County the average cost per acre 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, quicker and easier recovery from the farm slump, and more money to go into general business channels.

Serious for Him

Doctor: “Your wife suffers from insomnia? Are there any serious consequences?”
Visitor: “Yes. When I come home late she is always awake.”

Profitable Authorship

He: “Is your brother, the author, still writing for money?”
She: “Yes, but papa never answers him now.”

COLORADO NEWS

Delta

“Crop conditions in Delta County quite favorable. Peach crop light, and apples normal. Sugar beets, hay, grain, onions and potatoes look good.”

Kit Carson State Bank, Kit Carson

“Conditions here are normal. Crops are progressing nicely. Very good stand of corn. Grazing splendid. Cattle are in fine condition, with lots of fat cattle to be sold this fall.”

Central Western Banker, July, 1929
Second in Hog Production

Nebraska is the second surplus hog producing state, according to statistics just compiled by A. E. Anderson, state and federal agricultural statistician. The state marketed an average of 5,209,000 hogs per year since 1924 above farm and local town slaughter, which brings the total production to 85,700,000 hogs per year. The industry contributes 39 per cent of the income from live stock and its products and 27 per cent of the income from crops and live stocks. Iowa leads all states and Illinois is third.

During the 10-year period, 1914-23, Nebraska ranked fourth. Since that time, the state has averaged second in number of hogs marketed. Plenty of corn and alfalfa together with a skim milk supply that has increased 72 per cent since 1920 are partly responsible for Nebraska's marked advance in hog production.

The great bulk of the surplus pork production comes from the corn belt states. Four-year average market receipts of hogs, above local farm and town slaughter, in order of rank by states are as follows: Iowa, 11,654,000; Nebraska, 5,209,000; Illinois, 4,949,009; Minnesota, 4,526,000; Missouri, 4,142,000; Indiana, 2,982,000; South Dakota, 2,722,000; Kansas, 2,295,000; Ohio, 1,963,000; Wisconsin, 1,939,000; North Dakota, 749,000, and Michigan, 726,000 head.

Sales of hogs brought Nebraska farmers $107,507,000 for the year ending June 30, 1928, which is 34 per cent of the gross income from the sale of all live stock and its products, and nearly 23 per cent of the total income from both crops and live stock and its products. During the past eight years, the gross income from hogs has varied from $74,566,000 to $135,419,000, the average being $106,385,000 per year.

Four-H Premium List

The largest amount ever offered by any state fair in North America, a total of $135,419,000 in premiums will go to boys' and girls' clubs at the Iowa State fair August 21 to 30.

New features are included in the offerings this year, such as a special dairy heifer department with premium of $700, and a boys' and girls' colt club contest.

Grain Storage

Nebraska has farm storage capacity for 143,329,000 bushels of small grain, according to figures gathered by the State Division of Agricultural Statistics through the assessors last year. Permanent corn storage capacity totals 97,594,000 bushels.

Nebraska has sufficient permanent small grain storage capacity to store the average production of small grain crops. The total small grain capacity last year was 143,329,000 bushels. The five-year average production of winter wheat, spring wheat, oats, barley and rye is 134,636,000 bushels.

The distribution of farm grain storage is not in proportion to production which accounts for shortages in some counties. Heavy production also taxes the present capacity so that certain counties are short, which in the average year would have sufficient storage. This is particularly the case in western counties.

Farms are not so well supplied with permanent corn storage. The corn storage capacity last year was 97,594,000 bushels. The five-year average production is 214,381,000 bushels. Heavy feeding of corn begins as soon as corn is mature and even before that, so the corn storage situation is better than the figures would indicate. Large quantities are stored outside but mostly during the winter months so the injury is not as great. As a rule most of the corn stored outside is disposed of before the spring rains.

The total permanent potato storage capacity in commercial potato counties is 2,030,000 bushels. The five-year average production of commercial potatoes is 3,554,000 bushels. The present storage is very inadequate, particularly in the years of heavy production.

