

Modern High Standards of Living Are to Blame for Bank Defalcations



SAYS MR. MOXEY:

"When you can go into a restaurant at two o'clock in the morning and behold \$60,000 worth of women's gowns at the tables and \$3,000 worth of food in process of consumption, something is wrong."
 "It is not only this sort of life in New York, but, in a more sinister way, the sight and example of it which is bringing about a degradation of the sense of common honesty."
 "The laxity with which the criminal laws of our land are enforced by many of the judges of our courts has much to do with encouraging bank officers to misuse the funds in their keeping."

"New York is to blame for it."

Gray-whiskered, gray-haired, gray-eyed, gray-clad, a slender gentleman of astonishing neatness and a certain amiable precision of speech leaned back in his office chair with his hands behind his head and smiled alertly, writes Frank C. Drake, in the New York World. Such is a first impression of Edward P. Moxey, whose official title is "Expert Bank Examiner for the United States Department of Justice," and such were his words in speaking of the epidemic of bank defalcations which has been sweeping over the country.

Whereas Mr. Moxey's business is to fit about the country and peer unexpectedly over the shoulders of the cashiers of national banks here and there in order to find out if their cash balances are all right; and whereas Mr. Moxey had found some 30 of these gentlemen with their cash balances all wrong and, to their great grief and amazement, has put them in the penitentiary; and whereas Mr. Moxey, fresh from sending John R. Walsh of Chicago to join the others, has come to New York to look into the book keeping of Charles W. Morse and Alfred H. Curtis, on trial for trying, it is alleged, to buy a national bank with its own money; therefore does the said Edward P. Moxey speak with some authority of bank defalcations and their causes.

"You mean the 'Broadway' New York?" I asked.

"Broadway" Blamed.

"I mean the 'Broadway' New York," he answered quietly. "I mean the gorgeous hotels and restaurants, the bars, the gambling houses, the myriad theaters, and palatial apartment houses, the turning of night into day, I mean the flood of money in New York upon which this life is borne along, the craving for vast incomes by which alone such a life can be lived."

"To say that even a bare majority of the tens of thousands of men who nightly swell the crowd of amusement-crazed spenders, who live in \$5,000 apartments, and whose touring cars congest the streets, are doing this with money which is honestly theirs is absurd. They are not earning this money; they are either juggling other people's cash or they are gambling with their own. When you can go into a restaurant at two o'clock in the morning and behold \$60,000 worth of women's gowns at the tables and \$3,000 worth of food in process of consumption, something is wrong. And when you observe half a million dollars' worth of automobiles waiting to take this one super crowd to their homes—or elsewhere—you may be sure that there is queer bookkeeping somewhere."

All Copy New York.

"It is not only this sort of life in New York, but in a more sinister way,

were not, but because it has been my experience of many years that these periods of defalcation come in cycles. Whatever the cause, there are cycles of honesty and cycles of dishonesty; and the present is a cycle of dishonesty with its cause in modern standards of enjoyable living.

Laws Not Enforced.

And let me make my opinion emphatic that the laxity with which the criminal laws of our land are enforced by many of the judges of our courts has much to do with encouraging bank officers to misuse the funds in their keeping. These officers see too many cases of the difficulty in convicting a dishonest bank official when defended by a shrewd criminal lawyer, and they are therefore willing to take the chances of detection, and even the results of a trial, before the too frequent judge whose interpretation of the law, admitting of evidence and charge to the jury, are all in favor of the accused.

"There are many direct causes for bank defalcations, but the primal cause is the desire for luxury fostered in the great cities. Of late years the chief immediate cause is the using of the bank's funds to promote enterprises in which the bank's officers have interested themselves. In many cases the bank officer is made an officer of the outside corporation, which fact is heralded to the world with all the advertising skill of the promoter, and upon the reputation of his name many are induced to buy stock. Now, one of the main reasons which animated the promoter in financially interesting the banker was that if at any time the concern required financial assistance—which is invariably the case—it could readily be obtained through him from the bank of which he was an honored and trusted officer. Experience shows that what was at first a small loan soon increases in amount until a point is reached which means disaster to all parties interested if additional aid is not given. Then it is that the demand for money must be met to prevent the bankruptcy of the new corporation and the consequent loss not only of the money invested by the banker and his many friends, but also the loss of his own reputation as a financier and a man of integrity."

