

in language something like this: 'When in the course of human events it becomes necessary to multiply one numeral of the denomination of TWO by another numeral of the denomination of TWO the result, my friends—and I have the science of mathematics to substantiate by statement—the result—and I say it without fear of contradiction—is FOUR' ". (Laughter and applause.)

Now, our hundred thousand born orators in Oklahoma and Texas—from Texas, rather—have been endeavoring to save the State through the use of such eloquent phrases as I have just quoted while the bankers have been striving towards the same end in another and far more modest way.

Oklahoma Has Peculiar Problems.

Our problems have been somewhat peculiar in Oklahoma as most of you know. Our population is perhaps the most heterogeneous of any State in the Union, being a mingling of all of them. Farmers who came from Dakota or Minnesota planted the Dakota or Minnesota crop, wheat; the farmers from Iowa or Illinois planted the Iowa and Illinois crop, corn; the Kentuckian planted tobacco; the Mississippian planted cotton; the Californian carnations and the Texan planted them all and raised the devil.

No such conglomeration or such an exhibit of horticultural monstrosities was ever before seen in the wide world as was offered by our State when they all got in full swing with their variety of fodders and flowers, grains and grasses, roots and rubbish. Every farmer would try to make that soil produce what it had produced back home regardless, in a general way, of climatic conditions, soil adaptation and all those things which usually enter into farming. Immigration was very heavy; speculation became rampant; our virgin prairies produced in profusion almost anything that was planted; farm values advanced from \$500 to \$5000 per quarter section in a very few years and, very naturally, the farm came to be looked on from the value standpoint more as to what it was worth as an investment or speculation than what the soil would actually produce.

Session of a Drought.

All went "merry as a marriage bell", as they say, until the summer of 1911 and then came one of those long, dry, hot spells which you fellows in Texas may have heard of as happening somewhere else, when the thermometer rose every morning to about a hundred degrees and stayed there like some Joshua waging an endless battle. Three million acres of Indian corn planted on our uplands withered away at an estimated loss of \$50,000,000 to our farmers. Other crops suffered very heavily but the loss from crop shrinkage was, after all, small compared with the loss from another source. Our State, like those great sections of this, is by Nature admirably adapted to live stock raising and in the decade preceding 1911 our farmers had at great expense and great effort stocked their farms with thoroughbred horses, cattle and hogs. Now, when the drought of that year came and they had no feed for their stock they were obliged to sell it and this denuded the farms of livestock. Strange as it may seem to you there were many farmers in Oklahoma who had livestock and held it until the drought of that year that were obliged to sell it when that period came and we saw our beautiful Registered Short Horn Herefords, Poland China and Duroc Jerseys rushed to the market in a mad scram-



WILLIAM Z. HAYES

President of the Citizens' Loan and Investment Co., Mount Pleasant, who is Vice-President of the Texas Bankers' Association for the Fifth District. Mr. Hayes is a native Texan and began his banking career in Mount Pleasant in 1900. He served also the First National of Wylie and the City National of Texarkana as Assistant Cashier. Mr. Hayes was instrumental in the organization of a string of East Texas banks. In 1907 he was appointed one of the three State Bank Examiners. At that time there were only 125 State Banks, and Mr. Hayes acted as Chief Examiner under Mr. Love, until he resigned to become Assistant Cashier of the American National Bank, Austin. From Austin he went to Mount Pleasant. At present he owns considerable stock in half a dozen substantial banks in his section.

ble and sold to our packing houses in Oklahoma City and to your packing houses here in Fort Worth and the packing houses in Wichita and Kansas City at ridiculous prices and at terrible loss to our farmers.

Naturally such a condition aroused public interest. Our Association decided to appoint a committee on agriculture to see what was the trouble. We called in some farm experts who weren't merely book-farmers but who were real experts and we asked them what the trouble was and they agreed on the subject, they said, "It is just simply this, there is practically no intelligent or scientific farming in Oklahoma." "For instance," they said, "while there is a very large part of this State that is admirably adapted to raising of Indian corn there is some three million acres planted over to that crop on our uplands that never has and never will produce a fair yield in an average year, and," they said, "that accounts for your shortage in feed supply". Well, it looked reasonable and then they said, "Now you bankers can correct all this because the farmer will pay attention to what you say." So we accepted the responsibility and started out to fight it and to correct it.

Kaffir Corn Good Substitute.

Across the line to the north in the State of Kansas we learned of a big community that, some twenty years before, had passed through almost the identical experience we did—the same experience which we were then having. We learned, too, that they had overcome the shortage of food supply by substituting kaffir corn for the Indian corn on the uplands—not on the good lands, but on the uplands—kaffir corn which is grown to a great extent out here in the Panhandle District for your

stock. We invited one of the bankers of the community, who had been through it all, to come down and tell us about it. He addressed our five group meetings in February, 1912, and it was a very fine address and immediately following those meetings we had the address printed in pamphlet form and we distributed 135,000 copies of it to our farmers through our banks. We also induced the banker, wherever we could, and we succeeded in a good many cases to take the space which he had been using regularly in a newspaper, just like hundreds of you men have been doing, in which he was carrying an advertisement that nobody read and nobody but a banker could possibly have understood if he did read it and insert herein extracts from this address or pamphlet with an invitation to the reader to call at the bank and get a complete copy of it.

Bankers Take Hold; Results Follow.

But, important as those steps were, they would not have accomplished results alone. Those 135,000 pamphlets gave our bankers an opportunity to talk to 135,000 farmers and they did so. They called the farmer into the bank and wherever the bank had a private office they took him into the private office and they talked over the agricultural situation candidly and frankly. They found the farmers eager to listen and willing to accept suggestions and that was where we did the real work.

Now, what was the result? In the twenty years preceding 1911 our agricultural college and its graduates, our excellent farm journals, our numerous county and federal farm demonstrators had by their united effort brought the acreage of kaffir corn in Oklahoma up to a maximum of 500,000 acres. In the spring of 1912, by the process I have just outlined, our bankers increased that acreage to 1,500,000 or 300 per cent in one year. In the language of the best known farm experts in Oklahoma whose name is familiar to most of you, Mr. John Fields, our bankers accomplished three times as much in one year as all other forces combined had accomplished in twenty years.

Did that work pay? Nearly all of you will remember that last year, the summer of 1913, was the hottest and driest on record in our section of the country. The oldest inhabitant could remember nothing like it and

yet in the face of that very severe drought our farmers have not only had feed for their stock but they have actually been selling feed to Northern Texas and Southern Kansas. We believe that what we have done can be repeated by the bankers of any state in the Union. Our bankers are credited with having added \$50,000,000 to the agricultural wealth of Oklahoma in two years. However, that may be we have fully demonstrated to our own satisfaction the unequalled influence which the banker has with the farmer in the development of agriculture in his community and we believe that you or any other State can do the same, working along lines corresponding with your local needs.

You men of Texas well know that the best way for the farmer to market his crop is to market it on four feet. I see a sign up here that says, "Raising cotton is robbing your grand children", "225,000 tenant farmers in Texas", "40 acres of the 160 should be planted to feed". That is right in the line I am talking to you about. Those mottoes are all right, they merely need to be put in practice. We don't mean that the farmer should market his crop on four feet or that he should do away with cotton entirely where cotton is adapted to your local needs or rather to the soil and the climate. We don't even mean that it should be superseded as a majority crop but we do mean, and if I rightly interpret these mottoes, they mean that cotton should be supplemented by other products that will avoid the necessity of sending all the proceeds of the cotton crop out of the community to pay for the imported products which could be more profitably grown at home. (Applause.)

