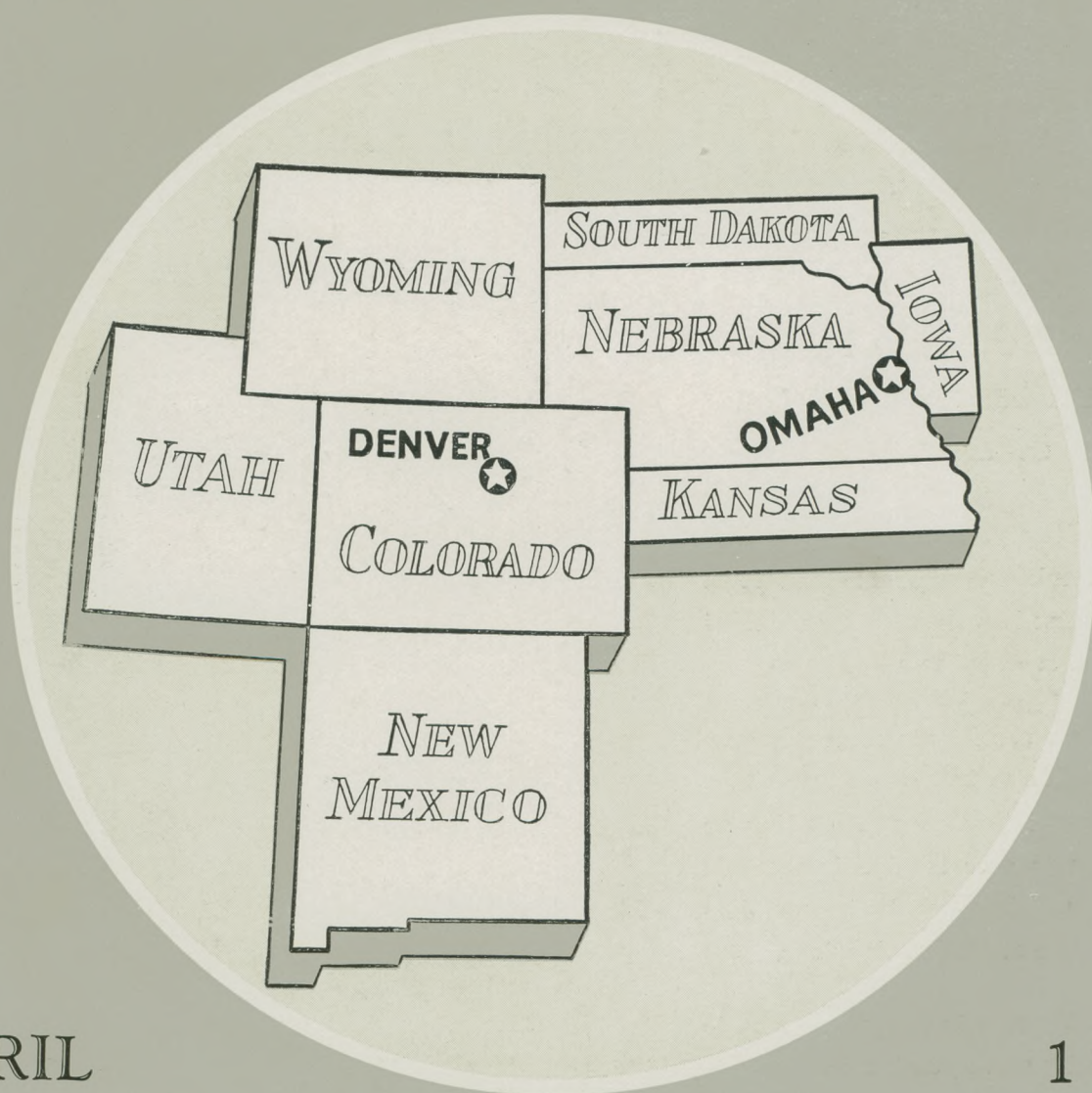


CENTRAL WESTERN BANKER

Omaha

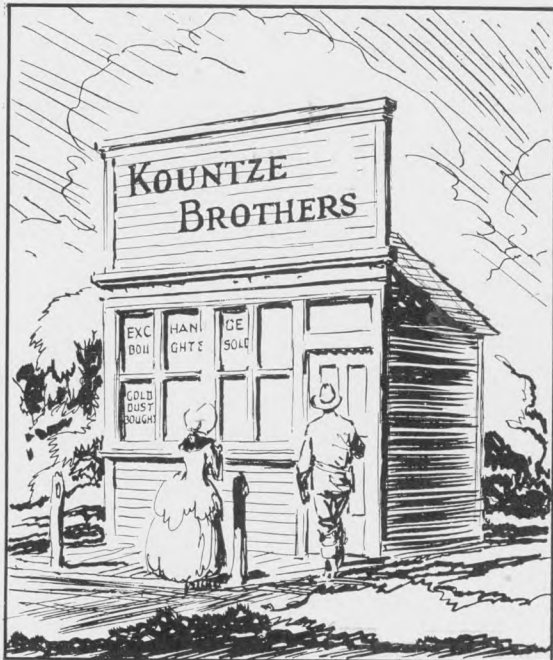


APRIL

1930

Building Profitable Business

Page 5



New Addition to Care for Steady Growth of Business

Seventy-two years ago the First National Bank of Omaha . . . then known as Kountze Brothers . . . was started in the above one-room building.

Today we are in one of the largest bank buildings in the middlewest. At the present time we are erecting an addition to care for the increase in business. The new addition will double the size of our banking floor.

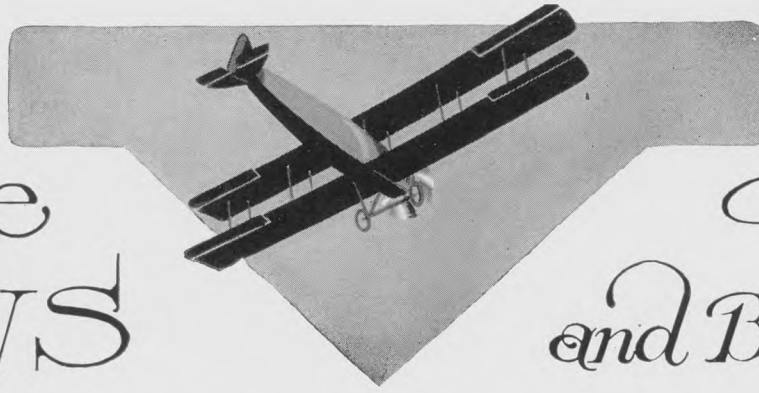
It is a pleasure to carry out plans to constantly serve you better.

Nebraska's Oldest Bank



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

Last minute NEWS



of Banks and Bankers

CHICAGO'S newest downtown bank, the Chicago Bank of Commerce, will open for business on either April 5 or April 12 at Madison and Dearborn streets. The bank has been in process of organization for several months. Four additional directors have been announced. They are Walter S. Aagaard, Francis J. Plym, E. P. Strandberg and George A. Hughes. Henry S. Henschen is the president.

PAUL L. HARDESTY, of Chicago, has been elected an assistant vice president of the Chatham Phenix National Bank and Trust Company, New York. Mr. Hardesty has been on the official staff of the First National of Chicago, and prior to that of the Union Trust Company. He will divide his time between New York and Chicago, and will direct the field operations of the Chatham Phenix National in the Middle West from the Chicago office.

OFFICIAL opening of the Title & Mortgage Company, recently organized to deal in the real estate title insurance business in the Chicago district, was held recently in the company's offices, 323 Conway building.

The new company will act as the issuing agency of the New York Title & Mortgage Company, a \$60,000,000 corporation, licensed to do business in Illinois on July 17, 1929. The company will engage exclusively in the business of title insurance and will not make real estate loans or buy, sell or act as guarantor of mortgages in Illinois. The company will introduce a new feature in title policies giving protection against failure of consideration and mechanics and material

dealers' liens whether of record or not.

CANADA'S nine largest banks reported total assets of \$3,704,015,960 at the close of 1929, and an increase of \$103,915,964 in deposits over 1928, according to recently compiled statistics.

Total deposits of these Canadian banks for 1929 amounted to \$2,818,248,588 as compared with \$2,714,296,624 in 1928. The report shows an average ratio of 18 to 1 in deposits to capital, and an average ratio of 8.11 to 1 deposits to capital, surplus and reserve.

The average net income per share for the bank stocks in 1929 amounted to \$18.33, ranging from \$26.61 for the stock of the Bank of Nova Scotia to \$12.09 for the Provincial Bank of Canada.

The report shows that three Canadian banks have deposits in excess of \$500,000,000, and assets of or approximating \$1,000,000,000. These banks are the Royal bank, with assets of \$1,-

001,442,273 and deposits of \$172,087,769; Bank of Montreal, with assets of \$965,336,997 and deposits of \$772,333,260; and the Canadian Bank of Commerce, with assets of \$801,255,802 and deposits of \$563,340,551.

THE FIRST annual mid-winter trust conference of the Iowa Bankers Association was held in Des Moines Thursday, March 20, under the sponsorship of the committee on trust powers and trust business of the association, of which J. M. Hutchinson, trust officer, Cedar Rapids Savings Bank & Trust Company, is chairman.

The program was entirely informal and the round table discussions were led by various Iowa bankers selected throughout the state.

The members of the committee on trust powers and trust business of the Iowa Bankers Association are as follows: J. M. Hutchinson, chairman; C. F. Harris, cashier, State Bank, Gladbrook; H. M. Walleser, vice president,

First Security Bank and Trust Co., Charles City; E. R. Jackson, trust officer, Council Bluffs Savings Bank, Council Bluffs; James F. Hart, trust officer, Iowa - Des Moines National Bank & Trust Company, Des Moines; C. R. Gossett, cashier, First State Bank, Mapleton; C. L. Fredericksen, cashier, Live Stock National Bank, Sioux City; Wayne C. Carrell, vice president, Emmet County State Bank, Estherville; John Rider Wallis, cashier, Federal Bank & Trust Company, Dubuque; W. G. C. Bagley, president, Iowa Bankers Association, president First National Bank, Mason City.

Vol. 25, No. 4

APRIL, 1930

In This Issue

Last Minute News	3
Legal Brain Teasers	4
Building Profitable Business	5
Cartoons of the Month	6
Bonds and Investments	9
Insurance	15
Nebraska News	19
News of the Omaha Stock Yards	23
South Dakota News	27
Colorado News	28
New Mexico News	29
Kansas News	30

THE CENTRAL WESTERN BANKER, OMAHA
Published monthly at 410 Arthur Bldg., Omaha, Nebraska
Subscription, 25 cents per copy; \$2.00 per year.
Entered as second-class matter at the Omaha postoffice.

(Continued on Page 18)

1. The Question of Ownership
2. The Fortunate Third Party
3. The Cashier in the Dock
4. The Insolvent Bank
5. The Balanced Pass Book
6. A Question of Knowledge
7. Who Should Sue?
8. The Question of Demand
9. Judge or Jury?
10. After Hours

Test Your Mind on These Ten LEGAL BRAIN TEASERS!

A FORWARDING bank sent a check to a receiving bank for collection and remittance.

"The said check and the proceeds thereof belong to A," the forwarding bank wrote.

The receiving bank collected the check, attempted to apply the proceeds to a balance which the forwarding bank owed to the receiving bank, but the United States Supreme Court ruled that this could not be done in the case reported in 1 Howard, 234.

The Fortunate Third Party

A South Dakota depositor opened an account with the South Dakota bank, and stipulated that the deposits should be paid to X, to which the bank agreed, and then refused to make payment.

"You agreed with me to pay the money to X, at the time the deposit was made, the deposit is a sufficient legal consideration for your agreement, and you are bound by it," the depositor maintained, and the South Dakota Courts ruled in his favor in 2 S. D., 242.

The Cashier in the Dock

A bank cashier was being prosecuted criminally for checking a deposit when the bank was insolvent, the State proved that the bank was insolvent at the time the deposit was made, and "rested" its case.

"The burden is on the cashier to show that he did not know the bank was insolvent," the state contended.

"No—the state is bound to prove that I had that knowledge," the cashier's lawyer maintained, and the Iowa courts ruled in his favor in a case reported in 130 Iowa, 678.

The Insolvent Bank

A bank was insolvent to the knowledge of its officers, a customer deliver-

By The Legal Department

ed a check to the bank for collection, and the bank failed before the check was collected.

Then the depositor and the receiver both said, "The check belongs to me."

And the Federal Courts, in 93 Federal Reporter 572, ruled in favor of the customer.

The Balanced Pass-Book

The depositor pushed his pass-book through the wicket.

"I made a deposit of \$79.33 day before yesterday, which you didn't credit," the customer declared.

"The book has been balanced and delivered to you, and it's too late to object," the cashier told him.

And the Supreme Court of United States, in 94 U. S., 343, ruled that merely balancing the book did not preclude the customer from inquiring into its correctness, and there are New York and Pennsylvania rulings to the same effect.

A Question of Knowledge

A was dead, B was the administrator of the estate, C was the next of kin, B deposited the estate funds in a trust company, the trust company deposited the money in a bank, and the officer of the trust company who made the deposit knew that the bank was insolvent at the time.

Then C sued the trust company.

"The knowledge of your officer was chargeable to you, and you are liable," C contended, and the Kentucky courts decided in his favor in a case reported in 66 S. W., 610.

Who Should Sue?

Back in 1879 an United States statute provided that any bank officer who received deposits for a bank knowing that the bank was insolvent or in failing circumstances would be

individually liable for the deposits so received, and that the depositor could sue the officer for the amount of his deposits.

Suppose, however, that an officer receives a deposit when the bank is insolvent, then the bank fails, and an assignee takes charge.

Who is the proper party to sue for the deposit in this case, the depositor or the assignee.

