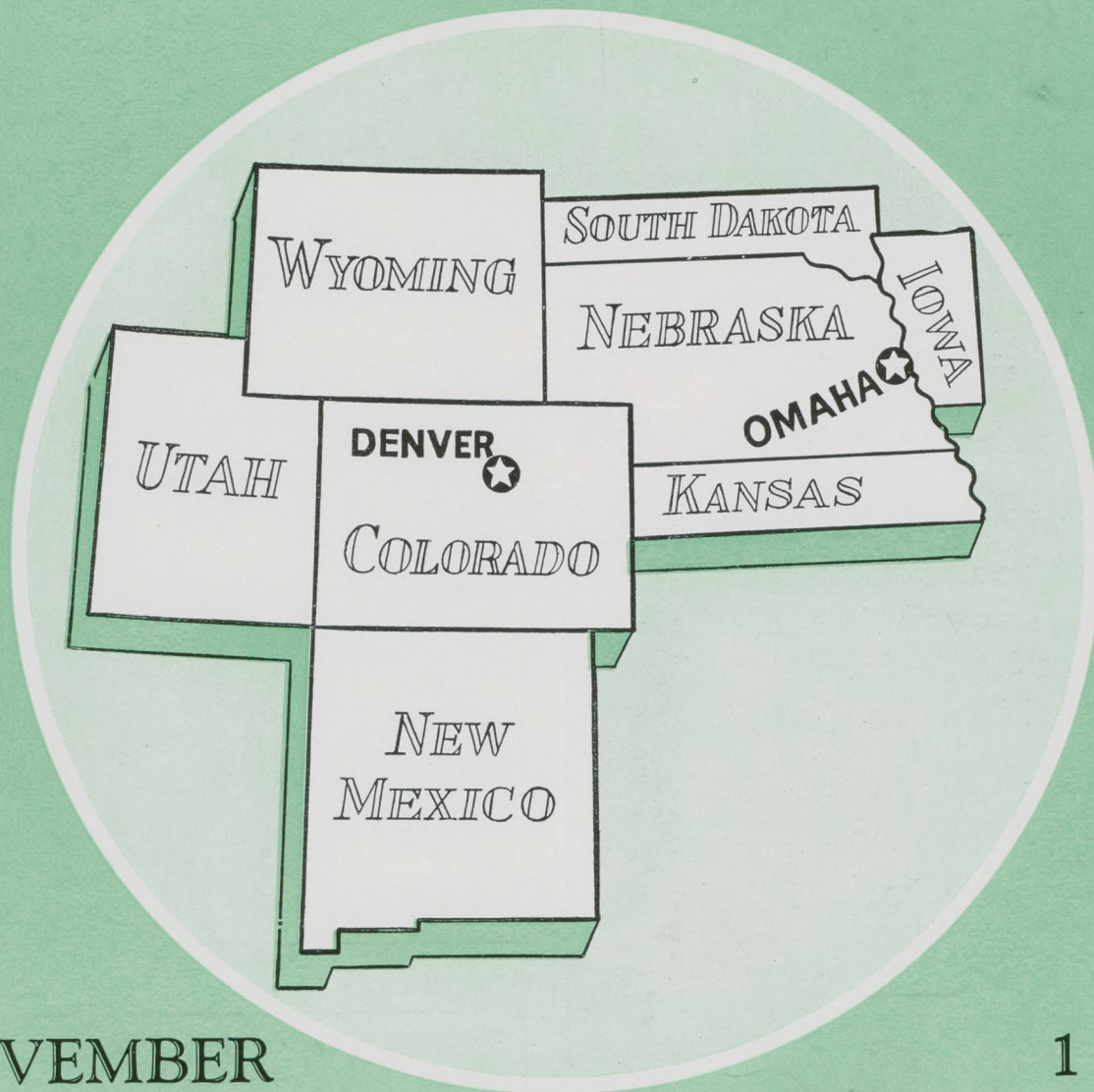


# CENTRAL WESTERN BANKER

## *Omaha*

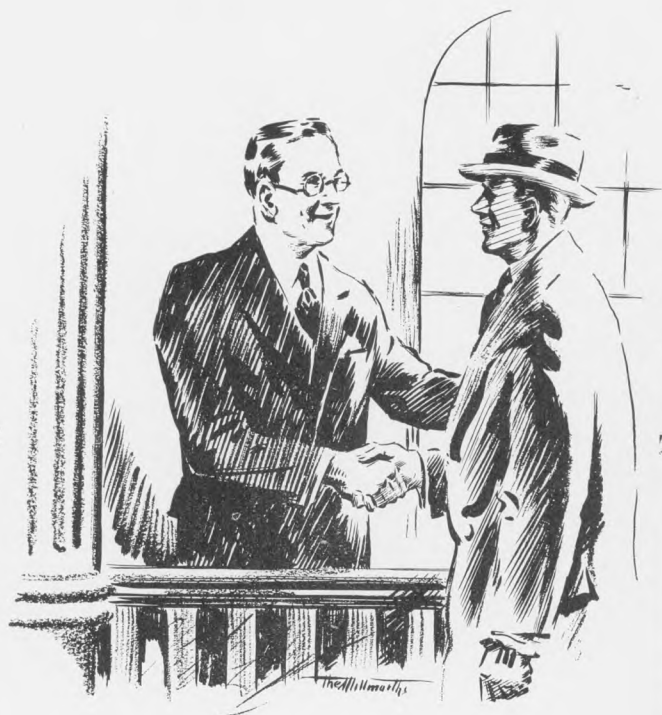


NOVEMBER

1930

Complete Program for  
Nebraska Convention





## Welcome to Omaha

We will be glad to see you when you come to the annual convention of the Nebraska Bankers' Association November 6 and 7.

It will be a pleasure to meet you, to greet old acquaintances and make new friends.

*Nebraska's Oldest Bank*



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

# CENTRAL WESTERN BANKER

410 ARTHUR BUILDING

OMAHA

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*

FRANK S. LEWIS, 840 Lumber Exchange, Minneapolis

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NOVEMBER, 1930

NUMBER 11

## *A British Optimist's Advice to the U.S.--and Us*

By HERBERT N. CASSON

LONDON, ENGLAND

THE SAN FRANCISCO earthquake, if I may use that forbidden word, cured hundreds of cripples. They jumped up and ran for their lives.

They weren't so badly crippled as they thought they were. They didn't know that they could run until their houses began to shake.

The Good Book, too, tells the story of a cripple whose weakness was more in mind than in his legs. The Master said to him: "Rise, take up thy bed and walk." He rose and walked and carried his bed.

So, here is the thought that I would like to send to the business men of America:

"You are depressed. You think you are crippled. You are afraid of the future. You are full of fears.

"You have half the gold of the world and half of the machinery and most of the automobiles and all the skyscrapers.

"You have the greatest home market in the world and the largest corporations the world has ever seen.

"You are ruled more by ideas and less by tradition than any other people in the world. You have usually done what you thought you could do.

"How can it be possible that a progressive nation of 120,000,000 people can be wrecked by the speculations of a little handful of fools in Wall Street?

"The prices that were forced too high had to come down. Today all the prices are too low.

"There is now a golden opportunity for every man who has eyes to see it.

"Dollars are now being sold for thirty cents. Practically every security in the United States is now being sold at less than its value.

*"The way to create a fortune is to buy from pessimists. Pay your money and take the risk.*

"Frick started his career by buying coke ovens in the slump of 1873. Carnegie made \$300,000,000 by buying steel plants in slumps.

"Hundreds of fortunes have been made by buying from pessimists. Ye gods! What chance there is at the moment!

"In five years from now, most American business men will belong to the I-wish-I-had Club.

"Then it will be too late to buy a dollar for thirty cents. The opportunities will be gone.

"When a horse balks, the balk is in his head, not in his legs. He moves on when he thinks he will.

"And when an American business man is depressed, the slump is in his head. There is nothing serious to prevent him from making money if he thinks he will.

"When Fear rules the will, nothing can be done, but when a man casts Fear out of his mind the world becomes his oyster.

"To lose a bit of money is nothing, but to lose hope—to lose nerve and ambition—that is what makes men cripples.

"This silly depression has gone on long enough. Get rid of it. It is inside of you.

"RISE AND WALK."



# Complete Program for Nebraska Convention

**T**HE PROGRAM for the thirty-third convention of the Nebraska Bankers Association, which is to be held in the Fontenelle Hotel, Omaha, on November 6 and 7th, is practically completed, and from the alignment of speakers, the members of the Association and their guests are assured of a constructive and instructive two day session.

The registration desk on the mezzanine floor of the Fontenelle Hotel will be open from five o'clock on Wednesday evening throughout the session. There will be no session of the general convention on Thursday morning, the program starting promptly at 1:30 in the afternoon. The three business sessions of the convention will be held in the ballroom of the Fontenelle Hotel.

Besides the entertainment on both Thursday and Friday evening, an excellent program has been arranged for the visiting ladies. An afternoon tea will be featured on Thursday and in the evening tickets will be supplied for one of the local theatres to be followed by an informal dance. Friday evening arrangements have been made to attend the Horse Show at the Ak-Sar-Ben Coliseum.



FORD E. HOVEY

president, Omaha Clearing House Association, who will deliver the address of welcome at the Nebraska convention.

The complete program of the convention follows:

*Thursday Afternoon, November 6th  
Ballroom, Fontenelle Hotel*

1:30—CALL TO ORDER — By  
President Mathers



WALTER E. DEVLIN

of Devlin & Bennett, Inc., Chicago, who will address the Nebraska convention on the subject, "Know Your Costs—Then Sell Your Service at a Profit."

1:30—INVOCATION — Very Rev.  
Stephen E. McGinley, Dean,  
Trinity Cathedral

1:35—ADDRESS OF WELCOME  
—By Ford E. Hovey, Presi-  
dent Omaha Clearing House  
Association

1:45—RESPONSE—By W. B. Ban-  
ning, Cashier Bank of Union

2:05—ANNUAL ADDRESS OF  
THE PRESIDENT, A. N.  
Mathers, President Gering Na-  
tional Bank

2:30—REPORT OF THE SECRE-  
TARY—(Printed)—By Wm.  
B. Hughes

2:30—REPORT OF THE TREAS-  
URER—(Printed)—By Den-  
man Kountze, Vice President,  
First National Bank of Oma-  
ha

2:30—REPORT OF THE EXECU-  
TIVE COUNCIL—By O. A.

Riley, Cashier State Bank of  
Hastings

2:45—BANK MANAGEMENT  
CONFERENCE

ADDRESS—"Float Charges"  
—By W. L. Brooks, President  
Northern National Bank, Bem-  
idji, Minnesota

ADDRESS—"Know Your  
Costs—Then Sell Your Serv-  
ice at a Profit"—By W. E.  
Devlin, President Devlin and  
Benneto, Chicago

DISCUSSION

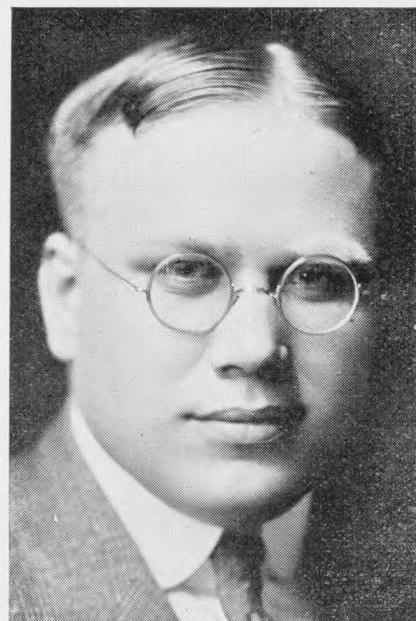
## APPOINTMENT OF COMMITTEES—

Auditing Resolutions Nominations

*Friday Morning, November 7th  
Ballroom, Fontenelle Hotel*

9:40—CALL TO ORDER AND  
ANNOUNCEMENT OF  
COMMITTEES — President  
Mathers

9:45—ADDRESS—"Banking, a  
Learned Profession"—By O.  
P. Cordill, Assistant Cashier,  
Federal Reserve Bank, Oma-  
ha



ALVIN E. JOHNSON

vice president, Live Stock National Bank,  
Omaha, chairman of the General Commit-  
tee for the Nebraska convention.

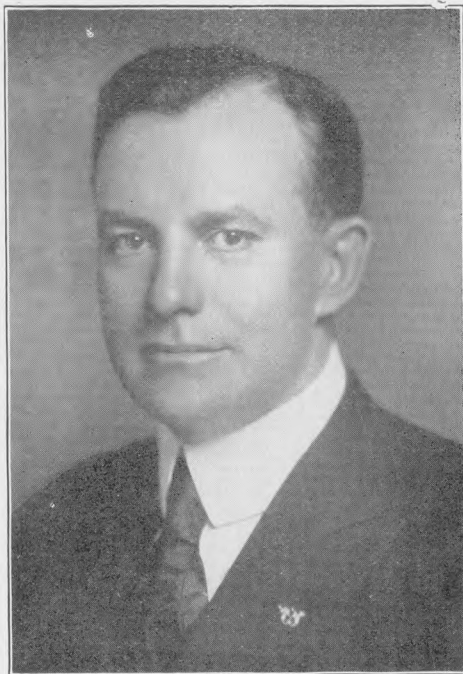


10:00—ADDRESS—"Why Is a Millionaire?"—By M. A. Kendall, Vice President Farmers Deposit National Bank, Pittsburgh, Pa.

10:45—ADDRESS—"Backward We Look, That Forward We May See"—By Walter W. Head, President Foreman-State National Bank, Chicago

Friday Afternoon, November 7th  
Ballroom, Fontenelle Hotel

2:00—ELECTION OF NEBRASKA OFFICERS FOR THE AMERICAN BANKERS' ASSOCIATION—By Members of that Organization, J. M. Sorenson of Fremont,



WALTER W. HEAD

president, Foreman-State National Bank, Chicago, former Nebraska banker, who will return "home" to address Nebraska bankers on the subject, "Backward We Look that Forward We May See."

State Vice-President for the A.B.A., presiding

2:15—ADDRESS—"Your Bank's Pulse"—By J. V. Webster, Cashier First National Bank, Chadron

2:35—ADDRESS—"The Financial Situation"—By Dr. B. M. Anderson, Jr., Economist Chase National Bank, New York City

3:20—ADDRESS—"The Farm Board's Problems"—By Alexander Legge, Chairman, Federal Farm Board

## Insurance Safeguard Against Want

LIFE INSURANCE supplies the minimum of protection necessary as a safeguard against actual want, and also a reserve of capital which is necessary in the financial affairs of any man or woman of business, whether it be large or small.

