

## ROSEWATER WILL ACT AS CHAIRMAN

Nebraska Member of Republican National Committee Will Serve Through Convention.

## HOWELL CONTEST NOT TAKEN UP

No Attempt Made by Committeemen—Elected to Secure Seat.

## ROOSEVELT MEN DEFEATED

First Test of Strength Shows He Controls Thirteen States.

## RULES OF PROCEDURE ADOPTED

One Hour Will Be Allowed for State Contests and Half Hour for District Contests—Hearings Postponed Until Today.

## FIRST COMMITTEE SESSION.

Republican national committee at opening session today met at 2 p. m. Elected Victor Rosewater chairman of the committee, to serve until the national convention ends. Did not take up question of seating R. B. Howell, Nebraska or other national committeemen elected at recent primaries and conventions. Voted 33 to 13 to admit to hearings only representatives of five press associations, defeating motion to admit press generally. Voted to give thirty minutes and fifteen minutes per side for state and district contests, respectively. Defeated by viva voce motion of Borah of Idaho, Roosevelt adherent, that eight votes should require a roll call and fixed number at twenty. Adopted resolutions on death of former Chairman John F. Hill of Maine and four other members who have died during the last four years. Adjourned at 3:55 p. m. until 10 a. m. Friday, when contests will be taken up alphabetically, beginning with Alabama.

CHICAGO, June 6.—The republican national committee was called to order at the Coliseum this afternoon by Acting Chairman Victor Rosewater of Nebraska. It was expected that no contests would be taken up today; the work of the committee seemed likely to be confined to organization and adoption of rules, including the question of admitting representatives of the press to hearings. Victor Rosewater of Nebraska was elected chairman of the republican national committee today to serve through the convention. Mr. Rosewater will succeed the late Representative Hill of Maine.

The right of R. B. Howell, who was elected national committeeman from Nebraska at the recent republican primary in that state, was not taken up. The committee, after a long discussion, voted, 40 to 13, to admit to the hearings of contests two representatives of each of the five press associations having admission to the floor of the house of representatives. They voted also to employ stenographers and make record of the proceedings. Resolutions were adopted deploring the death of Chairman Hill.

The committee then took up the question of rules governing the proceedings of the committee and the conduct of the hearings of contests.

Roosevelt men lost. The Roosevelt people met defeat in the first lineup. They proposed that eight should be sufficient to demand a roll call. This was defeated and the number was fixed at twenty.

It was decided that thirty minutes should be allowed to each side for hearing state contests on delegates at large, fifteen minutes per side for district contests. The lineup in the first test vote in the national committee was regarded by both sides as significant. The vote was not made public, but among the thirteen counted as "Roosevelt strength" were said to be Borah of Idaho, Burnham of Kentucky, Wright of Louisiana, Kellogg of Minnesota, Ward of New York, Capers of South Carolina, Looze of Utah, Lyon of Texas and Rogers of Wisconsin.

A canvass of the committee by Taft adherents, it was claimed, showed only the thirteen for Roosevelt, with two more classed as doubtful.

The committee at 3:55 p. m. adjourned until 10 a. m. tomorrow.

## MINNESOTA HOUSE APPROVES AMENDMENTS

ST. PAUL, Minn., June 6.—The lower house of the Minnesota assembly today adopted by unanimous vote a resolution ratifying the amendment to the federal constitution providing for an income tax and the amendment providing for the election of United States senators by direct popular ballot. This is the first work of the extra session of the legislature.

## The Weather

Forecast till 7 p. m. Friday—For Omaha, Council Bluffs and vicinity: Fair tonight and Friday; rising temperature Friday.

Temperature at Omaha—	Deg.
5 a. m.	54
6 a. m.	55
7 a. m.	56
8 a. m.	55
9 a. m.	59
10 a. m.	60
11 a. m.	62
12 m.	63
1 p. m.	64
2 p. m.	64
3 p. m.	64

Local Weather Record.  
1912 1911 1910 1909  
Lowest last night..... 54 55 50 50  
Precipitation..... 34 0 0 0  
Normal temperature for today, 69 deg.  
Deficiency in precipitation since March 1, 3.70 inches.  
Deficiency corresponding period, 1911, 3.41 inches.  
Deficiency corresponding period, 1910, 2.28 inches.