Wise and Unwise Southern Farmers.

We frequently hear it said that cotton is the curse of the South, I have often heard it said that cotton is the curse of the South. My friends, that is not true. Cotton is the South's greatest material asset, a noble blessing; but cotton to the exclusion of every other crop may become a curse; cotton and nothing but cotton means a ten dollar mule hitched by rope traces to a two dollar plow, dragging behind it a black man lazier than the mule, who lives in a windowless and floorless hut and whose greatest ambition is to raise enough pickaninnies so he will not have any cotton picking to do himself. In such an atmosphere even the appealing

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COMPARATIVE SHOWING OF DEPOSITS	
February 14, 1908.....	\$ 9,887,954.84
February 5, 1909.....	11,617,691.24
March 29, 1910.....	15,041,357.21
March 7, 1911.....	21,574,956.79
December 5, 1911.....	25,445,199.89
June 14, 1912.....	28,433,836.35
April 4, 1913.....	30,497,943.26
August 9, 1913.....	31,746,750.94
October 21, 1913.....	32,225,932.28
January 13, 1914.....	29,087,966.78
March 4, 1914.....	33,602,780.35

We particularly desire the accounts of Southern Banks. Our officer in charge is personally acquainted with conditions in your section. We know your wants and want to serve you.

Capital, \$2,000,000 Surplus and Profits, \$1,000,000 Deposits, \$33,000,000

tones of the old banjo and the mellow whistle of the old darky suffocate and die.

Contrast it, if you will, with the home of the wise southern farmer carrying out the ideas expressed who raises more cotton on ten acres than the exclusive cotton farmer does on twenty, who has some cows and some pigs and some poultry and money coming in every day of the year to pay his expenses and at the end of that period a check for five hundred or a thousand dollars for his surplus livestock, whose home is well built and well furnished, whose children are in school or in college, whose automobile stands ready to take him to the city in a few minutes over well-kept highways, and who is greeted on his return by the sweet strain of "Swanee River" or the inspiring notes of "Dixie" flung through an open window by some thrush-throated Texas belle. (Applause.)

Lack of Educational Facilities.

These pictures are trite, we admit that, but each represents a goal to be sought. We in Oklahoma have come to the conclusion that it isn't reasonable to expect the cotton farmer who consumes only fifty-five days on an average in the planting, cultivation and marketing of his crop to compete successfully with the dairy farmer who works three hundred and sixty-five days in the year. We have furthermore come to the conclusion that it isn't reasonable to expect a citizenship reared without any opportunities for education, to compete successfully with another group of our citizenship which enjoys practically all the great opportunities available in this wonderful country of ours.

And right here let me say that lack of educational facilities is responsible perhaps more than any other single reason for driving our best farmers from the farm so that they may be able to give their children a decent education. They are forced to do it. We, in Oklahoma, are meeting this by the establishment of Consolidated Rural Schools, usually in districts six miles square or thereabouts in which is erected a modern school building similar to the town or village high school and if that building doesn't cost more than \$5000 one-half of the cost is borne by the State and we submit that it is much more sane and just to spend a portion of our public school funds in behalf of our great rural population than it is to spend all of it in the erection and equipment of great centers of learning, against which we have absolutely nothing to say but which are, as everyone knows, turning out more doctors, more lawyers, more teachers and more applicants for positions in professions already overcrowded and which are patronized by less than five per cent of the total population. In these rural schools are taught not only the ordinary branches of education but such subjects as soil adaptation, seed selection, and so on, which create an impetus in farm life that cannot otherwise be engendered and teach the farmer to work with his head as well as with his hands.

Hard work, long hours and poor returns from that work together with a lack of educational and social opportunities account for the fact, in a large measure, that four out of every five of our new rural population are leaving the farm and rushing to the city where they can only hope to eke out a meager livelihood while magnificent opportunities in the country are unwittingly passed by. No remedy is worth while which does not strike at the cause and the cause in this case can only be reached by teaching the farmer how to produce



WARREN P. ANDREWS

Cashier First National Bank, Fort Worth. He was Chairman of the Committee of Arrangements. To him and his co-workers is due the credit for the successful convention in the Panther City.

more from the same amount of labor. None of us are overly fond of hard work, we all shirk it, some of us more and some of us less, and why should we blame the farmer for the same feeling?

Farming Is Hard Work.

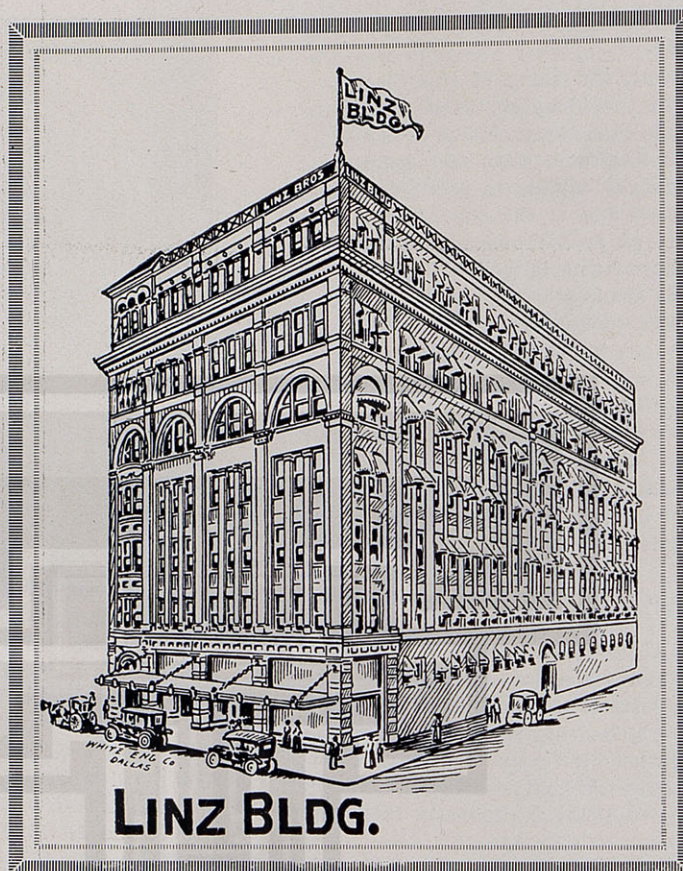
I remember when I was a boy on the farm away up in Michigan we used to get up at four o'clock in the morning and then we would go out and milk the cows before daylight, then we would work in the fields all day long and then come in and milk the cows again after dark. One morning when we went to milk the cows we found that they had broken out of the yard the night before and we were forced to wait until day break to locate them. As soon as it became daylight father called an old Irishman, Bill Ward, our hired man, and sent him after them but he came back alone and said he couldn't find the cows. Then father went and when he came back fifteen minutes later he had the cows with him and he demanded of Bill why he hadn't found the cows, and Bill said, "Boss, are those your cows?" Father said, "Of course, they are, why you've been milking those cows for three years". "Boss," said Bill, "you know, I never seen those cows in the day time before and I didn't recognize them." (Laughter and applause.)

You can now see why I left the farm and why a good many others are leaving it. We do not claim in Oklahoma to have eliminated hard work from farming but we do claim that that work can be lightened and sweetened by better methods and we submit the experiences of the last two years in our State as ample evidence of that fact. What we accomplished in Oklahoma you in Texas can repeat on a grander scale. Many of our problems are identical.