**CHARLES R. HOLDEN, Vice-President of the First National Bank of Chicago, has given to the readers of this magazine an exceptionally fine and scholarly article on Life Insurance.**

Mr. Holden designed the first funded insurance trust agreement which was submitted to ten general solicitors and after considerable thought the insurance companies finally approved. The Life Insurance Trust, under his supervision, while Vice-President of the Union Trust Company, made tremendous strides.

Mr. Holden is President of Chicago University, a graduate of Yale University, and Northwestern Law School, admitted to the bar in 1893 and became an official of the Union Trust Company in 1914. He is a member of the American Bar Association as well as the Illinois State and Chicago Bar Associations, ex-President of the Chicago Crime Commission, and is on the advisory board of the Young Men's Christian Association. He is a member of the Chicago Association of Commerce, the Union League Club, Knollwood Country Club, South Shore Country Club, Lake Shore Athletic Club, the Rotary and the Quadrangle.

ceeds paid over to beneficiaries is spent and gone within seven years, on the average. Very often this fact is assumed to prove that in such a large percentage of cases the proceeds of life insurance are wastfully used.

While it is true that the receipt of a considerable lump sum of money often tempts inexperienced beneficiaries to make extravagant expenditures or unwise speculations, it is also true that



CHARLES R. HOLDEN

in too many cases the funds so provided are simply insufficient.

It is very difficult for a family where the earner has provided an income of six thousand dollars a year, to come down on the death of that earner to one or two thousand dollars a year.

Thus it happens quite inevitably that if only fifteen or twenty thousand dollars of life insurance constitutes about the only estate left by such earner, the principal will be used by the family, for the income alone would be only one-sixth of the family income prior to the death of the earner.

Of course, in some families such application of a principal sum over a period of five to ten years may tide over the years when children are completing their education, and bring the family to the point where their earnings will have become an adequate source of livelihood. If such a mere emergency provision for a comparatively short period is actually all that

(Continued on page 17)



# Four Legal Questions of Interest to Bankers

## *A South Dakota Assignment*

A SOUTH DAKOTA customer owed a South Dakota bank nearly \$5,000, made an assignment for the benefit of his creditors who should sign the assignment agreement, and the agreement authorized the assignee to continue the business.

None of the creditors signed this agreement, but the assignee took over the business, opened an account with the same bank in his own name as "trustee," had a credit balance of over \$1,000, and the bank applied practically all of this amount on the customer's indebtedness.

Then the customer went into bankruptcy, and the trustee in bankruptcy claimed the amount of the deposit from the bank.

"The money was not deposited in the name of the customer, but in the name of the trustee, and the bank had no right to credit it on the customer's notes," the trustee in bankruptcy claimed, but the United States Circuit Court of Appeals ruled in favor of the bank.

"The first trustee had no personal interest in the funds on deposit in the bank, and he represented no one with respect to such funds except the customer. Had the customer continued to carry on business personally, it is well settled that the bank would have the right to make the setoff," the court said.

## *A Colorado Collection*

A COLORADO customer, who owed a Colorado bank a note for \$1,625, opened his mail one sunny Colorado morning, found therein a check for \$722.25, endorsed the check, and delivered it to the bank, with instructions to "apply on my note." The cashier promptly endorsed the amount of the check on the note, endorsed the check to a National Bank in Denver, the National Bank endorsed it to the Federal Reserve Bank, the Federal Reserve Bank sent the check to the bank on which it was drawn, and that bank paid by a draft on the X bank.

The draft on the X bank was not paid, as the drawee bank had closed its doors in the meantime.

## By M. L. HAYWARD

The Colorado bank, which had received the check originally, without giving the customer all the facts, took a new note from the customer to cover the amount of the check which had been endorsed on the old note, and, later on, sued the customer on the new note.

"You accepted the check as payment on the first note, it makes no difference that the check was not paid, and there was no consideration for the new note," the customer contended, while the bank maintained that it had accepted the note merely "for collection."

"The vital question, then, is: What was the contract between the customer and the bank on delivery of this check? It is evidenced solely by the written words 'apply this check on note.' These words are consistent with either theory of the case. They may mean 'apply this check in payment on note' or 'apply this check on note when collected.' Consequently we must logically say that the presumption that it was not in payment has not been overcome, and it must be said to have been taken for collection," said the Colorado Court in deciding in favor of the bank.

## *Usury and the Oklahoma Bank*

AN OKLAHOMA customer had paid an Oklahoma bank \$166.50 interest on a note, and sued the bank for \$333, on the ground that the interest was usurious.

"We were not the owner of the note," was the bank's defense, when the case came to trial.

"The president of the bank told me that the bank owned the note," the customer swore, and put in evidence a receipt stating that the bank was the owner of the note, and signed by an attorney whom the bank had employed to collect it.

On this evidence the jury decided against the bank, and the verdict was upheld by the Oklahoma Supreme Court in a case reported in 246 Pacific Reporter, 478.

"The jury resolved the matter in the customer's favor. Their verdict amounted to a finding that the bank was, in fact, the owner of the note. After an examination of the record, we cannot say that such verdict is not supported by the evidence. On the contrary, their verdict seems to be supported by competent evidence insofar as it had the effect of finding that the bank was the owner of the note," the court said.

## *A Colorado Cashier*

ON DECEMBER 30 the treasurer of a Colorado city received a check on a Colorado bank—and the treasurer was also the cashier of the same bank.

At that time the bank was in a failing condition—and the treasurer-cashier knew it.

The bank was open on December 31, but the treasurer neglected to present the check. January 1 was a holiday, the bank failed to open on January 2, and the city could not collect the check from the maker, because it had not been presented in due time.

"You are bound to make good the resulting loss," the city contended, and the Colorado courts ruled that the treasurer had to make good the resulting loss, in a case reported in 137 Pacific Reporter, 899.

## *"Is Not Transferable"*

A KANSAS note, given for an insurance premium, stated that, "it is hereby understood and agreed that this note is not transferable." The payee transferred the note to a Kansas bank, the maker refused to pay, and the bank sued.

"The note states on its face that it is non-transferable, and nobody can sue me but the payee," was the maker's defense.

"You can set up against us any defense that you could have set up if sued by the payee, you are not prejudiced, and the court will uphold our right to sue," the bank argued, and the Kansas Supreme Court upheld this contention in a case reported in 240 Pacific Reporter, 398.

(Continued on page 30)



# A Uniform Method of Figuring Interest On Savings Accounts

**T**O BEGIN actual calculation on the account, the first thing to do is to find the lowest balance in the period. That enables us, with many accounts, to perhaps skip several months during which the balance has been decreasing, the deposits therefore not remaining until the end of the period. The lowest balance, of course, is allowed interest for the full six months. We then follow down the balance column until we find the next lowest balance appearing in a later month. After calculating the increase between these two amounts, we determine when the deposit was made that brought the increase, then allow interest on the increase for the rest of the period from the proper first of the month. This process is repeated until the last month of the period has been reached.

The smallest balance is found on January 1st, \$800.00, which receives interest for six months.....\$16.00  
 The next smallest balance is \$817.00, from which we should deduct the last used balance of \$800.00, leaving an increase of \$17.00. Since this increase comes from the deposit of January 10, of \$210.00, it will receive five months' interest......28  
 The next smallest balance is \$852.00, from which we subtract \$817.00, leaving an increase of \$35.00, which is all that remains of the February 28 deposit of \$210.00. Hence \$35.00 will receive interest from March 1st, or four months......47  
 The next smallest balance in a succeeding month is \$1435.00. By subtracting \$852.00 we have an increase of \$583.00 which draws interest for one month..... 1.94  
 Total interest.....\$18.69

### METHOD NO. 2 (Used by 139 Banks)

Interest is to be compounded and credited semi-annually and is to be paid from the first of each month on all sums remaining in the bank until the end of a semi-annual period, provided they have been on deposit for at least one calendar month preceding the semi-annual interest date. Deposits made after the first of each month will draw interest from the first of the following month. Withdrawals are

By W. H. DRESSLER

Cashier, Stock Yards National Bank  
South Omaha, Nebraska

### PART II

to be deducted from first deposits. No interest will be allowed on withdrawals made during the six months period.

Under this method we first add all withdrawals in the interest period, which amount to \$2145.00 and take the amount from the first deposits of the period. This cancels all deposits made up to April 6th, except \$142.00 of the \$450.00 deposit on that date. By adding the \$142.00 to the April 10th deposit of \$210.00, we have \$352.00 that receives interest for two months.....\$2.34  
 The May 28 deposit of \$300.00 and June 1st deposit of \$483.00 added together make a total of \$783.00 that receives interest for one month..... 2.61  
 The \$300.00 deposit of June 10th is on deposit for less than a calendar month, hence draws no interest. —  
 Total interest.....\$4.95

### METHOD NO. 3 (Used by 129 Banks)

This is known as the minimum monthly balance method, and interest is compounded semi-annually.  
 The minimum balance in each of the six months follows:

January .....	\$ 800.00
February .....	817.00
March .....	1012.00
April .....	1012.00
May .....	852.00
June .....	1435.00
<hr/>	
	\$5928.00 ÷ 3 = 6 mos. Int. \$19.76

### METHOD NO. 4 (Used by 75 Banks)

Under this method interest is figured on minimum balance for each quarter, but compound quarterly.

In the first quarter the minimum balance is \$800.00 which receives interest for three months.....\$ 8.00  
 In the second quarter the minimum balance is \$852.00 which receives interest for three months..... 8.52  
 By compounding interest on \$8.00 earned in the first quarter, we have \$8.00 receiving interest for three months ..... .08  
 Total interest.....\$16.60

### METHOD NO. 5 (Used by 62 Banks)

Interest is to be compounded and credited semi-annually and is to be paid from the first of each month on all sums on deposit for six months. No interest on withdrawals. Withdrawals are to be deducted from first deposits. If any interest is earned in the six months period, it is payable at the end of the next six months period, if account has not been withdrawn.

Since the withdrawals of \$2145.00 exceed the deposit of January 1st, there will be no interest on this account.

### METHOD NO. 6 (Used by 26 Banks)

(Also recommended by Savings Bank Division, A.B.A.)

Under this method, interest is to be compounded and credited semi-annually, and is to be paid from the first of each month on all sums remaining in the bank until the end of a quarterly period, provided they have been on deposit for at least one calendar month preceding the semi-annual interest date. Deposits made after the first of the month will draw interest from the latest deposits, if any, otherwise from the balance at the beginning of the quarter.

In looking for the smallest balance in the first quarter, we find on January 1st, \$800.00, which earns interest for three months .....\$8.00  
 The next smallest balance in a later month of the quarter is \$817.00. Hence the difference of \$17.00 earns interest for two months, being all that remains from the deposit of \$210.00 made on January 10th..... .11  
 The next smallest balance in the quarter is \$1012.00, hence the difference between this and the last preceding balance of \$817.00 is \$195.00, which earns interest for one month, being all that is left from the deposit made on February 28th, of \$210.00..... .65  
 Interest for first quarter.....\$ 8.76  
 The next smallest balance in the second quarter is \$852.00, which receives interest for three months.....\$8.52  
 The smallest balance in the succeeding month is \$1435.00. The difference between \$1435.00 and



## A Dangerous Precedent

By G. A. SNIDER, Associate Publisher, Central Western Banker

**T**HE Illinois Bankers Association has announced plans for extending its operations beyond its state borders through the medium of a bank publication, the Great Lakes Banker, formerly the Illinois Bankers Association Bulletin.

On the front cover of the magazine is plainly displayed a map, the bordering circle of which encloses most of this middle western territory.

Nothing on the front cover would indicate that it was the official publication of a single state bankers association.

However, the index page tells us plainly that the Great Lakes Banker was "formerly" the "Illinois Bankers Association Bulletin," and the association secretary continues to be the "editor."

A natural question, therefore, for interested bankers, and independent banking magazines to ask, is "What is behind this program which is extending the influence of a state association's publication beyond boundaries of its own state?"

It is a well known fact that no other state association publishing an official association magazine has ever attempted to extend the magazine's influence by seeking circulation among the member banks of other state associations.

If a desire for profit is behind this program, we must say that many years' experience in the publication of a banking magazine would lead us to believe that the profit to be derived from the "Great Lakes Banker" as an advertising medium reaching bankers, can hardly be the sole motivating force behind this most recent venture sponsored by those who direct the activities of the Illinois Bankers Association.

Perhaps we should not intimate that any selfish influences are connected with the publication of this new association magazine.

Yet after all it is hardly conceivable that the editors of the publication believe their particular knowledge of the banking problems, existing in other states and territories, is so badly needed by the banks of those sections that they must take this means of making their counsel, experience, and banking vision available through the official publication of the Illinois Bankers Association.

We are of the firm opinion that the Illinois Bankers Association will be establishing a dangerous precedent if it continues its plans for attempting to go outside of its own state borders with its publication activities.

We question not only the association's fairness in thus using the influence of a great bankers' association to compete with other state association publications as well as with independent magazines which for years have helped build the banking structure of this country, and have supported the constructive activities of state bankers associations, but also question the propriety of the Illinois Bankers Association's action in extending its influence into other states and territories through the pages of the Great Lakes Banker—its official publication.

And, unless we badly under-rate the judgment of the bankers of the great state of Illinois, we further believe that this program will not meet with the approval of the rank and file of the members of the Illinois Bankers Association.

\$852.00 is \$583.00, which earns interest for one month. (This whole of the deposit made on May 10th and \$283.00 of the deposit made on June 1st, are included in the \$583.00)..... 1.94

Interest for second quarter..... \$10.46

Interest for 6 month period..... \$19.22

### METHOD NO. 7

(Recommended by Savings Bank Division, A.B.A.)

Interest is to be compounded and credited semi-annually and is to be paid from *date of deposit* on all sums remaining in the bank until the end of the *quarterly period*, provided they have been on deposit for at least one calendar month preceding the semi-annual interest date. Withdrawals are to be deducted from the latest deposits, if any, otherwise from the balance at the beginning of the quarterly period.