## Decorous as an Afternoon Tea

Opening Session of the Republican National Committee Passes Quietly—Ultra-Insurgent Strength Developed—Slight Changes Made in Rules of the Committee.

Editor of The Bee and Chairman of the Republican National Committee, CHICAGO, June 6.—(Special Telegram.)—The initial meeting of the republican national committee convened to make up the temporary convention roll call was held today, but if anyone expected fireworks he must have been disappointed. The assembly was as decorous as an afternoon bridge whist, and probably produced less conversation. Only one roll call was taken, and that on a question that was hardly vital, but went far enough to indicate the extent of the ultra-insurgent membership, which figured up the unlikely number of thirteen out of fifty-three. The only differences manifested at all developed, as I have already indicated, out of the movement to give publicity to the contest hearings. All were agreed that the doors should be swung open, but not agreed as to how far open. The rules of four years ago, which had then been formulated and presented by a specially appointed subcommittee, unanimously adopted, were readopted substantially without change, except as to the publicity feature. Four years ago the hearings took place in executive session, but with the contestants and their attorneys present, the latter retiring at the conclusion of the hearing to permit the committee to reach its decision. As modified for this session, the five press associations, which together serve news reports to every daily newspaper in the country, and are recognized with representation on the floor of the house of representatives, are to have the privilege of keeping two working correspondents present at all times. While this was acceptable all around, and effort was made on behalf of the Rooseveltians through Kellogg of Minnesota and Borah of Idaho to admit also several correspondents for all the newspapers represented in the press gallery. The chief objection urged to this was the physical difficulty of providing for a large number of newspaper men, the probable number being very indefinite, without interfering with the committee's work. The special correspondents and the outside newspapers were none the less fully taken care of for access to the proceedings by an order to the secretary to employ a sufficient corps of competent stenographers to take down everything to be said and transcribe it from day to day, the report to be kept in the secretary's office, open to the correspondents of any and all newspapers and through them to the world. If anything is said or done out of the committee that the reading public wants to know, and ought to have and does not get, it will have to turn some pretty sharp corners. The disclosure of only thirteen votes for the wide-open publicity rule, fully explained the other proposal emanating from the same source to reduce the number entitled to demand a roll call from twenty to eight, and the preference of the committee to stand on the established precedent which is designed to prevent dilatory proceedings, by continuous repetition roll call votes without a reasonable assurance that something would be thereby accomplished. My election as chairman of the committee to fill the unexpired term left by the death of the late Governor Hill of Maine, came unanimously, which I regard as adding emphasis to the honor. I expressed my appreciation in a very few words, asking the co-operation of the members in fulfilling my desire to preserve their deliberations with entire fairness. I realize, whether others do or not, the compliment involved in being allowed to hold the title of chairman of the republican national committee, although only for a few weeks. That position is the highest in the party organization and has been held by many notable men. It has rarely come west. Tom Carter of Montana was chairman and so was J. S. Clarkson of Iowa and if my information is correct, I am the third in the whole list to hail from the far side of the Mississippi. Of those still living who have been chairman of the republican national committee there are only beside Mr. Clarkson, George B. Cortelyou, Harry S. New and Frank H. Hitchcock. I am told that my successor-to-be, as member of the committee from Nebraska, was in town today, but as he did not make his appearance at the door of the committee's room, nor did he file any credentials with any one in authority to support his claim that he already the committeeman. He has given out some kind of a statement to the effect that he has deferred to others in withholding assertion of his rights, as he thinks they are; so be it. That is as easy a way out as any. In the meantime, I am prepared to make good my previous offer to take care of my successor for admission to the convention.

## GAMBLE CLAIMS NOMINATION

South Dakota Senator Says His Plurality is 2,500.

