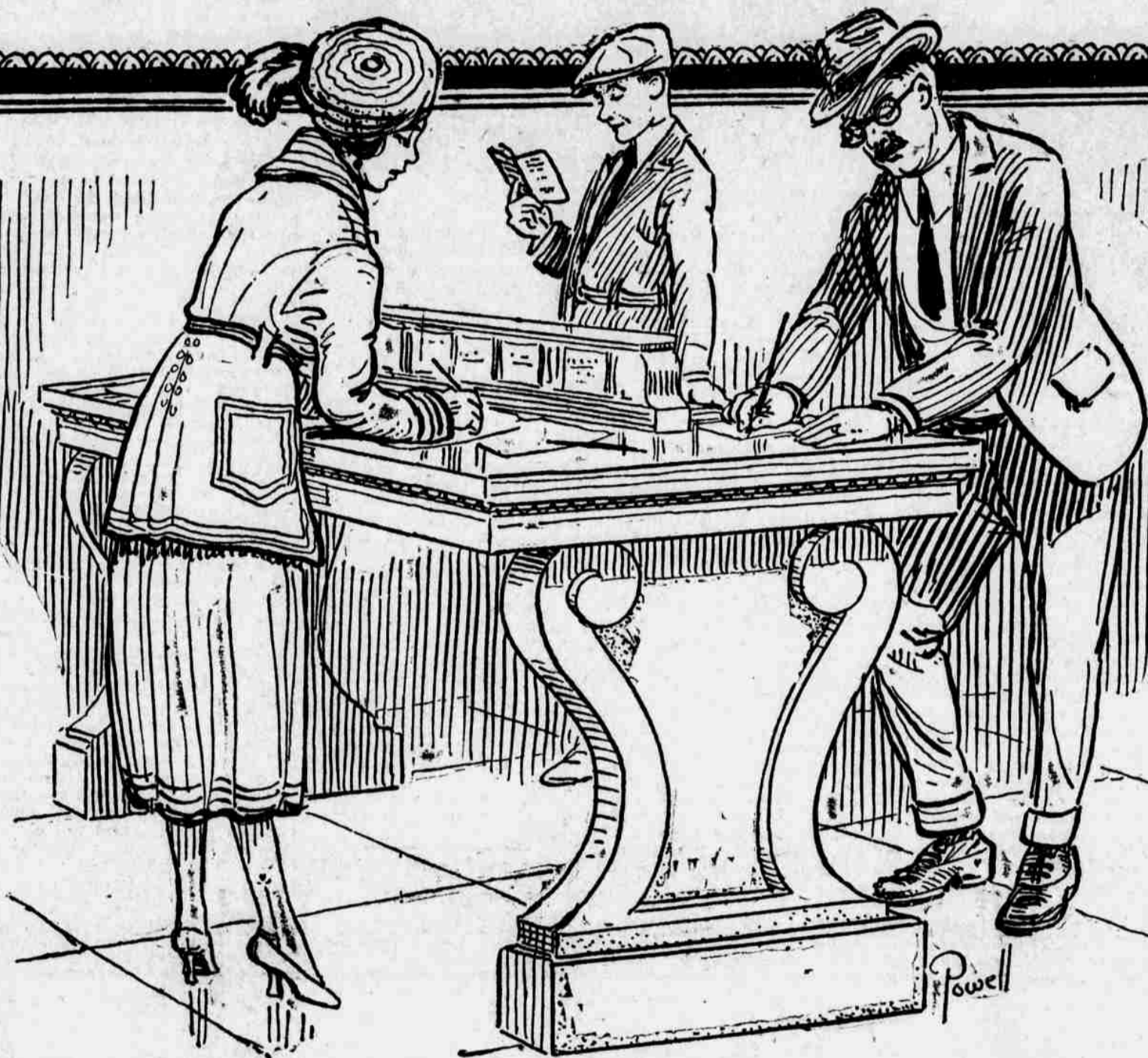


50TH ANNIVERSARY EDITION

BANK AND FINANCE SECTION

1871

1921



Foundation of Omaha Banks on a Firm Basis

First Banking Business Here That of Western Exchange Fire and Marine Insurance Company in 1855—Joseph H. Millard, One of Pioneers, Still Active in Business.