Glitter of Speculation.

"Then, too, it often happens that instead of becoming financially interested in new projects or outside business enterprises the bank officer succumbs to the seductive influences of speculation. He tries his hand in the stock, grain or cotton market with the belief that in this way he can amass a fortune in a short time and without effort.

"He pursues the same method that is followed by those who buy or sell stocks, grain or cotton on a margin. His whole idea is to 'get rich quick,' and in order to accomplish this he either buys or sells the largest amount possible with the smallest margin that his broker will accept as margin. A slight adverse change in the market price of the commodity or security in which he is speculating wipes out his margin, and a call from his broker for additional margin to carry the transaction must be met. Having exhausted his own money, and being convinced that his ideas as to the future course of the market are correct, he makes the false step of 'borrowing' money from the bank and using it as margin with his broker.

"It is only a question of time, vary-



"The New England Conscience Is Now a Jest. The Present Is a Cycle of Dishonesty Due to Modern Standards of Luxury."

ing according to the size of his operations and the fluctuations of the market, before he is hopelessly involved and financially unable to return the money of the bank which he has used. He now speculates more wildly than before, and upon a much larger scale, with the hope that one fortunate turn of the market will enable him to make enough money to square himself with the bank. In his case history only repeats itself. He went into the mar-

ket as a lamb, and in consequence is thoroughly fleeced.

Instances Innumerable.

"But there are many, many causes," continued Mr. Moxey, with a brisk little sigh. "A large bank in one of our eastern cities was wrecked through the speculations of its president in stocks; another one through speculations of its cashier in the same market. Some years ago a large bank in the middle west was wrecked by its vice-president in an attempt to corner the wheat market; while a bank in a southern city was wiped out of existence by its president's and cashier's speculations in the cotton market. The number of cases that could be cited are innumerable, and there is not a section of the country that has escaped. The number of bank wrecks piled upon the financial beach is a silent monument to this truth.

"But no president, vice-president, cashier or assistant cashier of a bank can use its funds for his own profit without the fact being known to at least a portion of the clerks, and it is through their silence or stupidity regarding what is being done in their presence that bank officers are enabled and, in many cases, encouraged to take the bank's money. If bank clerks would do their full duty there would be fewer cases of defalcation by the officers than in these sorry times."

Bank Clerks Tempted.

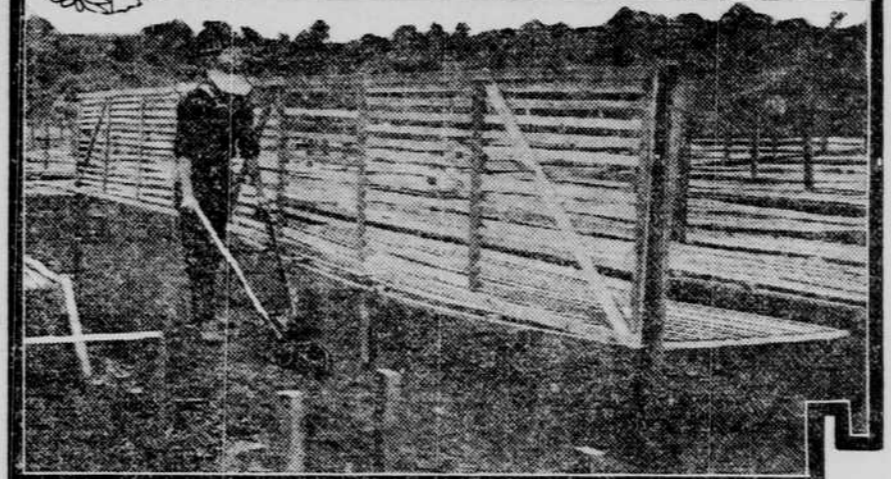
"And in this connection let me remark that while the bank officer is surrounded on all sides by temptation, and some criminally use the bank's funds, one must not for a moment think that they are the only ones connected with the institution who are subject to temptation and who, far too often, listen to the voice of the tempter and become defaulter. Every clerk in the bank, whether he handles a dollar of the bank's money or not, is subject to many, if not all of the temptations that beset his superior officer. The defalcations by the clerical force of banks can be traced to nearly all the causes enumerated as being the cause of defalcations by officers.