Starting with the smallest balance in the quarter, we have \$800.00 which earns interest for three full months.....\$8.00

The next smallest balance in a succeeding month is \$817.00. The difference between \$817.00 and \$800.00 (preceding balance), is \$17.00, which is all that remains of the \$210.00 deposit made on January 10th. This \$17.00 earns interest for two months and twenty-one days..... .15

The next smallest balance in the first quarter is \$1012.00. The difference between \$1012.00 and \$817.00 is \$195.00, which is all that remains of the February 28th deposit of \$210.00, and bears interest for one month and three days ..... .71

Interest for first quarter..... \$ 8.86

The smallest balance in the second quarter is \$852.00 on May 15th, and receives interest for three months..... 8.52

The next smallest balance is \$1152.00 on May 28th. Hence \$300.00, the difference between \$1152.00 and \$852.00, earns interest for one month and three days ..... 1.10

The next smallest balance is \$1435.00 on June 22nd. The difference between \$1435.00 and \$1152.00 is \$283.00, which is all that remains of the deposit of \$483.00 made on June 1st, hence earns interest for one month..... .94

Interest for second quarter..... \$10.56

Interest for six month period.. \$19.42

### METHOD NO. 9

(Recommended by Savings Bank Division, A.B.A.)

Interest is to be compounded and credited semi-annually and is to be paid from *date of deposit* on all sums remaining in the bank until the end of the *semi-annual period*, provided they have been on deposit for at least one calendar month preceding the semi-annual interest date. Withdrawals are

(Continued on page 29)





# BONDS AND INVESTMENTS

## Committee Reviews Public Service Securities Situation

THE Public Service Securities Committee of which Frank E. Frothington is chairman, in its report before the annual convention held in New Orleans in October reviewed the securities situation during the past year insofar as it applies to the public utility field.

We are giving below a portion of that report:

“A YEAR AGO, at the time of our last convention in Quebec, the financial ship had all sail on, and the crowding passengers could see near at hand the promised land of easy and large profits. Today the passengers are re-rigging a dismantled ship, and all the able-bodied have taken their turn at the pumps. The promised land for most was but a mirage after all.

“This country, the world, is now in the throes of an aftermath. It is a world situation that is now in the mending, and it is as inevitable as time that the needs and energies of men will in due course resurge into an era of general prosperity, stabilized, let us hope, by the remembrance of recent experiences.

“With the collapse of the speculative markets, utility equities, more particularly the holding company equities, and bond prices also suffered a decline. Demonstrations of intrinsic values are, however, made by adversity. The utilities have stood the test in remarkable fashion, the inherent nature of the electric light and power, the telephone, the street railway, the gas and water services being such that they are affected more by their own peculiar problems than by the factors that general depression brings to bear on industry as a whole. People need and use, in good times and bad, light, heat, water, telephone communication, local transportation. Those are the services last given up and the least curtailed. Adversity has at least again demonstrated this oft-repeated truth. The value of well issued securities on these properties (the peculiar present situation of the street railways should perhaps exclude them

as a whole from this general classification) have proven their soundness.

“Stockmindedness has been giving place to a more conservative viewpoint. The demand for utility bonds has, since midsummer, markedly improved, and investors have seen their confidence justified in buying senior securities when a lethargy possessed the market and all classes of securities went without buyers. Again, adversity in the speculative field, which sooner or later ignores sound principles of value, but demonstrated anew that these principles are perennial—old-fashioned and in the discard as they sometimes seem to be—and that they are the basis on which a new prosperity must be built. It should be pointed out, too, that the wise business foresight that raised immense amounts of capital on junior securities when the markets for them were favorable has established the soundest possible basis for senior financing, now that the junior markets are less available.

“THERE WAS a sharp recession of new offerings in these fields after the panic of last year—November of that year showing almost nothing new, December coming back to a normal low month total, January and May of this year, however, showing higher peaks than for a long time. The change in classification is, however, noteworthy. The total of new capital (exclusive of refunding) is reported for 1928 (in round figures) as \$1,710,000,000, for 1929 as \$1,932,000,000; but it is to be noted that long term bonds and notes for 1928 were \$940,000,000 against \$654,000,000 for 1929, that short term bonds and notes were for the same years \$114,000,000 and \$48,000,000 respectively, whereas stocks increased from \$757,000,000 in 1928 to \$1,230,000,000 in 1929. The effect of the market break in the latter part of 1929, and the accompanying paralysis of business, is shown in a comparison of the first seven months of this year and last. These months showed \$444,000,000 of long term

bond and note financing in 1929, increased to \$179,000,000, whereas stocks decreased from \$880,000,000 to \$655,000,000. This reversal of the previous trend is the more notable if it be recalled that the 1930 stock figure includes some \$215,000,000 of American Telephone & Telegraph Company stock as against none for the earlier period.

“One of the ablest utility operators in the country has recently remarked that what the public utility companies need now is sanity of operation based on the knowledge that the business is regulated and profits limited; that financial structure of the big holding company groups should be simplified; that full and complete information of all intercompany transactions should be given. The ‘sanity’ of these observations is so patent that your committee wishes to call special attention to them and to stress them. While there is a definite tendency toward the simplification of financial structure, many of the groupings are still complicated and involved beyond any apparent reason or need. Your committee has heretofore pointed out the advantages to flow from simplicity in this direction. Complication is not a necessary corollary of size; in fact, the virtues of simplicity of financial structure increase with size and should be constantly sought for as one of the greatest aids to fair market judgments of values, and in the raising of cheap money. There is a lurking feeling, too, in the public mind that there is something in the pyramiding process not to its best interests. Bankers as well as operators are at fault in this, and we would particularly urge the influence of the bankers toward the correction of the existing confusion of capital structures. Your committee has also referred in the past to the dangers that lurk in the concealment of intercompany transactions. Here again we are glad to say there is a growing recognition that these necessary and beneficial relationships should be on the frankest basis to the end that they may be removed from the

category of public suspicion. Your committee refers here again to these matters because they seem so fundamental in developing sound values back of public utility securities as a class.

**T**HE ELECTRIC light and power industry has again shown its peculiar ability to withstand the shocks of business depression. In the diversity of electric use, the wideflung availability of electric service and the persistent penetration of electricity into almost all of our needs, lies the explanation. In this industry earnings have in some cases fallen off, in some held their own, in most cases have increased, though at a lesser rate than formerly. The very large industrial load of many of the companies is the primary cause of such decreases as have occurred. Inherently, the business is sound, and operating company securities remain in an enviable position. With the recovery of general business, it may be anticipated that the light and power industry will see an expansion that will belittle anything it has shown in the past, extraordinary as that past has been. The industry as we know it is not yet thirty years old, but its position and stability are such that senior securities on its operating properties in many cases rank with the premier rail bonds.

(Continued on page 22)

**Lloyd Phillips Sells Interest**

Lloyd Phillips, of Lloyd Phillips & Co., Inc., investment brokers in Fremont, Nebraska, has sold the controlling interest in the company to L. E. May so he can devote all of his time in the Omaha office of Smith, Burris & Company.

Mr. Phillips is executive vice-president of the Omaha branch of Smith, Burris & Company and has been its manager since its organization last July. This company is a central syndicate wholesaling Corporate Trust Shares, Fixed Trust Shares and Corporate Industry Shares. Mr. Phillips has been going back and forth but will soon move his family to Omaha and occupy a residence he recently purchased.

Mr. May, who has been connected with the Phillips company since its organization, has been elected president and treasurer and James R. Hanson succeeds May as vice president and is also secretary. Lambert Faltys, who has been an official of the company, has resigned.

Mr. Phillips retains an interest in the Fremont company and will continue as a member of the board of directors. Lambert Faltys has not completed his future plans and is to remain with the company for a few weeks to assist in the office work. At the special board meeting Wm. W.

Moore, who has been sales representative, was made sales manager.

Lou May is widely known in Fremont and had a long association with the May Bros. Co. He has been in the brokerage business nearly all the time since leaving the grocery house, being with Henry L. Doherty before joining the Phillips organization. He has interests in a number of banks. He announces there will be no change in the corporate name of the firm for the present and that the business will be conducted as formerly.

Lloyd Phillips went to Fremont in 1912. He was manager of the Fremont Gas Company, resigning in 1923 to go to Lebanon, Pa., where he was in charge of a gas company for the City Service Co. He left the Doherty organization in 1927 after 16 years of service, to launch in business in Fremont, and which he has conducted successfully.

**Organize Investment Company**

Unusual interest is attached to the recent announcement of the organization of The American Securities Corporation at Chicago, with executive offices at No. 1 La Salle Street. This corporation represents substantial mid-western interests and will engage in a general investment business, serving the public as well as certain affiliated financial interests.

**THE**  
**CHASE NATIONAL BANK**  
*of the City of New York*

PINE STREET CORNER OF NASSAU

»«

<i>Capital</i>	. . . \$ 148,000,000
<i>Surplus and Profits</i>	213,000,000
<i>Deposits</i>	. . . 1,852,000,000

The Chase National Bank invites  
the accounts of banks, bankers,  
corporations, firms and individuals.

»«

*General Banking · Trust Department*  
*Foreign Department*



F. E. ADAMS

The officer personnel is as follows: Cecil E. Vesey, chairman of the board; Fred E. Adams, president; and Guy C. Kiddoo and Raymond A. Baur, vice-presidents.

The corporation is directly affiliated with the American Union Corporation, of which Walter W. Head is president. This corporation owns and is interested in numerous enterprises of financial institutional character. This recent step or the organizing of



NEW ISSUE

**\$3,500,000**

# Seaboard Continental Corporation

**6% Guaranteed Convertible Gold Bonds, Series "A"**

Dated September 1, 1930

Due September 1, 1940

Principal and semi-annual interest, March 1 and September 1, payable at the Bankers Trust Company in New York City, or Chicago Trust Company, Chicago, Illinois, without deduction for normal Federal Income Tax not exceeding 2% per annum. The Corporation will agree to reimburse to any holder of bonds, upon proper application, any personal property or similar tax not exceeding 6 mills per annum and any State Income Tax not exceeding 6% per annum which may be legally assessed under any present or future law of any state of the United States and paid by any holder by reason of his ownership thereof. Redeemable in whole or in part on any interest payment date, at the option of the Corporation, on 60 days' published notice at 103% to and including September 1, 1936, thereafter at 102% to and including September 1, 1938 and thereafter at 100% to maturity, plus accrued interest in each case. Coupon Bonds interchangeable denominations of \$1,000, \$500 and \$100, registerable as to principal only.

CHICAGO TRUST COMPANY, Trustee

### CONVERSION PRIVILEGE

Each bond will be convertible at its principal amount, at the option of the holder prior to December 1, 1939 or earlier redemption, through surrender thereof with all unmatured coupons attached into units consisting of one share each of Preferred Stock and Common Stock of the Corporation at the following rates: On or other December 1, 1930, and on or before December 1, 1933 at the rate of \$100 per unit for each \$100 of principal amount; the conversion price increasing \$5.00 per unit on December 2, 1933 to and including December 1, 1936 and an additional \$5.00 per unit to December 1, 1939; with adjustment of interest and cash dividends; scrip to be issued for fractions of a share, or in lieu thereof, the Corporation at its option may pay cash equal to the excess principal amount. The Indenture will contain provisions designed to protect the conversion privilege of the bonds against dilution by adjustment of the conversion price in certain events.

Capitalization: The capitalization of the Corporation, after giving effect to this financing, will be as follows:

	Authorized	Outstanding
Guaranteed Convertible Gold Bonds, 6% Series A, due Sept. 1, 1940 (this issue) .....	\$3,500,000	\$3,500,000*
Preferred Stock (\$6 dividend, no par value) .....	200,000 shares	10,000 shares
Common Stock (no par value) .....	400,000 shares	200,000 shares

\*These bonds, in the opinion of counsel for the Corporation, are legal investments for national banks. There will be reserved sufficient shares of Preferred and Common Stock to provide against the exercise of the conversion privilege of all authorized bonds of this and any future series. The Preferred stock is redeemable in whole or in part on any interest paying date on option of the Corporation on 60 days' published notice at \$100 per share and accrued dividends and is cumulative at the annual rate of \$6.00 per share. In the event of any distribution of the assets of the Corporation the Preferred stock will be entitled to \$100 per share and accrued dividends before the Common shall participate.

Mr. Romaine A. Philpot, President of the Corporation, has summarized his letter to the bankers, in part as follows:

**History and Business:** Seaboard Continental Corporation, a Delaware corporation, was organized in August, 1930, to carry on the business of an investment trust of the general management type. Its formation was preceded by a thorough investigation and analysis of the operating methods of American and British investment trusts of this type. The Corporation is able to afford purchasers of its securities the protection of expert selection and supervision and broad diversification of interests to a degree not available to the individual investor. The Corporation will acquire, hold, sell, underwrite securities, participate in underwritings of securities and acquire such securities and exercise such other of its charter powers as the Board of Directors may from time to time determine.

**Guarantee:** These Bonds will be the direct obligation of the Seaboard Continental Corporation and will bear the joint and unconditional guarantee endorsed directly on each bond, of Lloyd's Casualty Company of New York and the Federal Surety Company of Davenport, Iowa, to pay the legal holder the principal and interest when due without any period of grace or extension of time as to principal or interest. The combined resources of the guarantor companies exclusive of the collateral deposited with them against this issue exceeds \$10,000,000.

**Management:** The Board of Directors in whose hands the management of the Corporation lies consists of representative bankers who have been connected with outstanding financial institutions, enabling the Corporation to benefit from the knowledge acquired by those institutions in the proper selection of an investment portfolio. The Directors are:

- |  |  |
|--|--|
| <b>FRANK BERWIN</b><br>Orvis Brothers & Co., Members New York Stock Exchange                 | <b>SAMUEL S. LERNER</b><br>G. & A. Seligmann, Members New York Stock Exchange          |
| <b>BERTRAND L. BURBANK</b><br>Nicol, Ford & Co., Members New York Stock Exchange             | <b>ROMAINE A. PHILPOT</b><br>President, Seaboard Continental Corporation               |
| <b>W. W. CORLETT</b><br>Attorney-at-Law, Chicago   | <b>LOUIS H. POUNDS</b><br>Former Treasurer State of New York                           |
| <b>CHARLES L. CULPEPER</b><br>President, Coca-Cola Bottling Co. of New York                  | <b>CHARLES D. ROBBINS</b><br>Charles D. Robbins & Co., Members New York Stock Exchange |
| <b>J. KENNETH EDLIN</b><br>President, Provident State Securities Company                     | <b>IRA A. SCHILLER</b><br>Chairman of the Board, Cosmopolitan Fire Insurance Co.       |
| <b>JOEL STOCKARD</b><br>President, Joel Stockard & Co., Inc., Members Detroit Stock Exchange | <b>FRANCIS E. STORER</b><br>Hambleton & Co., Inc., Investment Bankers                  |

Legal matters in connection with this issue will be passed upon by Mr. W. W. Corlett of Chicago for the bankers, and Messrs. Boskey, Schiller, Marvin & Serling, New York City, for the Corporation. Audits will be made semi-annually by Haskin & Sells, certified public accountants.