To the west of us here is a great, vast section of country in Western Texas on which a large part of the world is almost absolutely dependant for its beef supply. I hope the time will never come when the vast grazing area now so productive of wealth will be converted into undesirable grain farms. There are sections of Oklahoma in the far western part that today stand mute

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witnesses to the blunder made by the first deluded tiller of the soil who dipped his plowshare in the rich buffalo grass and tried in vain to raise grain where Nature had decreed it should not grow, and I hope that if any movement of some town boomer or some enthusiastic immigration agent to subvert that vast section of yours, which is not adapted to grain raising, into grain farms ever gets under way that it will not meet with your encouragement. Texas has an abundance of rich farm lands without encroaching upon her grazing area.

The Vastness of Texas.

This State is so vast in extent, so varied in its products and so infinite in its possibilities that it astonishes the world, and offers to you magnificent opportunities. When we consider that in four crops alone, cotton, corn, wheat and oats, Texas contributes annually about four hundred million dollars to the world's larder to say nothing of your vast livestock resources, your fruits, your timbers, the possibilities of this infant commonwealth stagger the imagination.

I love Texas and her people; I love her balmy air like we see out of these windows this morning that witnesses to ever present spring-time alike in vegetable and human life; I love her broad fields of cotton that wear a perpetual mantle of snow, and her pine-clad hill-sides clothed in eternal green; I love her princely plantations and her citidels of commerce; above all, I love her men of rare ability and her women of surpassing loveliness. To be a Texan should make youth tingle with aspiration; manhood thrill with opportunity and advancing years glow with achievement.

Strange, indeed, does it seem that almost on the very spot where we are now assembled here today was but a few years ago the camp and the corral. The lone wind whistled through the uncut grass; the wild beasts roamed at will. The cry of the coyote and the howl of the prairie wolf were the sole disturbers of night's starry stillness, while the calm of day was ruffled only by the rustle of the wild bird's wing. Suddenly, as it were, a wand is waved. The shrill whistle of the locomotive breaks upon the stillness, the wild beast flees away, the immigrant dips his plowshare in the virgin soil, the channels of commerce flow and overflow, a thousand hamlets dot the plains, ten thousand homes speck the prairies. In the night, as it were, we see a mighty commonwealth with flags fluttering and guns booming, launched into the great ocean of the world's commerce, the peer of any ship that sails the sea. (Prolonged applause.)

What Bankers Can Do.

Such is Texas today. Her future is largely in the hands of her bankers. I hope that, while glorying in the mighty sweep of land you proudly call your own and in the marvelous development now taking place here, you will not forget that no State can be greater than her average citizenship. In the upbuilding of that citizenship it is yours to take a leading part. Whether it shall be one-sided and spotted—magnificent and showy cities surrounded by a half developed country—or whether it shall progress uniformly in city and country alike depends largely upon the wisdom and vigor with which the bankers of Texas face the problems they must inevitably meet.

What could be more beautiful and grand than this magnificent empire of soil and sunshine developed to its fullest capacity? How different will be our environment

when the country has been made so attractive that the overcrowding of the cities will naturally cease; when our farm boys and girls shall be taught in rural schools and colleges how to develop and build prosperous, successful, happy and beautiful homes; when better methods of agriculture and scientific farming will have eliminated crop uncertainty and the reward for toil will be sure and plenty; when beautiful highways stretching like threads of silver through fields of emerald will bind the farm to the city and we behold at last our brothers of the farm enjoying all the advantages, all the opportunities, all the blessings of our brothers of the city.

Fellow Bankers, that is the picture which we of the present must paint upon the canvas of the future with the oil of enlightenment, the rich colorings of brotherhood and the brush of progress. I thank you. (Continued Applause.)

President Adams—I am sure that you will agree with me in introducing Mr. Harrison I didn't overestimate his ability. I think that on a rising vote you would say that he was one of the hundred thousand born orators in Oklahoma.

I have the pleasure now of introducing to you a gentleman who really needs no introduction at my hands. He has always stood for those things which go for the betterment and the welfare of the citizenship of this State and he has recently given great thought to rural credits and he will give you the benefit of his knowledge this morning.

I take pleasure in introducing to you the Hon. Clarence Ousley of Fort Worth.

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RURAL CREDITS

BY HON. CLARENCE OUSLEY, FORT WORTH.

I FEEL somewhat embarrassed at this hour because I am an eleventh-hour substitute for a very wise and eloquent man whom I know you would have been delighted to hear, my personal friend and yours, Mr. Louis J. Wortham. I feel also some embarrassment as a layman in discussing with experts in credit any phase of that important subject and I would not undertake so embarrassing a task if I did not recall that some fifty years ago a humble, ignorant, toiling, German peasant, in the face of ridicule and contumely that only a brave soul could have endured, wrought out a plan of rural finance that redeemed the German Empire from pressing poverty, distress and revolution, increased its food products from sixty to ninety per cent and is destined within another decade to make it entirely self-sustaining; and that same system twenty-five years ago introduced in the struggling and despised Italy has made that one of the most prosperous and progressive nations of the earth today; it has possessed decadent France and is redeeming those poor, ignorant and desperate people from lives of penury and revolution; and it has invaded even ancient money-lending England and is commanding the respect of the lords of finance in that ancient empire. It has lifted poverty-stricken and heart-broken Ireland up to the point where she is already beginning to enjoy a measure of prosperity. We, in this country have too long flattered ourselves with our own conceits and our own achievements, wonderful, indeed, as they are, but we need now to remind ourselves, as we did aforetime, that we do not possess all knowledge and that we should profit by the learning and examples of others as others have profited by our achievements and our examples.

European System Not Fitted to America.

Briefly, for I must hasten in this impatient hour, briefly, the system of rural finance, which, I wish now at the outset to say I do not consider at all adapted to this country and I describe it briefly merely for its suggestion and not for its example; briefly, the system of finance as outlined by the greatest man to whom I think I have ever listened—two of the greatest men to whom I think I ever listened, Wollemberg, who might be called the Alexander Hamilton, of Italy and Luzatti, who might be called the Gladstone of Italy; briefly, it might be called the pledging of the personal character and resourceful industry of a dozen or twenty or a hundred men for their common credit. As Wollemberg said, you may take a thousand industrious and honorable men in any community or, to reduce it to a smaller unit, take a hundred men, and you may safely calculate that out of that hundred one or two or five or possibly ten will default from illness or accident or misfortune of one kind or another but the other ninety or ninety-five or ninety-eight will redeem their obligations and so, as a whole, the contract for the debt of those hundred men is worthy the loaning and worthy the credit of any institution in the land to the limit of their needs and within the possibilities of their re-

sources. It was upon that simple insurance principle that the rural finance institutions of Europe were constructed and so successful have they been that they have served not only to stimulate individual responsibility, but within that organization has grown co-operative effort in all the branches of agriculture in its commercial as well as in its productive aspects until the result is, today, and I say it with some regret and with some shame as a citizen of the United States, that the European farmer today receives comparatively more and the European consumer pays comparatively less for all that the farmer produces and all that the consumer buys. They have commercialized agriculture as the bankers have commercialized industry and railroads, just as they have financed their annual operations by pledging their credit to the group of farmers and that group proceeding to a larger group and that group to a still larger group, the central agencies or central banks, all under the direction and control of the State, so they have organized for the selling of their products and the buying of their supplies.

Co-operation Works Wonders.

I saw in one place in Prussia a great co-operative grain enterprise that handled the product of one entire province greater than the State of Texas. I saw another co-operative group of farmers doing a business of more than one hundred million dollars a year with their own buying and selling agency for all their supplies and with credit at the bank equal to the credit of any bank in England. So that it is possible by these methods of co-operation to bring about such a restoration of agricultural prosperity as Mr. Harrison so eloquently forecast in his beautiful address.