"But at bottom the fault is with the officers. Many a bank clerk who has been unfaithful to his trust and has used the funds of the institution with which he was connected for speculation, in the stock, grain or cotton market, or for games of chance at the gambling house, or for betting at the race track, or for extravagant living, etc., has been encouraged to take his first false step by the loose manner in which the affairs of the bank were conducted and its accounts kept. He saw the slipshod way in which things were done, by every one connected with the bank, that clerical errors in the books were not located and corrected, and that general mismanagement prevailed. Is it any wonder that he used the funds of the bank and took the chances of detection with such a condition of affairs surrounding him? The marvel is that, under such conditions, more do not succumb to temptation.

"The defaulter who is merely a clerk in the bank and whose misdeeds are usually traceable to a lack of proper supervision of his work by his superiors is generally brought to book for his dishonesty. He is usually convicted, poor fellow. He has no influential associates to use their power to shield him. He has no money or wealthy relatives or friends to employ able criminal lawyers to defeat the ends of justice. The bank officer, on

Forestry Experiment Stations

A BIG FORWARD MOVE BY UNCLE SAM



SOWING BULL PINE SEED WITH HAND SEED DRILL



ENGELMANN SPRUCE GROWING OUT ASPEN TIMBER

Forest experiment stations will soon be established in a number of the national forest states of the west according to plans which have just been completed by the United States forest service. These new stations are ex-

pected to do the same for development of American forests as agricultural experiment stations have done for the improvement of the country's farms.

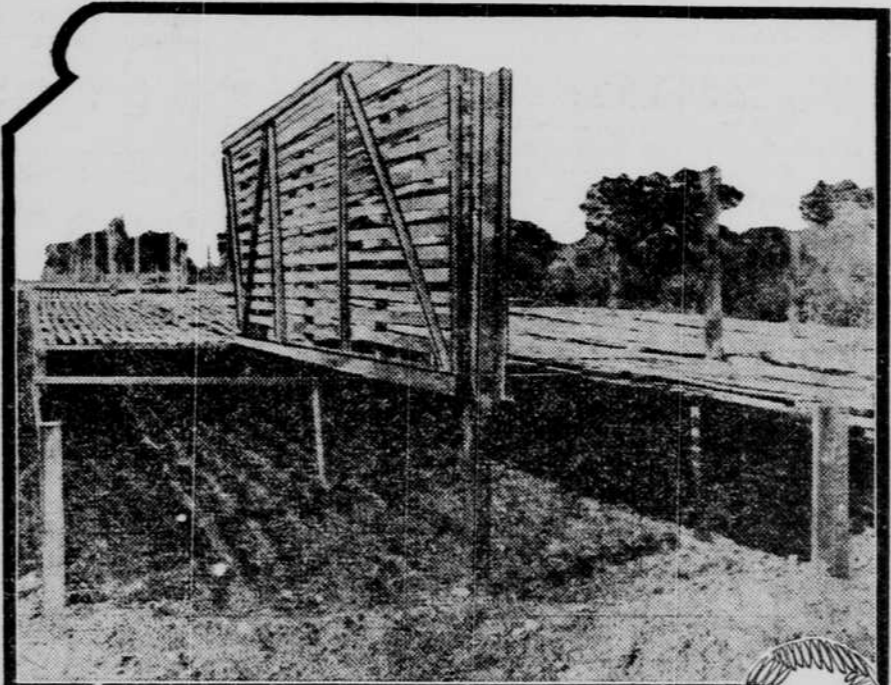
As a first step in this work an experiment station has already been established on the Coconino national forest in the southwest, with headquarters at Flagstaff, Ariz. Stations in other national forests will be established later, and it is the intention ultimately to have at least one experiment station in each of the silvicultural regions of the west.