Cattle Bloat

The increase of cattle bloat in Iowa is due to the luxuriant growth of clover which has been produced by the unusually favorable growing weather of last spring, according to Dr. Peter Malcolm, chief of the animal industry division of the Iowa department of agriculture.

"Sweet clover has produced more complaints than other types of legumes but alfalfa and common red clover has not been entirely exempt," Doctor Malcolm said.

"If cattle are not turned upon clover while it is wet, either from dew or rain, it will be less apt to produce bloat than when cattle are allowed to pasture it at all times of the day. Feeding the cows some dry roughage in the mornings and watering them before turning them on pasture, will also serve as an aid in preventing trouble," he said.

Platte Valley Crop Outlook

Crop prospects in the Platte valley are favorable on the whole, according to D. W. "Billy" Hill, well known Scottsbluff stockman, who was in Omaha recently to look over market conditions.

"The first cutting of alfalfa is up in fine shape and it was a good one," Mr. Hill said. "Beets are a little scarce. All but one or two of the big feeders are either cleaned up or will finish shipping this week."

Touch Artist

Janet: Jack says that he can read you like a book.

Olave: Yes, and darn him, he wants to use the Braille system.

Central Western Banker, July, 1929
Jubilee and Stock Show

Any slight remaining question regarding the holding of the second Ak-Sar-Ben Live Stock and Horse Show in Omaha, Nebraska, this fall was just about wiped out recently when two of Omaha’s foremost civic organizations, namely the Greater Omaha association and Ak-Sar-Ben itself, put definitely into operation the plan of holding both the state Diamond Jubilee and the stock show during the first week of November. Dates for the show are those originally chosen, November 1 to 8, while the jubilee remains a three-day event.

But one thing remains to be done to insure the two events. That is the subscription by Omaha interests of a joint $100,000 fund, and the voluntary offers of support already made by firms and individuals indicate that the sum will be raised.

J. E. Davidson, general chairman of the committee on finance for the two events, announced after a meeting of the Ak-Sar-Ben board of governors recently that the campaign will begin as soon as an organization can be completed. Definite plans for the show and jubilee will not be announced, of course, until after the drive for funds is completed.

Ford E. Hovey and Peter Hamilton were appointed as the eighth and ninth members of the finance committee recently. They with W. H. Schellberg, will represent the live stock show committee.

The Banker's Confidential Market

(Continued from Page 8)

Your Bank's Secondary Reserve

Bank acceptances are a good secondary reserve investment, but do not yield as high a rate as good Commercial Paper; and are not as well known as other investments in these Western States.

If you carry some Liberty Bonds you do not need to carry as large a cash reserve.

High-grade bonds furnish a good investment only for such funds as can be held for a long time and which will not be called for by the depositors, or needed to loan to them at the "peak" of the next borrowing season.

Bonds, as you know, fluctuate in price and it seems are the lowest when you need your money the worst.

Bonds once acquired should be studied, statements secured and earnings of the companies watched.

Commission is paid for both buying and selling by the bank to the broker.

The much talked of Call Loans occupy a part of our secondary reserve and if the banks use the right proportion invested in Call Loans — when

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 $2,000.00, very good "side lines," attractive earnings on stock. Requires investment $11,000.00.

WBP—Cashiership of only bank good eastern Kansas town 600 population. Good territory, splendid "side lines" especially well developed. Cashier's income from salary and side lines last year $1,500.00. This year promises to be as good or better. Good bankers can secure this position through purchase of 37 shares at $280.00 per share.

HRB—Splendid opening for two men, northern Oklahoma town of over 2,000 population, not overbanked. Good salary and earning power. Stock reasonably priced. Requires investment $35,000.00.

EMB—Cashiership of small bank, attractively located in suburb of good, small city, having all modern conveniences. Salary $300.00. Requires investment of $1,500.00.

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 $2,500.00.

TPH—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 $2,000.00 per month. Kansas Location with splendid future.

MRA—Control only bank, good small western Missouri town, offered approximately "invoice value." Usually 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.

