

BUSINESS CIRCLES

The statement of the affairs of the Y. M. C. A. made in the daily papers last week has called general attention to the financial management of the association. Four or five years ago the

lots at the corner of 13th and N streets were purchased for \$40,000—a large price even in boom times, and about twice what they are worth today. The building has cost about \$55,000—making the total investment \$95,000. The start was largely a matter of "faith, hope and charity," a good combination, but one which the hard times have seriously affected. As the association had very little to start with it was necessary to mortgage the property for \$35,000, and as the money was needed before the building was completed, five or six gentlemen, who signed the mortgage note, also gave a guarantee bond to the mortgage holders that all liens on the property coming ahead of the mortgage would be paid. These liens, which have been allowed by the court, amount to about \$38,900, and are a first claim on the building. The mortgage with interest comes second, amounting to about \$36,500, making nearly \$75,000 against the property. Should the mortgage go to foreclosure the holders would undoubtedly sue the makers of the guarantee bond, thus compelling them, in order to save themselves on their guarantee to pay the mortgage and take the property. There is in addition to the ground on which the building stands 25 feet on N street and about 50 feet square on 13th encumbered for \$6,000.

To meet the indebtedness the association has in uncollected pledges about \$36,000 which were given during the canvass made by Mr. Fay a year or two ago. It is very doubtful if these pledges are legally binding, and it is certain a majority of them will never be paid except after suit, and it does not increase good feeling for the Y. M. C. A. among those who have paid their pledges, to know that that the larger ones will never be paid. They were all made on condition the full amount of \$46,000 was raised. As a matter of fact this amount was never obtained, the canvasser Mr. Fay, resorting to a number of questionable methods to deceive the public and induce people to give. Almost all the large pledges have "strings" tied to them in one way or another and it is hopeless to attempt their collection.

It seems to be a question now whether to pay up the deficiency in running expenses and let the work stop and the mortgage be foreclosed or try in some way to save the property. From a business standpoint it would be a very fair sale of the property to let it go and the association start in again free from debt. Some are advocating this

course, especially those who have not paid their pledges, as this would cancel them. On the other hand it seems a little inconsistent for an institution which has made a parade of its ethics to slip from under its liability and leave five or six public spirited citizens, who came forward in the hour of its need and pledged with their personal endorsement, the honor of the association, to shoulder the burden alone. This is what they will have to do if the directors now "throw up the sponge," yet a good many business men seem to feel that it is throwing good money after bad to put anything more into the building. If it were located where the store rooms would bring a good rental it would make some difference. As it is the rentals amount to scarcely nothing. Now let us see what the members themselves have been doing. About a year ago four or five directors raised among themselves about \$150 and secured the services of Secretary Doane. They then had a paying membership of 200. Mr. Doane has increased the membership to nearly 1200. About 400 of these, largely railroad men and boys, came in on special tickets. They made one-third payment down and were to pay the other two-thirds during the year. The crop failure came and a number of them have given up their membership on account of lack of employment and pay. Then most of the membership secured by Mr. Doane will expire during the next few months and it will be difficult to secure renewals as long as affairs are in the present chaotic condition. But at the present time the memberships will average about \$5000 a year, just about enough to pay running expenses. There are only a very few of the larger associations in the country that do this. Most of them fall short in their running expenses every year, and depend on gifts from friends to carry them through. The deficiency is now about \$1500, but it is claimed that \$1300 of this is for repairs that should be charged to the building. The salaries of Secretary

Doane, who has resigned, and of Physical Director Graham are back nearly \$1000. The present board of directors has worked hard and faithfully. The present difficulties are due almost entirely to mismanagement in the past. The association lost its staunchest friend and best advisor when John R. Clark died. Had he lived to assist in its financial management the outcome might have been different. The chances for the association holding its building are far from bright at present.

Now that questions of currency reform and changes in the banking system are being agitated that class of people who seem to make it their business (probably because they have nothing better to do) to abuse and misrepresent the banks of the country will probably be heard from. This kind of talk is not so common in the east as here in the

west, and especially from members of the populist party, the rank and file of which and the leaders, too, for that matter, have the least banking business to do. No one expects a grocery house, a drug store, a lawyer or an insurance agent to do anything for nothing, even a small thing, but that a banker should presume to charge for services rendered or for stationery furnished or in fact for anything except interest on money loaned, is sufficient to call forth the execrations of a "long suffering" community. As a matter of fact the banker does more than any other business man for nothing, and he has done it so long and for the most part so uncomplainingly that it is taken as a matter of course. His customers come to him for advice and he is blamed if it does not prove to be the wisest, but receives no credit when it helps a man to succeed. Probably during



Farmer Care—Say Squire, does that CON stan' fer Confidence or Consolidated?