

Savings Bodies Of State Strong After Weak Start

Wise Governing Statutes and Capable Development Make Nebraska Outstanding State in West in Banks.

By THOMAS J. FITZMORRIS, *Lighting, Savings and Loan Association.* Greetings and well wishes to The Bee on its golden anniversary!

These words carry a little more of the heart touch than many greetings prompted by the occasion. They are intended to salute with a magnum of good will the present-day makers of The Bee and to express the writer's abiding reverence for the memory of the founder, his character and public services.

A review of the forces responsible for the upgrowth of the building, savings and loan associations of Omaha and the state at large would be incomplete without a frank acknowledgment of the services of The Bee in their behalf. Long association with Edward Rosewater and the working staff of the paper enable me to speak of it from intimate knowledge. The master builder of The Bee was himself a wage worker far into manhood's years and an employer whose working hours ran from sun-up to midnight. His sympathy for the wage-earning masses had the spur of personal experience. It was genuine and sound to the core and found expression in many practical ways designed to advance their welfare.

None better than he appreciated the importance of saving as the first step toward better things, while the hope he visualized as the fountain source of family happiness, independence and stability. It was quite natural, therefore, that mutual associations, promoting the virtues of thrift and home-getting should enjoy the encouragement of editor-in-chief and the freedom of the columns of The Bee.

Checkmaking a Plague. It is not too much to say that The Bee was one of the few influential forces which united in rescuing mutual associations of the state from the blight of dishonest foreign concerns, bearing similar names, which spread like a plague over the middle west in the early '90s. These concerns were prolific in promises and mighty shy of performance. Their salesmen flocked into Nebraska from Minnesota, Illinois, Iowa and Missouri, and led a host of rainbow chasers within vocal distance of the fabled pot of gold, meanwhile trimming them to a finish. The aggregate of easy money scooped up in that period is not comparable with the golden stream poured out by the gullible in the boom days of salesmanship in 1919-20. Increased numbers must be taken into account, a fact which lends an air of prophecy to Barnum's census, "One is born every minute."

The law of 1891 governing mutual associations was designed to safeguard home institutions from dangers then apparent. For many months the law remained a lifeless

thing, through official indifference. Associations at that time were weak and did not have sufficient means to put on the airs and raiment of prosperity which commands the listening ear at the state house. Agitation by association men backed by The Bee eventually reached a fever spot and provoked an investigation. Good results quickly followed. Foreign associations so-called could not comply with the provisions of the law on equal terms with home institutions and were obliged to withdraw their salesmen from the state to escape prosecution.

The Foundation of Prosperity. The law which forced the spurious associations from the state laid a broad and secure foundation for the home making associations of today, and upon it they have built a superstructure of \$80,000,000 of resources, representing the savings of 120,000 members. The effect of the agitation for law enforcement may be visualized in another potential way. From 1896 to 1920 inclusive, the records show a total of \$77,000,000 loaned for the erection of 38,530 buildings, mostly homes, in the state, and \$98,000,000 loaned "for the purchasing of home-steads or the payment of home-stead mortgages."

The blight which the saving people of Nebraska escaped a quarter of a century ago left trails of cruel deception and plain robbery through-out the middle west, brought distress to thousands of people in Minnesota, Iowa, Missouri and Kansas, and so discredited the name of "building and loan association" in those states that honestly managed home institutions are still struggling under the handicap. While the states named remain tallenters in the co-operative movement, Nebraska holds a place near the head of the procession of progress, ranking eighth among the states of the union and surpassing every state west of the Mississippi and south of the Ohio rivers.

Meeting Changing Conditions. A revision of the original law by the legislature of 1899 and the amendments added in later years enabled associations to meet changing conditions and extend their usefulness. Mutuality is the essence of the law, and is effected by two methods—the serial and permanent. The serial method provides for increasing shares in series of earnings going forward to maturity together, and calling for regular weekly or monthly installments. Serial shares are the most profitable because of the persistent regularity of payments enforced by fines and the increasing gains derived from those who drop out and lose a percentage of their book profits.

The permanent plan of operation dispenses with all serial restrictions, leaves the members free to make payments at will and in any sum up to the limit, and credits each \$1 with an equal share of the earnings. Both systems allow members to pay the par value of shares at once, such shares in most cases receiving the same pro rata of earnings as installment shares. As the permanent plan permits free withdrawals on days' notice the law requires permanent associations to set aside 5 per cent of the net earnings as a reserve fund out of which loan losses are paid. Fifty-eight associations in the state are conducted on the permanent plan, 12 are serials and four have a combination of both.

Three Legal Safeguards. Among the many legal safeguards thrown around these institutions

three deserve special consideration. The first of these, one generally overlooked, is tucked away in the section of the law governing withdrawals. After setting out the terms on which withdrawals can be made the law adds this saving clause: "At no time, however, shall more than one-half of the unloaned funds in the treasury be applicable to the demands of withdrawing shareholders without the consent of the board of directors."