One of the most important parts of the work of the new experiment stations will be the maintenance of model forests typical of the region. These

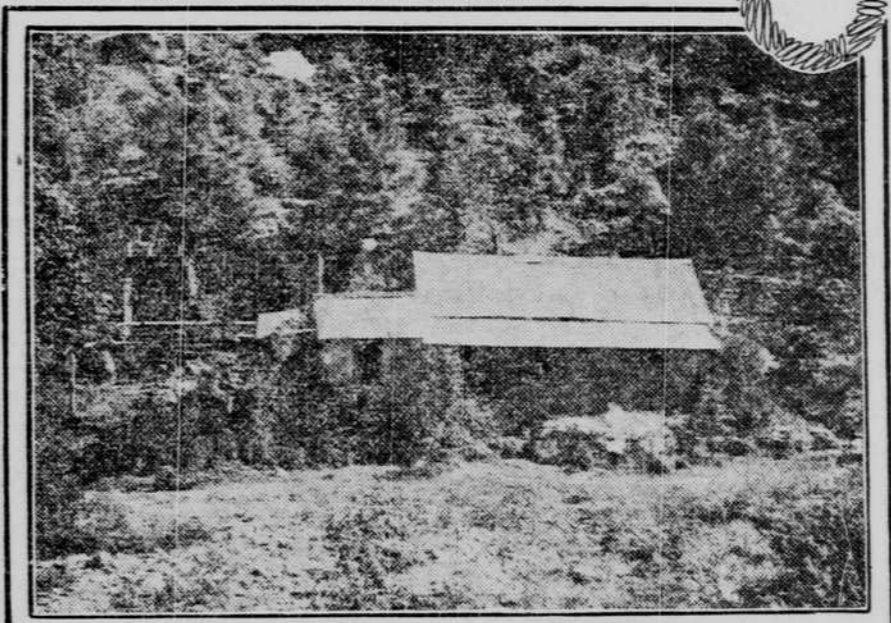
will furnish the most valuable and instructive object lessons for the public in general, for professional foresters, lumbermen and administrative officers of the national forests.

In the recently established station on the Coconino national forest one of the first problems to be taken up will be the study of the reproduction of western yellow pine and the causes of its success and failure. A solution of this problem of how to obtain satisfactory reproduction of the yellow pine is of the greatest practical importance to the southwest, since the yellow pine, which is by far the most valuable tree there, is in many cases not forming a satisfactory second growth. The study will be carried on largely by means of sample plots.

Other studies which will be taken up soon are a study of the light requirements of different species at different altitudes and the construction of a scale of tolerance which will be based on the actual measurements of the light intensity, and not only, as has hitherto been the case, on general observations alone; the taking of meteorological observations to deter-



NURSERY BED OF BULL PINE SEEDLINGS



PROSPECTIVE RANGERS HEADQUARTERS.

mine the effect of the forest upon temperature, humidity, melting of snow, wind velocity, etc.; a study of the relative value of the germinating power of seeds from trees of different sizes, ages and degrees of health; and similar studies of value to the region. A complete collection of the flora of the forest will be made to form a herbarium.

These stations will carry on scientific experiments and studies which will lead to a full and exact knowledge of American silviculture, and the indirect benefits of the forests and will deal particularly with those problems of particular importance to the regions in which they are located.

THE PINCH HITTER

A Wonderful Part of the Up-to-Date Baseball Nine Is He.

"I have followed baseball for some years," remarked the man, "and the more games I see the more I wonder at the mental and nervous make-up of the man who is sent to the bat in pinches.

"The pinch hitter, to my mind, is the most wonderful player of them all. There are men who can go through game after game, hitting fairly well all the time, but the chances are that they will not make a hit when it is most needed.

"On the other hand, there are players who can sit on a bench all the afternoon until the very last inning and then sent in at a critical juncture to bat for some weaker man are able to land on the ball when a hit means a run.

"Hitting is so difficult an art, with all the present-day restrictions in favor of the pitcher, that I admire greatly the man who can hit at all. But

the fellow who is almost certain to get a hit when it is needed in a pinch is marvelous to me, especially when you realize that he has been sitting around idle all the afternoon and the other fellows have had a chance to size up the opposing pitcher by facing him several times.

"And, curiously enough, when a pinch hitter gets a regular place on a team and plays the regulation length of time day after day he isn't likely to pan out at all as a hitter. He is very apt to fall away down before three weeks have passed."

About Due.

Mrs. McGillicuddy, thinking her husband was rather late in coming home on Saturday with his pay, went to the police station in inquire if he was there.

"Is my Pat 'ere?" she asked. "No," replied the inspector on duty, "but sit down; we're expecting him every minute."

A MERE CIPHER.



Bertha—Bertie, you are simply impossible.
 Bertie—Nothing is impossible.
 Bertha—That's what I said.

A Linguist.