Safe banking has been a characteristic of Omaha. The foundations of the sound methods which so generally have marked the financial institutions here were laid in two private banking firms of pioneer days, the house of Kountze Brothers and that of Barrows, Millard & Co. The men who established these institutions may have moved away, or died, but their tradition has been carried on by the youngsters whom they trained, by their sons and by many others who came into contact with them.

It always was able to pay me, but eventually closed down. "Grasshoppers ate the crops and paries broke many men, but the old banks kept running. There may not have been enough in the banks sometimes to make a good meal for the grasshoppers, but we had a lot of men who would never close down and who never knew when they were licked."

The solid principles of business which they established have proved more enduring than any man or set of men, having been bred into the very character of the banking institutions. The frame shacks in which the frontier banks opened up for business have gone, by the process of combination, division and change, the old names have disappeared, but the spirit lives on.

Early-Day Bankers. One of the early-day bankers, who is still active in business life, is Joseph H. Millard. Tales are still told of how he brought a cargo of thousands of dollars of gold dust and nuggets from the head of navigation down the Missouri river to Omaha, and of his adventures in the mining camp at Virginia City, Mont. Mr. Millard came to Nebraska in 1855, and established the land agency of Barrows, Millard & Co. His brother, Ezra Millard, who had been in business in Sioux City, came here two years later. The two were soon joined by S. S. Caldwell, and established a bank at Twelfth and Farnam streets, across the street from Kountze Brothers bank. In 1864 he crossed the plains and spent two years in the banking business in the Montana gold fields. In 1867 he sold out his interest there and became cashier of the Omaha National bank, of which he later was president, and where he occupies the position of chairman of the board.

Another who has been in intimate association with the early day financiers is Milton T. Barlow, now vice president of the United States National bank. As a boy looking for a job he came to Omaha from Greencastle, Ind., in 1864. Fate drew him into the banking house of Barrows, Millard & Co. of which he was a partner.

But One "Wild Cat." "I remember only one wild cat bank in those days," says Mr. Barlow. "It was called the Bank of Chicago, and issued its own paper money in large quantities. It was my duty at the close of business each day to go across the bridge (it was in the same building as the firm I was with) and get gold for its currency."

Bank in Omaha 50 Years Ago Much Like That In Nebraska Town of 16,000 Population Today

Robberies in Pioneer Times Less Than at Present, Says F. H. Davis—Loans Were Less Liquid.

Only four banks existed in Omaha, where now there are 20, when F. H. Davis entered the profession, in 1872. But then, wealth was only in the making, and these four met all the requirements of that day when ready cash was rather limited and the city had only 16,000 inhabitants.

Primitive Methods. "The volume of business was then very small," said Mr. Davis, in recalling the old days. "There was no clearing house, and the tellers would sort out the checks at 1 o'clock and then go over to the other banks and settle up, sometimes bringing back cash."

Investment Is Important Work of Insurance Men. In the enormous growth of the life insurance business in 50 years the companies have not overlooked the more important things that make an institution great. Life insurance companies give their clients (policyholders) greater service than clients receive in most other lines of business.

Not So Many Promotion Schemes Then, But There Was a Fever of Town Lot Speculation. 1878 is set in an old account at \$30,000,000, which may be compared with the bank clearings which ran over \$3,000,000,000 last year. Wholesale business at that time was said to be increasing at the rate of 30 to 40 per cent a year.

Shops and Stock Yards. The Union-Pacific railroad had built its shops here, and the city had become an important distributing center. Flour mills were an early development, and as the mining country to the west sent its gold and silver ores down to be refined here, food and other supplies were sent in return.