As I stated a moment ago it is my judgment that we cannot establish unlimited liability banking institutions or credit societies such as are known to Europe because our people have been taught, and wisely taught, I believe, to stand upon their individual merits and achievements. Our farmers live apart and are not clustered in communities as they are there where they are so attached to the soil and where for generation after generation the same family abides and adheres as if they could not tear themselves away. Our farming people, particularly our tenant class, are more uncertain and unstable in their movements. They are more speculative of mind and more irresolute of character, and I take it that it is impossible for us to establish any such system but, assuredly, they can be brought to co-operate in their farming, in the commercial aspect of their business, just as the European farmers are and it is to that particular subject I wish briefly to invite your attention.

Cotton the One Best Crop.

I was much interested this morning in reading the address of your President, Mr. Adams, on the waste in the marketing or in the handling of the cotton crop. I have been saying for some years that that is the most

prodigally marketed and at the same time the most valuable crop in the world and I have been rebuked for my figures of absolutely preventable waste. As Mr. Adams demonstrated in that admirable address yesterday in absolutely preventable waste our cotton crop is damaged to the enormous sum of ten million dollars a year and that is less than half of the preventable waste on the cotton crop. And I wish to digress a moment to say that while I cordially approve all that Mr. Harrison has said and all that these splendid mottoes teach concerning diversified farming yet it is a fact demonstrated by these last five years of dry times in Texas that cotton is our safest and best cash crop. (Applause.) It will always be so and I have no fear—permit me to digress a little further—I have no fear that production will ever outrun consumption. I have that supreme confidence from a somewhat careful study of the situation because I happened to be with the spinners at The Hague last summer and I heard them express their great concern for the increased consumption of cotton. There are seven hundred millions of people today on the earth's surface only halfclad and two hundred and fifty millions not clad at all. Egypt has reached the limit of her present production without further exploration up the Nile and the further development of arid territory and when that is done the Nile's water will be exhausted. The greatest apprehension I have is from unknown China and adventurous Russia. Russia has come into the field as a producing country in the last ten years and is now producing all the cotton they can consume. The uses of cotton are continually multiplying. Why, there isn't a man or woman in this room who doesn't use it. You wiped your face on it this morning; you will lie on it tonight. There is not a palace or hovel on earth wherein it is not a daily article of use. It is the fabric of the automobile tire; it is the white sail of the sea. It is the gentleman's underwear and the workingman's jumpers. It is the hangman's noose and the farmer's plow lines. It is the circus tent and it is the dainty curtains in my lady's boudoir.

If I had the time I think I could demonstrate to this body of business men that under normal conditions we cannot produce more cotton than the world will buy at a fair price. I say I have no fear on that subject. I am concerned only that our farmers receive what they are entitled to receive for their labor and that this southern empire shall utilize to the utmost the greatest commercial resource and asset in all the field of finance and commerce.

Statistics on the Cotton Industry.

As Mr. Harrison told you we produced in Texas more than four hundred millions in the four crops, but we produced in all, with the bi-products of cotton, more than three hundred millions of cotton. The South produces in cotton and its bi-products more than a billion dollars a year and with that asset under a proper system of warehousing, with negotiable receipts, with a commodity safe and protected and under the new provisions of your federal Reserve Act and with that asset properly handled, properly conserved and properly safeguarded, it will make this, not only the most potential section of the globe, but will render panic and distress in finance and commerce impossible as long as cotton grows and men and women use it. (Applause.)

But I have digressed too far. To return to the waste upon cotton marketing. It is not only the country damage, Mr. Adams, which in itself is appalling because by the careful calculations of the Department of Commerce it amounts to \$2.00 a bale on the South's entire crop or ten million dollars on the Texas crop, but that is less than half of the loss. The "city crop" which the buyer takes as samples from the farmer's bales amounts to a hundred thousand bales a year. The patches on it amount to twenty-five to fifty cents a bale; the increased insurance, by reason of the ragged condition of the bale, amounts to twenty to twenty-five cents a bale; the graft—the actual graft, there is no better word, there is no proper word to use except that—the actual graft in the tare which is assessed at six per cent or thirty pounds when really it is about eighteen to twenty pounds amounts to more than a dollar a bale. Not only that, and those figures will aggregate at least five dollars a bale, not only that but the Department of Commerce recently made an investigation in Mr. Harrison's State of Oklahoma, and I do not doubt the conditions are identical throughout the State of Texas, and demonstrated that upon the same day in the same market, upon the same day in several markets, the variation in price for the same grade of cotton was from two to nineteen dollars a bale. I can understand how a merchant might pay the debtor, a distressed customer of his, more than the value of his cotton in order to get his debt paid but I cannot understand how those figures will vary from two to seventeen dollars on the same day throughout the whole State of Oklahoma and I am bound to conclude that the same conditions prevail throughout the South. We will not save the waste in cotton, we will not give to the farmer the fair reward of his toil until the reform

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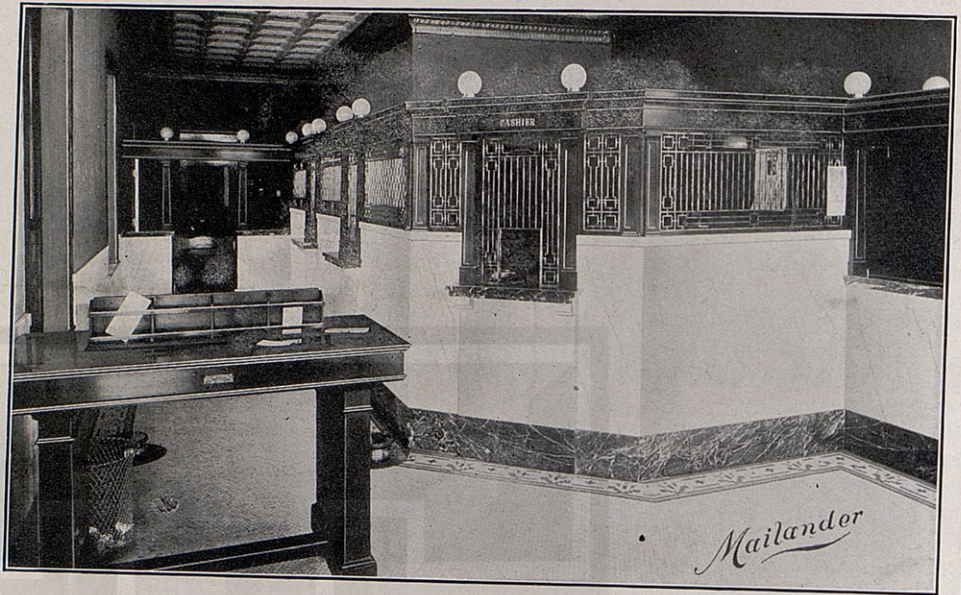
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in marketing begins at the gin, until the cotton is there sampled by an official sampler under bond to take a true sample and then that sample graded by an official grader under bond by the State to give a true grade and that cotton sold throughout the markets of the whole world without that bale being cut open upon the correctness of the sample and the correctness of the grade. No man ever buys a bushel of wheat by taking a personal sample of it. The entire grain crop of the world is handled in this manner. Why should every cotton bale be cut and slashed by the very first buyer who wishes to increase his "city crop" when one man under bond could grade it just as truly as one man under bond could weigh it.

Farmers Should Own Warehouses.