The charm of Mrs. Ruth McNery Stuart's negro dialect stories was greatly enhanced when she read them herself, as she used frequently to do in the early days of her fame, for charity and church entertainments. Her imitation of the negro dialect was excellent, and her small son, who was very fond of her accomplishment in this line, frequently boasted of it among the other children. Once, when some of his schoolmates were vaunting the accomplishments of their several mothers, he was overheard to declare:

"Well, my mother is smarter than any of yours. She can speak two languages."

"What are they?" demanded his companions.

"White and colored."

The extraordinary popularity of fine white goods this summer makes the choice of Starch a matter of great importance. Defiance Starch, being free from all injurious chemicals, is the only one which is safe to use on fine fabrics. Its great strength as a stiffener makes half the usual quantity of Starch necessary, with the result of perfect finish, equal to that when the goods were new.

Bone of Contention.

"Death usually heals all family differences," said the old-fashioned philosopher.

"Yes," replied the shrewd observer, "but usually the reading of the will separates them again."—Detroit Free Press.

"Cheap Skates."

In the town of North Andover, inhabitants have been seen to smile derisively at the following card in a hardware show window: "Kittner & Spinney, Cheap Skates. Come in and Look Them Over."

Nothing I Ate Agreed With Me.



MRS. LENORA BODENHAMER.

Mrs. Lenora Bodenhamer, R. F. D. 1, Box 99, Kernersville, N. C., writes: "I suffered with stomach trouble and indigestion for some time, and nothing that I ate agreed with me. I was very nervous and experienced a continual feeling of uneasiness and fear. I took medicine from the doctor, but it did me no good."

"I found in one of your Peruna books a description of my symptoms. I then wrote to Dr. Hartman for advice. He said I had catarrh of the stomach. I took Peruna and Manalin and followed his directions and can now say that I feel as well as I ever did."

"I hope that all who are afflicted with the same symptoms will take Peruna, as it has certainly cured me."

The above is only one of hundreds who have written similar letters to Dr. Hartman. Just one such case as this entitles Peruna to the candid consideration of every one similarly afflicted. If this be true of the testimony of one person who ought to be the testimony of hundreds, yet thousands, of honest, sincere people. We have in our files a great many other testimonials.

PARKER'S HAIR BALM
 Cleanses and beautifies the hair, promotes its growth, never fails to restore gray hair to its youthful color. Cures dandruff, itching scalp, etc. Sold at all drug stores.

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 Reliable Dentistry at Moderate Prices.

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 by mail at cut prices. Send for free catalogue.
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PISO'S
 Beware of the Cough
 that hangs on persistently, breaking your night's rest and exhausting you with the violence of the paroxysms. A few doses of PISO'S CURE will relieve you. It is a cough, no matter how far advanced or serious. It soothes and heals irritated surfaces, clears the congested air passages and the cough disappears.
 At all druggists, 25 cts.
CURE

Story Should be Remembered.

In speaking of the death of Mainz of Gottlieb Glaser, the old prompter of the Stadttheater of that city, a Boston paper says: "He was modest in his work and did it without show or bluster. As he lived, so he passed away, and a short paragraph was all that the press bestowed upon him. This one story should be remembered: One evening the house was crowded in honor of a popular tenor. At that

time when he should have done his best the tenor's voice suddenly failed him. He looked helplessly toward the top of the house, the members of the orchestra became nervous and the audience shared in the discomfort. But help came—not from above, but from the prompter's box. He realized the situation and began where the tenor had left off and for the first and only time sang an operatic solo. The

audience applauded wildly, the tenor bowed and the leader of the orchestra banged his applause with his baton on the prompter's box and shouted: Bravo, Glaser."

Remember the Pioneers.

It may be that some of the younger generation are inclined to forget to debt they owe to the pioneers and even to scoff at their influence and ideals. If this is true it is unfortunate, and there is all the more reason for the perpetuation of pioneer as-

pirations and the wielding of pioneer influence. To belong to such an organization is to be inscribed on a role of honor. In this new country it is almost a title of nobility. The sons and grandsons of these sturdy men and women should cherish their history and traditions and try to serve them from within.

To Help Cause in Pacific State.

Dr. Martha Hughes Cannon, formerly a state senator of Utah, has gone to live in California with the intention of helping the women of that state to get equal suffrage. He is described as a powerful and witty speaker.