## STERLING IS VERY OPTIMISTIC

Senator's Opponent Says He Has Won by Plurality of Nine Thousand—Democrats Name Johnson for Governor.

SIOUX FALLS, S. D., June 6.—Early this evening the United States senatorship in South Dakota was still in doubt, with both Gamble and Sterling claiming the republican nomination. The precincts yet to be heard from and which will determine who is the winner are in remote parts of northwestern South Dakota and it may be several days before the returns are received. Byrne's majority over Egan for governor now is 10,498. Byrne headquarters claims Byrne's lead will reach 15,000. Harry L. Gandy of Waista is believed to have been nominated for congress on the democratic ticket in the Third (Black Hills) district and C. Boyd Barrett of Aberdeen in the second. There is no doubt that Edward S. Johnson of Yankton has been nominated as the democratic candidate for governor. No definite returns have yet been received on a number of the state offices. Senator Gamble claims to have won by not less than 2,500 over Thomas Sterling, his nearest republican opponent. The Sterling men claim 9,000 plurality over Gamble, with Richards third. Returns received show that the following congressmen have been nominated: Congressman—Elihu W. Martin, present incumbent; Charles H. Burke, present incumbent; C. H. Dillon. Governor—Frank M. Byrne. Lieutenant Governor—E. L. Abel. Secretary of State—Fred Hepperl (not conceded). State Treasurer—A. W. Ewart (not conceded by G. H. Pinckney, his opponent). Railroad Commissioner—John J. Murphy (not conceded by his four opponents). Member Republican National Committee—Thomas Thornton, present incumbent (not conceded by J. F. Halladay, his opponent). The following were nominated without opposition: Attorney General—Royal C. Johnson. State Auditor—Henry E. Anderson. Commissioner of School and Public Lands—F. Brinker. Superintendent of Public Instruction—C. G. Lawrence.

All the foregoing are progressive republicans with the exception of Congressman Martin and Burke and E. L. Abel, who are classed as stalwart republicans. The republican nominees for members of the state supreme court are in doubt.

## Gompers Speaks for Compensation Bill

WASHINGTON, June 6.—Samuel Gompers, president of the American Federation of Labor, urged the house committee on judiciary today to make a favorable report on the Brantley workmen's compensation bill. "The opposition to this measure comes from lawyers, doctors and ambulance chasers," he said. "Injured workmen get but 25 to 35 per cent of the money awarded to them as damages when they are litigants."

Determined opposition to the bill is developed. Senator Smith of Georgia, Representative Hardwick of that state and Representative Henry and the Texas delegation will voice their protests to the committee before a vote is taken.