The purpose of this proviso is quite clear. It gives directors power to checkmate panic among the members and render a run on the institution useless. On two occasions this safeguard was quite generally invoked—once in 1895 and again in 1907, and proved notably effective.

The second line of safety consists of state supervision and examination. Examiners of the bureau of banking check association books at least once a year, or oftener if the need arises. State supervision extends to the articles of incorporation, the constitution and bylaws, each of which must comply with the law as the bureau interprets it, and no subsequent change is effective without official approval.

The third safeguard consists of mutual self-interest, mutual helpfulness and first mortgage security based on the homes of the people.

Notable Progress in Omaha. The associations which have grown up with growing Omaha are esteemed the country over as models of mutuality and prosperity. Four of them were tested in the crucible of 10 mighty lean years of the '20s—years combining financial stress, drought, crop failure and unemployment. The strongest and the weakest of state savings banks hereabouts went to the wall, each adding to the tenseness of the financial squeeze. Yet the associations weathered the prolonged storm, came out of it with very little loss in resources, but vastly improved in prestige and public confidence.

Twenty years of progress and prosperity followed that remarkable test of strength and safety. Associations grew in numbers and in business. Ten associations with headquarters in Omaha at the present time have resources exceeding \$50,000,000, or \$259 per head for every person counted by the census takers in Omaha 15 months ago. Practically all of this money is employed in the upbuilding of the city, increasing the hosts of saving people, multiplying the number of home owners and energizing all currents of trade.

From 1910 to 1920, inclusive, 11 fiscal years, official reports show that nine associations in Omaha made loans for the erection of 10,655 new buildings, most of them in the city and nearly all of them homes.

"Institutions which are devoting their resources and their exclusive endeavors to providing homes for the people," writes John B. Sparrow, "are rendering incalculable service for humanity, the benign influence of which can only be measured in the history of generations yet unborn."

The White House in Washington has a fleet of nine cars: The president's touring car, laundaret and limousine, for the use of his family and guests; the secret service car; the secretary's touring car for the use of himself and family; the "office" car, for the official use of assistant secretaries; an electric runabout and two ambulances for hauling supplies, etc.

Electric Tube To Speed Mail, Inventor Says

Postoffice Department Investigator Claims Can Be Installed All Over Country.

New York, June 18.—A mode of transportation has been developed which will, in point of speed, affect the commerce of the United States as radically as did the practical application of steam to water transportation, according to claims by the inventor.

The new plan, which is known as the Canton Transmission System, has been demonstrated by the inventor, Allen A. Canton, a New York electrical engineer, who would supplant the pneumatic tube by applying electricity as the main motive power. Canton proposes the construction of electric tubes four feet in diameter, which will be laid just below the surface along the right of way of the main railroad lines of the country. Through this tube, carriers, nine feet in length and built of steel will be operated and used for carrying mail, express and freight.

Given to Hays. The new system whose merits have been presented to transcontinental railway managements, was laid before Postmaster-General Hays by the inventor recently and is now under advisement for the rapid transmission of mail and parcel post. One of the measures to be urged in the present session of congress will be the adoption of such a plan.

The postal pneumatic tube system

had its first installation in Philadelphia in 1893. New York got its first tubes in 1898, and it was followed by Boston, Chicago and St. Louis. However, it is generally known that the pneumatic form of transportation has many disadvantages, and among them are the very high cost of installation. Then, again, the pneumatic system operates at only short distances and one carrier in transmission occupies the entire plant until it has passed through. It requires very large and expensive pumping stations, and because of the fact that the carriers must fit snugly in the tubes, the speed is limited and the carriers often stick in the tubes, necessitating expensive repairs and delay.

Five-Ton Capacity. Describing his plan in an interview, Inventor Canton said:

"The carriers are nine feet in length and are made of steel, with a capacity of five tons, and can be transmitted singly or coupled together in trainloads of from 10 to 50 carriers. The first carrier has lock switches on it, which are set for any particular station, and as it reaches that station it is automatically switched from the main line on to its destination.

"There is one rail used for keeping the carrier in position and two smaller rails for carrying the necessary current. Snowstorms and electrical disturbances have no effect on this system, which offers at the present time the best solution to the problem of perishable freight."

Coast-to-Coast Tube.

Canton is one of the developers of what is known as the half-watt lamp, now in use throughout the world, and is the original inventor of the "wireless telegraph," used in most navies. He also invented the multiple unit control system for trains, parts of which are in use on every electric railway in the country.

It is Canton's belief that a tube can

be laid from coast to coast within the period of a year with the proper facilities, and that inasmuch as it is by no means a subway proposition, but simply an undertaking fraught with no greater labor than the Standard Oil company would meet in laying a pipe line, the work might be completed within that time. The tubes can be hung under railway bridges,

and this would avoid excavations under river beds.

Will Try Motor Buses. The street railway company of San Salvador, in Central America, recently purchased 20 passenger auto buses, which it is testing on its tracks with a view to replacing the present mule-car service. If the test is successful the company intends to purchase more buses and use the old cars as trailers.