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

WPA—$11,250 secures 75 shares out of 950, conservatively managed bank in Western Missouri town of 700 to 800 population. Carries marginal position at sale of $1,800. Bank capable of earning materially more than the 12½% dividend declared in 1928. Price about "book value."

WID—$5 to 129 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."

HHR—$13,000.00 buys 61 of the 100 shares of good central Kansas bank in one bank town, together with the cashier's position, which is valued at $2,500.00. Stock priced about "book value."

KOB—In $11,000.00 secures control of only bank, small town, east central Kansas. Salary $1,800.00, commissions from side lines about $500.

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

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your funds are at the “peak” it should not be objected to by our good friends of the Federal Reserve. I am sure we would use them more often and for larger amounts if we did not invest our “peak” funds in Call Loans.

Some of you will say you do not know anything about bonds and commercial paper. I do not like to hear you say that—it is confessing that you do not know how to make loans.

You can read the statements the same as you do your local borrowers and see what they have to pay with; study the ratio of liquid assets to liabilities and to fixed assets; also see what their record is as to earnings, and if there has been any change in the management.

Here are eleven don’ts that have caused bank trouble in the past:

1. Loans based on equity in real estate.
2. Excess Loans.
3. Capital loans (mean where the creditors have as much or more invested than the borrowers).
4. Large lines to the same family or interests.
5. Trading paper or balances with other banks.
6. 20%, or more, past due paper.
7. Large lines to officers or directors.
8. Inactive directors.
10. Excessive borrowings.
11. Paying too much on time deposits.

If you want to be kind hearted with someone else’s money, resign and run for the Legislature. There you can be as kind hearted as you want to with other people’s money, and do no harm as the Governor will veto it.

Any bank can create a Secondary Reserve and will have the satisfaction of seeing it rebound to the lasting benefit of its depositors and stockholders, its community and the banking business as a whole.

Corporation Earnings
A comparison of quarterly earnings of 169 industrial corporations in the United States for the past five years shows that in the first quarter of 1929 no fewer than 26 companies, or 15 per cent of the total, reported the largest earnings of any of the 17 quarters in the 1925-1929 period, according to the Midland Bank, Cleveland. The record of the entire 169 corporations combined was almost as good, their first quarter earnings being exceeded only by the third quarter of last year.

“The steel group showed up particularly well, first quarter earnings being 45 per cent larger than any earlier quarter in the five-year period,” says the bank in a survey of industrial profits. “Eight out of thirteen leading steel companies made a new record for the period. The next best showing was made by the motor accessory and mining groups, which topped their best previous records by 10 per cent and 5½ per cent respectively.”

“Five out of fifteen motor accessory concerns and five out of thirteen mining companies reached new records. In the chemical group, the first quarter earnings have been exceeded only once, and in the motor and food groups only four earlier quarters made a better showing. The oil companies were lower down, their first quarter ranking twelfth out of seventeen quarters, but this was largely seasonal.”

Well Bid
During an intense love scene in the movies, when the hero was doing his stuff, wife nudged hubby and said:

“Why is it that you never make love to me like that?”

“Say,” he replied, “do you know the salary that guy gets for doing that?”

We Assure Efficient Service In Handling
Live Stock Collections and All Other Omaha Business

LIVE STOCK NATIONAL BANK
Union Stock Yards
OMAHA

W. P. ADKINS, President
R. H. KROEGER, Asst. Cashier
H. O. WILSON, Cashier
W. S. HOGUE, Asst. Cashier

ALVIN E. JOHNSON, Vice-President
L. V. PULLIAM, Asst. Cashier

Central Western Banker, July, 1929
Large Consolidation

The largest business transaction in the history of Vermilion, South Dakota, was completed when the assets of the First National Bank of Vermilion, and the Vermilion National Bank merged into the First National Bank & Trust Company, of Vermilion, a new banking corporation that will supplant the two institutions.