I must dissent from the theory of your plan of warehousing to the extent of saying that not the railroads but the farmers themselves should participate in the management and in the ownership not only of their gins but of their compresses. Gentlemen, they have got more business sense than we credit them with; all they need is the opportunity to develop it and that reform cannot be accomplished unless, as Mr. Adams suggested, you amend your warehouse law so as to compel every warehouseman to come under its operation, so as to compel every ginner to take a fair sample of the cotton and to compel every warehouseman to be a bonded officer to take a true grade of the sample and when that is done the cotton will find its way to the warehouse and when that is done the patching at the compress will be averted and the cotton will go from

the gins to the compress, from the compresses to the market just as any other goods, without waste or loss.

But saving the farmers from waste is not all of the problem. I, too, was struck by that striking statement, "Two hundred and twenty-five thousand tenant farmers in Texas", and that, gentlemen, more than anything else is why cotton is grown and other crops are so neglected by so many of our farmers. You, gentlemen, of the blacklands know that most of your landlords require their tenants to plant the utmost acreage in cotton and the reform has got to begin there for diversity is a stepping-stone to the greater reform of making these tenants farm-owners and that process must be instituted, that facility must be provided or this rumble of fixing land rentals, which you now hear, will presently become a roar for fixing land values and limiting individual ownership and establishing under the power of the State a positive limit to the accumulations and achievements of industrious men. These men will not longer remain in distress without becoming dissatisfied to the point of social revolution and that particular, that identical state of mind was what induced the governments of Europe to establish these systems of land credit by the aid of the State and by that process alone has the German Empire and the Italian Kingdom and the French Republic—by that process alone have those governments been saved from absolute and actual social and political revolution.

Harder for the Tenant.

The time was, thirty years ago, when Judge Dunlap and I were young men, when an industrious, active,

ambitious, young tenant could buy black land at from ten to twenty-five dollars an acre and pay for it out of the proceeds of his labor in five or six years but he cannot do it at \$100 an acre. It is a physical impossibility, it is a physical and financial impossibility for the most industrious man conceivable to pay out a hundred dollar farm in five years, which is about the limit of the time of loan, so that we must provide some different means and we must look again to Europe, which has pointed the way. Seventy-five years ago after the distress and the loss and the waste of one of the Prussian wars that impoverished the land-owners and made their tenants desperate socialists, and revolutionists and anarchists, the Prussian government conceived the idea of using the land as a basis of credit and developed the Prussian land-shaft. Some of them are of unlimited liability and some are of limited liability and the loans are, not for five years, but for fifty to seventy-five years. They have financed their lands just as we financed our railroads and our waterworks and our school buildings, by borrowing money at a low rate of interest and paying an annual sinking fund to discharge the obligation, so that the farmer can borrow money for himself or can buy land upon fifty or seventy-five years and pay in addition to his interest the pitiful sum of a half or three-quarters per cent as a sinking fund and at any interest period if he has come into any fortune or has earned money he can discharge his entire obligation. No railroad in this country is built upon capital; they are all built upon bonds. No manufacturing industry in this country with rare exception is built entirely upon capital; they are all under bond and rarely are the bonds discharged. So, we ought to apply the same principle of finance to the financing of our landed industries and provide thereby the means of purchasing lands and let the purchaser have the benefit of the increment without being burdened by the large annual payments required now under the five-year term.

Land-shaft Bonds in Berlin.

I saw land-shaft bonds selling in Berlin—seventy-five year land-shaft bonds selling on the open market in Berlin at ninety-six per cent and German Imperial bonds, three per cent bonds, selling at ninety-four on the same day. In other words, the land bonds and land mortgage and land debt on land that has proved its fertility in a country of law and order occupied by industrious and thrifty people is esteemed by the best financiers of the world as a better investment than government bonds because governments sometimes fail; governments sometimes are destroyed; they sometimes default, but land, in the average of the years, never defaults and never will default while Nature is true and God preserves the laws that reproduce vegetables and animals in their kind from year to year.

Now, then, immediately to the point—and I am taking very much more of your time than I had intended—now immediately to the point of my particular appeal to this Association: There is now pending in the Federal Congress a Land Bank Act which permits or provides for the establishment of banks somewhat after the kind I have rudely described throughout the United States under the supervision of the Treasury Department, just as the National Banks are supervised and regulated, and permits those land banks to receive Postal Savings Deposits, time deposits of national banks and trust funds in the hands of the Federal Courts



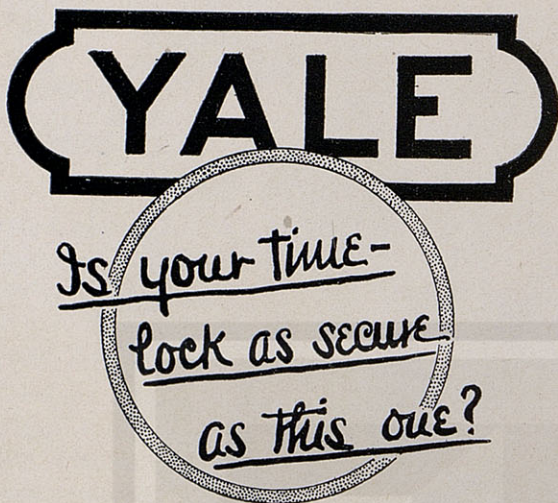
GEORGE S. MCGHEE

Cashier of the First National Bank, Waco; Vice-President of the Fourth District, Texas Bankers' Association. Mr. McGhee has "pledged himself" that Texas bankers are properly entertained and made comfortable during the 1915 convention, which will be held in the "Huaco Water" city. He was among the leading Waco men who fought for this meeting. Mr. McGhee enjoys a wide circle of friends throughout the State; he is a young banker who has distinctly "made good." The First National of Waco is one of the strongest institutions in Central Texas.

but the Act excludes from the participation in those deposits banks in states that prohibit homestead mortgages so that Texas under that Act will not be able to establish a single land bank—a single Federal Land Bank for the reason that these banks would be at such a great disadvantage compared with the banks of Oklahoma or of Arkansas or Louisiana, our neighbors without homestead exemption, that they would be unable to meet the rates of interest provided and established in those states and our agricultural development would languish accordingly.

Texas Needs Land Bank System.

Therefore, it becomes necessary, if Texas is to keep pace with other States in this new and certain development, for, rest assured, gentlemen, there is such unrest, there is such demand and there is such resolution in all parts of these United States that there will be land bank legislation, both by the Federal Congress and by many state legislatures, and, necessarily, if Texas is to take rank with other states in this new development, if she is to conserve her welfare in order to maintain her prosperity in comparison with others, then she must provide her own land bank system. And it is to that subject and it is to that problem, it is to that great obligation of yours that this body of men ought to address themselves earnestly, instantly, perseveringly and unselfishly. You are the great conservators of the prosperity and the material welfare of this commonwealth. You are the Trustees of a great trust. Mr. Baer in his lifetime said, "Men of wealth are trustees of Providence." It is true and yet it is not true in the way he meant it for the Trustee is not permitted to convert the estate to his own use. He may take a fee or make a charge for the service he renders but he must return the estate to the beneficiary for whom



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GENTLEMEN:—

Our safe was attacked March 26th. There were four explosions, but the Yale Timelock did not "let go" until the usual time for opening the next morning.—Some lock!!!