These bonds are offered when, as and if issued and accepted by us and subject to approval by counsel of all legal matters. It is expected that interim receipts or temporary bonds endorsed by the guarantors will be deliverable on or about October 17, 1930.

These bonds are listed on the New York Produce Exchange and application will be made to list on an additional recognized Stock Exchange

Price 100 and accrued Interest to yield 6%

## PROVIDENT STATE SECURITIES COMPANY

134 North La Salle Street  
CHICAGO

150 Broadway  
NEW YORK

The statements contained herein, while not guaranteed, have been obtained from sources which we believe to be reliable.

the American Securities Corporation heralds a program of expansion of interests and further scope of operation. Another recent move was the acquisition of the St. Joseph Life Insurance Company. Plans are being made to increase its capital and expand its business.

Mr. Vesy was formerly president of the American Credit Company of Omaha, Mr. Adams, has been active in investment banking circles in Chicago and New York since the war, Mr. Kiddoo was formerly vice-president of the Omaha National Bank and has moved to Chicago to assume his new duties. Mr. Baur remains as an active vice-president of the Omaha National Bank.

### NEW BOND ISSUE

**A**NNOUNCEMENT has been made by J. Kenneth Edlin, president, Provident State Securities Company, Chicago, of a new bond issue of \$3,500,000 Seaboard Continental Corporation, 6 per cent guaranteed convertible gold bonds.

The Seaboard Continental Corporation was organized in August, 1930, to carry on the business of an investment trust of the general management type. Its formation was preceded by a thorough investigation and analysis of the operating methods of American and British investment trusts of this type. The corporation will acquire, hold, sell, underwrite securities, par-

ticipate in underwritings of securities and acquire such securities and exercise such other of its charter powers as the Board of Directors may from time to time determine.

According to the announcement circular, assets are shown as follows: "Cash and investments of the Corporation will, upon completion of this financing, exceed \$4,500,000. The bonds will be senior to 10,000 shares of \$6.00 cumulative, preferred stock and 200,000 shares of no par value common stock, representing an equity of \$1,000,000. The Corporation must maintain at all times cash equal in amount to 100 per cent or securities in the amount of 105 per cent of this series of bonds to be presently outstanding.

"**GUARANTEE.** These bonds will be the direct obligation of the Seaboard Continental Corporation and will bear the joint and unconditional guarantee endorsed directly on each bond, of the Lloyd's Casualty Company of New York and the Federal Surety Company of Davenport, Iowa, to pay to the legal holder the principal and interest when due without any period of grace or extension of time as to the payment of that principal or interest. The combined resources of the guarantor companies exclusive of the collateral deposited with them against this issue exceeds \$10,000,000.

"**MANAGEMENT.** The Board of Directors in whose hands the management of the Corporation lies consists of representative bankers who have been connected with outstanding financial institutions, enabling the Corporation to benefit from the knowledge acquired by those institutions in the proper selection of an investment portfolio."

The directors are: Bertrand L. Burbank, Nicol-Ford & Co., Members New York Stock Exchange, Chicago Stock Exchange, Detroit Stock Exchange; W. W. Corlett, Attorney, Chicago, Illinois; Charles E. Culpeper, President, Coca-Cola Bottling Co. of New York, Inc.; J. Kenneth Edlin, President, Provident State Securities Co.; Samuel S. Lerner, G. & A. Seligmann, Members New York Stock Exchange; Romaine A. Philpot, President, Seaboard Continental Corporation; Lewis H. Pounds, Former Treasurer, State of New York, Director Brooklyn Fire Insurance Co.; Charles D. Robbins, Charles D. Robbins & Co., Members New York Stock Exchange, Chicago Stock Exchange; Ira A. Schiller, Chairman of Board, Cosmopolitan Fire Insurance Co.; Francis E. Storer, Hambleton & Co., Inc., Investment Bankers; Joel Stockard, Joel Stockard & Co., Inc., Detroit, Member Detroit Stock Exchange.

Those who are often pickled are not usually well preserved.

## A GAIN OF 132%

A recent analysis of thirty-eight of the leading management type of investment trusts indicates that they have shown a gain in the last nine years of 132% in assets compared with the general market using the Standard Statistics index of 404 stocks during this period as a basis.

The general market showed a gain of 138% whereas the investment trusts showed a gain of 270%. The difference between these percentages is 132%, or the gain made by the **MANAGEMENT TYPE OF INVESTMENT TRUSTS** over the general market. This remarkable showing is proof of the superior management of investment trusts.

Our principal reason for offering the **United Founders Corporation** stock is because it is ably managed, and is in a position to benefit by the present market situation, which will be reflected in increased profits by the **United Founders Corporation** when the upward trend commences.

We recommend the purchase of this stock which is now selling at approximately \$12.00 per share, and especially so while this very low price is available.

### SMITH, LANDERYOU & CO.

210 Farnam Building,

Omaha, Nebraska

Phone Ja. 5065



# Extend Time Limit on Prize Letter Contest

THE EDITORS in charge of the prize letter contest, on the question "What the Service Charge Has Done for Our Bank," have decided to extend the time limit for entries to November 30, 1930. This action is taken in order that those bankers desiring to enter the contest and who have not yet prepared their material might have additional time in which to make their entries.

The contest is open to any reader of the CENTRAL WESTERN BANKER. A practical, usable plan, now in operation should be outlined in sufficient detail to give the idea justice. Tell us in your own words, without regard to literary style, just what the installation of service charges has done for your bank—what the increase in revenue has been; what influence it has had on deposits; what methods were taken

to educate the public to the service charge when the system was started and the public's reaction to it, and any other point concerning the question.

In these columns we are reprinting the rules governing the contest. All entries in our hands by November 30th will be most carefully considered.

Address all communications to the Contest Editor, CENTRAL WESTERN BANKER, Omaha, Nebraska.

## Contest Rules

1. Any reader of the CENTRAL WESTERN BANKER is eligible.
2. Letters should be written on one side of paper, typewritten if possible, and should be no more than 1,000 words in length.
3. Only practical plans, now in operation, will be considered.
4. All entries must bear a post-mark not later than Midnight, November 30, 1930.
5. In case of a tie, duplicate prizes will be awarded.
6. Address all letters to "The Contest Editor, CENTRAL WESTERN BANKER, Omaha, Nebr."

This contest, details of which appeared in the October issue of the CENTRAL WESTERN BANKER, is arousing a great deal of interest among our readers, especially those in the state of Nebraska where the installation of the service charge is not yet an unanimous condition.

Regardless of the fact of whether or not you have used a system of service charges for one month or a year, if you are in a position to arrive at a comprehensive conclusion, we suggest that you make your entry in this contest.

Plans are being made for the publishing of all worthwhile letters regardless of whether they are prize winners or not. There is no question but that the experiences you have had with the service charge will be interesting and helpful to other bankers.

Cash prizes totaling FIFTY DOLLARS will be awarded to the eight best answers as follows: First Prize, \$25; Second Prize, \$15; Third Prize, \$5; Five Prizes of \$1 each for the next five best letters.

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OUR OFFERING LIST  
WILL BE MAILED REGULARLY UPON REQUEST

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## 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 individuals, institutions and thousands of banks 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 \$80,000,000

---

*For*  
*Credit Information*



**CONTINENTAL ILLINOIS  
BANK AND TRUST  
COMPANY  
CHICAGO**

INVESTED CAPITAL 150 MILLION DOLLARS



# INSURANCE

## *Its Application to the Banking Fraternity*

### Some High-Lights On Third Party Insurance

**P**UBLIC LIABILITY INSURANCE is often called "Third Party Insurance" because the assured is protected against the legal action taken by another as the result of an accident or death.

Anyone with three dollars in his pocket can start a law suit for damages, imaginary or real, and the court decisions that are being handed down holding the owner of property legally liable would make Blackstone turn over in his grave. The human mind seems to have taken one of its many queer turns, because if a person slips and falls on the sidewalk in front of your bank today, the chances are a law suit follows in the hopes of getting a few of your dollars.

At the moment there is a new liability being imposed upon the banker as trustee! A suit has been filed for damages in the amount of \$10,000 against a prominent Chicago bank who were acting as trustees for an estate composed of several large parcels of vacant property. The father of a boy who was accidentally drowned while playing on the vacant property has not only made a claim against the bank for damages, but has sworn out a warrant for the arrest of the president of the bank as being individually responsible for the breaking of a city ordinance, namely, failure to enclose with a fence the vacant property, thus preventing what is called "an attractive nuisance to children." While lawyers the city over are still debating the legal liability of a trustee in this particular case, the bank has been called upon to defend the suit, and as a result of this recent happening there has been designed a contract to protect the trustee against this new liability.

**M**ANY unusual cases in the courts make an "All-Risk" liability contract a necessity. The following are a few interesting cases:

The president of a corporation who directed construction work was held personally liable because the corporation had not erected a scaffold. The

falling bricks severely injured a passerby.

HY. SCARBOROUGH, Jr.

The president of an omnibus company was held personally liable when he had issued an order to its drivers to exclude colored persons from the vehicle. One of the drivers injured the plaintiff while carrying out the president's orders.

**"Anyone with three dollars in his pocket can start a lawsuit for damages, imaginary or real, and the court decisions that are being handed down holding the owner of property legally liable would make Blackstone turn over in his grave. The human mind seems to have taken one of its queer turns, because if a person slips and falls on the sidewalk in front of your bank today, the chances are a lawsuit follows in the hopes of getting a few of your dollars."**

A president and general manager were held personally liable because a telephone pole fell. The court held they were negligent in their duty in not arranging for the inspection of the pole.

The president of a bill-posting corporation who ordered billboards removed was held liable because of injury resulting by removing the billboards.

The president of a corporation directed employes to remove some logs, and in removal of the logs an injury occurred. The president and the corporation were both liable.

A president and general manager were both held liable for damage and personal injury by water from an ore washer.

**A**NOTHER case illustrating this liability was decided by the Michigan Supreme Court in 1912. Crosby & Company, manufacturing corpora-

tion, sold a stove polish which was known to be made largely of naphtha and to be highly inflammable. The plaintiff bought this polish, used it and was burned. She sued the corporation and its president. The president argued that the liability, if any, was on the corporation, but the court said that if he, as an officer of the corporation, "had knowledge of the dangerous character of this compound and was actively promoting the manufacture and sale of it as an officer with authority in the corporation," he was liable.

These cases emphasize the fact that banks and bank officials may be held personally liable in many cases for injury to persons and destruction to property arising out of the conduct of their business.

Several years ago the public liability policy had limits of \$5,000 on any one person and \$10,000 on any one accident. These limits are entirely inadequate in the light of recent court decisions that have been handed down rendering judgment far in excess of these limits.

If there is an elevator in your bank building the limit for any one accident should be a minimum of \$100,000. Visualize for a moment a wealthy and prominent customer being involved in an elevator accident and the possible amount of damage the bank could be held liable for by the court's decision.

Where a large number of employes own their own cars, the bank should seriously consider the Contingent Automobile Liability Policy which protects the bank's interests in the event of an employe either in line of duty or otherwise injuring a person, and the bank made co-defendant in a suit. A judgment of \$80,000 was rendered in New York state holding both employer and employe liable because of accidental death when an employe was driving home from work. Statistics show that three out of four automobiles driven in the United States do not carry any liability protection. This is a startling fact, and the banker for

more financial reasons than one should advocate and even sell to the people of his community liability insurance. Who can say that a loan to an individual may not be brought into jeopardy by a public liability claim against the borrower that might occur any minute of any day.

**A** NEW "All Risk" contract is now being written by a prominent casualty company covering all public liability except that arising from automobiles. It is being written for the manufacturing plant as well as the individual, and it is interesting to note some of the points covered in the policy.

All liability as owner of dogs or horses; as owner or user of shot guns, rifles, revolvers, or arms of any description, if used for target-practice or in self defense or hunting; as participant in the playing or practicing of golf, baseball, basketball, polo, cricket, football, hockey, handball, tennis or other athletic sports or games, excepting the use of any aircraft, motorboat or motor-driven vehicle; as owner and user of bicycles or tricycles or rowing boats and canoes, but excepting racing or professional use; as owner and user of radio set, electrical or mechanical household refrigeration plant or other household devices, plumbing, lighting

furniture or appliances, including all wiring and appurtenances pertaining thereto, situated in or upon the private residences or private apartments stated in Special Condition 6; as owner and user or lessee of private garages, outbuildings, tools, implements, wells, pumps, devices, appliances, fences, hedges, structures, streams, lakes, ponds, trees, shrubbery or gardens forming part of or connected with the private residences or private apartments stated in Special Condition 6; as owner of domestic fowl, birds, or cats or other pets; as participant in an accidental event resulting in bodily injury to, or the death of another person or other persons, such as colliding while walking or running in the street, causing a person to slip or fall on sidewalk or from vehicle; also including injuries to eyes or otherwise from umbrella, cane or other objects carried or used by the assured, and other occurrences of similar nature.

The above policy is most interesting and opens the eyes of the individual to some of the hazards that he is not enjoying protection from under his old form of liability policy.

A new policy issued for the manufacturer covers general public liability at the plant and branches, elevators and hoists, side tracks, teams, products and all work sublet. This policy is written for a flat premium, not subject to audit, and is placed upon a one or three year basis. It would be a pleasure to furnish additional information to any of our readers on these new public liability policies.

#### Burns Installs New Service

Of interest to the bankers in the rural districts is this new farm service that the Burns Agency has been offering to the farming community.

The Burns Agency, well-known to the bankers because of their twenty-five years of service to the American Bankers Association, have established this new service to the farmers. A Burns warning sign is posted on the farm and all losses of property through theft are reported to the nearest Burns Agency and a complete investigation is made of the lost property. The Sheriff of the County cooperates with the Burns adjusters, and the records show that where there is a large percentage of Burns warning signs in any one County, sneak thieving and burglary losses have been greatly reduced.

Recently a Burglary and Robbery Policy has been added to this service, paying the farmer for chickens, horses, cows or other animals that are stolen from the farm, as well as farming implements or other articles that are lost by theft.