The combining of Vermilion’s two oldest banking institutions into one larger institution comes as the result of serious consideration on the part of officers and owners of both banks as to which method of operation could serve the community best, it was announced.

The First National Bank & Trust Company has a capital of $100,000 and a surplus fund of $50,000. Its assets, consisting of the combined assets of the First National and the Vermilion National, will be about two and one half million dollars.

The officers and directors of the First National Bank & Trust Company for the ensuing year will be: M. L. Thompson, chairman of the board; C. H. Barrett, president; G. K. Brosius, vice-president; E. M. Hart, vice-president; T. N. Hayter, cashier; and F. C. Barton, W. H. Beebe, W. C. Bryant, A. B. Gunderson, C. Christianson and R. C. Davis, on the board of directors.
surance companies and my guess would be that in spite of his up-hill pull, Plin will get somewhere. More power to him!

The Association has several other committees functioning wherein there is lots of hard work and probably very little glory. I refer to the committees on "Analysis of Accounts," "Service Charges," and "Standard Forms." The result of the work of these committees I believe is more apparent this year than heretofore because the banks of the state are now operating under the influence of their recommendations on a vastly increasing scale. The service charge has progressed far beyond the experimental stage in our state with splendid effect. Many banks are now analyzing unprofitable accounts and the Association office is frequently being called upon for suggestions on standard information and standard forms. There is a broad field for the Standard Forms Committee and the work should be prosecuted further.

From the experience of the past we must profit if we are to survive and I would leave with the Association the following tasks for the coming year:

First: I would again recommend that intensive work be done on the matter of taxation. I do not believe that we should be satisfied to remain too inactive and complacent on this matter. In this work I believe the American Bankers Association, with the investigations made by their committees, will be of great assistance. We have had the matter of taxes before the Executive Council on several memorable occasions. I believe it should be dusted off and brought up again.

Second: Our genial guest from Chicago, Craig Hazelwood, is I believe, the father of the idea of having conferences on bank management. He believes that this work should be extended down through the state and even the county organizations and I would recommend that your Association hold one or more mid-winter conferences to further this work.

Third: We have at present no committee on insurance. It is quite imperative that we have some thoughtful work done on our insurance matters. Adjustments of rates are being made frequently and we should have a forum wherein the facts could be assembled. Such a committee could conceivably save the banks of the state thousands of dollars.

She Was Suspicious

"Does your wife open your letters?"

"No, not the business letters; only those marked 'private.'"
Kansas News

Named on Board
A new director recently added to the board of the Miami County National Bank at Paola, Kansas, is John W. Sponable, assistant cashier. He takes the post left vacant by the death of Silas S. Whiteford.

Meet in Holton
The Jackson County Bankers Association held their regular quarterly meeting at Holton, Kansas, recently. Over fifty bankers and their wives attended the banquet. Prof. Frank Blecha of the Extension Department of the Kansas State Agriculture College was the main speaker of the evening.

The Jackson County Association is behind the banker-farmer movement in this county and a number of projects especially the lime and legume project is being developed by the aid of the bankers.

The officers of the Jackson County Association for 1929 are: President, Felix Ernest of Whiting; vice-president, Martin Johnson of Circleville; secretary and treasurer, Leon G. Ableele of Holton.

Granted Charter
D. W. Johnson, Sr., and D. W. Johnson, Jr., have been granted a charter for the Citizens State Bank of Mound Palley, Kansas. They own an interest in the Olsburg State Bank, where they are cashier and assistant cashier, respectively.

Becomes President
The new president of the First National Bank of Oswatonic, Kas., is Hugh C. Whiteford. Eldon Brown is cashier, in Mr. Whiteford's place. The changes became necessary because of the death of S. S. Whiteford, founder of the bank.

New in Tipton
Tipton, Kansas now has a new state bank called the Tipton State, with a capital of $20,000. The bank will occupy the building formerly used by the Home State Bank. John Schmitt is president, Frank Fritchen, vice-president and Ed Jacobs, cashier.