## BY VICTOR ROSEWATER.

Editor of The Bee and Chairman of the Republican National Committee, CHICAGO, June 6.—(Special Telegram.)—The initial meeting of the republican national committee convened to make up the temporary convention roll call was held today, but if anyone expected fireworks he must have been disappointed. The assembly was as decorous as an afternoon bridge whist, and probably produced less conversation. Only one roll call was taken, and that on a question that was hardly vital, but went far enough to indicate the extent of the ultra-insurgent membership, which figured up the unlikely number of thirteen out of fifty-three. The only differences manifested at all developed, as I have already indicated, out of the movement to give publicity to the contest hearings. All were agreed that the doors should be swung open, but not agreed as to how far open. The rules of four years ago, which had then been formulated and presented by a specially appointed subcommittee, unanimously adopted, were readopted substantially without change, except as to the publicity feature. Four years ago the hearings took place in executive session, but with the contestants and their attorneys present, the latter retiring at the conclusion of the hearing to permit the committee to reach its decision. As modified for this session, the five press associations, which together serve news reports to every daily newspaper in the country, and are recognized with representation on the floor of the house of representatives, are to have the privilege of keeping two working correspondents present at all times. While this was acceptable all around, and effort was made on behalf of the Rooseveltians through Kellogg of Minnesota and Borah of Idaho to admit also several correspondents for all the newspapers represented in the press gallery. The chief objection urged to this was the physical difficulty of providing for a large number of newspaper men, the probable number being very indefinite, without interfering with the committee's work. The special correspondents and the outside newspapers were none the less fully taken care of for access to the proceedings by an order to the secretary to employ a sufficient corps of competent stenographers to take down everything to be said and transcribe it from day to day, the report to be kept in the secretary's office, open to the correspondents of any and all newspapers and through them to the world. If anything is said or done out of the committee that the reading public wants to know, and ought to have and does not get, it will have to turn some pretty sharp corners. The disclosure of only thirteen votes for the wide-open publicity rule, fully explained the other proposal emanating from the same source to reduce the number entitled to demand a roll call from twenty to eight, and the preference of the committee to stand on the established precedent which is designed to prevent dilatory proceedings, by continuous repetition roll call votes without a reasonable assurance that something would be thereby accomplished. My election as chairman of the committee to fill the unexpired term left by the death of the late Governor Hill of Maine, came unanimously, which I regard as adding emphasis to the honor. I expressed my appreciation in a very few words, asking the co-operation of the members in fulfilling my desire to preserve their deliberations with entire fairness. I realize, whether others do or not, the compliment involved in being allowed to hold the title of chairman of the republican national committee, although only for a few weeks. That position is the highest in the party organization and has been held by many notable men. It has rarely come west. Tom Carter of Montana was chairman and so was J. S. Clarkson of Iowa and if my information is correct, I am the third in the whole list to hail from the far side of the Mississippi. Of those still living who have been chairman of the republican national committee there are only beside Mr. Clarkson, George B. Cortelyou, Harry S. New and Frank H. Hitchcock.

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## St. Louis Terminal Railroads Must Comply with Law

ST. LOUIS, June 6.—United States District Judge Dyer overruled three motions of attorneys for the Terminal Railroad association of St. Louis that he did not have jurisdiction to enter a decree in the case in which the supreme court of the United States decided that the Terminal operated in violation of the Sherman anti-trust law.

A preliminary decree following closely the suggestions of the supreme court was filed by E. C. Crow, special counsel for the government, and arguments will be heard on what the preliminary decree should contain next Tuesday. If the government and the terminal fail to agree on a decree within ninety days the terminal must submit to dissolution at the hands of the supreme court.

WASHINGTON, June 6.—New regulations of transportation of baggage, proposed by nearly every railroad in the United States which in effect would advance the rates on "excess" were suspended by the Interstate Commerce commission today. The suspension becomes effective July 1 and continues in force for 120 days, pending investigation. The new regulations not only sought to amend the excess rates but to prohibit the carriage of certain size pieces of baggage.

The proposed regulations follow: "On and after July 1, for any piece of baggage (except immigrant baggage checked at port of landing) the greatest dimension of which exceeds forty-five inches, there will be an additional charge for each additional inch equal to the charge for ten pounds of excess weight."

"On and after July 1, 1912, no piece of baggage the greatest dimension of which exceeds seventy (70) inches, (excepting immigrant baggage checked at port of landing) will be transported in baggage cars."

The commission believes that the fixing by the roads of the dimensions of baggage will work an unnecessary hardship upon travelers.

## IOWA BANKERS MEET IN DES MOINES NEXT YEAR

CEDAR RAPIDS, Ia., June 6.—Des Moines won the next meeting of the Iowa State Bankers' association today after a hot fight, in which Dubuque was the closest competitor. Officers elected were: President—Charles Shadle, Cedar Rapids; Vice President—F. B. Yetter, Davenport; Treasurer—Charles R. Hannan, Council Bluffs.

The association endorsed the plan of a national citizens' alliance for a nonpartisan revision of the currency system. Adam Bede of Minnesota was the principal speaker at today's session.

## HITCHCOCK WILL ATTEND FUNERAL OF HUBBARD

(From a Staff Correspondent.)