**Casualty Insurance?  
Yes!**

**Surety Bonds?  
Certainly!**

**Service?  
Absolutely!**

WRITE TO

**Federal Surety Company**

**Home Office      Davenport, Iowa**



This insurance protection is of interest, of course, to the bankers making loans to the farmers, and it is the first attempt to give to the farmer both insurance protection and loss investigation. Due to the large volume of business, the rates for the individual farmer are most attractive.

**QUESTIONS AND ANSWERS—**

1. Is a check drawn on another bank which proves to be "No Such Account," and cashed by our teller on account of a forged officer's initials or O.K., collectible under Form No. 8? **Ans.:** No, it is not collectible under Form No. 8. There is only one contract which we know of that would cover such a case and that is a forged "instrument of writing" cover, written by Lloyds, London.
2. Does Blanket Bond, Form No. 2, cover the mysterious disappearance of money or securities while in the hands of a messenger? **Ans.:** Form No. 2 does not contemplate such protection. Under Form No. 8 or Lloyds H.A.N. Form "C" contracts, the wording plainly indemnifies the banker against loss or mysterious disappearance of money or securities while in transit.
3. Does the fidelity bond or schedule surety bond cover mysterious disappearance? **Ans.:** No, it does not. It is incumbent upon the assured to allocate the thief and be prepared to swear out a warrant for the criminal if proper claim is to be made under a fidelity bond.

**DID YOU KNOW—**

That 5,700 banks were forced to close their doors during the past ten years, tying up \$2,000,000,000 of depositors' money? A contributing factor to these closures in some cases was an inadequate insurance program.

That the President of the United States at Cleveland recommended a formula to maintain business stability? Judicious selection of insurance should play a part in this program.

That 62% of fire losses occurred in homes?

That the Insurance Committee of the American Bankers Association have developed a new burglary and robbery policy, and credit should go to Mr. Keyser and his Committee?

That the Protective Department of the American Bankers Association, managed by James Baum, have accomplished much in loss prevention?

That Bankers Blanket Bond, Form No. 8, can now be issued excluding forgery clause No. 3? This is a step forward.

**INSURANCE SAFEGUARD  
AGAINST WANT**

(Continued from page 5)

the earner can provide, he has perhaps saved his family from actual want and submersion in the class of the always struggling needy by doing that much. But when insurance of that part of

the earning power of any man, which is necessary to enable his family to carry on as usual, requires in most cases less than fifteen per cent of his earnings, failure to adequately insure such earning power is thoughtless and thriftless.

The important thing in the spending program of every family is a sound

**Life Insurance--  
the Banker's Friend**

Banks are the medium through which modern business of all kinds is carried on. They, in turn, are dependent on general business activities for their own prosperity.

Life insurance does much to stabilize business operations. It safeguards mercantile and industrial enterprises against loss occasioned by the death of their managing heads. It steps in and meets the financial needs of a family whose breadwinner has been taken. It provides steady incomes for people who have taken forethought for their later years.

The beneficiaries of life insurance are customers of the banks in their home communities, and the money paid them soon finds its way into deposit accounts, investments, and the channels of everyday business.

For his own self-interest and the general good of those who rely upon him, every banker should protect his own institution and family with adequate life insurance and encourage his patrons to do likewise.

The

**SERVICE LIFE**

INSURANCE CO., LINCOLN, NEBR.  
Home Office Bldg., 15th and N Streets

B. R. BAYS,  
President

JOHN L. OESCHGER,  
Sec'y-Treas.

**A GOOD CONTRACT**

WITH UNUSUAL

**Home Office Co-Operation**

For Good Points in Iowa

**Do You Want It**

and

**Can You Qualify?**

**OMAHA LIFE INSURANCE COMPANY**

OMAHA, NEBR.

and regular element of savings and investment. In too many cases where there is savings in a haphazard and irregular way, the investments made are often so highly speculative as to merely amount to blind gambling. The first ten or fifteen per cent of income that should and can be saved, should be invested in the most sound and conservative way.

There is one speculative element which cannot be avoided, and that is the element of sickness and death. When life insurance fully covers this chance, and at the same time offers a sound and safe form of investment, its supreme importance in the first essential steps for protection of the future is apparent.

The insurance against premature death establishes the estate planned for as one set up at time of death, whenever that may occur. The risk of premature decease is simply eliminated. The estate planned is assured. But modern life insurance considered simply as a savings and investment program, is easily first among plans that can be considered safe. The set program of the premiums to be set aside and systematically saved and invested equals any other plan for instalment investing.

Many plans exist for enabling people to set aside and invest small sums at regular intervals. With its highly organized system of agencies, adequate and regular notices, follow-up

of cases of non-payment, facilities for tiding over temporary inability to pay a premium now and then, the life insurance system is at least as good if not better in practice than any other plan for securing regularity and continuity of savings and investment.

By the various plans, multiplied in late years, for investment trusts and coöperative organizations that enable the investor of comparatively small amounts to share in a largely diversified line of investments, people have been taught that the man who selects and purchases such securities as a moderate fortune permits, runs the risk of loss on a few items, which will be severe on him if but one of such few fails.

Do peoples realize generally that the great insurance company is the best regulated, most conservative and most experienced investment trust or association that can be formed? Being supervised by examinations by state insurance examiners, and subject to the regulation of state statutes on insurance, it stands like national banks, or state banks in the best organized states, as not only having itself experienced and able financiers as officers, but also having the safeguards of regular and adequate examination, and of steady laws and regulations.

Such a great organization, making its investments on a nationwide survey, is by no means dependent on the prosperity of any single line or type of industry or locality. Even where an investment trust offers diversification, it will usually be found that its officers and directors favor some special type of investment. It may be of industrial stocks and bonds, or of bank stocks, or of public utilities, or of government bonds. But a great insurance company will have in its treasury, for its thousands of policyholders and investors, the best and most sound of all these types of investment, and no such amount of any one that there is risk of large loss in the decay of any one type of industry.

Finally, the management of this type of coöperative investment, with its compounding of interest and income, steadily maintained, is conducted by the great and sound insurance companies at as low a cost of supervision as can be found in any other organization. Trust companies do show on the average as low charges, but in some investment trusts the cost of management and operation is as large as is the cost of management plus a large part of the cost of insurance against death, in a well-managed insurance company.

## Giving service



## 24 hours a day . . .

THE SERVICE of the Bell System never stops. Every minute, through the night as well as through the day, it is working.

One reason why the telephone is used more and more each year is that it is so easy to use. Operators are quick to answer switchboard signals; connections are completed promptly.

Making the service attractive is sound merchandising. At the same time it is in the public's interest. For one person to be able to get in com-

munication with another, whenever and wherever desired, is often more than merely convenient.

One indication of the widespread demand for this service is the vast plant, precisely constructed and expertly maintained, required to supply it. In thirty years the plant investment of the Bell System has grown from \$181,000,000 to more than \$4,000,000,000.

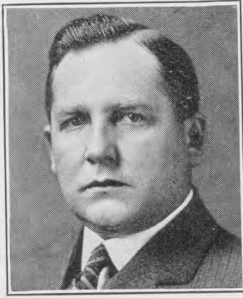
*May we send you a copy of our booklet, "Bell Telephone Securities"?*

## BELL TELEPHONE SECURITIES CO. Inc.

195 Broadway, New York City







**A. N. MATHERS,**  
President, Nebraska Bankers Association

# Nebraska News



**WM. B. HUGHES, Secretary,**  
Nebraska Bankers Association

## \$3,000 for Dead Bandits

**A** REWARD of \$3,000 for dead bandits has been offered by the Nebraska Bankers Association.

The announcement of the award was made October 15 at Omaha, by the protective committee of the association. It marked success in a project which the bankers have been considering for nearly two years. At first it had been the hope of the association that an award of \$5,000 might be posted. Finally, however, 500 member banks of the association agreed to underwrite the award of \$3,000.

In future, if any bandits who are in the act of robbing a Nebraska bank, or who have committed a robbery and escape, are killed in the act or in resisting capture, the award will be paid. The five hundred participating banks have each agreed to pay \$7.50 on every such occasion. This is greater than the amount of the award, to provide for incidental expenses.

The announcement came after a series of bold robberies of Nebraska banks, of which the boldest and most successful was the daylight looting of the Lincoln National bank, September 17. In a number of robberies, notably at Hay Springs and at Genoa, the capture of some of the robber-suspects was gratifyingly prompt.

On the day the award was announced, however, the Bank of Nemaha was held up by three men and nearly \$1,000, approximately all the cash on hand, was taken.

Besides the announcement of the award, the protective committee, to further the campaign against robbery, made the following announcements and recommendations:

Reiterated and emphasized its recommendation to the bankers of the state that they reduce cash on hand to a minimum and send negotiable securities elsewhere for safe-keeping.

The official thanks of the committee were tendered to the American Legion for the steps that organization is taking to suppress banditry. The legion is

undertaking the organization of vigilantes to form quickly to pursue bandits.

A recommendation was made to all banks to install silent alarm systems with outside guards.

Tear gas systems designed to act instantaneously were also approved. These provide for the release of gas from concealed containers, by the pressure of electrical buttons in various parts of the bank.

A further measure favored by the committee when time permits its possible development is a blockade of the roads with temporary suspension of traffic together with the necessary arrangements to guard intersections.

Thanks of the committee were extended various broadcasting stations that rendered valuable assistance during recent robberies.

The committee will ask the association at its convention in November to take a stand in favor of a state constabulary.

## Conditions Good in Dawson County

Dawson County, Nebraska, for quite a number of years, has ranked as one of the banner counties of the state. It harvested one of the best small grain crops this year, both as to quality and yield, in its history. Corn is good and promises a yield of from 25 to 60 bushels per acre and is ripening rapidly with the present favorable weather.

The territory in and about Gothenburg seems to be especially prosperous, as evidenced by the substantial statements made by the banks in that town. The recent statement of the Gothenburg State Bank, which has just come to our attention, shows deposits of 575 thousand dollars and a cash reserve of nearly 209 thousand dollars. This bank, which is officered by H. L. Williams, president; E. J. Loutzenheiser, vice president; G. G. Hampton, vice president and cashier; F. C. Nelson and R. R. Aden, assistant cashiers, has contributed in no small way to the development of its community, and is recognized as one

of the strong banks in Western Nebraska.

## Elected President

Gwyer H. Yates, former vice president of the United States National Bank, Omaha, was elected president of the bank at a meeting October 14, according to advice received by Northwest Bancorporation. R. P. Morsman, former president, was made chairman of a newly created executive committee, W. B. T. Belt, president of the Northwestern Bell Telephone Company, remaining chairman of the board of the bank.

Mr. Yates is widely known in financial circles in the northwest and central west and has been twenty-five years identified with the United States National Bank of Omaha, having had a connection with the old Nebraska National and other banking experience antedating.

The United States National Bank of Omaha is one of the largest banks in the middlewest with capital and surplus nearly \$2,000,000 and resources exceeding \$25,000,000. The United States National became a member of the Northwest Bancorporation group July 10, 1929.

## Bankers Discuss Problems

The Boone County Bankers Association met in Albion, Nebraska, recently, to elect officers for the ensuing year and discuss some of their problems. The question of protecting their banks against robbers was up for discussion and it was decided to carry only a small amount of cash on hand and to close their places of business during the noon hour. The matter of service charges was also taken up and a schedule of such charges will be prepared. The officers elected for the ensuing year were: Aubrey A. Smith, St. Edward, president; O. M. Hays, Petersburg, vice-president; R. T. Flo-tree, Albion, secretary-treasurer. These with F. D. Burgess, Jr., of Cedar Rapids and W. C. Wicks, of Primrose, will constitute the advisory board.

**Sells Assets**

Purchase of the assets of the Farmers State Bank of Brainard, Nebraska, by the Brainard State Bank, was announced by Bank Commissioner Woods recently. The Butler county town will have two banks instead of three as the result of the sale.

Under the terms of the deal, the Brainard State Bank assumes all the liabilities of the Farmers State and takes over the assets with which to pay them off. Depositors in the Farmers Bank will be paid by the Brainard State.

A. A. Hayek, president of the Farmers State Bank, has long wished to retire, it was stated at the banking department. His firm had deposits of ap-

proximately \$265,000 in the last report published by the department. Mr. Hayek has been assisted by W. C. Stejskal, cashier.

Officers of the Brainard State are: Joseph Herucha, president; Charles J. Davis, vice president; J. A. Proskovec, cashier.

**Bankers Organize**

Bankers of Antelope County have formed a protective organization under the leadership of S. D. Thornton, Jr., of the Security State Bank at Neligh, Nebraska, as a precaution against the raids of bank bandits. Providing neighbor merchants with guns and reduction of cash on hand are steps recommended.

**Deposits Up Eight Millions**

A gain of over 8 million dollars in deposits from June 30 to September 24 was reported by Omaha banks, following the call of the comptroller of the currency for a statement of the condition of national banks, as of the close of business on the latter day.

Total deposits September 24 were \$123,104,789, and loans at that time amounted to \$57,910,147. Loans decreased approximately 10 million dollars in a year.

By banks, the September 24 figures follow:

	LOANS	DEPOSITS
Omaha	\$23,364,432	\$ 40,615,944
First	9,824,932	30,024,549
U. S.	8,690,311	23,965,038
Stock Yards	7,544,977	10,736,441
Live Stock	2,224,177	5,551,015
State Bank Omaha	1,952,708	3,899,200
Packers	987,786	3,250,157
Union State	799,199	1,883,997
S. Omaha State	855,203	1,253,722
S. Omaha Savings	9 <sup>8</sup> ,166	978,608
Far. and Merchant	531,297	739,491
Bank Florence	146,959	206,636
Totals	\$57,910,147	\$123,104,798

Figures for October 4, 1929:

	LOANS	DEPOSITS
Omaha	\$21,815,934	\$ 35,355,382
First	11,426,798	26,491,381
U. S.	10,799,583	20,433,547
Stock Yards	8,584,993	9,932,110
Live Stock	4,191,723	5,376,794
State Bank of Omaha	2,729,702	4,980,389
Packers	2,775,045	3,368,963
Peters	1,272,572	2,879,012
Union State	1,191,508	2,183,544
S. Omaha State	1,039,652	1,445,289
S. Omaha Savings	964,805	1,003,957
Far. and Mer.	631,317	788,041
Bank Florence	349,029	481,967
Totals	\$67,772,616	\$114,720,376

**Reduce Cash**

Representatives of nine banks in Douglas County outside of the downtown Omaha institutions and all banks in Sarpy County drew up plans for reducing hazard of bank holdups at a meeting of the Douglas-Sarpy County Bankers' Association at Elkhorn, Nebraska.