This query came before the Missouri courts in the case reported in 89 Mo., 51, where the courts decided in favor of the depositor.

The Question of Demand

If A owes B a debt it will "outlaw" in a certain number of years and B cannot collect it by legal process.

If a bank owes a depositor on a deposit account, and there is no state law to the contrary, the debt does not begin to outlaw until the depositor demands it.

Now, if the depositor draws a check against the account is that a legal "demand"?

The New York courts have answered this query in the negative in 91 N. Y., 106.

Judge or Jury?

If a customer leaves securities with a bank for safe keeping, the bank receives no compensation, and loses the securities, the weight of authority is that the bank is liable only if it has been guilty of gross negligence in handling the securities.

Now, if the customer sues the bank for the value of the securities, who determines whether there has been such negligence—the judge or the jury?

The United States Supreme Court has passed on this point (in 137 U. S., 604) where the court ruled that it was a jury question.

(Continued on Page 18)

Building Profitable Business

Increased income should result when a bank sells its services at the right price---Are you selling yours?

IT HAS been said wisely — "Every institution is the lengthened shadow of a man or men." If the management is efficient then the effect of this management will be profitable banks.

J. J. Hill once said that it is cheaper to assemble a million dollars of capital than to find the right man to manage it. An officer of a large life insurance company is quoted — "Where a business earned 15 per cent it may be figured 6 per cent has been earned by capital and 9 per cent by brains." Thus management rises above capital in the successful application of its principles.

If those in charge of the large number of banks that failed during the past eight years had made a more careful study of the banking business and had coöperated a little more with their fellowbanker, and had put into effect practices that have proved successful in banking business, would there have been as many bank failures—regardless of what the local conditions happened to be?

Increased income should come from selling your services at the right price.

Bank Management

During the past 17 years, the average gross income of all national banks from earning assets has remained practically unchanged. Operating expenses, including interest paid, have increased almost 50 per cent. The result being a 48 per cent decline in net profits. The 100 per cent

increase of the ratio between capital investment and deposits has enabled some banks to continue to maintain a fair return. However, this cannot go on indefinitely. If banks are to increase their net profits, they must increase their gross income without increasing their operating expenses. There are four main avenues opened: 1. To increase the net returns on earning assets. 2. Reduce expense and interest paid. 3. Better operating or production methods. 4. To increase the selling price of the services.

Bank management can be divided into five divisions—



WALTER E. DEVLIN

1—Financial operation. It deals with the conversion of the depositors' funds and invested capital into earning assets.

2—The second division is operating or the production of service. The handling and recording of transactions. Enabling the best possible service be-

.....
 "There never was a time in the history of banking where cooperation plays so important a part. Many of the forward steps to be taken must be on a cooperative basis. Lack of cooperation is costing banks thousands upon thousands of dollars yearly."

ing rendered to customers at the lowest cost, and yet have satisfied enthusiastic employes.

3—Analysis of costs. This is a very important function of bank management. To know how much it costs you to do business. If you do not know your cost, how are you going to sell your service at a price to yield proper profits? Who ever heard of a manufacturer simply putting an arbitrary price on his product without knowing the cost? Yet that is what is being done in the banking business every day. Cost analysis covers departments—production, and all accounts, including savings.

By Walter E. Devlin
 President, Devlin & Bennett, Inc.
 Chicago

(From address before Illinois Bankers Association Bank Management Conference)

4—The next or fourth division is profiting on the information gained from the analysis of costs. A cost analysis without application is worth very little. A banker a short time ago said his bank had employed a firm of specialists in cost analysis work to make a thorough diagnosis of his bank. A complete report was made. The officers and directors studied it very carefully. It was discussed for a short time. The report was put into the files. It has been there ever since. That was about two years ago. No action was taken in any way. Analysis of costs are of little value unless definite action is taken on the information uncovered.

The fifth division and a very important one is the development of profitable business. Note, I say profitable business.

The last two divisions, taking action in the correction of conditions uncovered thru analysis and research, and the development of profitable business are practically the same. Both are direct profit builders.

Correct Wrong Conditions

One unprofitable practice corrected will not be sufficient to increase the income of a bank to offset all increased operating expenses.

It will be the correction of many wrong conditions uncovered thru careful study and cost analysis of each department.

Here are a few—
 Checking Account Department.

1. Stop Loss Charge on low balance checking accounts.
2. Stop Loss Charge on large unprofitable check accounts.
3. Penalty for NSF checks.
4. Float and item charges.
5. Charge for imprinting check books.
6. Increase balances in present checking accounts.

(Continued on Page 13)

Central Western Banker, April, 1930

How Much Should Your Bank

THE bank which I am to discuss falls in that class whose earning assets are \$750,000 and less. From figures compiled by the Illinois Bankers Association, we find that on December 31, 1928, there were 1219 of these banks in Illinois. We believe the figures for 1929 will show a considerable reduction in the number of these smaller banks due to failures and the many consolidations during the year. The Secretary's office has furnished us with a set-up of the assets and liabilities and the earnings and expenses of the average bank. We find:

<i>Assets</i>	
Cash	\$ 47,850
Securities	58,000
Loans and Discounts.....	239,949
Building	35,000
Miscellaneous	2,191
	<hr/>
	\$382,990
<i>Liabilities</i>	
Time Deposits.....	\$152,806
Demand Deposits.....	152,356
Capital, Surplus and Undivided Profits	62,828
Bills payable, rediscount.....	15,000
	<hr/>
	\$382,990

We are surprised to know that the invested capital of these 1219 banks is as much as \$62,828; that the deposits total only \$302,000 of which half are demand and half are time. The ideal situation for maximum earnings would show invested capital to deposits in proportion of about one to eight or ten. The deposits then should show about double the amount we find here. The reduction in the number of banks in this class during 1929 should show a more favorable ratio. The building and fixtures account is much larger than would seem to be required for banks of this size; this large investment cuts down the earnings very materially.

Average Income and Expense Account

<i>Income</i>	
Bank Balances.....	\$ 957
Securities	3,480
Loans and Discounts.....	13,569
Com. on R. E. Loans.....	1,566
Miscellaneous	1,305
	<hr/>
	\$20,877
<i>Expense</i>	
Interest Paid.....	\$ 6,468
Salaries, Officers 1.....	2,500
Salaries, Officers 1.....	1,500
Salaries, Clark 1.....	1,200
Taxes	1,244
Miscellaneous	2,600
Losses	2,402
Depreciation	322
Dividends	2,304
Added to Undivided Profits.....	337
	<hr/>
	\$20,877

EARN?

By Carl W. Pritchett
Cashier State Bank of
Niantic, Illinois

(From address before Bank Management Conference, Illinois Bankers Association)

The interest paid item of \$6,468 is very large for the size of the bank. They must have paid 4% interest on their savings which are half of the total deposits. The losses of \$2,402 or an average of \$200 per month we will agree shows poor management somewhere. The depreciation charge of \$322 is much too small; it would seem the building equipment should be depreciated about 5%. In this case the charge would amount to \$1,750 and would change the picture considerably. The miscellaneous item of \$2,600 seems very large unless they had attorney fees or something not generally included. Nothing has been set aside for reserves or added to surplus, and only \$337 remains to be added to the undivided profits account. Banking authorities suggest that four or five per cent of the net earnings be left in the business each year.

The average bank paid a dividend of \$2,300 to its stockholders, which is 3.67% interest on the invested capital. The ratio of net profits to invested capital is 4.22%. I asked a former supervising officer of banks in this state, How much should a bank earn? He said, a bank should earn a lot more than the average bank does. If the stockholders in all the smaller banks in the State of Illinois put their invested capital into Government Bonds, they would make more money than they make now on their bank stock and still be free of all the worry and grief, responsibility and the double liability. These figures bear out that statement. The Government bonds would yield almost 4.25; the average earnings of the banks are 4.22%.

My belief is the trouble with the earnings of the banks, the small banks is 1st: That the directors, in many cases fail to direct. The active management and responsibility are left entirely with the officers. 2nd. That the stock is too much scattered for anyone to take much interest in the problems of the bank. 3rd and of greatest import is the underpayment of the officers of many of these small banks, who are wholly responsible for their successful operation. While the average shows fairly reasonable salaries paid, many of the small banks do not come up to this average. The officers are compelled to write insurance, deal in real estate and do a thousand things on the side to make enough for a livelihood for themselves and their families. This division of their time, thought and energy is a detriment to the proper management of the bank. Many of the loans taken in the settlement of these transactions gradually creep into the bank, and are usually found to be slow or frozen paper.

I believe that a bank should earn enough to give its officers an increase in pay regularly. The bank should earn enough that the officers receiving \$2,000.00 per year, should not have to be working for the same salary ten years from now. Many of the officers have not received any advance in the last five or ten years. With many of them responsibility increases, demand on their time increases, their knowledge, efficiency and experience should increase, but their salary remains stationary. I feel the period of service in a small bank should mean something in added salary each year.



Assisting Correspondent Banks to develop their business—

—That's one reason why so many bankers bank at Central Hanover.

CENTRAL HANOVER BANK AND TRUST COMPANY

NEW YORK

14 Offices in 14 Manhattan Centers

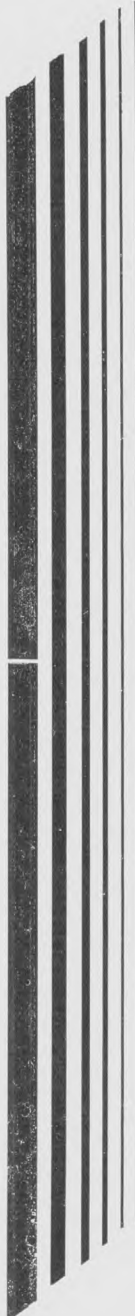
Foreign Representatives in London, Paris, Berlin and Buenos Aires

NO SECURITIES FOR SALE

CAPITAL, SURPLUS AND UNDIVIDED PROFITS OVER 105 MILLION DOLLARS

Guaranteed Bonds

—*fill every Investment Need*



Surety Guaranteed Bonds are 6% Real Estate Bonds that bear the joint and several guarantee of the Federal Surety Company and the New Jersey Fidelity & Plate Glass Insurance Company.

Their safety is assured beyond question by the directly endorsed joint and several guarantee of the two surety companies appearing on each bond.

They combine safety with liberal yield, and therefore should be numbered among the investments of banks, institutions, trust estates and individuals.

In case of emergency, they have a higher market rating than any real estate bond now on the market, by reason of this binding guarantee.

Security dealers and bankers can safely recommend these bonds to their most exacting clients, and will find them an attractive, profitable and worry-proof addition to their lists of offerings.

Our new booklet, "A Part Of All You Earn Is Yours To Keep," describes the care exercised in underwriting this type of investment, and will be sent free upon request.

PROVIDENT STATE SECURITIES COMPANY
134 North LaSalle St.
Chicago, Ill.

BONDS AND INVESTMENTS

AN ANALYTICAL survey of the results of operations of fifty-one investment trusts or investment companies with total resources of about \$1,400,000,000 reveals a generally sound investment ability. A group of sixteen old trusts earned nearly 14 per cent on the average resources during the last three years. A group of thirty-five new trusts (formed since November 1928) reported a decline in the value of their security portfolios of 8.49 per cent from cost, whereas the stock market decline during the same period was 21.7 per cent.

Although the reports of individual companies, whether they have been in operation for several years or are one of the new investment companies, furnish results which do not compare favorably with the stock market decline or the earnings on the average resources are not as high as those of the group, on the average, the results of operations were satisfactory. The group of old trusts had an advantage, as many of their securities were purchased several years ago at low figures and in spite of the fact that they were not sold prior to the stock market decline, the prices of these securities after the October-November debacle was above cost.

The results of the group of new companies were good considering the difficulties under which they labored. In the first place, they were formed at a time of high levels in the stock market and could not make the advantageous purchases possible to the old companies. In the second place, the general enthusiasm for common stocks at the time of their formation and during the early months of their operation required considerable strength of management foresight in not purchasing common stocks. A few trusts did make large purchases, but on the whole the results of this group indicate sound management ability.

General Expectation

The general expectation is that an investment trust or investment company will report earnings of 10 per cent on the average resources over a

What Has Happened to Investment Trusts?

By Walter N. Durst
Steelman & Birkins
New York

period of years. This 10 per cent is higher than can be achieved by all but a few investors, over a period of time, and is multiplied by the ratio of the senior capital of the trust to the common stock capital. The earnings on the average resources may be increased one and one-half, two or three times by the amount of trading on the equity, that is, the ratio of debenture and preferred stock capital to the amount of common equity. However, without considering this question of multiplication of earnings for the common, the survey showed that earnings on the average resources were on the average nearly 14 per cent for the last three years.

The sixteen trusts included in the analysis which have been in operation for three years or longer, have total resources of \$560,000,000. These sixteen trusts are the principal ones that have been in operation for this length of time. Ten of the sixteen are larger trusts with resources of from \$10,000,000 to \$50,000,000 each, and the other six each have from \$1,000,000 to \$8,000,000 in resources. The average size is about \$35,000,000.

The results of the survey of these older trusts were as follows: Earnings on the average resources of the group, as closely as can be computed, were 11.5 per cent in 1927, 14.6 per cent in 1928, and 15.2 per cent in 1929. The results of the individual companies varied rather widely, although they were generally on an ascending scale.

The highest earnings were reported by Trust A, namely, of 9.90 per cent in 1927, 21.5 per cent in 1928, and 27 per cent in 1929. With but two exceptions, the average during the three

years was higher than the classic figure of 10 per cent. One of the smaller companies reported a decline in earnings during the three years and the average for this company for the three years was 8.53 per cent, and a

holding-investment company reported an average of 8.6 per cent for the three years.

