

Banks Indicate Great Progress Made by Omaha

Bank Deposits \$12,000,000 in 1896—Increased Now to More Than \$100,000,000.

Financially speaking, it was only 20 years ago that Omaha hit its stride. In this last stretch, Nebraska traveled as fast as any state in the union, and Omaha made much greater progress than many other cities. From early days the bankers and business men of neighboring states regarded Omaha as the financial metropolis of the section, but as the Missouri valley developed, the city took on greater than proportionate importance.

"The real history of the banking business in Omaha began after the panic of 1893, and in fact, since 1900," Gurdon W. Wattles, chairman of the board of the United States National bank, says. "During the panic of '93 every savings bank but one, all the state banks, and several national banks failed. In 1898, the year of the Trans-Mississippi exposition, only eight banks were left, the Omaha National, the First National, the United States National, the Merchants, the Nebraska, the Commercial, the Union, and the National Bank of Commerce. Their total deposits were only \$12,000,000 in 1896, which looks pretty small when you consider that we entered the year of 1921 with deposits of more than \$100,000,000, and with three banks, each having larger deposits than all had 25 years ago."

Financial Turn Comes.
"In the panic, which was followed by three crop failures, the lowest ebb was reached and the exposition marked the turn. This brought a lot of money from outside and distributed it among a great lot of people. The financial success of the exposition, which made the unique record of giving back to its stockholders 92 1/2 per cent of their subscriptions, did more to re-establish business confidence than anything else."

"The great business boom which started in 1900 lasted through 20 years, with only a slight break in 1907. During all this period business as a whole was on the upgrade in the territory surrounding Omaha. Meantime there has been an absolute change in banking methods. In the old days every bank had to take care of itself. When the pinch came each had to press its debtors and fall or stand with its degree of success in forcing payment, even by foreclosure."

Now they can take their assets to the Federal Reserve bank and get money to tide them over. At present, on account of the ability of the banks belonging to the federal reserve system to borrow from this source, the national banks of Omaha have been able to meet the call from banks over the state and lend them millions to tide them over the time of depression. In the last year Omaha banks have released to their country bank customers more, than

Rapid Growth of Omaha Federal Reserve Branch Shown in Short History

Exercises With But Few Exceptions All Powers Enjoyed by Parent Bank; Settles Direct With Other Federal Reserve Institutions Instead of Through Head Office; Transit Operations Increased From 2,768 Items Daily to 31,000 Now.

The federal reserve act was passed December 23, 1913, and in June of 1917 an amendment to the act was passed permitting the establishment of branch banks. In July of the same year the federal reserve board authorized the establishment of a branch of the Federal Reserve bank of Kansas City in Omaha.

The Omaha branch was the second Federal Reserve Branch bank to be established in the United States and began business September 4, 1917, with reserve deposits of \$13,654,953.70.

The territory assigned to the Omaha branch from the beginning comprised the states of Nebraska and Wyoming, with areas in square miles of 76,808 and 97,548 and populations, according to the 1910 census, of 1,192,214 and 145,965, respectively. The 1920 census gives the population of Nebraska as 1,295,502 and Wyoming 194,402.

Has 251 Members.
The Omaha branch serves a territory where agriculture and stock raising predominate. In addition Wyoming is the principal wool-producing state in the union and ranks third among the states of the Tenth federal reserve district as a producer of crude oil.

In the territory of the Omaha branch on the day of its opening there were 1,224 banks, of which 227 were national, the remainder operating under state laws. Of the state banks 100 were members of the federal reserve system. In addition we have been called on to take care of our merchants, manufacturers and other home customers, and have been able to avoid what might have been a bad money panic.

A Depository City.
"Omaha has always been a central reserve city, that is to say, deposits of other national banks outside Omaha are kept here and counted as reserve. The vast territory west of us has made this a depository city, carried accounts here and has trusted Omaha to take care of it by financing its business operations."

Mr. Wattles came to Omaha from Carroll, Ia., where he had been president and a large owner in the First National bank, 30 years ago. He soon became vice president of the Union National bank, and after the death of W. W. Marsh, was made president. In 1905 this bank, with the Commercial National, was merged into the United States National and moved into the building which stood on the corner of Sixteenth and Farnam streets before the present structure was erected. Mr. Wattles became first vice president, later the head, and now is chairman of the board.

banks qualified to become members one, the bank of Lewellen, Neb., had been admitted to membership when the branch opened.

To date the membership of Nebraska is 188 national and 22 state banks, out of a total of 1,196, while the membership for Wyoming is 47 national and four state banks, out of a total of 158 banks.

Now Settles Direct.
Since its opening the branch has exercised with few exceptions all the powers enjoyed by the parent bank. These exceptions are that the branch does not carry a capital stock subscription account for its members, nor does it engage in open market operations except for the account of the parent bank. In June, 1919, the branch took over the function of settling direct with other Federal Reserve banks and branches which had hitherto been done only by the head office.

The following figures reflect the growth of the volume of business handled by the Omaha branch:

Transit operations at the opening in 1917 averaged 2,768 items daily. The present daily average is 31,000.