Remarkable Gain. The population of Nebraska in 1871 was 122,000, a remarkable gain from the 28,000 people who lived in the state in 1860, 10 years before. It was a period of development. In 1865 there had been only 122 miles of railroad in Nebraska; by 1871 there were 588, costing with its equipment, \$39,300,000; and by the following year the mileage had been practically doubled, to 1,051 miles.

Investment Is Important Work of Insurance Men. Among the branches of the business most important to Omaha and the surrounding territory is the investment department. The companies collect millions of dollars in small sums from their policyholders, and then invest it in city and farm loans. Omaha is exceptionally well located, as the farm loans of Nebraska and Iowa are considered the finest in the land.

Investment Is Important Work of Insurance Men. The construction of the last sentence seems to leave something to be desired, but certainly the historian of those days was not prejudiced against this state-muckrakers were not then in vogue.

18 Banks in State in '71 Have Increased to 1,009

Only Four Banks in Omaha When The Bee Was Founded 50 Years Ago—Today There Are 20—First Exclusive Savings Institution Was Omaha Savings Bank.

There were only four banks in Omaha 50 years ago when The Bee was founded. A fifth, known as the Central National, was then in process of liquidation. In the whole state there were only 18 banks. That was in 1871, but today Omaha has 20 banks, and the total for the whole state is 1,009.

Private banks were in the majority then. Nebraska City had three of these; Lincoln, two, and Omaha only one, that of Caldwell, Hamilton & Co., although it had had others before this, among them J. A. Ware & Co. and Kountze Bros. At Blair was the banking house of Casletter & Co., which closed down only a few months ago, and there was one each in Beatrice, Brownville, Plattsmouth and Fremont.

Two National Banks. There was a state bank at Brownville, capitalized at \$100,000, for then the river towns were all thriving. D. Remick was president of this institution, and G. P. Eaton, cashier. The only other state bank then was in Omaha, the State Bank of Nebraska, of which Alvin Saunders was president, and Benjamin B. Wood, cashier. It had been formed the previous year, with a capital of \$100,000.

First Savings Bank. The Commercial National came in 1884, but has now disappeared, as has the Bank of Commerce. Messrs. Cagle Brothers opened a private bank in 1883, the same date that marked the organization of the United States National bank, out of the private banking firm of Caldwell, Hamilton & Co. Later the Union and the Commercial were combined with the United States National.

Omaha 18th In Bank Clearing Though 34th in Population. Omaha is 18th in volume of bank clearings, although 34th in population. The aggregate deposits in the 20 banks here at the time of the last statement, April 28, were \$96,418,095. Ten years ago deposits amounted to less than \$60,000,000. Loans now amount to more than \$85,000,000, as against \$35,000,000 in 1911.

Thirty Banks in 1874. By 1874 there were 30 banks in the state, of which nine were national banks. In 1872, Samuel G. Owen and Nelson C. Brock formed the State National bank at Lincoln; the Nebraska City National was formed by Dwight J. McCann and J. P. Metcalf; the First National at Plattsmouth, by John Fitzgerald and John R. Clark, and the First National

at Brownville, by John L. Carson and Andrew R. Davison. At the same time the private bank of E. M. Morsman was established in Omaha, and others in West Point, Tecumseh and Columbus. The State Central bank at Grand Island was formed at this time by Fred A. Wiebe and Dorr Heffeman.

In the boom days of the '80's the banking business grew rapidly. The Merchants National bank was organized out of the State Bank of Nebraska in 1882, and six years later moved into the building it now occupies at Farnam and Thirteenth streets. Frank Murphy was president, and Luther Drake, who died July this year, was assistant cashier. The Nebraska National bank was established by H. W. Yates in 1882, putting up the novel iron-faced building which still stands on the northwest corner of Farnam and Twelfth streets, and from which it took the nickname, "the iron bank."