The variance in the reports is indicated by the results of Trusts B, C and D (see accompanying individual charts). Trust B reported a continued increase in earnings on the average resources, whereas Trust C reported high earnings in 1928, due to large profits from sale of securities, and in 1929 only a few such sales were made and earnings consequently declined.

Trust D, a holding-investment company, with the portfolio continued practically intact from year to year, reported a continuous decline in earnings from 11.5 per cent in 1927 to 6.9 per cent in 1929. The low earnings are due to the lack of capital profits which the other trusts include in their income accounts.

Market Appreciation

At the end of 1929, six of the sixteen companies reported an appreciation of market values over cost of securities, one was about even, and nine reported a depreciation. However, the appreciation of the six trusts was approximately \$38,000,000, whereas the depreciation of the nine trusts was less than \$11,000,000. Net appreciation of the group was \$27,000,000. This net appreciation amounts to nearly 5 per cent for the entire group.

All of the four companies, Trusts A, B, C, and D, the earnings operations of which are graphically displayed in the accompanying charts, reported an appreciation of market value over cost. In the case of Trust A, it was 34.6 per cent; Trust B, 20 per cent; Trust C, 24 per cent; and Trust D (holding-investment company), 6.7 per cent.

The investment trust movement might paraphrase a certain famous statement: "These are my jewels."

Central Western Banker, April, 1930

These sixteen trusts have been in operation for three years or longer and, on the average, have reported earnings of about 14 per cent, or 40 per cent above the classical concept of 10 per cent, and after the severe market decline of last fall had an average appreciation of market value over cost of about 5 per cent. The varying results indicated in the above summary and by the charts demonstrate forcibly that individual analysis is necessary in the case of investment companies, although they may have been in operation for several years.

Thirty-five New Trusts

The survey of the thirty-five new investment companies with resources

of about \$850,000,000, all these companies having been formed or publicly announced since November, 1928, indicates the desirability of age in considering the securities of an investment trust. However, on the average, the results are favorable. The decline of their security portfolios is considerably less than the corresponding market decline.

It would be possible to make a very interesting survey of the price action of the stocks of these new companies. The prices of the trust stocks advanced far above liquidating value in the summer of 1929, and the market slump reduced them to below liquidating or net asset value. A number are still

selling at a discount from the net asset value per share based on market prices.

However, while the problem of market action and prices is a very important one to the investor and to the holder of investment trust securities, the over-done advance and decline is a study of the general market movement, whereas this analysis is a survey of the results of investment management. Market prices of investment trust securities and investment management are divorced in an unusual period such as that of the last year although over the long term they are inextricably bound to each other.—
From Bankers Magazine.

Deposit Accounts

In considering the factors underlying bank reserves, Dr. Paul M. Atkins, economist for Ames, Emerich & Co., discusses in the company's current "Bank Brief" the distribution of the size of deposit accounts. "Analysis of many banks shows that, in general, for a given amount of either demand or time deposits, the larger the number of the accounts the more stable is the demand made upon the reserves," says Dr. Atkins.

"A large number of small accounts generally means a correspondingly large group of depositors. Barring relatively exceptional cases, the needs and requirements of all of the people are seldom the same at the same time. On the other hand, a small number of large accounts is likely to cause marked fluctuations in the volume of deposits. Companies will, at times, build up a large amount of deposits during a period when collections are heavy only to draw them down heavily and, sometimes, quite suddenly.

"Corporations have been known to make large time deposits in country banks because the rate of interest paid by these institutions is frequently higher than that offered by city banks. When these funds are wanted they are withdrawn either with no notice, if the bank will permit it, or with no more than the legal notification.

"It will be found in most cases that a fairly even distribution of deposit accounts by size will be the most advantageous combination for a bank to possess. The large number of small ones will give stability to the ebb and flow of funds. The small number of large ones will add to the earning power of the bank. It is very essential that a bank analyze the distribution of its deposit accounts by size and ascertain what the facts actually are, for the situation as revealed by this analysis is an important factor in determining the size of the bank reserves, both primary and secondary."

FACTS or Factors

In buying a security in the hope of gaining appreciation profits the purchaser encounters a host of factors. A thousand and one considerations enter into his calculations, all boiled in the crucible of probability. And when the sum is computed finally, a new factor suddenly bursts upon him to render his work useless.

But there is another type of investor who knows no factors, but only one fact — income. A purchase made from a reliable investment banker who specializes in securities offering assured income renders further consideration unnecessary. Year after year, this investor will continue to receive a growing profit — the only certain profit — income.

Our current investment list offers such opportunities to eliminate the thousand factors which make for uncertainty and to substitute for them the Fact — steady income.

SMITH, LANDERYOU & CO.

210 Farnam Building,

Omaha, Nebraska

Phone Ja. 5065

GUARANTEED BONDS CANNOT "FREEZE"

By J. KENNETH EDLIN

President of Provident State
Securities Co., Chicago

IN past months, a number of investment houses have suffered severe losses, and attention has been called to the causes to which they attributed their reverses, one of the principal reasons being depression in the bond market and consequent "freezing" of their assets.

It can and often does happen that a financial institution, otherwise solvent, is confronted with the problem of converting its resources into cash on short notices, and where this cannot be readily accomplished, disaster is inevitable.

Houses underwriting unguaranteed real estate bonds have been among the sufferers from this condition with the result that bankers, as well as individual investors, are asking themselves the question, "Is this a safe form of investment?"

Many of the failures can be attributed to four distinct factors: (1) Depression in the bond market with consequent "freezing" of assets; (2) over-financing, resulting in heavy carrying charges; (3) rental schedules based on abnormal conditions; and (4) carelessness on the part of the house of issue with regard to the business experience and ability of the mortgagor or manager of the property.

These things cannot happen in the case of Guaranteed Real Estate Bonds for the reason that the surety companies who place their guaranty upon a good issue are performing this service for a consideration, their fee being paid them for placing their guaranty of payment of principal and interest directly on the bonds. Therefore, they are assuming a heavy obligation which, in their own interests, they must carefully protect at all times.

The relatively small premium which they charge for this service does not permit them to assume hazardous risks, and they cannot afford to suffer a loss that would offset the premium collected for their guaranty upon the bonds.

Therefore, they take unusual precaution against the possibility of loss, and adopt certain stringent regulations as a condition of their guaranty, which regulations must be strictly lived up to on the part of the institution underwriting the bonds.

In the case of the ordinary unguaranteed bond, the whole question of setting up the issue depends on the

CORPORATE TRUST SHARES

A FIXED INVESTMENT TRUST

underlying which are stocks of the 28 companies listed below, plus a Cash Reserve Fund (interest on which is paid to shareholders) designed to insure a minimum annual distribution of 70c per Corporate Trust Share.

No. of Shares	UTILITIES AND QUASI-UTILITIES	Moody Rating	No. of Shares	RAILROADS	Moody Rating
4	American Telephone & Telegraph	Aa	4	Atchison, Topeka and Santa Fe	Aa
4	Consolidated Gas of New York	A	4	Illinois Central	A
4	General Electric	Aa	4	Louisville & Nashville	Aa
4	Westinghouse Electric	A	4	New York Central	A
4	Western Union Telegraph	A	4	Pennsylvania Railroad	A
INDUSTRIALS					
4	American Radiator & Standard Sanitary	Baa	4	Southern Pacific	A
4	American Tobacco (Class B)	A	4	Union Pacific	A
4	du Pont	A	OILS		
4	Eastman Kodak	A	4	Standard Oil Company of California	A
4	Ingersoll-Rand	A	4	Standard Oil Company of Indiana	Aa
4	International Harvester	A	4	Standard Oil Company (New Jersey)	Aaa
4	National Biscuit	Aa	4	Standard Oil Company of New York	Aa
4	Otis Elevator	A	4	Texas Corporation	A
4	United Fruit	A			
4	United States Steel	A			
4	Woolworth	A			

Outstanding Features and Earnings Record

1. Semi-annual distributions are paid on June 30th and December 31st against coupons attached to certificate.
2. Cash distributions for 1929 were as follows:

	June 30, 1929 (for 6 mos.)	Dec. 31, 1929 (for 6 mos.)	Total for 1929
Regular coupon rate.....	\$8.35	\$0.35	\$0.78
EXTRA DISTRIBUTION.....	.81½	.45	1.26½
Total distribution.....	\$1.16½	\$0.80	\$1.96½

3. 17-year average annual distribution (1913 to 1929 inclusive) has been \$1.53 per share, equal to 14.8 per cent return on the annual average price of the shares during this 17-year period (assuming existence of the shares during this period).
4. Moody's rating "A."
5. Issued by THE EQUITABLE TRUST COMPANY OF NEW YORK, TRUSTEE, and countersigned by American Depositor Corporation, Depositor.
6. Denominations: 10, 25, 50, 100, 250, 500, 1,000, 2,000 and 10,000 shares.
7. Rights are issued semi-annually permitting reinvestment of part of distributions.

SMITH BURRIS & COMPANY

Syndicate Managers—Central United States
120 South La Salle Street, CHICAGO

LLOYD PHILLIPS & COMPANY

Wholesale Representatives for Smith, Burris & Co.
Union National Bank Bldg., FREMONT, NEB.

Corporate Trust Shares are distributed at retail by over 200 banks and investment houses in principal cities.

Central Western Banker, April, 1930

underwriter and the mortgagor, who, through mutual concessions and by agreement decide on the amount of the loan, interest rate, trusteeship, and other features of the loan; whereas in the case of a Guaranteed Bond, this procedure is secondary to the strict and searching investigations made by the surety companies with reference to location, actual values, the appointment of an independent corporate trustee, and the careful investigation of the financial standing and business ability of the man who is borrowing the money with which to build.

A Safe Investment Form

Real estate is and always will be one of the safest forms of investment known, and where the surety companies who guarantee real estate bonds

adhere to conservative practices and careful financing, the possibility of loss is reduced to the minimum.

There are certain definite formulas by which the value of properties can be maintained within a remarkable degree of accuracy, and if bankers as well as individuals will adhere to these rules they will at all times find a guaranteed bond to be well within the limits of safety as prescribed by conservative underwriting and investment banking.

So far as the surety companies are concerned, the fact that they are under the supervision of the United States Treasury Department as well as the states in which they are licensed to transact business is an assurance that the likelihood of their resources

becoming impaired is too remote to merit consideration.

The supervision of the surety companies by various governmental agencies is an added safeguard to the investor, who can at all times have the satisfaction of knowing that the companies who guarantee his bonds are at all times watching his interests in order to protect their own and, in turn, are under the watchful eye of various insurance departments, whose sole function it is to protect the interests of the policyholders of the companies.

Therefore, the protection afforded the bondholder does not necessarily consist exclusively of the closed first mortgage on the property or the income from the property, but, in the final analysis, on the continued financial health and good repute of the surety companies, which is reasonably assured by reason of the close supervision above referred to.

Thus protected, safeguarded and insured, a Guaranteed Bond cannot "freeze," and for this reason has a higher collateral value at banks, is more readily marketable in case of necessity, is distributed over a wider range and to a larger number of individual investors than other types of real estate bonds, and is particularly attractive to institutions who must not lose, and to individual investors who cannot afford to lose.

Sees Era of Prosperity

Frozen loans should be thawed out by or before the middle of March and this should bring to light a large aggregate of hidden buying power, Paul Clay, economist of the United States Shares Corporation stated in an address before the New York Credit Men's Association. Mr. Clay maintained that the credit situation should improve greatly in March and, pointing out that the bond market is now on an upward trend, declared that any liquidation remaining in the stock market will be neither large nor intense and that a new era of prosperity should begin in August.

Discussing the immediate future, Mr. Clay said that three converging lines of evidence indicate that the trade depression is likely to continue into July or thereabouts, even though approximately the lowest level has already been reached. He contended also that the rapid boom of 1922 and 1929 and the easy profit era are things of the past; and that for a long period of years our prosperity and profits will have to be earned. The nearby outlook he believes more or less assured by the habitual occurrence of "secondary booms" which are minor booms occurring after and because of

FOR INDIVIDUAL AND INSTITUTIONAL INVESTORS

Every investment account, whether made up entirely of fixed interest-bearing securities or including a proportion of equity issues, should have a foundation of high-grade bonds. Government, State, Municipal and the best Corporation bonds are the recognized media for the conservation of capital, and are just as suitable investments for individuals as for savings banks, insurance companies and other institutions.

The National City Company provides conveniently located investment offices in the following cities where recommendations for the employment of current surplus funds will gladly be made:

Albany, N. Y.	Indianapolis, Ind.	Portland, Ore.
Atlanta, Ga.	Kansas City, Mo.	Providence, R. I.
Atlantic City, N. J.	Los Angeles, Calif.	Rochester, N. Y.
Baltimore, Md.	Louisville, Ky.	St. Louis, Mo.
Birmingham, Ala.	Memphis, Tenn.	St. Paul, Minn.
Boston, Mass.	Miami, Fla.	San Diego, Calif.
Buffalo, N. Y.	Milwaukee, Wis.	San Francisco, Calif.
Chicago, Ill.	Minneapolis, Minn.	Scranton, Pa.
Cincinnati, Ohio	Newark, N. J.	Seattle, Wash.
Cleveland, Ohio	New Orleans, La.	Spokane, Wash.
Dallas, Texas	Oakland, Calif.	Tacoma, Wash.
Davenport, Iowa	Omaha, Neb.	Toledo, Ohio
Denver, Colo.	Pasadena, Calif.	Washington, D. C.
Detroit, Mich.	Philadelphia, Pa.	Wilkes-Barre, Pa.
Hartford, Conn.	Pittsburgh, Pa.	Montreal, Canada
Houston, Texas	Portland, Me.	Toronto, Canada

The National City Company

National City Bank Building, New York

INVESTMENT SECURITIES



major booms, due largely to public feeling that boom conditions are regular and normal circumstances. These usually last a year or more with or without powerful economic causes and one of them should soon begin, in his opinion.