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To specify Yale Bank Locks properly and to help make your Safe Deposit Dividends let us send

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it was designed; the beneficiaries of Providence are not individuals but whole peoples and whole races. Therefore, the men of wealth are trustees of Providence in the sense that it is appointed unto them to serve the people amongst whom they live. There is no better service that can be rendered for this commonwealth or for this republic than for the bankers of this state and other states to lend themselves earnestly with their skill, with their knowledge and with their great hearts to the problem of economic agriculture, of increase of home-owners and of multiplying prosperity in rural places. Ah, gentlemen, it is easy enough to talk about returning to the farm. Nobody has talked any more about it than I have. It is beautiful to paint pictures of country life but it is all a delusion and a snare, until you make the farm pay, you will not keep the ambitious boy on the farm when he is lured by the lights of the great white-way; you will not keep the ambitious girl on the farm, indeed, you will not keep the striving, aspiring family on the farm until you make farm life prosper.

Farms Becoming Depopulated.

And let me remind you that in 1890 the urban population of the United States compared with the rural was only as thirty-five to one hundred. In 1910 the urban population had grown to more than forty. At the same rate of increase another decade will record a majority of urban dwellers. I dread to see that day come because wherever power is it will be exercised, whether in the hands of individuals or political tyrants or majorities of the people, and whenever city consumers outnumber rural producers they will use their power to oppress and restrain. It has been true since the world began and human nature changes but slightly and it will be true again whenever the disproportionate ratio is developed. Gentlemen, consider not the welfare of your cities, consider the welfare of the country. Take care of the country and the cities will take care of themselves. I am afraid of cities; they have wrecked empires and rotted republics and destroyed civilization since time began and in their wantonness and in their greed they will undo ours if we do not safeguard the well-springs of prosperity and content that flow from country hillsides and water country valleys.

A month ago I was called to Alabama to address the State Teachers' Association and I had a delightful ride by daylight through Louisiana and Mississippi and I made an observation there which I gave to those teachers and I shall conclude by giving it to you here, now, because it applies to us as it applied to my theme then. I sat by the car window all day, as I love to do when traveling in daylight, and enjoyed looking upon the woodlands which were then just bursting into green and were washed clean by the April showers. And I noticed the absence of great trees, the towering pines and the giant oaks which in my youth and yours I admired as the mighty arms of mother earth lifted up in worship of her Maker, and as I passed through wide interspaces of farms, many of them worn and wasted, over in east Texas, I noticed how few of the country homes or the school houses were comely or comfortable compared with the prosperous looking towns.

Strength Lies in the Farmers.

I recalled the pictures of rural happiness and culture drawn for me by my father and grand-fa-

ther in their days and I remember that in an earlier day the greatest men of the nation, our statesmen, our warriors, our philosophers, our law-givers from Washington and Jefferson on down through the great constructive period were her planters; her strength lay in their strength, in their virtue, in their sturdiness, in their contentment and prosperity. And just as I missed the giant trees because we have slain the forests for our comfort and profit and have not replenished them and so we are suffering the extremities of inconvenience as punishment for our sins, so I missed those mighty men of the farm, so we miss them in this day now in Texas and throughout this republic. And as we have slain the forests, so our commercial and industrial development has stunted or slain those mighty men and we must replenish that stock or we will suffer serious loss of productive wealth and very serious loss of political and social wholesomeness.

I was thinking this morning as I sat and looked at those inspiring and worthy admonitions that while they are all well and aptly put, that from this warm, May day through the blistering suns of June, July and August and into the withering September and on and on into the cold and frosty mornings of the early winter there will be women and children in the fields of Texas. You hear much these days about social and economic justice and about the hours of labor for women in the cities and for men in the industries, and with all of that uplift and reform I have cordial sympathy, but I ask you to think about the children that will be out in the cotton field chopping cotton this and next month and will be there all next fall when they ought to be in school or at play and about the women who milk the cows before daylight and milk them again after dark and cook breakfast and dinner and supper and chop and pick cotton in the mean while. I ask you to think of the social injustices there perpetrated. I ask you to think of the social justice there demanded. I ask you to study the hours of labor of those women and children as well as our own labor and the conditions that surround them and the toilers in the cities. I have no objection to work. I do not mind seeing children trained to be of service. I admire the woman who takes a hand with her husband and works out their little destiny or their big prosperity. But the place of children is not in the fields and the place of women is not in the fields, it is at the fireside. (Loud applause.) It is not hers to do the hard work of earning the family living, it is hers to do the lighter tasks appointed to her by the Almighty; her seat is at the fire-side with children in her arms and songs of love on her lips.

There was a time, Ladies and Gentlemen, when the might, the strength, the culture, the virtue and the endurance of this land were among its country people and that time must come again if we are not to willfully and wantonly challenge the destruction that has come to other empires and other republics and other democracies by the upbuilding of urban life at the expense of rural life and not until that time comes again my we feel, indeed, as the inspired have declared that "God is in his high heaven and the world is well."

I thank you for your kindness. (Applause.)

President Adams—The Convention will adjourn if you will keep your seats just a minute. I want to thank you for this large attendance this morning and to say that after listening to these three

magnificent addresses that each one of us must realize that what the public thinks plays an important part in the affairs of men and that your responsibilities have been clearly and aptly brought home to you by each one of the speakers this morning. I am sure that the last address has been very much enjoyed.

Now, the American Bankers Association membership is to be taken up by Mr. George E. Webb of San Angelo, a former president of this Association, and he desires to give you a clear understanding of what the five hundred movement in Texas means to us.

J. A. Pondrom—Mr. Chairman, before we adjourn I would like to announce a meeting of the Resolutions Committee at 2:15 this afternoon in the Committee Room.

President Adams—I am requested to announce that the Texas Women Bankers' Association will hold an adjourned meeting at 4:30 this afternoon on the Sixth floor of the Westbrook Hotel. All are cordially invited to attend.

I also wish to announce that this afternoon's discussion will be given entirely to matters pertaining to the banking interests of Texas. The first address will be by Mr. Robt. J. Eckhardt of Taylor and I hope to have a large attendance.

I take pleasure in introducing Mr. Webb.

Mr. Webb of San Angelo—Mr. President, Ladies and Gentlemen: The matter that I want to talk to you about this morning is not one of such interest to you as the subjects which have already been presented. The American Bankers' Association is an organization that is national in its scope. We have in Texas a membership of some four hundred and sixty odd banks and bankers in that organization out of a total membership of some fourteen thousand and two hundred odd, in other words, about three and one-third per cent of the membership is from Texas.

There are a large number of banks in Texas that are not members of this organization. We are endeavoring to increase the total membership in the United States to fifteen thousand by the time of the October meeting. At the present time the American Bankers' Association has as its Treasurer our fellow banker, Mr. Hoopes. You all know him, we all know him and it is a compliment to Texas, indeed, that he was elected Treasurer of the American Bankers' Association, for in the history of that organization the office of Treasurer has always been held by bankers in the northern states and cities. At the meeting in Boston at which Mr. Hoopes was elected as Treasurer his opponent was a man from one of the Central States and the bankers all said, "We want to honor Texas in the selection of the

Treasurer, this time." The principal officers of the American Bankers' Association, for very good reasons as most of you will recognize readily, have been from the large cities and the communities in the North. Some years ago Mr. F. O. Watts, who is now President of the Third National Bank of St. Louis, at that time a banker from Tennessee, was elected as President of the American Bankers' Association. That was a departure from their former methods and the people and the bankers of Tennessee recognized that departure very cheerfully and cordially by increasing the membership in that organization in the State of Tennessee.