Elect Officers

State to National
The Gray County State Bank of Cimarron, Kansas, has been granted a national bank charter, and is now the First National Bank of Cimarron.

Inspect New Vaults
Open house for customers to inspect the new vault installed for their convenience was held recently by the People's Bank of Pratt, Kansas. For forty years Thad C. Carver has been president of this 42-year old institution. Other officers, veterans too, are: Cashier, E. F. Tolman; assistant cashier, L. H. Browne, O. L. Miller, and L. H. Moore.
**Colorado News**

**Goes to Denver**
Otto Frederick, son of Mr. and Mrs. Geo. Frederick of Wood River, has been chosen as vice-president of the Denver Stock Yards National Bank at Denver, Colo. Mr. Frederick has been engaged in the banking business for the past fifteen years in Wyoming. He is also interested in several mining enterprises in Wyoming.

**Cashier Resigns**
At a recent meeting of the Board of Directors of the First National Bank of Holly, Colorado, the resignation of E. J. Thayer as cashier was received, and the announcement is made by the board of directors of the bank of the election of W. W. Chandler of Gage, Oklahoma, as cashier and manager of the bank.

The change is made for the convenience of Mr. Thayer, so that he can have his full time to devote to his personal affairs. He will, however, be in the bank with Mr. Chandler the most of the summer helping him to get acquainted with the bank's customers and affairs.

**Appointed by Governor**
L. C. Moore, president of the First National bank of Fort Collins, Colorado, was named by Governor Adams as a member of the state highway board, representing District No. 6. The appointment is for a six-year term, succeeding W. G. Duvall of Golden, whose term had expired some time ago. District No. 6 includes the counties of Larimer, Boulder, Clear Creek, Gilpin, Grand, Jackson, Jefferson and Moffat. Weld County is in District No. 7, represented by Frank H. Blair of Sterling.

**Visit in Loveland**
Senator T. G. Lashley, C. G. Buckingham and his nephew, C. E. Buckingham, and Frank Tyler, L. W. Cumberford and Henry M. Sayer, well-known Boulder, Colorado, bankers and real estate men, were in Loveland recently. These gentlemen had been looking after business interests in the northern part of the county and made a short stop en route back home.

**Meet in Boulder**
The annual convention of Grange No. 1 of the Colorado Bankers association was held recently in Boulder.

The sessions were held in the Elks Home both morning and afternoon. After J. Perry Reynolds, president of the group, called the meeting together, John W. Valentine gave the address of greeting.

During the session J. Harrison Gibson, assistant cashier of the First National bank, was elected to head the group for the next year to succeed J. Perry Reynolds. R. L. Henderson of Longmont was elected secretary to succeed M. Gibson.

A banquet at the Boulderado hotel closed the event of the day and took the place of a beef steak fry which would have been given had the weather permitted.

**Group Four**
The annual meeting of Group Four of the Colorado Bankers Association was held at the Mesa Verde National Park and was attended by fifty-one persons. A dinner at which the bank officials of practically every bank in the San Juan Basin, officers of the state organization, the wives of the members and Mr. and Mrs. Jesse Nusbaum were present was followed by a business meeting.

Speakers of the evening were W. R. Armstrong, president of the Colorado Bankers Association, L. F. Scarboro, secretary of the organization and Mr. Richardson, representative of an investment banking company.

Officers elected for the ensuing year for Group Four were: W. E. Faris, Macos, to nominations committee; F. M. Shideler, Macos, to chairmanship and W. R. McComb, Durango, secretary.

**Pueblo Clearings**
Steady gains in Pueblo, Colorado, bank clearings from week to week, contrasted with the similar periods of a year ago, point towards the continued prosperous condition and growth of the city. From the first of the year gains have been uniformly steady and each succeeding year finds the clearances greater than during the year previous.

Clearings recently totaled $1,967,470.07, statistics released by the local office of the R. G. Dun and Company, national finance reporters, showed. A year ago, the clearings were $1,286,915.19, representing a gain of $680,54.88.