In his last address before the association, delivered October 15, 1928, Mr. Clay predicted a bear market after the first quarter of 1929, hence members displayed more than ordin-



PAUL CLAY

ary interest in his forecasts, as well as in his comment on the last year which was to the effect that 1929 was remarkable, on the one hand because there was probably never a year in which so many expected events happened in credits, finance and industry and on the other hand because these expected events took place in unexpected ways as never before.

Building Profitable Business

(Continued from Page 5)

Savings Account Department.

7. Correct method of computing interest.

8. Pay no interest on Christmas clubs, tax clubs, etc.

9. Pay no interest on small balances.

10. Reduction of savings interest rates.

11. Build balances in present accounts.

Miscellaneous.

12. Fair charge for cashier's checks, drafts, etc.

13. Safekeeping of securities.

14. Purchase of securities.

15. Telegraphic transfer of funds.

16. Service charge on small loans.

17. Amortization of small loans.

18. Penalty on overdue notes.

19. Eliminate overdrafts.

Putting any one of these into effect will not increase profits in a big way. But the combination of them all will work wonders. No well informed banker needs reminding that bank profits are not what they should be. He knows it and has known it for several years. The indispensable nature

of bank service entitles banks to an investment return at least on a par with industrial earning, yet General Motors Corporation last year with $\frac{1}{4}$ of the invested capital earned more money than all national banks combined.

An analysis of costs without action is of little or no value. After the analysis is made the next step is to bring about the proper action. *This can be done through salesmanship and cooperation.*

What Salesmanship Does

Salesmanship is persuading the customer to accept your viewpoint in the sale and purchase of goods or services. The study of the principles underlying salesmanship is a study of the princi-

ples underlying the influencing of human behavior.

In the old days it used to be a generally accepted theory that salesmen were born, not made. Today sales organizations have definitely discarded the old idea. They no longer only equip their salesmen with information about the company they are to represent and the products or service they are to sell, but also give them information on the principles of salesmanship and the application of these principles in selling their particular product or service.

The object of the training is to show the salesmen effective methods used in presenting a service or commodity which he feels will be of value to a client. There should be no more reason for opposition to a plan of

OUR OFFERING LIST
WILL BE MAILED REGULARLY UPON REQUEST

G M A C obligations

enjoy the protective background of highly liquid assets, with credit factors widely diversified in region and enterprise. Long regarded as a national standard for short term investment, they have been purchased by thousands of banks, institutions and individuals the country over.

available in convenient maturities and denominations at current discount rates

GENERAL MOTORS ACCEPTANCE CORPORATION

OFFICES IN PRINCIPAL CITIES

Executive Office - BROADWAY at 57TH STREET - New York City

CAPITAL, SURPLUS AND UNDIVIDED PROFITS
OVER \$66,000,000

Central Western Banker, April, 1930

teaching your employes to become salesmen than the plan of teaching prospective lawyers how to present cases in court.

A salesman is one who creates values in the customer's mind. Know your services and be convinced of their value. Learn how to present your services so as to compete successfully for your portion of your customer's dollar—Competition is keen.

When one of your customers gets hold of a dollar, thousands of manufacturers spending millions of dollars in advertising and selling, are literally screaming to secure a portion of that dollar. Real estate dealers, mortgage

houses, building and loan associations, bond houses, are advertising and using intensive sales methods, employing excellent salesmen all with the purpose of selling their investments. Manufacturers of radios, automobiles, pianos, and other luxuries are spending millions to keep their factories busy. As a result there is little or nothing left for the depositor to put into the bank. Why? Because you have not convinced him of the values that he would receive. Most banks do not use the new sales and advertising methods to compete with other lines of products and investments. Use scientific selling methods.

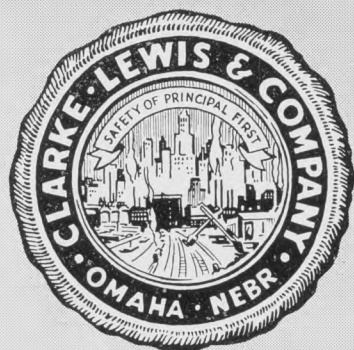
The majority of bankers are not thoroughly sold on the value of the service they are rendering. The time has come when the public should be better informed. It is a big job and cannot be done quickly. But there is one thing certain—working with tried and tested selling principles, there is no question but what the banker can meet successfully present day competition. One contributing factor reducing net profits of banks today is they are serving more customers in relation to deposits than ever before in the history of banking.

Men or women who know how to sell and particularly how to sell bank services are in demand today—and can about write their own ticket.

There never was a time in the history of banking where coöperation played so important a part. Many of the forward steps to be taken must be on a coöperative basis. Lack of coöperation is costing banks thousands upon thousands of dollars yearly.

Many times we have seen the installation of stop loss charges on low balance checking accounts held up indefinitely because of lack of coöperation. For example, in a town of 6,000 people, there are three banks. Considerable effort was made to interest all the banks in the stop loss charge. One bank refused to coöperate. It was the same old story—they wouldn't benefit much because of size and they were not going to let their competitors benefit.

The second bank refused to join because of the first. The third bank, after doing everything they could to obtain coöperation, decided to go it alone. They did. They put on an educational sales and advertising campaign. They convinced their customers their action was justified. Here are the results. When the campaign started, they had 800 accounts with less than \$50 average daily balance. Total deposits in this group of \$22,921.50 or an average daily balance of \$28 per account. After part of the preliminary educational work had been done and the service charge announcement had been made, they had lost only 30 accounts, leaving 770. But instead of having \$22,000 deposits in this group, the balance amounted to over \$36,000 or an average of \$47 per account. In August, after the stop loss charge had been made, they had 670 accounts, with \$46,000 or an average of \$69 apiece. The total deposits in the 130 accounts closed amounted to \$1,134.00 or an average of \$10.27 each. In addition to this they are collecting a very handsome revenue monthly from the stop loss charge, and say—"We are thoroughly sold on the proposition and feel we should have instituted this charge sooner than we did."



*Investment Counsel
and
Conservative Bond Issues*

CLARKE, LEWIS & CO.
318 SOUTH NINETEENTH STREET
OMAHA

WE ALL know that during the past few years

when the stock market was soaring—when your bootblack was as ready to give you tips on the market as your broker—a good many sizable estates were created through profitable but speculative investments. We know, too, that a good deal of life insurance has been bought during the same period, but, at the same time, we have had to admit that it has often been impossible to show to people who needed it most the value of life insurance protection.

Theoretically, of course, it should have been easy for a life insurance salesman to go into a man's office and to point out to him why he ought to have life insurance to protect his family when his estate consisted of speculative investments. However, in a great many cases the man who saw his profits mounting daily didn't want to look at the picture of the part which life insurance would play in case something happened to his securities. Today, however, that something has happened, and in most instances, the only method by which a man can make sure of recreating immediately the estate he wants his family to have is through life insurance. Moreover, in a good many instances, his only method of making sure that his financial objectives for his family will be carried out is through the life insurance trust.

A New Picture

Here is the present-day financial picture: The violent drop in market values has destroyed or diminished a great many paper estates. By the payment of a relatively small amount, the man whose estate has been destroyed can re-create this estate immediately through life insurance. He realizes only too well the pitfalls into which even the most experienced investor can fall, and, therefore, the financial dangers which may be in the path of his family if they are entrusted with the investment of the funds. Have the life insurance companies and the trust companies ever had a greater coöperation to realize that in a few years we have passed beyond the stage

Creating and Conserving ESTATES

By John G. Stevenson

*General Agent, Philadelphia, Penn
Mutual Life Insurance Co.*

opportunity to work together in the creation and conservation of estates?

I think it is a highly favorable commentary on the progress made in life insurance company and trust company

.....
 "When we look on life insurance as a means of replacing a man's economic value to his family we realize that our job is just begun. In other words, when we look on life insurance as a way of providing funds to pay off mortgages, to finance the college education of a man's children, or to give the family the income they will need, we must arrange some way of carrying out these plans!"

where we must discuss questions such as whether this type of coöperation is possible, practical, and desirable. The fact that the amount of life insurance protected by trust agreements has passed the two and a half million mark, of which \$1,200,000,000 was placed in trust during 1929, an increase of 71 per cent over 1928, is sufficient answer to these questions. Our chief consideration today is how to make life insurance and trust company coöperation most effective in the creation and conservation of estates.

The other night I was coming out of the theatre after seeing a drama of married life, and a friend of mine remarked that "when you used to go to the theatre, you expected the play to end when the plot brought you to the point where apparently the man and the girl were going to live happily ever after. But now, that's where you expect the play to begin."

It seems to me that there has been a similar shift in our attitude about life insurance. When life insurance was sold merely on the basis that life insurance

was a good thing to have, and the more you had the

better off you were, we thought we had completed our job when we had sold a man a certain amount for the protection of his family. Now, however, when we look on life insurance as a means of replacing a man's economic value to his family, we realize that our job has just begun. In other words, when we look on life insurance as a way of providing funds to pay off mortgages, to finance the college education of a man's children, or to give the family the income they will need, we must arrange some way of carrying out these plans.

We have, of course, pretty well buried the argument that insurance trusts are necessary because 95 per cent of all life insurance estates are dissipated within seven years. Our common sense tells us that life insurance proceeds are dissipated most often, not because the beneficiary lost the principal by unwise investment, but because there wasn't enough insurance in the first place and she had to use the principal or starve. As a

matter of fact, a careful survey of about 750 claims paid by one company, involving about ten millions of insurance, showed that the amount lost was only about 1.3 per cent of the total insurance involved. Nevertheless, we all know of estates which have been needlessly dissipated, and know, too, that it isn't always possible to foresee all the contingencies that will arise. In this situation trust company administration substitutes professional work for amateur performance, and eliminates not only the danger of financial loss but a great many financial worries as well.

Our Present Job

You and I both appreciate the important contribution which life insurance can make toward the creation of estates, especially in the present financial situation. It represents the only method by which a person can create immediately the estate he wishes to leave his family and then save it—rather than leaving his family just what he has been able to save. You and I both appreciate, also, the important

contribution the trust companies can make in the conservation of these estates, for, where discretionary power is necessary in carrying out the insured's plans, the life insurance trust offers the only way by which he can make sure that these plans will be fulfilled. But we must realize, too, that from the marketing point of view, we sell, not what we know we have, but what the public thinks we have. Our present job, therefore, is to make the public aware of what the life insurance companies can do in the conservation of estates.

As far as printed salesmanship is concerned, the trust companies have done more than the life insurance companies in making the public trust-minded—partly because the life insurance companies have two tools in their kit for the conservation of estates, the settlement options and the life insurance trust, and it is a little difficult to write advertising copy showing the cases where one should be used and where the other.

The information which the public gets about railroads from the newspapers is chiefly about their financial condition and about their plans for future development. But the man who is going to use a railroad in traveling doesn't hunt for facts of this type. He

wants a time table—a statement of what the railroad will do in helping him to arrive at a certain destination. Likewise, most of the information which the public gets about life insurance companies and trust companies is about their financial condition and their plans for development. But the man who is creating an estate wants concrete information, not only about what these institutions can do, but what they actually will do in enabling him and his family to arrive at a certain financial destination.

A New Development

Life insurance and trust company cooperation, on a large scale, in the creation and conservation of estates is a relatively new development in the financial world. But the public can measure the effectiveness of our cooperation only by actual results—by what we have done and are doing in the way of helping people to accumulate estates for their families and in safeguarding these estates so that the funds will meet the family's financial needs.

The soundness of the life insurance method of creating estates, if proof were necessary, was conclusively demonstrated during the recent market crash. Also, people realized more

clearly than ever before the dangers in the path of the inexperienced investor. We, therefore, have a marvelous opportunity, but the work which we do today must stand the tests of tomorrow if life insurance and trust company cooperation is to be really effective. Recommendations which are all right in theory but not in practice won't help to lay a strong foundation. Nor will recommendations based on insufficient knowledge of the other man's business. We can build a substantial structure only if the financial plans we set up today carry out their real purpose in the future.

Leaves Omaha

C. I. Hart, agency manager of the Equitable Life Insurance Co. of Iowa at Omaha, has resigned to assume the management of an Iowa farm that he owns. The company has consolidated the offices at Omaha, Lincoln and Hastings, and these will be put in charge of A. E. Wilder, agency manager at Lincoln, who will make Omaha his headquarters.

Will Use Movies

Aetna agents have the opportunity to be pioneers in the use of a brand new form of advertising as a result of arrangements completed last month by the Aetna's Publicity Department. Each month during 1930, an animated cartoon movie with full sound effects including incidental music by a ten-piece orchestra will be available to Aetna agents for them to run in their local moving picture theatre. Each of these films is built around the current Aetna national magazine advertisement and contains the name and address of the local agent from whom Aetna Coast-to-Coast protection may be obtained.

So far as is known, this is the first use by an insurance company, and in fact by an advertiser in any line, of the new sound movies for advertising purposes in connection with theatre distribution by local representatives.

New Policies

The Equitable Life Insurance Company of Iowa has recently announced three new policies on the 3 per cent reserve basis; Ordinary Life maturing as an endowment at age 85, Life Paid-up at 65 maturing as an endowment at age 85, and Endowment at age 67. The minimum policy issued will be \$10,000 and the saving in expense because of the increase in the average size policy will make the net cost very attractive. The policies are not of the so-called "select" class and the same underwriting rules used on

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.