Currency transactions from insignificant proportions have reached the total of \$2,000,000 received and delivered monthly.

Here Are Loans.
The maximum and minimum of branch loans from the opening are here shown:

Year	Minimum	Maximum
1917	\$ 2,156,000	\$12,838,000
1918	2,365,000	28,187,000
1919	2,427,000	41,992,000
1920	24,248,000	41,997,000
1921 (To Mar. 31)	23,000,000	31,900,000

These figures reflect demands growing out of war financing and the strain incident to the economic readjustment period thereafter.

In the department of the Omaha branch relating to fiscal agency functions the government's fiscal operations have been responsible for a large volume of Liberty loan coupons and dividend checks, certificates of indebtedness, war savings stamps and deposits for general account of the United States treasurer, handled.

tional banks located in Greater Omaha.

An auditing department is maintained by the branch which makes an audit of each others department at least once a month and also keeps a current or perpetual audit of all transactions of the discount department and maintains daily control of all cash and collateral held. The branch is also audited four times a year by the general auditing division of the parent bank and at least once a year by the auditing division of the Federal Reserve board at Washington.

Buys Permanent Home.
On May 24, 1920, the Federal Reserve bank of Kansas City purchased as a permanent home for the Omaha branch, the premises known as the Farnam building, containing 40,421 square feet of available floor space. Some remodeling of the quarters which the branch occupies has been made and further important changes are in contemplation, which when completed will result in the branch utilizing 15,303 square feet of the building purchased.

Several changes have occurred in the personnel of the bank's directorate and management. The original directorate serving the Omaha branch was composed of the following: Luther Drake, Omaha, president; Merchants National bank; J. C. McNish, Omaha, owner of the McNish Cattle Loan company; O. T. Eastman, Omaha, designated manager and chairman of the board of directors; Dr. P. L. Hall, Lincoln, president Central National bank, and R. O. Marnell, Nebraska City, cashier Merchants National bank.

At the opening of the branch, E. D. McAllister of Kansas City was designated cashier, the number of employees at that time being 17. In January, 1920, George A. Gregory was designated assistant cashier. On March 1, 1920, L. H. Earhart, formerly assistant cashier of the parent bank, succeeded O. T. Eastman as manager and chairman of the board of directors. On May 1, 1920, P. R. Freedman, formerly cashier of the Denver branch, succeeded E. D. McAllister as cashier of the Omaha branch. In July, 1920, W. D. Lower, formerly chief clerk, was designated assistant cashier and placed in official supervision of transit operations, at which time William Phillips was made chief clerk.

Present Directors.
The number of employees at present is 144 and the directors and officers are as follows:

Directors: R. O. Marnell, Dr. P. L. Hall, George E. Abbott, W. J. Coad and L. H. Earhart.
Officers: L. H. Earhart, manager; P. R. Freedman, cashier; G. A. Gregory, assistant cashier; W. D. Lower, assistant cashier, and T. Gordon Sanders, assistant Federal Reserve agent and branch auditor.
George E. Abbott, president of the First National bank, Cheyenne, succeeded to the vacancy caused by the resignation of J. C. McNish and W. J. Coad, vice president of the Packers National bank, Omaha, was elected to fill the vacancy caused by the death of Luther Drake.

This narrative history evidences a marked growth in the branch itself as well as a material development in the territory which it serves and is believed to be conclusive of the benefits of the Federal Reserve system to the nation's industry and commerce.



A Complete Personal Financial Service

HERE in one big room we offer a complete service in the handling of your personal financial affairs.

The Peters National Bank was organized to render a better service in the handling of personal accounts, and it is this business we invite.

In addition you can get here foreign exchange, letters of credit, steamship tickets to all parts of the world and the regular service a modern bank offers its customers.

In the same banking room are the complete facilities of the Peters Trust Co., including, in addition to our Investment Department, our Trust Department, Property Department and Safe Deposit Vaults.

The officers of the Peters Trust Company and the Peters National Bank join in cordially inviting you to make the fullest possible use of our complete facilities.

PETERS TRUST COMPANY
and
PETERS NATIONAL BANK
Farnam at Seventeenth
Peters Trust Building

The Development and Progress of Omaha

RELYING for the past 50 years on the integrity of its citizens; its great natural resources; its geographical location, Omaha today stands as the seventh city, per capita, in volume of business done, and eighteenth in bank clearances, though thirty-fourth in population--all of which augurs well for a still Greater Omaha in the next 50 years.

Merchants National Bank

1220 Farnam Street

SAFETY FIRST

IN these precarious times it is more important than ever for all who have money to look carefully into the stability of the bank or other institution in which it is deposited.

- ☞ It has been truly said that it requires more ability to keep money than to make it. This applies especially to the working classes who have had little or no business experience. It is estimated that one hundred million dollars has been lost by Nebraskans during the past five years by unwise investments in stocks and bonds sold by promoters.
- ☞ Make investments in securities only after consulting a reliable banker and deposit money only with the most reliable banks.
- ☞ Examine the names of the officers and directors of the United States Trust Company when making investments.

GURDON W. WATTLES