STRENGTH

The selection of a depository for your savings and investments should be governed by the strength of the institution.

This Association is backed not only by a Reserve Fund of \$650,000, but by thirty years of experience—guided by safe and sane business policies—applied for the benefit of all its members, who participate equally in the earnings, distributed semi-annually.

Operating under the supervision of the State Banking Board, all members are protected by carefully selected first mortgage securities on Omaha real estate and eastern Nebraska farms.

Savings and Investments totalling \$17,500,000, belonging to upwards of 25,000 members, indicate the confidence of the community in this Association.

The CONSERVATIVE SAVINGS & LOAN ASSOCIATION
1614 Harney

Paul W. Kuhns, President
E. A. Baird, Vice Pres.

J. A. Lyons, Sec'y
J. H. McMillan, Treas.

6% Dividends
Credited or Paid January 1 and July 1

Nebraska Savings and Loan Association

A mutual institution composed of thirty people, whose savings are devoted to making OMAHA A CITY OF HOME OWNERS. Thirty-six years in business without the loss of a dollar to shareholders.

Assets, Jan. 1, 1921, \$1,901,022.25

One Dollar starts an Account. Any sum up to \$5,000 received. Money loaned on Omaha homes. Reasonable terms—Prompt Service.

THOS. A. FRY, President JOHN R. BRANDT, Secretary

OFFICERS AND DIRECTORS

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The Law of Success Is Simple but Definite

In the measure that you give to the world you will be rewarded in return.

- Hidden in the minds and hearts of men are thoughts and talents waiting to be utilized; a great untouched mine of human resources that will yield progress and achievement as its wealth is brought to the surface.
- A vital and necessary factor in the development of men and women is Capital and Capital enlarges our field of endeavor, and provides the key to the door of those opportunities that would otherwise remain beyond our reach.
- Capital in most instances is accumulated by the slow process of saving until the sum grows to such size that it can be employed to effect a worth-while result.
- If you have not begun your savings account, do so without further delay, and open it with this bank, where courteous attention goes hand in hand with a reliable institution.

4% Paid on Savings Accounts

Interest compounded quarterly. Funds subject to withdrawal without notice.

Deposits protected by Depositors' Guaranty Fund of the State of Nebraska.

American State Bank

Eighteenth and Farnam Streets
D. W. GEISELMAN, President D. C. GEISELMAN, Cashier
H. M. KROGH, Asst. Cashier

WE ARE YOUNG
By Comparison With The Bee

But our growth and development during our eleven years of existence has been steady and persistent. We passed the million mark last year. If you want to finance the purchase or building of a home, let us show how we can serve you. We pay 6% on savings.

Bankers Savings & Loan Association
1505 Farnam Street

We Pay 6% on Savings and Help You to Own Your Own Home

STATE SAVINGS and LOAN ASSOCIATION
Ground Floor Keeline Building

HOME BUILDERS' tenth anniversary occurred on April 21. It is a youthful institution compared to The Omaha Bee, although the heads of the company have spent long careers as citizens of Omaha.

A decade is a sufficient period to test the policies of a business house. These ten years have demonstrated the success of HOME BUILDERS' Plan.

With assets of more than \$1,500,000.00, HOME BUILDERS is a strong institution. It has constructed and assisted in financing many large buildings in the city and thereby contributed toward the development of Omaha.

This activity has given employment to hundreds of craftsmen and has enabled thousands of investors to place their funds in safe, profitable, mortgage-secured investments.

HOME BUILDERS pays 6% per year to the owners of the company's preferred shares and to the holders of the first mortgage bonds administered by the company. Any amount from \$1.00 up may be invested in the shares. The bonds are in denominations of \$100.00 to \$5,000.00.

Money placed in HOME BUILDERS is used locally and therefore stimulates business in the Omaha marketing area.

You are invited to invest your surplus funds in HOME BUILDERS, no matter how small or large the amount may be. Your money will be employed to the advantage of the community, and you will be paid the highest return compatible with safety.

Home Builders
INCORPORATED
Dodge at 18th, Omaha
Assets Over \$1,500,000
C. C. Shimer, Pres. G. A. Rohrbough, Sec.-Treas.
AMERICAN SECURITY CO.
Fiscal Agents

An Institution That Grows by Helping Omaha to GROW

Buying Homes

The Aim and Purpose of the Omaha Loan and Building Association encourage thrift by the saving of small sums and provide ways and means whereby every family in Omaha may procure a home.

Benefits Mutual

It is a mutual and co-operative savings institution under the supervision of the State Banking Dept. The Association members have associated themselves together for their mutual benefit and financial advantage.

All Share Alike

There are no preferred stockholders. All members share alike in the profits.

Saving Money to Build Homes

Savings accounts may be opened at any time in any amount from \$1.00 up to \$5,000.00.
Loans made on improved Omaha Real Estate.

Omaha Loan and Building Ass'n
The Oldest Savings Institution in Omaha
W. R. ADAIR, President
J. T. HELGREN, Vice President A. A. ALLWINE, Secy-Treas.
Dodge and 15th Streets