Condensed Financial Statement

FEDERAL SURETY COMPANY

DAVENPORT, IOWA

As of December 31, 1929

ASSETS	LIABILITIES
Cash\$ 889,268.72	Reserve for Claims and Losses....\$ 711,917.26
Stocks and Bonds 1,031,100.16	Reserve for Unearned Premiums.. 859,944.76
Real Estate 95,650.09	Reserve for Commission and Taxes 129,538.93
Real Estate Mortgages..... 764,351.69	
Miscellaneous Assets 362,451.75	Cash Capital\$1,308,300.00
Interest Accrued 41,133.95	Net Surplus..... 942,557.41
Due from other companies..... 217,135.84	
Premiums in Process of Collection. 551,166.16	Surplus to Policyholders..... 2,250,857.41
Total Assets\$3,952,258.36	Total Liabilities\$3,952,258.36

OFFICERS

CHARLES SHULER <i>Chairman</i>	W. L. TAYLOR <i>President</i>	FRANK COHEN <i>Vice President</i>	GEO. E. DECKER <i>Vice President</i>	CHARLES PAUSNER <i>Vice President</i>
FRANK B. YETTER <i>Vice President</i>	THEO. G. LORENZEN <i>Secretary</i>	IRA A. SCHILLER <i>Treasurer</i>	CHARLES D. ROBBINS <i>Chairman Finance Committee</i>	
W. H. STUART <i>Asst. General Manager</i>	CARL SHERMAN <i>General Counsel</i>	HAROLD HODGES <i>General Attorney</i>		

COMPARATIVE GAINS FOR 1929

Gain in "Investment Income"\$ 84,874.58
Gain in "Total Reserves" 224,919.24
Gain in "Net Premiums" 290,340.22
Gain in "Surplus to Policyholders" .. 303,781.66
Gain in "Premiums in Force"..... 365,394.25
Gain in "Net Surplus" 495,481.66
Gain in Net "Admitted Assets"..... 528,700.90

*Writing all forms of
Fidelity and Surety Bonds,
Accident & Health, Automobile, Burglary,
Plate Glass, and other forms of
Casualty Insurance*

Correspondence solicited from agents in unoccupied territory

the company's other policies will apply to these new contracts. The three contracts provide a well balanced series of 3 per cent policies and make it possible for the company to offer a policy to fit practically every insurance need.

At Omaha

J. A. Pound of Omaha, Nebraska, has been appointed agent of the American Home Assurance Corporation for that city and vicinity. H. T. McBurney will represent the American Constitution Assurance for the same territory.

"The Story of Nylie"

The New York Life Insurance Co. has just published "The Story of Nylie," a history of the origin and development of the company from 1845 to 1929, by Lawrence F. Abbott. It is a book of over 300 pages, is written in a delightful style and contains a number of illustrations.

The company did not start with its present well-known name. In 1841 the New York Legislature chartered the Nautilus Insurance Co. with \$200,000 authorized capital to do a marine and fire insurance business. Two years were allowed to raise the capital. Before that time expired an act amending the charter was secured to permit the company to write life insurance also and to operate on the mutual plan when applications for \$300,000 of insurance had been secured.

Inspect Aurora

Sponsored by the Business Men's Club, the Rotary and Commercial Clubs cooperating in the work, the Nebraska State Fire Prevention Association made an inspection of Aurora, March 20. Under the auspices of the Business Men's Club, a public meeting was held at a dinner in Fidelity Hall at 6:30 in the evening at which talks were made by members of the speakers' bureau of the Association and others. The high school students were addressed by a representative of the Association at 1:10 in the afternoon.

Low Death Rate

The amazing low death rate of 9.40 per 1,000 has been set for January 1, 1930, making this the best January from a health standpoint among the more than 19,000,000 industrial policyholders of the Metropolitan Life Insurance Company. The previous best record among this class was 9.41 in 1927.

Legal Brain Teasers

(Continued from Page 4)

After Hours

The Connecticut bank vaults were locked, the officers in charge had departed, an express messenger tendered a parcel, the junior in charge refused to accept it, and the parcel was lost.

"If you'd taken it when we offered it, there would have been no loss," the express company contended.

But the Connecticut courts (in 17 Conn., 138) ruled that the bank was justified in refusing delivery.

Last Minute News

(Continued from Page 3)

HUNTER S. MARSTON, for the past ten years vice president of Bancamerica-Blair Corporation and its predecessor Blair & Co., Inc., and a member of the organization since 1903, was elected president of Bancamerica-Blair Corporation at a meeting of the board of directors held February 18. Mr. Marston succeeds Elisha Walker, recently elected chairman of the board and active executive head of the Trans-America Corporation, the largest securities holding and investment company in the world, having resources of over \$1,000,000,000. Bancamerica-Blair Corporation is the securities affiliate of the Bank of America, N. A., which is one of the oldest banks in the United States.

Cost of Free Service

The following editorial appeared in the Chicago Journal of Commerce recently regarding the enormous amount it costs the banks of the country to maintain free services:

Free service seems to be free to everyone except those who make the gratis service possible.

According to a survey conducted by the committee on unprofitable service, of the A. B. A., the free service enumerated are costing the banks of this country \$300,000,000 net annually.

Possibly this uncomfortable total will explain, in part, why so many of our banks are objecting to "increased costs and decreased profits." Banking institutions give away to their customers \$300,000,000 worth of valuable service without any substantial compensation. It is easy to see why the banks complain. They have literally given until it hurts.

As has been intimated in this report, the major cause for this unsatisfactory condition which exists in the bank's profits and loss accounts is unquestionably competition inspired by the great American desire for "Bigger and Better Banks." It has been said that it is not a case of high cost of banking, but the cost of "high" banking—the cost of vanity. Giving all the service that the public asks for free of charge is classed as "high" banking, or vanity.

The solution of the problem is to be limited less in service, but the charge for all that is not what can be classed as a "reasonable" service.

The SERVICE LIFE INSURANCE COMPANY

of Lincoln, Nebraska

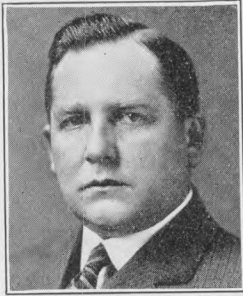
B. R. BAYS, President

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

WE STAND ON OUR RECORD
STARTED BUSINESS SEPTEMBER 20, 1923

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

Nebraska News



A. N. MATHERS,
President, Nebraska Bankers Association



W. M. B. HUGHES, Secretary,
Nebraska Bankers Association

Officials of the two banks issued a statement saying that business was not sufficient to warrant the operation of three banks in North Platte.

Becomes National Bank

The State Bank of Glenvil, Nebraska, has received word that the comptroller of currency had authorized it to become the First National Bank of Glenvil. The bank has a capitalization of \$30,000 and surplus accounts of \$6,000.

It was organized as a private bank in 1899 by L. L. Brandt, becoming a state bank in 1913.

Officers of the bank are J. J. Mohlman, president; L. E. Uden, vice-president; and John H. Itzen, cashier. The board of directors is composed of L. L. Brandt, J. J. Mohlman, L. E. Uden, John Itzen and M. Uden.

Becomes National Bank

The American State Bank of Bushnell, Nebraska, has made an announcement that they have changed to a National Bank and in the future would be known as the First National Bank. The new bank has a capital of \$25,000 and a surplus of \$5,000.

Now a National Bank

The Farmers and Merchants State bank of Ashland, Nebraska, has obtained a national charter and will open as the Farmers and Merchants National. The new bank will have capital and surplus of \$100,000. Deposits are \$1,250,000. H. A. Wiggenghorn is president.

Bank Opens at Seward

The many details incidental to the nationalization of the State bank of Nebraska, at Seward, were completed recently and the bank has opened under the name of the Cattle National bank.

The institution, which is one of the oldest and strongest in that district, was organized in 1872 by Claudius Jones. In 1879 John Cattle, sr., took over the control when it was still a private bank, the same being incorporated in 1889. For many years Walter Cattle has been at the head of the institution.

Consolidate at North Platte

Sale of the Union State bank to the McDonald State bank of North Platte, Nebraska, was announced recently.

THE STATE BANK of Seward, Nebr., on March 1 became the Cattle National Bank. The bank, one of the oldest in its district was organized in 1872 by Claudius Jones. In 1879 John Cattle, Sr., assumed control and for many years Walter Cattle has been the president of the bank. His son, Robert Cattle, is the cashier.

GUY S. HOFFER, who has been in the Omaha offices of the H. M. Byllesby company of Chicago since August, 1928, has been appointed sales manager of the company, and will have headquarters in the Chicago office of the investment house.

Last October Mr. Hoffer had been transferred to the Chicago office, but had spent much of his time traveling in mid-western territory and maintained his home in Omaha. Before Mr. Hoffer's connection with the Byllesby company he was associated with Burns, Potter & Co., of Omaha.

WALTER DALE CLARK, president of the Omaha National Bank, returned early in March from a trip of several weeks to New York and other eastern points.

FREDERICK H. DAVIS, president of the First National Bank of Omaha, has been on a brief vacation to the west coast.

THE OMAHA NATIONAL Bank has altered its woman's quarters to provide more room and a greater de-

gree of privacy. Three tellers are now in this department, compared to one who formerly served the women customers of the bank.

TWENTY-FIVE state banks of Nebraska, which were closed and taken over in the past year under the provisions of the law passed by the legislature of 1929, have been reopened by composition settlements made with the depositors.

Six of the banks had previously been in the hands of the guaranty fund commission.

The Harrison State bank accomplished reorganization without change of ownership or management and without loss to depositors.

The reopened banks are:

Nebraska State Bank of Bloomfield; Farmers State Bank of Ravenna; State Bank of Surprise, Surprise, Neb.; City State Bank of Sutton; Mason City Banking Company; Kennard State Bank, Kennard; Farmers State Bank of Cozad; Rosalie State Bank of Rosalie; Commercial Bank of Grant; Dawson County State Bank of Lexington; Citizens State Bank of Alliance; Abie State Bank, Abie; Farmers and Merchants Bank of Bloomfield; Sutton State Bank, Sutton; St. Libory State Bank, St. Libory; First State Bank of Bertrand; Farmers and Merchants Bank of Edison; Farmers State Bank of Clarks; American State Bank of Kearney; Farmers State Bank of College View; Peoples State Bank of Wolbach; Harrison State Bank, Harrison; State Bank of Cairo; Bank of Eagle; American State Bank of York.

Twenty-sixth Bank Re-opens

The twenty-sixth closed Nebraska state bank to reopen under the reorganization law resumed business when the Bank of Cedar Bluffs again opened its doors.

Announcing the reorganization, Bank Commissioner Woods said the institution now has loans and discounts of \$85,349.37; cash, \$55,933.69; capital stock, \$20,000; surplus, \$5,000; deposits, \$113,069.27.

Depositors of the old institution, he declared, agreed to accept a 60 per cent reduction in their accounts to aid in removing slow and doubtful notes.

Nebraska Guaranty Abandoned

NEBRASKA, after 20 years of experience under the bank guaranty law, abandoned it by the passage, at the special session of the legislature which adjourned March 15, of a new banking measure.

The principal features of the new banking law are these:

First: An assessment of two-tenths of one per cent of the average daily deposits of state banks, to be levied for ten years beginning January 1, 1930, the proceeds to be applied to the guaranty fund deficit.

Second: A provision for strengthening the condition of banks by requiring that they charge off bad debts ordered by the state department of trade and commerce before declaring dividends and must carry an amount equal to 20 per cent per year of net profits to the surplus fund until this shall equal 50 per cent of the amount of paid up capital stock, "and until the combined capital and surplus shall equal 10 per cent of the average daily deposits."

Third: A provision making it a felony to circulate false rumors about a bank's condition.

Fourth: The so-called "saving clause" which provides for a resumption of the guaranty fund law if provisions of the new act are found unconstitutional. This clause, which was the cause of much debate during the special session, finally was made to read as follows:

"Section 17: This inducement for the passage of Section 16 of this act, which repeals various sections of the statutes relating to the bank depositors guarantee fund and assessments therefor, is the passage of Sections 1 to 5 inclusive of this act, and if any one or more of said sections one to five inclusive of this act shall for any reason be held unconstitutional or invalid in whole or in part then and in that event said Section 16 of this act shall be invalid and of no force or effect and the sections of the statutes sought to be repealed by said Section 16 shall be in full force and effect."

It is estimated that the assessments provided for in the bill will raise at least \$3,600,000 in the ten years named in the act. To this sum may be added the \$3,000,000 of assessments levied and now being challenged in the courts; \$2,000,000 which, it is estimated, will be realized from assets of failed banks, making a total of approximately \$8,000,000 which may be realized from the banks as their share of the payment of the deficit in the guarantee fund, which is estimated between \$16,000,000 and \$20,000,000.

To this deficit also may be applied \$8,000,000 more dollars if the voters of Nebraska, at the November election, adopt a constitutional amendment providing that the legislature may levy taxes in amount large enough to yield \$8,000,000 for this purpose. The tax would not be levied in one year, but might become a continuance of the capital fund levy, which is now complete.

The so-called "South Dakota" plan for strengthening the banks, proposed by Governor Weaver, was entirely abandoned in favor of the provision for building up the surplus.

The proposal of the governor that the banks' surplus be deposited with the state treasurer was also abandoned. The law provides that the surplus account of the bank be maintained separately from other accounts; that the surplus be maintained in cash or in securities kept within the bank, and that these be available for exhibit at any time when required by the state department of trade and commerce.

The new bank bill was passed with the emergency clause, so that it be-

IN THE handling of business from banks a characteristic part of our service has always been — INDIVIDUAL ATTENTION to every transaction.

RUFUS E. LEE & COMPANY

Investment Bankers

1116-1122 City National Bank Bldg.

Omaha

ENDEAVORING AT ALL TIMES TO SERVE
NEBRASKA BANKS AND BANKERS
IN THEIR INVESTMENT NEEDS

The First Trust Company
of
LINCOLN, NEBRASKA

"Complete Investment Banking and Trust Service"

came effective immediately upon its signing by Governor Weaver.