The bankers reported they had reduced cash on hand to a minimum because they can get more from Omaha quickly. Several told of installing new secret alarms and of employing special guards. Montgomery American Legion post of Valley, which has members in several of the county's small towns, reported that it had distributed guns and had arranged to assist in holdup prevention in line with the legion's state-wide vigilante organization.

**Employ Armed Guards**

The Stephens National and the Fremont National Bank announced the employment of guards as a special precaution against bank robbers. Samuel Blair will be at the Stephens Bank and Edward Brenner will be at the Fremont Bank. Each has served as head of the Fremont police department.

*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.

**Nebraska Bankers . . .**

Now is the time to study your investments and the security back of them.

We offer complete statistical information and will gladly analyze your holdings without charge.

**THE FIRST TRUST COMPANY  
OF  
LINCOLN, NEBRASKA**

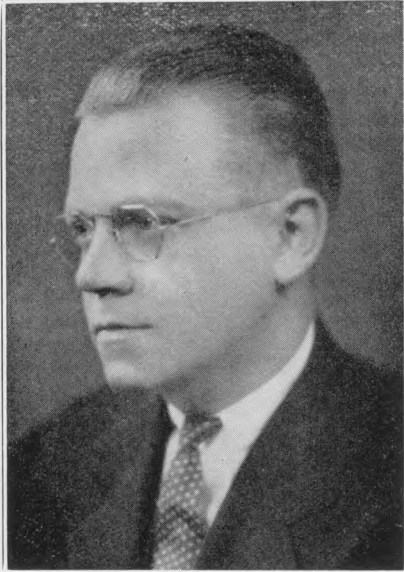
*Affiliated Institution The First National Bank*



**Joins Omaha National**

Appointment of James H. Moore as an Assistant Cashier of The Omaha National Bank has been announced by W. Dale Clark, President.

"Mr. Moore comes from a banking family, his father being a vice president of the Fidelity National Bank



JAMES H. MOORE

and Trust Company of Kansas City and his grandfather being president of The First National Bank of Holton, Kansas," said Clark. "Entirely aside from that environment, Mr. Moore has proved his own ability, particularly in his knowledge of an experience with banking conditions and practices in agricultural communities such as those which comprise a large part of our territory."

Mr. Moore has been cashier of the First National Bank of Hominy, Oklahoma, for the last five years. Prior to that time he was with the New England National Bank of Kansas City, Missouri, and still earlier he was a student at the University of Missouri.

**Banks Suffer from Practices**

Philanthropic activities are not the real business of a bank but of the individual citizen and stockholder, declared Dan V. Stephens, Fremont, Nebraska, in his presidential address before the State Bank Division at the American Bankers Association convention in Cleveland. He spoke on "A Survey of State Bank Activities." He said that long ago banks had assumed community leadership carrying on every sort of community uplift at a great expense to the profits of the banks.

"It's not the bank's business," said Mr. Stephens, "to become a leader and financial supporter of churches, col-

leges, street shows, charitable institutions and all of the innumerable activities of the community. That is the business of the stockholder as a citizen or member of social organizations. People who have business with banks want the banks to attend strictly to that business."

"Banks in great number have during the last decade come to see the light in this respect and to act upon it," said Mr. Stephens. But there are other gifts that should be cut out, he said,—the gifts of service that cost the bank large sums of money.

"The most amazing thing," he said, "is the idea bankers generally have that a service charge of every kind, measured exactly to the service rendered, cannot be justly and properly made and accepted by the people who use the bank. Our experience is that the people are ready and willing to pay for such services as a bank renders and those who are not willing to pay for it cannot possibly be of any profit to the bank."

Mr. Stephens said it was only those banking institutions that have self-respect and courage to insist on the

bank's service being paid for that will ultimately stand all of the storms that may break against them.

He also voiced strong objection to the practice too widely prevalent of interest payment on public funds on deposit in the banking institutions of the country. He said that uncounted millions of dollars of public money is now on deposit in the checking accounts of the banks of the country. In practically every state, he pointed out, the law requires that these deposits shall be secured by bonds and, in addition thereto, a varying rate of interest is demanded upon the deposit, usually 2 and 3 per cent. When this interest rate is added to the cost of surety bond the item of expense to the bank on these accounts runs anywhere from 2½ to 3½ or 4 per cent.

"The payment of interest on a public deposit in a checking account is a discrimination against all other depositors in the banks that are not so treated," Mr. Stephens said. "It will also be apparent that there is no justification whatever for a bank furnishing a surety bond for public funds when it does not furnish a surety bond for

**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, <i>Vice-President</i>	PERRY B. HENDRICKS, <i>Ass't. V.-Pres.</i>
H. M. BUSHNELL, <i>Vice-President and Trust Officer</i>	RALPH R. RAINEY, <i>Cashier</i>
JOSEPH C. McCLURE, <i>Vice-President</i>	HARRY E. ROGERS, <i>Assistant Cashier</i>
THOMAS F. MURPHY, <i>Vice-President</i>	ERNEST E. LANDSTROM, <i>Ass't. Cashier</i>
CHARLES F. BRINKMAN, <i>Ass't. V.-Pres.</i>	AUSTIN L. VICKERY, <i>Assistant Cashier</i>
	VICTOR B. CALDWELL, <i>Assistant Cashier</i>
	H. W. YATES, <i>Assistant Trust Officer</i>

**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

private depositors. The discrimination is so apparent and unjust that bankers everywhere should give the matter their attention and they should join in a refusal to permit such an outrage to be perpetrated upon the private depositors in their banks."

Mr. Stephens declared that the general condition of banking in the United States is undoubtedly better than it has been since 1921. In fact, he said, "one might conservatively state that banking is on a sounder basis now than it has ever been in all of its history."

**COMMITTEE REVIEWS PUBLIC SERVICE SECURITIES SITUATION**

(Continued from page 10)

"It does no harm to recall public statements from authoritative sources. In the fifteen years from 1912 to 1927 the amount of electricity generated increased 626%, the number of customers 465%, the number of people living in wired houses 520%—increases scarcely influenced by the 24% growth of population for the period. In 1902 gross receipts were \$85,000,000, in

1929 they exceeded \$2,000,000,000; and during this same period investment increased from \$500,000,000 to \$11,000,000,000. Some sharp gentlemen with a sharp pencil may prove these figures wrong in certain amounts, for data is notoriously hard to gather correctly; but egregious errors must needs be disclosed to belie the substantial accuracy of the ratios. In 1929 the kilowatt-hour output in this country was over 97,000,000,000, and this year will run over 100,000,000,000, continuing to be more than is produced in all the rest of the world. And this result has been accomplished, in the face of an increasing system cost per kilowatt of installed capacity, with a reduction in kilowatt-hour charge to the customer, till his payment for this indispensable service is ridiculously small when compared with his daily costs for food, shelter and clothing. The feat accomplished and the service rendered are each extraordinary and merit recognition as such. But such a general statement is better reduced to the specific. Mr. W. A. Jones, president of the National Electric Light Association, points out that the average rate for electricity at the end of 1929 was but 30% of the 1890 price, and that since 1913 against a 70% increase in the cost of living there has been a 30% decrease in the average rate for domestic electric service. The multiplication of the use of appliances has increased the average kilowatt-hour sales per domestic customer from 268 in 1914 to 502 in 1929—by far larger than anywhere else in the world. Consider what it means to general well-being that 94% of domestic customers own flat irons, 44% vacuum cleaners, 33% washing machines, and for the future of domestic sales that only 4.5% have electric ranges and 9.4% electric refrigerators. Thirty per cent of the homes are still without electricity, though of these many are yet beyond the reach of transmission lines. Mr. E. Gruhl, of the North American Company, makes the interesting per capita comparison of yearly expenditures for the entire country of \$5 for residential electric service against \$16.50 for tobacco, \$8.50 for candy, \$8.00 for ice cream, \$9.50 for reading, \$182 for food. These figures would have no place here except as they bear on the character and cost of domestic electric service, and so in turn on the nature of important values that support the billions invested in the industry."

**Guaranty Trust Company of New York**

140 Broadway

LONDON PARIS BRUSSELS LIVERPOOL HAVRE ANTWERP

**Condensed Statement, September 24, 1930**

**RESOURCES**

Cash on Hand, in Federal Reserve Bank, and due from Banks and Bankers . . . . .	\$ 254,430,796.97
U. S. Government Bonds and Certificates . . . . .	103,587,408.55
Public Securities . . . . .	30,468,702.13
Stock of the Federal Reserve Bank . . . . .	7,800,000.00
Other Securities . . . . .	56,249,637.09
Loans and Bills Purchased . . . . .	1,181,803,377.34
Real Estate Bonds and Mortgages . . . . .	2,402,740.82
Items in Transit with Foreign Branches . . . . .	6,800,600.55
Credits Granted on Acceptances . . . . .	118,360,119.93
Bank Buildings . . . . .	14,454,276.71
Accrued Interest and Accounts Receivable . . . . .	10,067,480.50
	<b>\$1,786,425,140.59</b>

**LIABILITIES**

Capital . . . . .	\$ 90,000,000.00
Surplus Fund . . . . .	170,000,000.00
Undivided Profits . . . . .	37,391,257.05
	<b>\$ 297,391,257.05</b>
Accrued Dividend . . . . .	4,200,000.00
Accrued Interest, Miscellaneous Accounts Payable, Reserve for Taxes, etc. . . . .	13,109,779.34
Agreements to Repurchase Securities Sold . . . . .	21,323,346.81
Acceptances . . . . .	118,360,119.93
Liability as Endorser on Acceptances and Foreign Bills . . . . .	151,455,327.49
Deposits . . . . .	\$1,144,260,728.45
Outstanding Checks . . . . .	36,324,581.52
	<b>1,180,585,309.97</b>
	<b>\$1,786,425,140.59</b>

Snob: I never associate with my inferiors, do you?  
 Girl: I don't know; I never met any of your inferiors.



# News of the Omaha Stock Yards

## Farmers Feeding Wheat

Feeding of wheat has become a quite common practice among the more progressive farmers in the Kearney section of Nebraska and even feeders, in some instances, are buying up wheat, at the prevailing price, to ration along with their corn and mixed feeds.

With wheat quoted at between fifty and sixty cents, experts contend that it is just good sense to feed it, rather than sell. Its food value, as compared to corn and other grains has frequently been set forth, to the advantage of wheat. But rarely, in the past, have the respective prices of wheat and corn experienced such a wide and unnatural spread, as to make it more advisable to feed wheat.

Many farmers are also having their wheat ground into flour, at the local feed mill, a practice unrecorded in many years. They state that it makes an ideal whole wheat flour and available at a price which constitutes a saving of considerable proportion. Only a nominal charge is made for conversion of the wheat into whole wheat flour and many farmers are restoring to the grinding process.

Whenever, in the past, prices of wheat have been sufficiently low to warrant it, as compared to corn market quotations, many of the outstanding feeders of live stock have increased their wheat content in food mixtures, but at present the wheat proportions have been considerably increased because of the price variance.

## Feeders to Meet Nov. 5

Harry Hopley, president of the Interstate Live Stock Feeders' and Growers Association, has announced that the annual meeting of that organization will be held in Omaha on Wednesday evening, November 5, as one of the features of Ak-Sar-Ben Stock show week.

A dinner tendered by the Union Stock Yards Company and the Omaha Live Stock Exchange at the Yards will be followed by a short speaking program after which will come the business session. Among the matters coming up at this time is the selection of a representative of the association to serve as a member of the board of directors of the National Live Stock and Meat board.

The date for the dinner and meeting has been thoughtfully selected with the idea of allowing visitors to see as much of the show as possible. Wednesday, the 4-H baby beeves are to be judged and there is also a horse show matinee that afternoon, while Thursday's big event will be the auction of show feeder cattle.

## To Winter More Cattle

No where near as much stock as usual has been shipped out of western Nebraska up to the present time, and prospects are that ranchers will winter over a bigger share of their stock this season, according to A. R. Modisett, Sheridan county rancher. He himself plans to run over something like a fourth more steers.

Mr. Modisett was in Omaha with four loads of feeders, averaging close to 1,000 pounds. Most of them brought \$8.50, with a small end at \$8.00. He will keep over several hundred steers of the same age and quality to market as beef next fall.

## Rustlers Still Active

Cattle rustling in the Slim Buttes country of South Dakota is worse today than it was in the old wild west days, Abe Jones, pioneer rancher, declares.

"In the old days we used to lose an occasional cow or half a dozen calves to rustlers, but the modern rustlers are much worse. Using trucks, they

can carry away many calves at a time and be hundreds of miles away before we miss them," Jones said.

Jones has been in the Slim Buttes country since 1886, when he took up a claim after coming west to prospect for gold in the Black Hills.

## Cass Bankers Elect

Officers of the Cass County Bankers association elected new officers recently as follows: President, D. C. West, Nehawka; vice-president, H. A. Tool, Murdock; secretary - treasurer, Walter J. Wunderlich, Nehawka.

## Robbers Get 40 Years

John Giles and J. B. Fisher pleaded guilty in district court in Fullerton, Nebraska, to charges of robbing the First National bank of Genoa, Neb., of \$6,000 last September 22 and each was sentenced to serve 40 years in the state penitentiary.

Immediately after the men were sentenced, State Sheriff W. C. Condit announced that the pair had confessed that they had participated in an attempted robbery at Ray, N. D., during which a night watchman was slain.

## Increases Surplus

The Jefferson County Bank of Daykin, Nebraska, has added another thousand dollars to its surplus fund. This bank now has a capital stock of \$15,000, and a surplus fund of \$6,000.

This, in addition to the increase in surplus last year, is an indication of a strong, well-managed bank.

## Reports Good Crops

Good crops, swift harvesting and a general feeling of optimism among the farmers, beet growers and business men of the North Platte valley was the report brought by W. Dale Clark, president of the Omaha National bank, from a brief inspection of that territory.



Mr. Clark said western Nebraska will have one of the best, if not the best, corn crops in its history. He said the crop is free from danger of frost. Potato, beet and hay crops, he said, were also excellent.