WASHINGTON, June 6.—(Special Telegram.)—Senator Hitchcock left this afternoon for Iowa to join the committee to attend the funeral of the late Representative Hubbard of Iowa.

Senator Brown has been named an honorary pallbearer for the funeral of the late Senator Nixon.

## Money Inquiry Goes Over

Committee Decides to Postpone Main Hearing Until Fall.

## DIFFICULT TO GET DATA

In Meantime Testimony Will Be Taken Along Certain Collateral Lines—Laughlin Is First Witness.

NEW YORK, June 6.—Because of its lack of power to obtain necessary data the so-called money trust investigation in its main scope will not be taken up until fall. This announcement was made by Chairman Pujo of the investigating committee at the opening of the hearing in New York today.

"In view of the insistence by some financial institutions that the committee is without power to enforce demands for information the committee has concluded it is not advisable to take up the main inquiry until all doubt as to the power has been removed by the passage of the bill to amend the banking law," said Mr. Pujo. "The bill has passed the house and is now before the finance committee of the senate."

"It will require months of painstaking investigation and preparation, after the proposed legislation has been enacted, to secure the data that is essential to the inquiry."

"The required data must be gathered primarily from the books of the corporations concerned and must be segregated before witnesses can be advantageously examined."

"The committee is anxious to avoid exposing legitimate transactions and this can be accomplished only by the plan that has been arranged."

## Will Wait Until Campaign Ends.

"The committee considers it inadvisable in any event to conduct this important and far reaching economic inquiry during the heat and excitement of a political campaign and has not from the outset contemplated any such course."

The intervening time will be devoted to taking testimony on certain collateral subjects. The relations of the clearing house association and the stock exchange to the financial system and to the increasing concentration of money will be investigated in the few sessions that are to be held before the summer vacation."

From the first witness, Prof. J. Laurance Laughlin, head of the national citizens league for the promotion of sound banking, Samuel Untermyer, special counsel for the committee, brought out the statement that no contributions had been made to the league's fund by J. P. Morgan & Co., or by Kuhn, Loeb & Co. Mr. Untermyer wanted to know why and Prof. Laughlin said merely that they had not been solicited.

## The National Capital

Thursday, June 6, 1912.

## The Senate.

Convened at noon and adjourned at 1:09 p. m. until Friday in respect to the memory of the late Senator Nixon of Nevada.

Indian affairs committee recommended Gore bill to allow Apache prisoners of war at Fort Sill to return to New Mexico.