The assessments provided for, during the next ten years, will be used to apply on only those losses which have occurred before the bill became effective. Attorney General Sorensen submitted an opinion that it would be illegal to provide an assessment fund providing for both future and past losses.

The new law was accepted on behalf of the Nebraska Depositors League by R. T. Jones, its manager, who said:

"I have had several attorneys look over the bill and they do not agree on its validity. But I feel that the members acted conscientiously and since the state has gone to a good deal of expense in calling the special session I believe it is the duty of the depositors to agree to the decision. Depositors and all citizens should return their money to good-paying banks and work for their success."

The senate, at the last moment of the session, adopted a resolution permitting depositors in failed banks to sue the state, either in their own counties or in Lancaster county.

While there was proposed, during the session, that the investigation of the management of the guaranty fund and the failed banks, which has been carried on under the direction of former Governor A. C. Shallenberger, be done away with, this proposal failed, and the audit is to continue.

Optimistic Outlook

Northwest Bancorporation's recent monthly business summary is optimistic about the employment outlook in the Northwest states and predicts employment for thousands of men within a month from rapidly expanding maintenance work on highways and resumption of road construction schedules.

It is estimated that in the United States at large 625,000 laborers, engineers, contractors and officials will be employed in highway work in 1930. Ten northwestern and middlewestern states, Wisconsin, Minnesota, North Dakota, South Dakota, Iowa, Nebraska, Montana, Wyoming, Idaho and Washington had 811,000 miles of rural road of every description, which is 27 per cent of the entire United States rural highway system. Of these ten, South Dakota has the greatest mileage, followed closely by Minnesota, North Dakota and Iowa, each having in excess of 100,000 miles. Thirteen per cent of the aggregate mileage of these ten western states is surfaced.

Northwest Bancorporation estimates that 30,000 will be employed on road work when the season opens shortly and that in the ten states named the number employed will exceed 150,000.

Fact-finding in Advertising

Progress which has been made in applying fact-finding and research to bank advertising and the banking field was described by L. W. Munro, New England Manager of Doremus and Company, Boston, Massachusetts, speaking before the eastern regional savings conference under the auspices

of the Savings Bank Division, American Bankers Association on "Banking Service and Savings' Banking from the Business Man's Viewpoint."

Basing his remarks on a recent research of the Boston banking field made by his firm, he stated that the results showed a distinct need for educational work on the part of the banks to give the average business man a clearer understanding of the functions of the banks. It developed, he said, that there still exists a mental barrier, "a certain fear," in the minds of business men toward their banks.

The Continental National Bank

LINCOLN, NEBRASKA

"A Bank for Bankers"

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

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

OFFICERS

CHAS. T. KNAPP, Chairman of the Board.
EDWIN N. VAN HORNE, President
T. B. STRAIN, Vice-President
EDWARD A. BECKER, Cashier
W. S. BATTEY, Asst. Vice-Pres.
RAY C. JOHNSON, Asst. Vice-Pres.
WHEATON BATTEY, Asst. Cashier.

United States National Bank

OMAHA

*"An Unbroken Record of Seventy Years
is a Guarantee of Safe and
Satisfactory Service"*

OFFICERS:

W. B. T. BELT, Chairman of the Board
ROBERT P. MORSMAN, President
GWYER H. YATES, Vice-President
H. M. BUSHNELL, Vice-President and Trust Officer
JOSEPH C. McCLURE, Vice-President
THOMAS F. MURPHY, Vice-President
CHARLES F. BRINKMAN, Ass't. V.-Pres.
PERRY B. HENDRICKS, Ass't. V.-Pres.
RALPH R. RAINEY, Cashier
HARRY E. ROGERS, Assistant Cashier
ERNEST E. LANDSTROM, Ass't. Cashier
AUSTIN L. VICKERY, Assistant Cashier
VICTOR B. CALDWELL, Assistant Cashier
H. W. YATES, Assistant Trust Officer



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

Located in the center of the live stock market — equipped to anticipate your every need — backed by a willingness and a desire to be of service to you. On the strength of these features we earnestly solicit your Omaha business.

Stock Yards National Bank

of
 South Omaha



Affiliated with the
 Northwest Bancorporation

The Only Bank in the Union Stock Yards

"The ideal banking situation exists only when the bank official, through his sincere desire to understand the manufacturer's or merchant's special problems, has won their complete confidence," he said. "While such a situation was found in a number of instances, both in the largest and smallest banks, it had more common existence among the smaller banks."

As to bank mergers, the research showed beyond any question a definite place for the smaller, well organized bank, he declared, adding:

"Here again the personal equation was an important factor, with a substantial feeling in favor of those banks whose officials were friendly and enjoyed the confidence of their customers, and there were several complaints of inexperience and aloofness against the officials of the larger banks.

"An impressive fact gained from the investigation was the feeling that banks should have in their employ practical business men to counsel on matters of production, merchandising and sales, criticism being made that the helpfulness of many bank officials stops with financial matters. The research also disclosed that from an advertising and sales standpoint there is a real need for advertising the commercial departments of the banks as evidenced by the specific interest in that direction by corporate officials and business owners."

Canada's Business Expansion

The dominion bureau of statistics has issued a summary of financial transactions in Canada during 1929 showing total payments by bank check at clearing house centers to have exceeded the preceding year by 7.4 per cent. The total of such financial transfers reached the figure of \$46,671,000,000.

Speculative trading, reaching a new high level in the history of the Canadian stock exchanges, and greater activity in industry and trade accounted for the expansion.

All areas in Canada recorded in Prairie Provinces, in which the debits creases, with the exception of the showed a decline of 1 per cent from 1928.

Prosperous conditions in British Columbia during the early part of the year, the report states, resulted in a greater percentage gain than in any other economic area. Debits in that province at \$2,923,000,000 were 17 per cent greater than in the preceding year.

News of the Omaha Stock Yards



Efficiency in Production

Despite a big increase in population and a similar decrease in live stock production, American people are consuming almost as much meat as they did several decades ago, according to W. Whitfield Woods, Chicago, president of the institute of American meat packers, who addressed the annual convention of the Kansas Live Stock association in Topeka, Kansas.

Woods explained that apparently paradoxical situation by the improved methods of raising live stock and marketing the meat.

"The number of beef cattle, hogs and sheep on farms today is considerably smaller than in 1900," Woods said. "Meanwhile the population has increased from about 76,000,000 to more than 120,000,000, and yet per capita consumption of meat today is less than 5 per cent lower than in 1900.

"Live stock is being raised more efficiently and marketed earlier, thus increasing the producer's turnover and making it possible to market a larger number of animals from a herd of a given size."

Discussing imports and exports of meats and meat products, Woods said that since the war the export trade has been confined mostly to port products. Last year American packers exported nearly 1,400,000,000 pounds of meat and allied products, valued at approximately \$190,000,000. The largest individual export item was lard.

The value of the annual output of the meat packing industry, more than \$3,000,000,000, is greater than any other manufacturing industry in the country, Woods stated.

Feeders' Meeting at Lincoln

Nebraska's eighteenth annual spring Feeders' meeting is scheduled to be held at the state agricultural college, Lincoln, on Friday, April 18.

Tentative plans outlined for the day's program indicate that it will be one of the most interesting ever put on, from the standpoint of information that will be made available to feeders on practical problems of the present day.

Benefits of Grinding

Grinding feed for steers gives good results if practiced properly. Tests at three state experiment stations last year showed that ground grain and hay could be fed to produce faster and cheaper gains.

At the Indiana Experiment station a feeding trial showed that one-third of the corn ration for steers could be replaced with oats ground medium fine. This ration, together with cottonseed meal and roughage, made a gain of 2.6 pounds per day, and a profit per steer of more than \$12. Profitable use of oats in this way should be welcomed by many farmers in the central states.

Barley is another crop which practical tests are showing to be more worthwhile. Ground barley has been compared with corn at the Michigan Experiment station, where it was fed to Hereford calves. One lot received cracked barley along with silage and hay, while corn was substituted for the barley in the other lot's ration. The lot fed barley made gains of almost two pounds a day, or slightly more than those made by the corn fed calves. Feed cost on the lot fed cracked barley was also lower than for the other group of calves.

Another test carried on last year at the Minnesota Experiment station showed daily gains of 2.6 pounds per steer for ground and mixed corn and alfalfa hay. These steers made their gains at a feed cost of more than a dollar a hundred less than that for steers which were fed unground corn and long alfalfa hay. The net income from the lot fed ground feed was also higher than for the other group.

Farm Income

The 102 farmers of Cass county, Nebraska, who kept farm records in 1928, had an average of \$1,781 as a return for their labor, management, and risk after paying all expenses and allowing 5 per cent interest on their investment. In addition to the above earnings, each family received certain items of produce such as milk, butter, eggs, vegetables, etc., of which no record was kept. Of these 102 farmers, 43 were tenants, 21 were part-owners and 38 were owner-operators of the land which they farmed. It is believed that these families received from the farm, produce and shelter, the average value of which, would amount to somewhere between \$500 and \$600 per farm.

There were two principal reasons for the high labor and management returns of \$1,718 in Cass county in 1928. The first is that crop yields were above normal. The average corn yield in the county was seven bushels greater than the 10-year average, 1916-1925. The average wheat yield was 4 bushels per acre greater and the yields of hay, oats and other crops showed a small advantage. The second reason is that cattle feeding was unusually profitable during the winter of 1927-1928.

These Cass County records were collected and kept under the direction of L. R. Snipes, who was at that time, country agricultural agent of the county. For the purposes of comparison, the farms have been divided into groups which include the 20 least profitable farms and the 20 most profitable farms. The 20 most profitable farms of the total of 102 farms, after allowing 5 per cent interest on the investment, has an average of \$4,135 to pay the operator for labor, management and risk, while the 20 least profitable farms lacked \$23 per farm of making 5 per cent interest on the investment.

Wheat Stocks Show Decline

Stocks of all kinds of grain in Nebraska except wheat and rye are above last year and all are above the five-year average, says the state and federal division of agricultural statistics. Stocks of all grain crops for the country as a whole are below last year and below the five-year average except wheat and barley. The wheat crop is promising but needs a little surface moisture.

Corn stocks are estimated at 42 per cent of last year's crop, or 99,852,000 bushels as compared with 74,445,000

bushels a year ago and the five-year average of 88,310,000 bushels. The 10-year average of stocks of corn is 43 per cent. The 1929 crop was above the average production and feeding operations are about the usual. Wet weather delayed husking last fall and low prices discouraged selling.

It is estimated that 30 per cent of the corn crop has or will be shipped out, or a total of 71,323,000 bushels. The 10-year average shipment is 30 per cent. Last year, 26 per cent, or as the crop was considerably smaller. The per cent of merchantable quality is 91 per cent. The moisture content

is high. Germination tests of seed corn average very low.

There are 11,311,000 bushels of wheat or 20 per cent of last year's crop on hand as compared to 13,285,000 bushels on hand a year ago and the five-year average of 8,948,000 bushels. The 10-year average of wheat stocks is 19 per cent of the crop, or 46,975,000 bushels, will be shipped out as compared to the 10-year average shipment of 71 per cent of the crop.

Professor George R. Boomer Dies

Prof. George R. Boomer, 61, who since 1918 has been connected with the extension department of the University of Nebraska, died at his home in Lincoln last month. His duties were along marketing lines.

Professor Boomer was frequently in demand as a lecturer and had addressed high school graduating classes throughout the state. He came to Nebraska from Illinois in 1877 and for a time lived near Beatrice. He started his teaching career in Gage county.

Surviving him are his widow, four sons, a daughter, a brother and a sister. Professor Boomer was a brother-in-law of Dr. W. T. Spencer, live stock commissioner of the Omaha Live Stock Exchange.

Early Lamb Crop

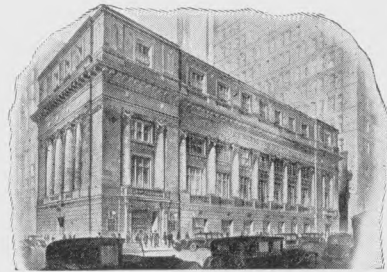
The early lamb crop of 1930 in the principal early lambing states as a whole is somewhat larger than the early crop of 1929, according to reports received by the Department of Agriculture as of March 1. In general the condition of the early lambs at the beginning of March this year was considerably better than at the same date a year ago, when it was below average. Present prospects are for a larger market supply of spring lambs than last year for the three months, April to June, the quality of which will be average or better.

Weather conditions during February were exceptionally good in all areas. Prospects for spring feed are as good or better than last year in nearly all of the early lambing states.

Quinby Named Manager

Farmers West Central Grain Coöperatives, Inc., first Nebraska organization to secure full benefits of governmental stabilizing machinery, has appointed L. L. Quinby, veteran Omaha grain commission man, general manager.

Quinby is president of the Mid-west Grain company. The West Central has applied for membership on Omaha Grain Exchange and undoubtedly will be granted a seat, it was said.



CUSTOMER banks find us unusually well-equipped to analyze their investment lists and those of their clients. It is our desire to be of helpful assistance to out-of-town customers with respect to their secondary reserves—their construction and analysis.

THE NORTHERN TRUST COMPANY

Northwest Corner LaSalle and Monroe Streets
CHICAGO

Helping Prosperity

BANK YOUR MONEY

<p>Your Bank offers safety of principal, with profit, without worry.... And when</p>	<p>you're ready, guides you to other safe investment opportunities.</p> <p style="text-align: right;"><i>Barron Collier</i></p>
---	--

AND YOU'LL HAVE IT

Above, One of Collier's Street Car Advertisements to Aid Prosperity

"**B**ANK your money and you'll have it. Your bank offers safety of principal, with profit, without worry. And when you're ready, guides you to other safe investment opportunities."

Thus Barron Collier, President of Barron G. Collier Incorporated and the Street Railways Advertising Company, issues the third message of his "Prosperity Series," in one of the most effective and unique moves made to restore public confidence in the bus-

ness and financial stability of the nation.