**Meet in Meeker**
Meeker was the headquarters of the bankers of Western Colorado—about fifty bankers and their wives were present for the annual meeting of Groups Three and Six. Meeker was selected at Ouray last year as the meeting place for Group Three which comprises everything on the western slope with the exception of the Moffat road country. As much as Meeker was chosen to that latter section, Group Six asked to combine this year with Group Three.
Wyoming News

Ask for Charter

Articles of incorporation in the office of secretary of state have been filed by the Security State bank of Basin, Wyoming, with a capitalization of $25,000. Directors of the bank for the first year are C. J. Williams, G. A. Hinman, U. E. Pearson, G. A. Hinman, A. C. Meloney and E. K. Parks.

The bank has been granted a charter by the state banking department and has taken over the fixtures of the Basin State bank.

In Auto Accident

E. L. Smith, cashier of the Kemmerer, Wyoming Savings Bank, and A. E. Wilde, assistant cashier of the same institution, figured in an automobile turnover in Star Valley recently during a rainstorm.

The two bankers left Kemmerer shortly after noon, and encountered rain and slippery roads in the Smoot district several hours later. It was just before they approached the gravel stretch on the highway a short distance south of Smoot that the car, owned by Mr. Smith, and driven by his companion, started to skid in the greasy mud. Before the car could be brought under control it had turned over.

Mr. Smith sustained a fractured rib besides minor cuts and bruises, while Mr. Wilde escaped with a few bruises.

Assistance from Afton was sent for to right the car, which suffered only bent fenders, and was able to continue under its own power.

Resigns

Harry R. Weston has resigned his position as vice-president and active manager of the American National Bank at Cheyenne, Wyoming, and will move with his family to Jackson, Wyoming. Mr. Weston expects to be actively associated with the Jackson State Bank, of which he has been a stockholder for many years, and hopes to also find time to give attention to his ranching interests in that section.

For 25 years Mr. Weston has been prominent in banking circles in Wyoming. It was in 1903, as a friend of J. M. Schwoob, that Mr. Weston came to Wyoming, and became the credit man in charge of the office at the Cody Trading company in Cody. A few years later, with the death of Cashier Middaugh, who was shot in a bank holdup, he became cashier of the First National Bank of Cody, a position which he held for many years, to resign it to launch into the sheep business, at one time owning and operating the Frost ranch on Sage creek.

Land of Heart's Desire

Did you ever watch the camp fire
When the wood had fallen low;
And the ashes start to whiten
Round the embers' crimson glow;
With the night sounds all round you
Making silence doubly sweet;
And a full moon high above you
That the spell may be complete?
Tell me, were you ever nearer
To the land of heart's desire,
Than when you sat there thinking
With your face turned toward the fire?

Third Annual Tour

Bankers and farmers toured through Coffey County, Kansas recently for the third annual journey of inspection of soils and agriculture experiments. Three specialists from Kansas State Agriculture College accompanied the tourists, and W. W. Bowman, K.B.A. secretary, addressed the assembled group.

Assistant Cashier

Chas. B. Glover of Axtell, Kas., is now assistant cashier at the Otis State Bank, taking the place of Ben Scheurman, who is moving back to the farm. Mr. Glover is from the First National Bank of Hoisington.

Missing Kick

"How is Simpson getting along in business?"
"Wonderfully; but he's terribly discouraged."
"How's that?"
"Well, they're so busy filling and shipping orders, they haven't any time to hold a conference."

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RESERVE FUND
RESERVE LIABILITY OF PROPRIETORS

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29,500,000
37,500,000

$104,500,000

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THE CENTRAL WESTERN BANKER, OMAHA, PUBLISHED BY DEPUY PUBLISHING COMPANY

416 Arthur Bldg., Omaha, Nebraska

CLIFFORD DEPUY, Publisher
GERALD A. SNIDER, Associate Publisher

Wm. H. Maas, 1221 First National Bank Bldg., Chicago, Vice-President

R. W. MOOREHEAD, Editor
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