## The House.

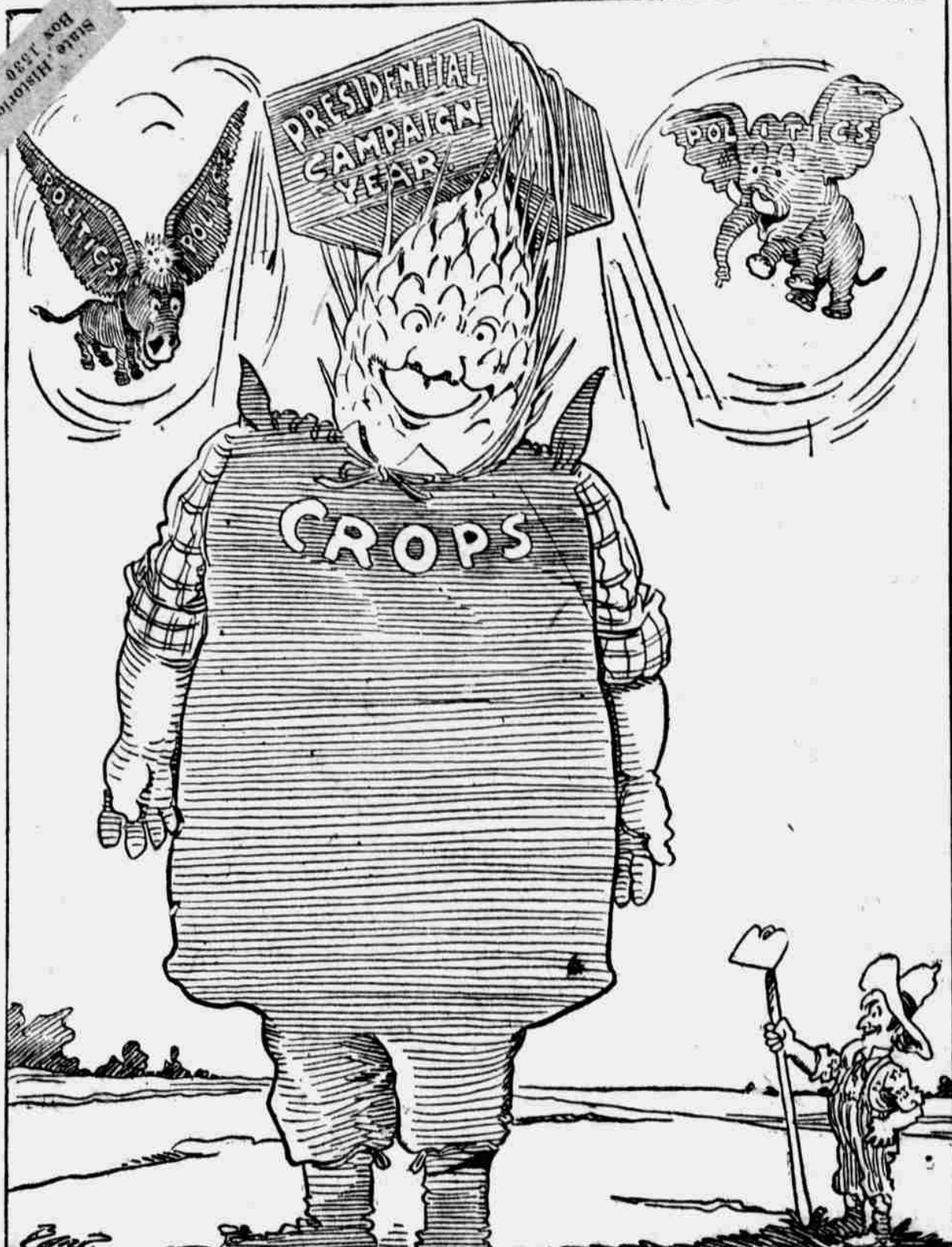
Convened at 11 a. m. and resumed general debate on sundry civil appropriation bill.

Agriculture expenditures committee continued its investigation into drainage division of Department of Agriculture, with Engineer J. O. Wright of Florida testifying.

Secretary of the navy asked for \$25,000 appropriation for expense of marine expedition to Cuba.

Samuel Gompers urged judiciary committee to favorably report Brantley workmen's compensation bill.

## Keeps Right on Growing



From the Minneapolis Journal.

## West Virginia and Arkansas Instruct For Champ Clark

BARKERSBURG, W. Va., June 6.—"If you can't agree on Wilson or Clark," shouted Congressman Littlepage at the democratic convention today, "I will all of us and nominate that clerk of the west, William J. Bryan." The band had sufficient time to play through two pieces before the demonstration subsided.

The report of the resolutions committee instructing the delegates-at-large to vote for Clark at Baltimore was adopted after the defeat of an amendment to eliminate all reference to presidential candidates.

LITTLE ROCK, Ark., June 6.—By a vote of 34 to 24 the Arkansas state democratic convention refused to embody in its platform an endorsement of the so-called "grandfather clause" as a qualification for suffrage. Eight delegates-at-large with half a vote each, as well as the district delegates, were instructed for Speaker Clark, were elected as follows: Joe T. Robinson, Lonoke; Senator J. P. Clark, Little Rock; Senator Jeff Davis, Little Rock; J. P. Hinson, Morrill; H. L. Norwood, Menard; S. Brundidge, Searcy; J. C. South, Mountain Home; B. B. Hutchins, Harrison.

Judge William M. Kavanaugh, Little Rock, was chosen national committeeman.