### Hammond Retires

Frank Hammond, vice-president of the Central Hanover Bank and Trust Company, has retired after more than 47 years of banking. He has become widely known in financial circles through his many years as vice-president of the Greenwich Bank, the Hanover National Bank and the Central Hanover Bank and Trust Company. He has withdrawn from active business with the good wishes of a host of

friends. He plans to rest during the autumn months and to spend the winter in St. Petersburg, Florida.

Mr. Hammond has participated in a most interesting financial era during his half century of banking. Since his start as a debit clerk with the Greenwich Bank on December 1, 1883, at the age of 17, he has seen his institution grow from a small bank with \$800,000 in deposits and \$1,500,000 in resources to a part of an organization with \$649,000,000 deposits and resources of \$800,000,000.

Starting as debit clerk, Mr. Hammond served successively as clearing house clerk, discount clerk, receiving teller, paying teller and assistant cashier. In 1909, he was made cashier

and in 1914 he was promoted to vice-president, which office he retained through successive mergers. During his service with the Greenwich Bank, deposits and resources increased over 3,700 per cent. He recalls with pride that never once in the Greenwich Bank's 97 years of history was it necessary to suspend specie payments.

In addition to his banking activities, Mr. Hammond has taken an active part in civic affairs of his native town of Boonton, N. J., having served several years on the Board of Education and the Board of Alderman and as mayor during 1918 and 1919. He has been a life-long member of the First Presbyterian Church and a church officer for 43 consecutive years.

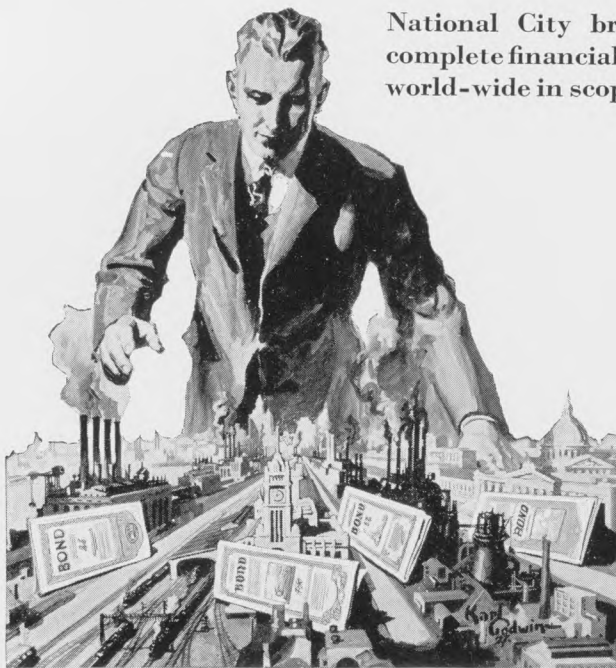
### Vice-President of National City

Douglass B. Simonson, thirty-four-year-old son of W. A. Simonson, senior vice-president of the National City Bank of New York and connected with that institution for more than forty years, has been elected a vice-president of the bank.

Young Mr. Simonson formerly was located in the London office of The National City Bank of New York but returned to this country ten years ago to be assigned to the new Fifth Avenue Branch. He was appointed assistant cashier in July, 1923, at which time he was the youngest officer of the bank, a distinction which he is believed still to hold among the institution's vice-presidents. He was made an assistant vice-president in July, 1927, since when he has been located at the Forty-second Street branch. The elder Simonson was elected a vice-president of The National City Bank of New York also at the age of thirty-four.

Upon his graduation from Andover in 1915, young Simonson went to Yale for two and a half years before joining the Chemical Warfare Service of the United States Army in the World War. During his period of service with The National City Bank of New York he has distinguished himself in athletics as a runner, swimmer and basketball player. His first connection with the bank in 1917 when he spent the summer rotating through the several departments. In June, 1919, he went abroad for the bank and remained with the London office until August, 1920. He is a graduate of the American Institute of Banking.

The elder Simonson began his banking career in 1880 at the age of fifteen with the Second National Bank of Newark where he remained for a period of ten years, leaving to join the staff of The National City Bank of New York as a clerk at a time when the late Percy R. Payne was president.



**Diversified holdings stabilize the income of your customers . . . round out their investment lists with National City's diversified offerings.**

**The National City Company**

*National City Bank Building, New York*

BONDS / SHORT TERM NOTES / ACCEPTANCES





In 1896 he was appointed assistant cashier and in 1901 he became vice-president. He also was president of the Second National Bank of New York when that institution was consolidated with The National City Bank of New York.

**Completes 50th Banking Year**

George M. Reynolds, chairman of the executive committee of the Continental Illinois Bank and Trust Company and dean of Chicago bankers, completed his fiftieth year of banking October 1. During the half century since he began as a clerk for the Guthrie County National Bank of Panora, Iowa, he has made bank history, par-

ticularly in the Middle West. George Reynolds is one of the most widely known bankers in the United States. He has held all the important offices in the American Bankers Association, including the presidency, has been a class A director of the Chicago Federal Reserve Bank since its organization, is chairman of the Chicago Clearing House Committee, and was adviser to the American Monetary Commission whose work paved the way for the Federal Reserve Act. In the development of this law and in the development of the Federal Reserve System, Mr. Reynolds was deeply interested and very active. His confidence in that system was demonstrat-

ed when, in 1917 it was proposed, as a war measure, that all member banks turn over their gold to the reserve banks. He was first to announce that the Continental and Commercial National Bank would take that step. Such an act seems of little moment in 1930, but in 1917 the reluctance of bankers to surrender gold was fortified by the traditions of a century.

In 1897, when Mr. Reynolds arrived in Chicago to be cashier of the Continental National Bank, business was expanding rapidly and the force that was driving banking as well as other business forward found in him a new ally. He was not wedded to traditions. His idea was that banking

# AK-SAR-BEN STOCK SHOW



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*You are invited to make this bank your headquarters while visiting the Show and the Nebraska Bankers Convention.*

**LIVE STOCK NATIONAL BANK OF SOUTH OMAHA**  
**OMAHA — UNION STOCK YARDS**

## 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      LONDON 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.

was created for business and that old ways were entitled to respect only if they contributed to the service that banks owe to business. It is natural that he became known as a bank builder. He had broad views backed up by courage.

George Reynolds has always been keenly interested in country banks, having been a country banker himself, and he saw that the opportunity for Chicago to grow financially lay in developing a close relationship between country banks and their correspondents in Chicago. As a result of this policy, the Continental for years has led all banks in the United States in number of bank correspondents.

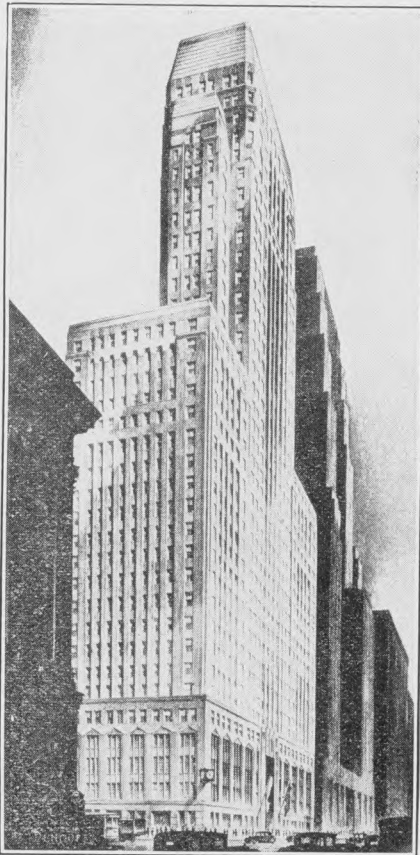
Mr. Reynolds at once saw the importance of gaining for Chicago recognition as one of the financial centers of the world. To do this, Chicago must have banking facilities of such size as could finance the needs of business in the Middle West. This required large capital.

In 1898, the Continental National absorbed the International Bank and the Globe National. These two absorptions marked the beginning of a long series of increase in capitalization and mergers which first gave to Chicago, in 1910, the largest bank outside of New York City—the Continental and Commercial National Bank. The bank had capital of twenty mil-

lion dollars and surplus of ten million dollars. George Reynolds was president.

The climax to the period of consolidation came March 18, 1929, when the Continental National and Illinois Merchants Trust were united as the Continental Illinois Bank and Trust Company. And the thirty million capitalization of 1910 seems small indeed when compared with the 150 million invested capital of the Continental Illinois Bank and Trust Company, and its resources well in excess of a billion dollars.

It was appropriate that it should be Mr. Reynolds' fiftieth anniversary in banking when he consented to have his name proposed for reelection as a class A director of the Chicago Federal Reserve Bank. The election occurs in December of this year.



A  
Correspondent  
Service  
*developed  
from 68 years'  
experience*

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



RESOURCES EXCEED 250 MILLION DOLLARS

#### Chase Profits Gain

Undivided profits of The Chase National Bank of New York in the new statement for September 24, are \$4,800,448 larger than on June 2, 1930, the date when the Equitable Trust Company and the Interstate Trust Company were merged with the Chase.

The bank's undivided profits as shown in the September 24 reports to the Comptroller of the Currency are \$65,523,927 and combined capital, surplus and profits amount to \$361,523,927.

The deposits of the Chase on September 24 were 1,852,295,045, or approximately \$64,000,000 less than on June 2.

Total resources amounted to \$2,432,434,809, a decrease of about \$119,000,000 since the merger statement.

#### Organize Banking Units

Employees of Casper banks organized a unit of the American Institute of Banking, national federation of such groups that forms a network over the nation.

The purpose of the organization will be to discuss banking problems, to all phases of the business and to generally increase the knowledge of banking and practical finance.

The Casper A. I. B. unit members approximately 20 charter members. Following officers were installed: H. J. Clare of the Casper National bank, president; W. M. Barbee, Wyoming Trust company, vice-president, and Kathleen Snyder, Wyoming Trust company, secretary. Miss Snyder is secretary of the Wyoming Bankers' association.

Smart people find out your secret—  
and keep it to themselves.



# South Dakota News

## Farmer Banker Resigns

F. S. Brooks, for some time cashier of the First National bank in Farmer, South Dakota, has resigned this place in order to devote his entire attention to a farm which he owns in that vicinity. He has been succeeded in the bank by Jerry Moran, late of Emery, who has purchased a block of stock in the bank there. Mr. Moran has had 14 years' experience in the banking business. Miss Cecelia Fuhrman, who was an attache of the bank during the past ten years, has also resigned her position.

## Banks Merge

The State Bank of Oral, South Dakota, in Fall River county, has merged with the Bank of Hot Springs, the state banking department announced recently.

## Organize at Sioux Falls

Organization of a chapter of the American Institute of Banking was started at a meeting of Sioux Falls bank employes recently. A nominating committee to name members for the board of governors was selected and will make its report at the next meeting.

The purpose of the organization is to study courses to bank employes and give instructions in new principles of finance and to make improvements in their work which will bring about promotions. Bankers in towns surrounding Sioux Falls are invited to attend the next meeting and to become affiliated with the organization.

## Laughing Gas for Bandits

Installation of apparatus to discharge several bombs of laughing gas into the faces of any persons who might attempt a holdup, has been completed in the First National bank of Waterloo, Nebraska.

Not only is the system connected with the burglar alarm, and would drive out any bandits in a night raid, but also it is connected with foot pedals in the tellers' windows and at other points in the room, any of which might be stepped on by bank officials even while under cover of robbers' guns.

## Elected Vice-President

The Continental Illinois Bank and Trust Company has announced the election of Arch W. Anderson as a vice-president. He resigned from the Security-First National Bank of Los



Angeles, where he was a vice-president during the past nine years.

Mr. Anderson until recently was chairman of Group Five of the California Bankers Association and also a member and chairman of the executive committee of the National Bank Division of the American Bankers Association. His banking career began in Kansas and Oklahoma. In the latter state he served as state bank exam-

iner, as cashier of the Central Reserve Bank of Oklahoma City and as secretary of the Oklahoma State Bankers Association. Previously he had been cashier of the First National Bank of Norman, Oklahoma, cashier of the Old Bank of Lawton and a vice-president of the Tradesman's State Bank of Oklahoma City.

From Oklahoma City, Mr. Anderson went to Kansas City as vice-president of the Stockyards National Bank, later becoming secretary-cashier of the tenth district Federal Reserve Bank, the position he held at the time he was elected a vice-president of the Security-First National Bank of Los Angeles.

*The Morrison is the tallest hotel in the world — 46 stories high — with 1,950 rooms.*

*When completed, the Morrison will be the world's largest hotel, with 3,450 rooms.*

**Chicago's**

# MORRISON HOTEL

*Tallest Hotel in the World*  
*46 Stories High*

**1,950 Rooms -- \$2.50 Up**  
**500 Rooms Being Added**

Every guest room is outside, with bath, running ice water, bed-head lamp and Servidor. Each floor has its own house-keeper and the hotel's garage has extensive facilities for car storage. Rates are extremely moderate — \$2.50 up — because valuable subleases at this location pay all the ground rent and the saving is passed on to the guests.

*Closest in the City to Stores, Offices, Theatres and Railroad Stations*

## Colorado News

### Banks Deposits \$2,600,000

Deposits in the three Longmont banks, the Colorado Bank & Trust Co., First National and Longmont National, totaled \$2,617,000, on September 24, 1930, according to statements issued recently to the Comptroller of Currency.

The banks of Longmont are in a stable and flourishing condition, the reports show.

Bank deposits are expected to show a substantial increase within the next few months, with the harvest of the \$2,000,000 beet crop and cash received for other crops.

### Make Improvements

The First National Bank of Wray, Colorado, is making several improvements at its place of business, work on which is already started. New base-

ment room has been excavated under the building and a new entrance to the basement through the bank building has been built. Part of the new basement will be used by the Rinckel Store for storage space. Plans for improvement also include a refacing of the entire bank block from the Main Street side to the Wray Tailor Shop. The building will be given a stucco finish, both front and rear. It is also planned to refinish and redecorate the interior of the bank. The stucco work will be done as soon as the basement work is completed, if it has not turned too cold by that time. If this work is not completed this fall, it is planned to complete it early in the spring.

### Celebrates 25th Anniversary

The American National Bank recently celebrated its twenty-fifth anniversary. It was established in Alamosa, Colorado, in 1905.

The interior of the bank was beautifully decorated in gorgeous bouquets of flowers.

As customers entered the door they were greeted by a large basket of huge yellow chrysanthemums. Baskets of red roses transformed the counters into a bright flower garden.

The officials of the bank gave to all those who registered a useful souvenir of either a coin purse or a key ring and a silver blotter.