Last November, when a financial crisis threatened and the situation called for sound action on the part of recognized business and financial leaders, Mr. Collier started his "Prosperity Series." It was the first of this type of constructive influence to appear before the public and it was met with a whole-hearted reception.

Card No. 1 was displayed November 1, at the time when the situation

was described as "approaching hysteria," and carried the appeal for "Confidence and Patience." Card No. 2 followed six weeks later with the message "Buy generously . . . without extravagance" and "Save regularly . . . without stinting."

Card No. 3 appeared in the cars throughout the entire country the first week in March. This message deals directly with every man's finance. It is a logical sequence to card No. 2 and carries a clear, positive, message—"Bank your money and you'll have it."

Take Aim!

It is an editorial truism that when verses have to be declined with thanks, as is frequently the case, it is unwise to give reasons for the rejection. You simply cannot argue with a poet. But editors are human, after all, and sometimes they do not live up to their exalted principles. The story goes that there came to a magazine office not long ago the metrical outpouring of a feminine soul, entitled "I Wonder If He'll Miss Me!" The editor read the effusion with constantly increasing depression and then scrawled on the rejection slip that accompanied the returned manuscript: "If he does, he ought never to be trusted with fire-arms again."



BONDS---

Government
Municipal
Railroad
Utilities
Industrials

Suitable for Your

Secondary Reserve

Write for our carefully selected list — Bond Department

LIVE STOCK NATIONAL BANK OF SOUTH OMAHA

Union Stock Yards
O M A H A

OFFICERS

W. P. ADKINS, President

R. H. KROEGER, Assistant Cashier

HOWARD O. WILSON, Cashier

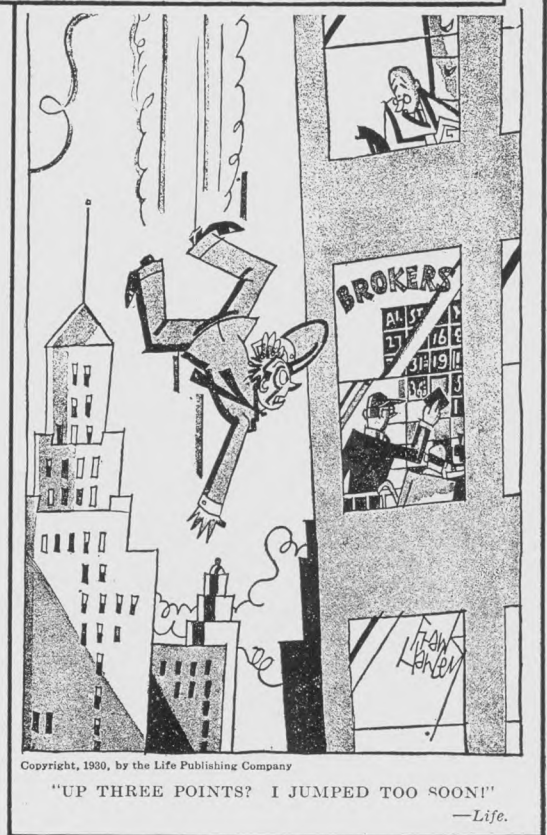
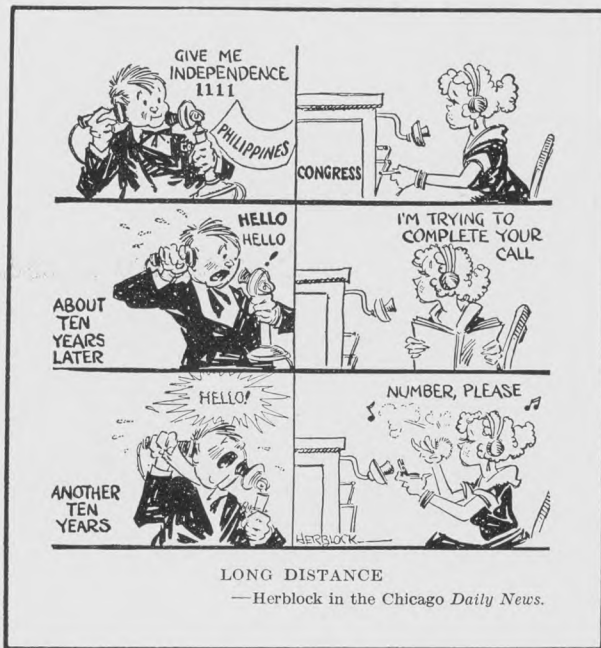
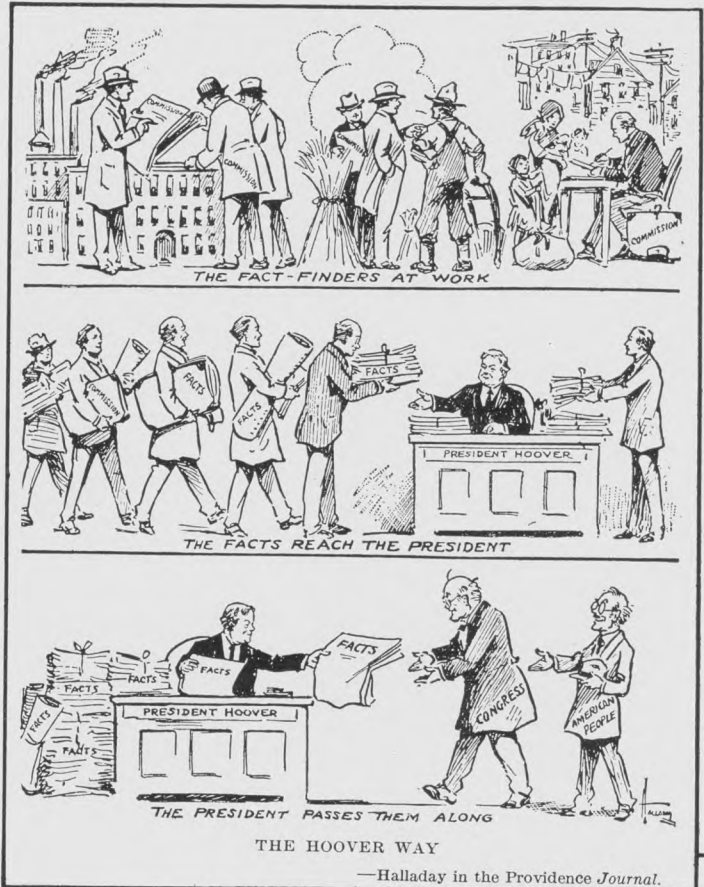
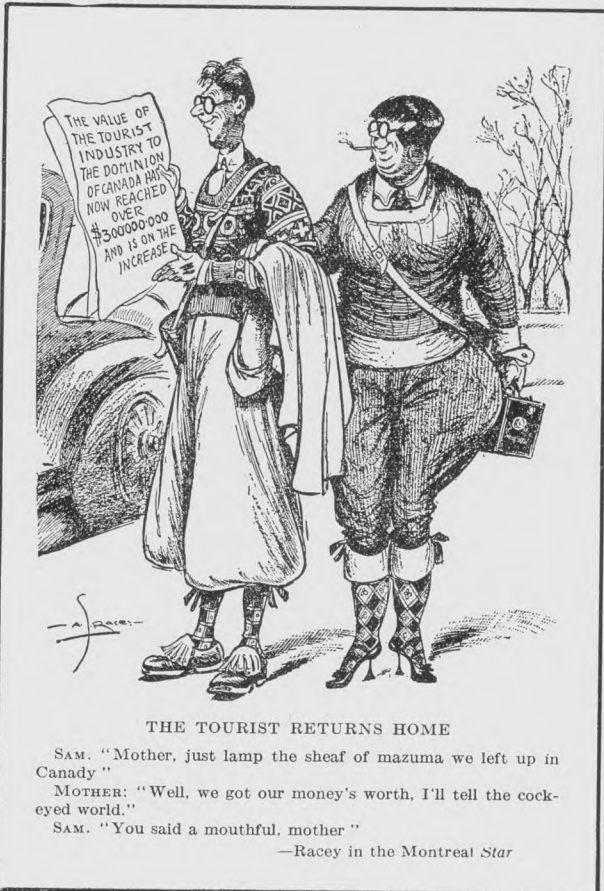
W. S. HOGUE, Assistant Cashier

ALVIN E. JOHNSON, Vice-President

L. V. PULLIAM, Assistant Cashier

Central Western Banker, April, 1930

CARTOONS OF THE MONTH



South Dakota News

Name Key Men

The names of county key men to serve for the current year on the agricultural committee of the South Dakota Bankers Association were announced recently by C. L. Chase of Willow Lake, chairman of the committee. These county key men are county chairmen to head the agricultural activities of banks in their respective counties.

The group chairmen will hold sessions with their county key men early this spring for the purpose of determining activities which are to be featured during 1930.

The list of key men by groups follows:

Group 1—J. A. Danforth, Yankton, group chairman. William Thompson, Tyndall, Bon Homme; W. H. Frei, Wagner, Charles Mix; George K. Brosius, Vermilion, Clay; Karl Fromm, Corsica, Douglas; Lawrence Authier, Elk Point, Union; and T. J. Frick, Yankton, Yankton.

Group 2—A. L. Berg, Baltic, group chairman. J. R. Shirey, Winfred, Lake; J. Huisman, Hudson, Lincoln; T. S. Mayer, Bridgewater, McCook; H. A. Schueller, Canova, Miner; George McMahan, Sioux Falls, Minnehaha; J. R. Coonrod, Flandreau, Moody; and F. E. Jackson, Hurley, Turner.

Group 3—R. H. Seydel, Menno, group chairman. Frank Loevinger, White Lake, Aurora; C. H. Coxe, Chamberlain, Brule; R. A. Johnson, Gann Valley, Buffalo; E. A. Lommer, Mitchell, Davison; Julius Bertsch, Fulton, Hanson; K. T. Aisenbrey, Adpena, Jerauld; V. A. Jorgenson, Draper, Jones; E. B. Serr, Kennebec, Lyman; and F. H. Winson, Letcher, Sanborn.

Group 4—C. L. Chase, Willow Lake, group chairman. A. R. Johnson, Brookings; M. J. McGillivray, Garden City, Clark; Henry Hanten, Watertown, Codington; A. G. Berger, Clear Lake, Deuel; P. C. Lien, Reville, Grant; and C. N. Halvorsen, Castlewood, Hamlin.

Group 5—Camden Rayburn, Huron, group chairman. F. B. McKichan, Bonilla, Beadle; George Gunnison, Orient, Faulk; Russell Bard, Miller, Hand; Charles Lee Hyde, Pierre, Hughes; R. J. Drew, Highmore, Hyde; William Habel, Arlington, Kingsbury; R. J. Hackl, Hoven, Potter; J. D. Fargo, Redfield, Spink; and M. R. Brown, Onida, Sully.

Group 6—W. S. Given, Milbank, group chairman. J. H. Kissinger, Hecla, and Robert Weidenbach, Aberdeen, Brown; J. Schad, Roslyn, Day; V. E. Swenson, Langford, Marshall; Henry Helvig, Sisseton, Roberts.

Group 7—M. I. Larsen, Mound City, group chairman. J. J. Brokofsky, Pollock, Campbell; J. O. Van Nice, McLaughlin, Corson; A. B. Lord, Eagle Butte, Dewey; K. J. Kundert, Bowdle, Edmunds; W. M. Bennett, Buffalo, Harding; L. E. Turner, Leola, McPherson; R. A. H. Brandt, Bison, Perkins; E. A. Walter, Selby, Walworth; H. R. Hommedal, Dupree, Zeibach.

Group 8—W. E. Dickey, Spearfish, group chairman. T. C. Gay, Belle Fourche, Butte; T. W. Delicate, Custer, Custer; S. J. Clarke, Hot Springs, Fall River; G. C. Inman, Philip, Haakon; L. A. Pier, Belvidere, Jackson; B. E. Colby, St. Onge, Lawrence; B. Datin, Faith, North Meade; H. R. Jennings, Sturgis, South Meade; and A. K. Thomas, Rapid City, Pennington.

Group 9—Frank T. Fetzner, group chairman. J. H. Meyhaus, Bonesteel, Gregory; C. A. Hodson, Norris, Mellette; and R. E. Montgomery, Colome, Tripp.

Opens National Bank

The Bank of Philip, South Dakota, chartered as a state bank in 1907, with a capital of \$7,500, has secured a charter as a national bank and opened its doors as the First National Bank, with a capital and surplus of \$70,000. Active officers of the bank are J. C. Nelson, president; E. F. Walden, cashier, and George C. Inman, assistant cashier. E. F. Walden has been with the bank since its organization, J. C. Nelson since 1916, and George C. Inman since 1917.

Last December the Western Investment Company, a holding company, was organized by officers of the Bank of Philip which took over all the bank's real estate as well as other assets of the bank.

Deposits of the First National Bank are in excess of \$600,000 and discounts in excess of \$570,000.

Promotes Poultry Raising

The Bank of Ipswich, South Dakota, has started a movement to promote interest in poultry raising and is offering to each boy and girl a setting of well bred White Orpington setting eggs if they promise to care for the chickens.

The first part of October each one which receives a setting of eggs is to bring a hen or cockerel into the bank and a poultry judging event will be held in the nature of a poultry fair.

Utah News

Elected President

At the annual stockholders meeting of the State Bank of Sevier, Utah, it was necessary to elect a new director to take the place of John Christensen, deceased, who had been the president of the bank. The vacancy was filled by the election of C. P. Christensen, and all other directors were reelected, to wit: R. D. Young, D. P. Jensen, John A. Parker, T. F. Young, W. E. Bay of Kingston, L. W. Jones of Monroe, N. J. Bates and I. A. Cowley. The board then organized, as follows: C. P. Christensen, president; R. D. Young, vice president; D. P. Jensen, cashier, and A. J. Bird, assistant cashier.