## Young Says He Will Not Be Candidate for the Senate

DES MOINES, Ia., June 6.—Lafayette Young, defeated candidate for United States senator in Monday's primaries, declared in a formal statement issued today that he is not seeking to succeed Senator Albert E. Cummins, either in the event the Iowa man should be nominated for president or when his term expires. Mr. Young stated emphatically that under no circumstances would he seek a seat in the United States senate.

## Oxygen Machine Saves Woman's Life

CHICAGO, June 6.—Women who tried to commit suicide with gas kept pulmonary experts here busy continuously today for two hours. The net result was one female life saved and one lost.

Mrs. Sadie Dougherty, who was deserted several months ago by her husband, was the woman saved. The oxygen machine had been applied to her for more than an hour when word was received that Mrs. Mary Williams had been found asphyxiated about a mile distant.

The pulmonary was rushed to the rescue and was worked heroically, but the double task had not left the experts sufficient time and in the second case they failed.

## STUDENTS INTERRUPT CARNEGIE'S ADDRESS

LONDON, June 6.—Rowdy scenes marked the delivery of Andrew Carnegie's rhetorical address as lord rector of Aberdeen university at Aberdeen, Scotland today.

The students, the number of whom was large, hurled chairs and rugs about the hall and kept up an incessant din, shouting and whistling, but finally permitted the ironmaster to proceed. After he had begun the rowdism was resumed, but the proceedings closed with rousing cheers for Mr. and Mrs. Carnegie.

Mr. Carnegie advised the students "remain respectful until you have become of age."

## HURRY REQUEST FROM CUBA

Gomez Asks United States to Rush Rifles and Cartridges.

## FOUR BATTLESHIPS ON THE WAY

Vessels Bearing Thousand Marines Should Reach Guantanamo Friday—Cuban Organize a Volunteer Guard.

WASHINGTON, June 6.—President Gomez informed the United States through American Minister Beaupre today that he is forming a volunteer guard to protect foreign property against attacks by negro rebels. He asked that the rifles he recently ordered be increased from 5,000 to 10,000, and that 2,000,000 cartridges accompany them. He urged the United States to make every effort to facilitate a quick delivery of the rifles and ammunition.

With four American battleships steaming toward Guantanamo, the force of marines immediately available for the protection of foreign life and property in Cuba is increased to more than 1,500.

Altogether, the battleships Minnesota, Missouri, Mississippi and Ohio—the fourth division of the Atlantic fleet—which put out from Key West late yesterday under command of Rear Admiral Usher, have on board nearly 800 marines. These ships should arrive at Guantanamo some time tomorrow.

## Twenty-Five Hundred Available.

The cruiser Prairie, which already has landed 400 men under command of Colonel Lucas, has about 350 more on board. The four battleships of the third division of the Atlantic fleet, still at Key West, under Rear Admiral Osterhaus, on the flagship Washington, have nearly 1,000 more marines, which could be moved to Cuba in little more than a day if the situation should demand. Roughly this places the number of marines immediately available at about 1,500 and the reserve force at Key West at 1,000.

The combined forces of bluejackets on all the ships, which, however, would only be landed in the most pressing emergency, easily would swell the total American force available to more than 3,500 men. As President Gomez indicated in his statement last night, the assumption by the American marines of responsibility for the safety of the foreign properties in Oriente will relieve General Montenegro's army of the most onerous portion of its work and will enable that officer to begin almost immediately a campaign in force against the marauding bands of negro insurgents.

It is estimated that 1,000 American marines would be equivalent to five times that number of Cuban regular soldiers.

## Man and Woman Drown at Quincy, Ill.

QUINCY, Ill., June 6.—The bodies of Edward Dover, aged 21, and Miss Theodore Keck, aged 16, were found in the Mississippi river near Quincy early today. The two young people were lovers. Sunday evening they went for a ride in a skiff on the river and did not return. The recovery of the skiff floating near Hannibal, Mo., caused a search to be made, which resulted in the discovery of the bodies this morning.