### Deposits Make New Record

In face of a nation-wide business depression, the Rubey National Bank of Golden, Colorado, has shown a decided increase in deposits, according to a recent report. E. A. Phinney is president of the institution.

A year ago the bank's deposits were \$1,193,372 and have now increased to \$1,203,916.

The Rubey National is planning a new building, which, when completed, will be one of the finest small town bank buildings in the west.

### Resigns from Central Trust

C. Howard Marfield has resigned his offices as director, vice-president and chairman of the discount committee of the Central Trust Company of Illinois and as director of the Central-Illinois Company. He plans to spend the next few months in travel and then enter private banking. Mr. Marfield was formerly president of The Bank of America which merged with the Central Trust Company last year. He has served as a member of the executive council of the American Bankers Association, as president of the Association of Reserve City Bankers and enjoys a very wide acquaintance among the bankers of the country.

**T**HE analysis of the Bonds in your secondary reserve and our recommendations concerning your investments or those of your customers will be made by experienced men whose judgment is seasoned. This institution has, during the past forty years, prudently invested millions of dollars of its own funds and those of its customers.

*Write for copy of booklet  
"The Place of Bonds in a Bank's  
Investment Program."*

**THE NORTHERN  
TRUST COMPANY**

Northwest Corner LaSalle and Monroe Sts.

**CHICAGO**



# New Mexico News

## Hagerman Banker Dies

George W. Losey, 73, president of the First National Bank of Hagerman, New Mexico, and a prominent banker in the state, died at his home in Hagerman recently. He had been in ill health for the past two years. Losey came to Hagerman from Nebraska fifteen years ago.

## New Bank at Hobbs

The Hobbs State Bank is a late addition to the business of Hobbs, New Mexico, a few miles west of the Texas state line. Oil development, which brought Hobbs into being, is going steadily forward.

## Holds Annual Meeting

Group No. 2 of the New Mexico Bankers' Association, which is composed of the banks of Colfax, Union, Taos, Harding, San Miguel and Mora counties, held its annual election of officers at a meeting held in Clayton. There were 59 present at the banquet.

Representatives of every bank in the group with the exception of banks in Las Vegas and Taos, were in attendance and many questions of importance to the banks in this group were discussed.

Officers elected for the ensuing year were: Chas. R. Keyes, cashier, Farmers & Stockmen's Bank, Wagon Mound, president; H. L. Boyd, cashier, the Citizens State Bank, Springer, vice president; Jay T. Conway, assistant cashier, the International State Bank, Raton, was reelected secretary-treasurer.

During the banquet musical selections were rendered by several of the employes and members of the families of the different bankers of Clayton and Raton.

The next meeting will be held at Springer December 13th.

## Deposits Increase

The principal changes in the condition of twenty-eight reporting state banks of New Mexico, as reflected by reports of conditions as of the close of business September 24, 1930, compared with thirty reporting banks of October 4, are an increase in time and demand deposits and a decrease in loans and discounts.

Time deposits increased \$141,815.30 to \$3,891,091.38 while demand deposits increased \$225,315.58 to \$8,042,567.72.

Loans and discounts decreased \$316,422.26 to \$7,543,978.99.

Investments in United States government securities decreased \$506,773.75 to \$1,671,664.57 and investments in other bonds and securities increased \$303,968.17 to \$1,759,967.11.

Bills payable and rediscounts were \$467,300.80, a decrease of \$160,450.92. The ratio of loans and discounts to total deposits was 63.21 per cent as compared with 66.8 per cent a year ago.

The reserve ratio stood at 23.57 per cent, an excess of 11.57 per cent over the required reserve.

## A UNIFORM METHOD OF FIGURING INTEREST

(Continued from page 8)

to be deducted from the latest deposits, if any, otherwise from the balance at the beginning of the period.

The next smallest balance for the whole period is \$817.00. Subtract \$800.00 from \$817.00 and we have \$17.00 increase, which is all that is left of the deposit of \$210.00 on January 10th, that remains on deposit throughout the period. The \$17.00

draws interest for five months and 21 days..... .32

The next smallest balance is \$852.00. Subtract \$817.00 from \$852.00 and we have \$35.00 which receives interest to the end of the semi-annual period, and is all that is left of the deposit of \$210.00 made on February 28th, hence, earns interest for four months and three days..... .48

The next smallest balance is \$1152.00, from which should be taken \$852.00, leaving \$300.00 that earns interest for one month and three days..... 1.10

On June 22nd, we find the next smallest balance, which is \$1435.00. By subtracting \$1152.00 we have left \$283.00, which receives interest from the day of its deposit, June 1st, for one month..... .94

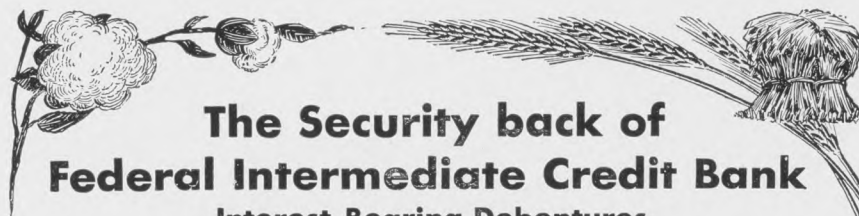
Total interest for the period.....\$18.84

In conclusion may I say what a wonderful thing it would be if a just, sound, economical and uniform method of figuring interest on savings accounts could be established and enforced for all banks. It would bring the figuring of interest down to an almost exact science instead of the many sided, haphazard schemes in vogue today.

## Oh Yeah!

"When I have some deep thinking to do, I light a cigarette."

"You don't spend very much for smokes, do you?"



## The Security back of Federal Intermediate Credit Bank Interest-Bearing Debentures

**Exempt from all taxes. Maturities: 6 to 9 months**

Debentures issued by the twelve regional Federal Intermediate Credit Banks are secured by:

- 1.—**Warehouse Receipts** pledged by cooperative marketing associations marketing approved staple farm commodities stored in acceptable warehouses. Loans against warehouse receipts are limited by law to 75% of the market value of the commodities. The chief commodities against which loans have been made are cotton, wheat, wool, tobacco and canned fruits and vegetables.
- 2.—**Farmers' Notes** endorsed by the discounting institutions—banks, agricultural credit corporations, livestock loan companies and other corporations dealing in agricultural paper.

These Debentures are obligations of the issuing Bank and under the Act all the twelve Federal Intermediate Credit Banks are mutually liable for each other's obligations.

The twelve Banks have a combined paid-in capital of \$30,000,000 subscribed by the Treasury of the United States, with an additional \$30,000,000 subject to call. Supervision of, with semi-annual examination by the Federal Farm Loan Board.

Further information may be had by addressing

**Charles R. Dunn, Fiscal Agent**

**31 Nassau Street**

**New York City**

### FEDERAL INTERMEDIATE CREDIT BANKS

Springfield, Mass. Baltimore, Md. Columbia, S. C.  
 New Orleans, La. Louisville, Ky. St. Louis, Mo.  
 St. Paul, Minn. Omaha, Nebr. Wichita, Kan.  
 Houston, Tex. Berkeley, Cal. Spokane, Wash.



## Bankers Wants

This Bankers Wants Department is for the free use of Central Western Banker subscribers. To all others a charge of five cents per word per insertion will be made. We reserve the right to edit all copy or to reject such advertisements that we deem unsuitable. Address all communications to the Bankers Wants Department, Central Western Banker, Omaha, Nebraska.

Young man 30 years old wishes position in bank or trust company, nine years' banking experience. Has had experience in all lines of banking to cashiership. Protestant. Married. Can give the very best of references from large banks of immediate vicinity. No. 1001.

### STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC., REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912

OF CENTRAL WESTERN BANKER published monthly at Omaha, Nebraska, for October 1, 1930.  
State of Iowa, County of Polk, ss.

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

1. That the names and addresses of the publisher, editor, managing editor, and business managers are: Publisher, Clifford De Puy, Des Moines, Iowa; Editor, L. D. Van Doran, Des Moines, Iowa; Managing Editor, R. W. Moorhead, Des Moines, Iowa; Business Manager, Gerald A. Snider, Des Moines, Iowa.

2. That the owner is: De Puy Publishing Company, Des Moines, Iowa. Clifford De Puy, Des Moines, Iowa. Gerald A. Snider, Des Moines, Iowa. Wm. H. Maas, Chicago, Illinois.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: None.

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

CLIFFORD DE PUY,  
(Signature of Publisher.)

Sworn to and subscribed before me this 30th day of September, 1930.

EARL S. LINN,  
(My commission expires July 4, 1933.)

# Kansas News

## Changes at Topeka

Jay F. Close was elected president of the Citizens State bank, 845 North Kansas avenue, Topeka, Kansas, to succeed J. H. Edmondson, resigned. Close was executive vice-president and when the vacancy for president came the directors promoted him immediately.

Harry T. Betzer, cashier, was elected vice-president to succeed Close. He will serve both as cashier and vice-president. No other changes were made in officers or directors.

Edmondson's resignation was submitted in the form of a letter. He had recently resigned as general manager of the Charles Wolff Packing Co., the Topeka division of the Hygrade Food Products Corp.

The new president has been connected with different Kansas banking institutions since 1914. Returning from Guatemala, where he served with the United Fruit Co., in 1914, he became cashier of the Farmers and Merchants State bank at Greenleaf, Kan., serving in that capacity until 1917 when he came to Topeka as bookkeeper at the Citizens State bank. A short time after that he became cashier of the Citizens State and when the Citizens State consolidated with the old Shawnee State bank, he became vice-president. He has served as vice-president since 1929.

Betzer, who succeeded Close as vice-president, also has been connected with the Citizens State bank since its consolidation with the Old Shawnee State bank in 1929. Prior to that time he was associated with the Betzer Realty Co., of Topeka.

## Two Kansas Banks Merge

Merging of the State bank of Hillsdale with the Miami County National bank, Paola, recently was announced by H. W. Koenke, state bank commissioner.

The Hillsdale bank had approximately \$70,000 deposits.

## New Cashier at Halstead

Walter Rupp arrived in Holstead, Kansas, recently from Alva, Okla., and has assumed his responsibilities as cashier of the Farmers State bank following the resignation of Clarence W. Flaming.

Mr. Rupp has served as cashier of the First National bank of Alva, Okla., during the past five years which

position he resigned to accept the one in Halstead.

He is a member of the American Legion at Alva.

## Kansas Bankers Meet

Bankers of twelve counties, 400 strong, members of group seven of the Kansas Bankers Association, convened at the Masonic Temple October 17 as guests of the Hutchinson Clearing House Association.

Group seven is composed of bankers from Comanche, Barton, Edwards, Hodgeman, Ness, Kiowa, Reno, Pawnee, Pratt, Rice, Stafford and Rush counties. C. M. Branch, Hutchinson, is chairman; Wm. M. Ruddick, Hutchinson, is secretary.

The all day session opened at 8:30 o'clock at the Masonic Temple with registration. A banquet and speaking program at 6:30 o'clock concluded the convention.

Prof. Josh Lee, of the Oklahoma State University at Norman, Okla., gave one of the featured addresses on the subject, "The Pot of Gold." Recently Prof. Lee gave this address before a state convention of bankers in Denver.

Rev. H. T. Scherer, pastor of the First Presbyterian Church, read the invocation. Addresses were given by C. M. Branch, president of the Citizens Bank, Hutchinson, and C. Q. Chandler, chairman of the board of the First National Bank at Wichita.

## FOUR LEGAL QUESTIONS OF INTEREST TO BANKERS

(Continued from page 6)

"When the owner of a note, for reasons satisfactory to himself, assigns it to another, thereby vesting in him the full legal title, the assignee becomes, so far as the debtor is concerned, the real party in interest. When the obligor is sued by such assignee (no claim as innocent purchaser being involved), he can make any defense he could have made against the assignor, he is fully protected against another action, and in no way is it a matter of the slightest concern to him what arrangement between the bank and the original creditor occasioned the assignment," the court said.

## Proof

She: Anybody would think I was nothing but a cook in this house!

He: Not after eating a meal here!



# CASH profits or "paper" PROFITS?

**C**ORPORATE TRUST SHARES are designed for the investor interested in realizing the greatest possible returns from funds conservatively invested.

There are two theories of conducting investment accounts, both of which have their advocates. One converts all stock accruals into cash and treats the whole as income. The other allows such accruals to remain in the form of increasing equities. There are good reasons for preferring either plan, and the investor should choose that best suited to his needs.

Corporate Trust Shareholders believe in taking cash profits when they are available, on what might be termed a "bird in hand" policy. Under the terms of this Trust *all* dividends and other distributions from the underlying stocks, plus interest on the Reserve Fund, are paid to the shareholders in cash twice each year. But the *number* of shares of each stock in the portfolio remains the same. Under the Corporate Trust Share plan, proceeds from stock dividends and split-ups may represent in part a return of principal, but more generally, and over a reasonable period of time, they are the result of market appreciation.

As will be seen from a glance at the list, the companies represented in Corporate Trust Shares are among the leading corporations in America; high grade stocks of the type proved to be the most profitable to hold. This Trust brings to small investors as well as large the full benefits of holding these stocks, together with the additional benefits of the trust form. It provides a very high cash return with assured safety and flexibility to meet the needs of various types of investors. *Price at the market.*

## CORPORATE TRUST SHARES

represent an ownership interest in these 28 companies. The Chase National Bank of the City of New York, *Trustee*

### RAILROADS

- Atchison, Top. & Santa Fe
- Illinois Central
- Louisville & Nashville
- New York Central
- Pennsylvania Railroad
- Southern Pacific
- Union Pacific

### OILS

- Standard Oil of California
- Standard Oil of Indiana
- Standard Oil (New Jersey)
- Standard Oil of New York
- Texas Corporation

### UTILITIES and QUASI-UTILITIES

- American Tel. & Tel.
- Consolidated Gas of N. Y.
- General Electric
- Westinghouse Electric
- Western Union Telegraph

### INDUSTRIALS

- American Tobacco
- Amer. Rad. & Stand. San. du Pont
- Eastman Kodak
- Ingersoll Rand
- International Harvester
- National Biscuit
- Otis Elevator
- United Fruit
- United States Steel
- Woolworth

MOODY'S COMPOSITE PORTFOLIO RATING "A"

» «

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about Corporate Trust Shares

» «

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*Central Syndicate Managers*

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*This is one of a group of investment trusts sponsored by ADMINISTRATIVE AND RESEARCH CORPORATION*

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