Now, I am making an appeal to our Texas people that as a recognition of this honor conferred upon Texas, for I think it is an honor indeed to Texas that Mr. Hoopes should be selected as Treasurer of that organization, that we increase our membership in Texas. We have some approximately five hundred banks and bankers in Texas with a membership in the American Bankers' Association—four hundred and sixty-two, according to the figures at my command. Now this is pretty near all I have to say this morning to urge on every banker in Texas the importance of this. Many of you have received letters from me during the past months. I suppose they have gone into the waste basket. Some good friends write back, "We are going to join some time in the future," puts it off, and some good friends write and say, "Our Directors think it is just another scheme for a jump simply to get away from the bank, increase expense account and have a good time." Well, some go in that way to be sure but the American Bankers' Association does a great deal of work for the bankers throughout the country regardless of whether you are a member or not. We had as one of our Council Members from Texas for three years our highly esteemed friend and banker, Judge Dunlap, and Judge Dunlap knows well the work-

ings of that organization and the work that it does for us all who are bankers. Now, we want your cooperation and support, we want to increase the membership in Texas, and the first time that our Vice President for Texas or a Member of the Executive Council from Texas suggests to you membership don't turn him down. Give him a hearing, if he writes you a letter, don't put it in the waste basket. Now, our friend Hoopes has been writing to you a good many times and they went into the waste basket, I know because the results have not been any better than from my efforts.

I thank you for your attention and interest.

President Adams—If there is no further business before the meeting it stands adjourned.

AFTERNOON SESSION, SECOND DAY, MAY 6.

President Adams—The Convention will come to order. I want to recognize Mr. Ball, of San Antonio, for a resolution.

Mr. R. L. Ball—Mr. President and Gentlemen of the Convention:

There is about to be opened or will be opened next year, in our country, the Panama Exposition, which will certainly be one of the most notable and one of the most eventful occasions which has ever occurred in this country. While we have had exposition upon exposition and some of you feel that we have been surfeited with them, the whole great South, and especially this Atlantic coast country can rise up in a hearty endorsement of the Panama Exposition.

Texas has been held out as the signal territory of this union that would be most greatly benefited by the opening of the Panama Canal.

The great states and nations of the world will have representation at that exposition. The manner of bringing to the attention of the people of this country and of other nations, our state, is by an

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appropriate and proper building within the exposition grounds.

As you gentlemen all, doubtless know, our last legislature declined, or at least did not make any appropriation for the erection of a Texas building at that exposition.

It occurs to me, and I believe it occurs to you, that it would be a reflection upon our great commonwealth, that the space allotted to the State of Texas should remain blank, for we certainly feel and know that there is no place in this Union that less deserves to be left a blank, than the space allotted to Texas. We should erect a monument and a building that would be a credit to us, and it is for that reason, Mr. President, that I rise to make the motion that a committee of three be appointed by the Chair for the purpose of drafting and reporting back to this body a resolution looking to the means and method of raising a fund for the purpose of building a Texas building within the Panama Exposition grounds. (Applause.)

Mr. O. E. Dunlap, of Waxahachie—Gentlemen, you have heard these remarks of Mr. Ball. It requires money to do these things. The opening of the Panama Canal is perhaps the event of second importance in the history of this country being perhaps second to the Louisiana purchase.

The producers of Texas cotton are, in a great measure the beneficiaries of the opening of this canal. In my judgment we should do something in order to see that Texas is properly represented at that exposition—a country vast in its resources, as you have heard from the addresses this morning; a country so big a man once went to see one of his friends and hitched his horse at the front gate, and walked forty-five miles up to the house. (Laughter.)

I think we should appoint a committee and let them agree on some basis of assessment on the capital stock of the banks of Texas to raise a fund, or a proportionate part of it, at least, to respond to this cause.

President Adams—Gentlemen, personally I think this should be done and I believe that the bankers of the state ought to bear their part of the expense.

(Motion put and carried.)

I will appoint on that committee, Mr. R. L. Ball, of San Antonio, as Chairman, Judge O. E. Dunlap, of Waxahachie and Judge William Poindexter, of Cleburne.

We have a telegram from Plainview, Texas.

Plainview, Texas, May 6, 1914.

J. W. Hoopes,
Secretary State Bankers' Association,
Fort Worth, Texas:

We extend to your members a cordial invitation to visit our city during the Panhandle Bankers' Association meeting here June 22-23.

FIRST NATIONAL BANK,
THIRD NATIONAL BANK,
CITIZENS NATIONAL BANK,
CHAMBER OF COMMERCE.

President Adams—Now, gentlemen, I have the pleasure of introducing to this convention one of the real conservative country bankers of this state; he happens to come from a town which I believe has a system of its own in the handling of this cotton crop. Speaking for myself and for the Reserve City Bankers of this State, I do not believe there can possibly be any question before this Bankers' Association, of more importance than the handling of cotton. I take pleasure in introducing to you Mr. Robert J. Eckhardt, of Taylor. (Applause.)

Mr. Robert J. Eckhardt—Mr. Chairman, Ladies and Gentlemen and Fellow Bankers:

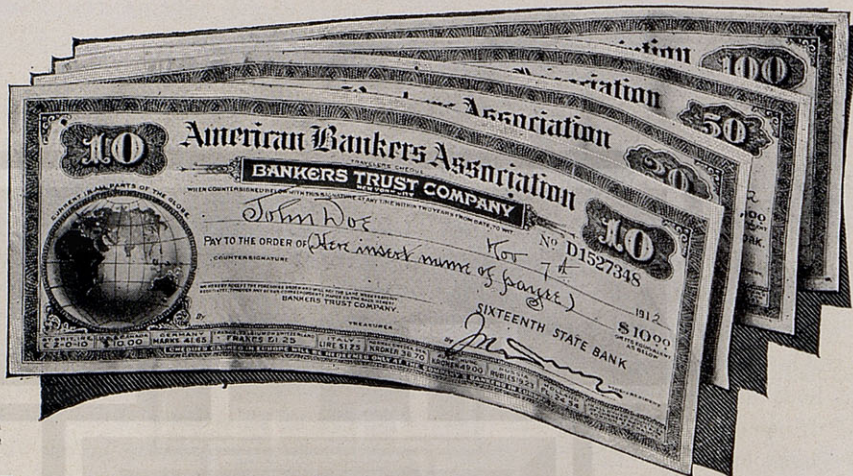
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The Proper Protecting and Handling of Cotton in the Hands of Public Weighers and Compresses

BY ROBERT J. ECKHARDT, PRESIDENT FIRST STATE BANK AND TRUST COMPANY, TAYLOR.