Reports from the cashier show the bank in splendid condition after a successful year.

Alibi

"Darling," breathed the salesman suitor, "you are the most beautiful woman in all the universe!"

"But," objected the darling, for she knew her stuff, "that's exactly what you told Susie Smith."

For a moment he was non-plussed, then his wits asserted themselves.

"Oh, that's all right," he retorted easily, "Susie knows what an awful liar I am."—*American Legion Magazine*.

And Then?

A Texas lady was putting her children to bed early, so as to be free to entertain expected evening visitors. "All the little chickens have gone to sleep," said the mother, in a soothing way by the children's bedside.

"Yes," piped the voice of her little girl, "and the old hen went to bed with them."

Central Western Banker, April, 1930

Colorado News

Plan Check Charge

Service charges for checking accounts and matters of taxation are being considered by the Eastern Colorado Bankers Association which was formed at Limon recently.

The association which represents a total of 31 banks in central-eastern Colorado, is headed by V. C. Downing, president of Simla State Bank. J. N. Quinn, cashier of First National

Bank, Hugo, Colo., is vice president; A. E. Creighton, cashier of First National Bank of Flagler, treasurer, and A. C. Sinclair, president of Limon First National Bank, is secretary.

Many services now offered by banks in Colorado are being rendered at a great loss, the committee was informed. It will endeavor to exploit conditions as a whole thruout the Rocky Mountain region in order to supply a

standard service charge, the officers announced.

Banks from Colorado Springs, east to the Kansas line, on the Rock Island railroad route, all banks from Denver to the Kansas line on the Union Pacific, as well as all western El Paso, Elbert, Lincoln, Kit Carson, Adams and Arapahoe County banks are included in the organization.

Denver banks will be used as an example in the new system to be started. They have been using the service charge for several years, it was pointed out.

Annual Meeting

The directors of the First National Bank of Fountain, Colorado, held their annual meeting recently and all officers and directors were named to serve another year.

The officers are: M. L. Rhinehart, president; Paul Jones, vice president and cashier; E. A. Logan, teller. The directors are: M. L. Rhinehart, Paul Jones, Scott O. Sharp, F. H. Monk and Harry T. McGuire.

Cashier Resigns

K. W. Bellrose, who for the past eight years has been cashier of the First National bank of Eaton, Colorado, has resigned his position.

At the last annual meeting of the bank Mr. Bellrose was elected to the board of directors and will continue to serve as a director.

Mr. Bellrose has been connected with the Eaton Creamery, Inc., for some months and will devote his entire time there, in capacity as secretary-treasurer.

Mr. Ritchey formerly of Greeley and Loveland will take Mr. Bellrose's place.

Loan Bank Successful

Many Wyoming citizens do not appreciate, or maybe know, how successfully the state of Wyoming is operating the Farm Loan bank. Beginning in a small way in 1921 the revolving fund of the bank has grown by leaps and bounds, until today approximately \$7,000,000 has been loaned to Wyoming farmers.

Figures in the office of the state commissioner show that a total of \$6,228,930 is outstanding of which but 2.46 per cent can be classified as delinquent more than sixty days.

Goshen county received the most loans, \$793,000 going to this county. Lincoln county benefitted to the extent of \$148,350.

Central Typewriter Exchange, Inc.

(EST. 1903)

TYPEWRITERS, ADDING MACHINES, CHECK WRITERS

LATEST MODELS AT BIG DISCOUNT

ASK TO SEE

ALLEN-WALES THE FINEST "HEAVY DUTY"
ADDING MACHINE MADE

1912 Farnam St.

Omaha, Nebraska

The Chase National Bank

of the City of New York

Pine Street corner of Nassau

Capital-----\$ 105,000,000.00
Surplus and Profits----- 136,364,145.14
Deposits (Dec. 31, 1929)----- 1,248,218,351.70

OFFICERS

Albert H. Wiggin,
Chairman of the Board

John McHugh
Chairman of the Executive Committee

Charles S. McCain
President

Robert L. Clarkson
Vice-Chairman of the Board

Vice-Presidents

Carl J. Schmidlapp
Reeve Schley
Henry Ollesmeimer
James T. Lee
Sherrill Smith
Alfred C. Andrews
Robert I. Barr
George T. Warren
George D. Graves
Frank O. Roe
Harry H. Pond
Samuel S. Campbell
William E. Lake
Charles A. Sackett

Hugh N. Kirkland
James H. Gannon
William E. Purdy
George H. Saylor
M. Hadden Howell
Joseph C. Rovensky
Ruel W. Poor
Edwin A. Lee
Leon H. Johnston
William H. Moorhead
Horace F. Poor
Edward E. Watts
J. Sperry Kane

Franklin H. Gates
T. Arthur Pyterman
Amrose E. Impy
Lynde Selden
Maurice H. Ewer
Hugo E. Scheuermann
Ralph L. Cerero
Jay D. Rising
Harold W. Vanderpoel
James Bruce
Walter S. Jelliffe
Arthur W. McCain
Claude H. Beaty
Frederick O. Foxcroft

Vice-President and Cashier
William P. Holly

New Mexico News

Discuss Agriculture

Decided progress in the farming and livestock business in New Mexico was shown in reports presented to the agricultural division of New Mexico Bankers' association, at their meetings in Las Cruces, by Arthur F. Jones, cashier of the First National bank of Portales and chairman of the agricultural committee of the association. The meeting was especially favored by the presence of Hon. Dan H. Otis, director of the American Bankers' association, Madison, Wis., who emphasized the importance of coöperation of bankers with the state agricultural colleges and the extension service in putting over a program in progressive agriculture.

Some of the important activities of the New Mexico bankers in coöperation with county extension agents, as presented by Mr. Jones, included: conducting educational tours; securing purebred breeding stock, especially sheep and cattle; working for appropriation for extension work in counties having no agents; securing purebred seed for customers of the banks; supplying spray material for protection of crops; coöperating with farmers in conducting demonstrations in feeding New Mexico crops to New Mexico livestock; obtaining terracing machinery for demonstrating terracing; financing boys' and girls' club projects; donating cash prizes for 4-H club work and county fairs and encouraging better farm and ranch methods among the clientele of the respective banks.

The American National Bank of Silver City in cooperation with the extension service, sponsored a tour to the Highland Hereford Breeding association at Marfa, Texas, and in ten months following the results show that more than 500 head of good registered bulls and about 1,000 head of high grade registered cows and heifers replacing scrub and low quality stock. Marked progress is also reported in Union county as a result of coöperation of the key bankers in financing livestock improvement work.

Bankers Organize

What is known as Group 5 of the New Mexico Bankers Association met in Tukumcari and perfected an organization by electing H. B. Jones of First National, Tukumcari, chairman; W. C. Zerwer of Clovis, vice-chairman; Glen Hauser of American Na-

tional, Tukumcari, secretary-treasurer.

The object and purpose of this organization is to discuss matters of mutual interest to the bankers comprising the organization, and the organization is broad in its scope as all employees of the banks are allowed to become members. The next meeting will in all probability be held at Clovis and discussion of many subjects will be a part of the program. The meeting held in Tukumcari was for the purpose of organizing.

Valley Bankers Meet

Representatives of the banks of the Pecos valley met at Artesia, New Mexico, for their quarterly business meeting recently with every bank in the valley represented.

President G. K. Richardson, of Carlsbad, presided at the meeting at which session the constitution and by-laws committee made their report and the proposed constitution was adopted.

Many other matters concerning uniformity of service charges and items of interest to the banking profession was discussed in detail. One of the most important questions under consideration is the matter of a credit bureau.



A
Correspondent
Service
*developed
from 68 years'
experience*

FOREMAN-STATE NATIONAL BANK
FOREMAN-STATE TRUST AND SAVINGS BANK
CHICAGO



RESOURCES EXCEED 200 MILLION DOLLARS

Central Western Banker, April, 1930

Kansas News

Arkansas City Bank Elects

Officers and directors of the Security National Bank at Arkansas City, Kansas, were re-elected at the recent annual meeting of that institution. This bank was recently purchased in part by the Exchange National of Tulsa. W. C. Robinson, Sr., again chosen chairman of the board of directors, is the oldest Kansas banker in point of service. His son, W. C. Robinson, Jr., is president of the bank. Felix Simmons is vice president and cashier.

Installs New Equipment

The Prairie State Bank of Augusta, Kansas, has installed complete new equipment the most modern of bank fixtures. A new vault has also been installed.

Purchases Topeka Interest

J. H. Collingwood, President of the Fidelity Savings State Bank of Topeka, and R. H. Fromme, of Sabetha, have purchased a substantial interest in the Farmers State Bank of Sabetha, according to a recent announcement.

Install Service Charge

Chase County banks, working through the county association, recently installed a service charge of

fifty cents a month on accounts averaging less than fifty dollars. Banks which belong to the county association and have put the service fees into effect, are: Strong City State Bank, The Peoples Exchange Bank at Elmdale, The Saffordville State Bank, the Cedar Point State Bank, the Exchange National Bank at Cottonwood Falls, the Matfield Green State Bank, and the Clements State Bank.

Lowers Discount

The Bank of Poland has reduced its discount rate from 8½ per cent to 8 per cent, it is reported. The rate on collateral loans was reduced from 9½ per cent to 9 per cent. The reduction in the discount rate is the second to occur in Poland within four months, the rate having been lowered from 9 per cent to 8½ per cent on November 15, 1929.

Living on Water

"Here's a story about a woman who lived on water for forty days."

"That's nothing, my Uncle's been living on water for the last thirty years."

"How could he live on water for thirty years?"

"He's a sea-captain."

Personal Testimonial

A clergyman was grieved to find his services for men were poorly attended. He spoke about it to the verger one evening which it chanced that they were the only two at the meeting.

"I really think they ought to come," he said sadly.

"That's jest what I've sed to 'em over an' over again," said the verger consolingly. "I sez to 'em—'Look at me,' I sez, 'look at me. I goes to all them services,' I sez, 'an' what 'arm does they do me?'"

Like Father!

"Jimmy, I wish you'd learn better table manners; you're a regular little pig at the table."

Deep silence on Jimmy's part. So father, in order to impress him more, added, "I say, Jimmy, do you know what a pig is?"

"Yes, sir," replied Jimmy meekly, "It's a hog's little boy."

Big Business

Sambo—Yes, suh, business ben fine. Mah wife done gib me \$10 an' ah bought a pig. Ah kept tradin' fo' eberything under the sun, till finally ah gets a bicycle, an ah sold it fo' \$10.

Rastus—But you-all doan' make any money.

Sambo—Co'se not. But look at de business ah's been doin'. — *Montreal Star*.

AUSTRALIA BANK OF NEW SOUTH WALES

ESTABLISHED 1817

(With which is amalgamated THE WESTERN AUSTRALIAN BANK)

PAID-UP CAPITAL.....	\$37,500,000
RESERVE FUND.....	30,750,000
RESERVE LIABILITY OF PROPRIETORS..	37,500,000
	<hr/>
	\$105,750,000



Aggregate Assets 30th September, 1929, \$454,031,485

AGENTS—FIRST NATIONAL BANK, OMAHA, NEBRASKA

GENERAL MANAGER, ALFRED CHARLES DAVIDSON

HEAD OFFICE, GEORGE ST., SYDNEY LON DON OFFICE, 29 THREADNEEDLE ST., E. C. 2

588 Branches and Agencies in all Australian States, Federal Territory, New Zealand, Fiji, Papua, Mandated Territory of New Guinea, and London.

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

410 Arthur Bldg., Omaha, Nebraska

CLIFFORD DePUY, Publisher

GERALD A. SNIDER, Associate Publisher

R. W. MOORHEAD, Editor L. D. VAN DORAN, Associate Editor

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

Frank P. Syms, 25 West 45th Street, New York, Vice-President

The Elms Hotel

**EXCELSIOR SPRINGS
MISSOURI**



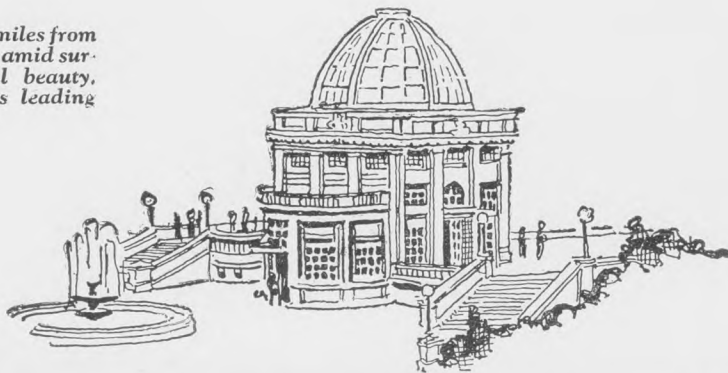
Where you can drink of Nature's Greatest Health Waters

*Amid Surroundings of Unsurpassed
Comfort and Elegance!*

Visitors to this finely appointed, luxurious hotel acclaim it one of the very finest resort hotels in America. Refurnished, redecorated and equipped with unsurpassed elegance, The Elms will appeal to the most fastidious or most critical guest.

Here you can tone up your system, regain your health with our world famous mineral waters and baths and if you wish, enjoy all the pleasures of resort life, golfing, swimming, horse-back riding, boating, tennis, etc. For reservations or beautifully done book, fully illustrating the beauties of The Elms and Excelsior Springs, write, wire or phone F. F. Hagel, Managing Director.

*The Elms is only 28 miles from
Kansas City, nestling amid sur-
roundings of natural beauty,
with paved highways leading
in all directions.*



One of the World's Most Famous Mineral Springs Resorts

The Omaha National Bank



ALWAYS
AT YOUR SERVICE