## NEWTON C. DOUGHERTY RESTORED TO CITIZENSHIP

SPRINGFIELD, Ill., June 6.—Governor Deen today restored to citizenship Newton C. Dougherty, who was sentenced to the penitentiary for appropriating the school funds of Peoria while city superintendent of schools and treasurer of the school board of Peoria and who was paroled November 9, 1911.

## BURDEN FALLS ON SMALL INVESTORS

Secretary Royle of State Banking Board Attacks Building and Loan Associations.

## CAPITALIST HAS ADVANTAGE

Institutions Said to Be Drifting Away from Original Purposes.

## SPIRIT OF MUTUALITY ABSENT

Royle Declares that Courts Would Protect Small Home Builder.

## BLUE SKY LAWS ARE DESIRED

Nebraska Is One of Largest Centers of Activity in the United States, Assets of Institutions Being Twenty-Five Million.

Secretary E. Royle of the state banking board yesterday afternoon attacked the methods employed by some of the building and loan associations in Nebraska in a speech before the state convention. He said, "In my opinion the home builders of the state who are assisted by the associations are not receiving an equitable advantage in many matters."

Mr. Royle found fault with the majority of the associations because of the fact that a larger per cent of interest is paid on the paid up stock than on that which is not paid. He argued that the small investor of a few dollars should receive as much interest as the man who invests thousands. This system does not prevail in most cases. He said in part:

## Experiment Stage Passed.

The building and loan associations of Nebraska have passed the experiment stage. Ten years ago the assets of these companies were but \$4,000,000. Today assets are \$25,000,000 or an increase of \$21,000,000 per annum. The building and loan associations have taken their position among the permanent financial institutions of the state.

"However, these associations have arrived at a degree of maturity that requires a closer scrutiny of the underlying principles of the business, the purposes and the equities involved, than was fair to hold when the association was struggling for a foothold."

"The fundamental principle underlying building and loan associations is the encouragement of home building and the reason for their being is that they open the door of opportunity to the homeless to become home owners and any practice or other legal enactment that in any way interferes with this fundamental purpose is at variance with the correct building and loan idea."

Violation of Mutuality. "The building and loan association also has for a fundamental principle the absolute mutuality of all shareholders, and any practice or any legal enactment at variance with this principle violates the purposes of these associations."

"A summary of the reports of the associations shows that approximately one-half of all the stock issued by associations of the state is fully paid for, or paid up or matured stock, disclosing the fact that the so-called investment public is attracted to these institutions by a better rate of interest than they can obtain elsewhere. This shows conclusively that the associations are drifting away from their original purpose of their creation."

"The building and loan association is a place for the small savings of the people, and in the interest of the home builder. The high rate of interest paid is attractive to the investment public and burdensome to the home builder. As a matter of fact, wherever a building and loan association agrees to pay a fixed rate of interest it violates the mutuality that should exist among its members, and should its earning power fall to be equal to all shareholders the courts in my opinion would quickly protect the investment shareholder by depriving the full paid shareholder of the right to take a rate higher than his unfortunate associate would obtain. In other words the creation of preferred stock in a building and loan association would destroy its mutuality."

## Remedies Are Suggested.

"The remedies I would suggest would be: First, to place a limit on the amount of full paid stock that could be issued by an association to a certain per cent of its total assets, say 30 per cent, which is the amount fixed in some states. This would be a step towards conservatism; second, to require that all contracts made in the issuance of full paid contracts specifically provide that the rate agreed upon not exceed the average dividend paid by the association to all stockholders."

"In my opinion the home builders of this state assisted by building and loan associations are not receiving an equitable advantage now prevailing in money markets."

## If you are going to advertise on Sunday, remember that the circulation of The Omaha Sunday Bee is greater than that of all the other Omaha Sunday papers—that The Bee goes into more Omaha homes than all the other Omaha papers combined.

What's the difference? Simply that a want ad in the Sunday Bee will bring you far greater results.

Try it Sunday.

Tyler 1000