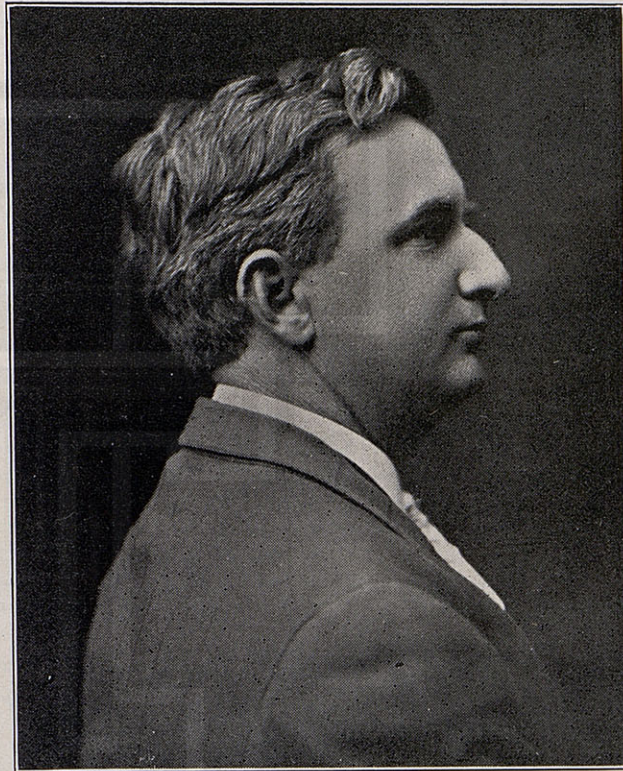
I HAVE made a memorandum or synopsis of the topic upon which I was to speak, "The Proper Protecting and Handling of Cotton in the Hands of Public Weighers and Compresses." After I heard our President speak, I decided that his speech on that very topic, where he touched it, was so much stronger and so much more forcible and so much nearer just exactly what I wanted to say, that I made up my mind that I would read his speech to you. There are a great many parts of his speech that probably some of you did not hear, and there are a great many parts of it that some of you, if you did hear it, probably it did not impress you because his speech covered a multitude of things, and when he hit the cotton proposition, some of you did not pay as close attention to it as you might have done. When he came to the loss or losses that the farmers or that the merchants or that the compresses or that the bankers or that the State of Texas suffered by the negligent handling of cotton, having the figures absolutely correct, it astounded me. I had tried, to the best of my ability, to acquaint myself, at least in a measure, with those figures, but when I heard them read and saw them in print, I was absolutely astounded at the enormity of the loss that is entailed and which is suffered in the State of Texas through the negligent and the unnecessarily negligent handling of our greatest product.

King Cotton, the product of the State of Texas that gives us more money than any other one thing, gives us bankers more trouble, just exactly how to handle it, not because of a lack of funds to handle it, but largely due to the fact that we do not know where the loss is going to occur. Cotton, in the State of Texas, is handled with such a loose method, that when it is brought to the yards, it is just thrown down; if it happens to strike on a board, all right; if it happens to strike on a platform, very well; if it happens to strike in a mud hole, it is turned over the next day, and if it hits in a mud hole again, maybe the next day, another turn.

Stored Cotton Must Be Kept Dry.

Now, I say that the proper way for us to handle cotton is to put it in a place where it will remain dry and not deteriorate in weight and value to the extent that it does.

One case in particular has been brought to my attention by a banker and compress man where a farmer brought a bale of cotton that weighed 530 pounds to his yard; that bale of cotton was sold after it had been in the yard 123 days; it was picked, as we call it, for the second time, and I will tell you, when it comes to the second picking, it is sure enough picking, and they picked that bale two hundred pounds; in other words, the farmer sold it as 330 pounds—the bale that weighed, originally, 530. Cotton that would have brought from ten to fourteen cents a pound, brought only one and a half to two and a half cents a pound, and the good cotton that remained brought about ten cents. In other words, the man, instead of getting \$53 for the bale of cotton, if it would have sold at ten cents a pound, got but \$33. I can enumerate instances where the loss was even greater than that. I know of one man



ROBERT J. ECKHARDT

living at home who brought in 226 bales, and out of the 226 bales, there were 93 bales picked; the average of the picking on the 226 bales was 33 pounds a bale, or \$3.30, and it was due absolutely to nothing in the world but the improper protecting of that product.

Now, what is the remedy? What are you going to do about it? Are we going to sit idly by and be called business men and let the product which is the greatest financial product of the State of Texas be handled like it is any longer, or are we going to go ahead and demand laws and ask for protection in this proposition?

Loss on Cotton Pure Carelessness.

Just think of the State of Texas losing as much as over a million dollars through nothing in the world but carelessness.

Why, if your boy or my daughter were to come home and tell me or you and say they had just tied the horse out in the lot and left the saddle on him and that there was no shelter for him and it looked like there was going to be a blizzard during the night, and just left him out there and ruined the saddle, and next morning the horse is gone—dead, it would be about the same proposition as the protection which our cotton has.

Now, I want to say a few words about this compress proposition. Cotton must be compressed at the nearest

compress en route to the place where it is being concentrated. In other words, if a buyer in Taylor buys cotton at Holland, which is above there on the Katy, the nearest compress is Bartlett; now, if Bartlett cannot handle it or is blocked, the cotton is sent over to Granger; if Granger cannot handle it or is blocked, it is sent to Taylor. Now, if the buyer wants to concentrate his cotton there and wants to get a specific number of bales of any one certain grade, he has to send his classer to Holland, if it is to be compressed at Bartlett or Granger—he has to send his classer to Holland to class that cotton.

Compress Sheds Are Inadequate.

Now, these compresses have no sheds to amount to anything and they have very small platforms. As our President has said in his talk, the man who pays for the compressing should certainly be allowed to use the compress where the best service can be gotten for the same money. In other words, a compress, before it is recognized by the Railroad Commission of the State of Texas, should be made to meet certain requirements; it should be a compress that could keep your cotton dry and compress your cotton and give you a chance to get a bill of lading on it after the cotton is hauled to the compress for pressing.

Now, this has not been so. The compress receives the cotton and it is wet, and the compress is unable to compress it; for months and months the cotton lies there on the platform, the cotton rotting and the platform rotting.

Now, it will pay the compress man to put a shed over his platform, because a platform that is shedded will last three times as long, or probably longer, than a platform that is not shedded, and in addition to that, the buyer

is absolutely able to ask that his cotton be compressed at any time.

Now, we have the yard system, and the cotton is thrown into the yard and the man pays insurance of twenty-five cents per bale and he takes his ticket to the buyer and the buyer buys the cotton by the ticket, and that cotton lays in the yard, and the buyer takes the ticket and attaches it to a check, and we bankers pay the check; we hold the cotton and are wonderfully protected because we have an insurance policy, and that is about all we ever have on it, because the cotton is out there absolutely exposed to the weather and the loss in it goes on from day to day.

I can cite you to compresses that have not even a platform or as much of a shed over them as that they can shed their own bagging with which they wrap the cotton when they compress it.

Co-operative Effort for Legislation.

I say that there is but one remedy, and the remedy is this: That the farmer, the weigher, the compress man, the cotton man and the banker get together and ask for laws that will compel the compresses or the public weighers to give the cotton back to the buyer or to the party who has bought it in as good shape as when it was received, ordinary wear and tear excepted; that is a clause that could be put at the end of the law, but as it is now, there is no such thing as ordinary wear and tear; the cotton is thrown out there at the mercy of the weather, and when the losses are over, who foots them? Who foots the losses that we have to pocket on cotton? I will tell you who foots them. Every one of us bankers contributes his pro rata; the farmer first because he is the

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STATEMENT OF CONDITION AT THE CLOSE OF BUSINESS OCTOBER 21, 1913.

RESOURCES

Time Loans	\$2,586,621.74
Bank Building	346,420.46
Furniture and Fixtures..	17,000.00
Overdrafts	18,238.80
Bonds to Secure Postal Savings	116,234.25
Bonds and Securities	421,234.00
Demand Loans	1,776,776.38
Cash and Due From Banks	1,078,730.86
	3,392,975.49
	\$6,361,256.49

LIABILITIES.

Capital Stock	\$1,000,000.00
Surplus and Undivided Profits	300,669.62
Reserved for Taxes	2,000.00
Deposits	5,058,586.87
	\$6,361,256.49

DEPOSITS

February 5, 1913	\$2,723,426.37
April 5, 1913	3,362,857.27
June 5, 1913	4,146,669.30
August 11, 1913	4,605,283.80
October 22, 1913	5,058,586.87

INCREASE Since February 5, 1913,
\$2,330,160.50.

Accounts of Banks, Bankers, Manufacturers, Wholesale Grain and Lumber Dealers solicited. A safe and conservative bank, offering the best of careful and attentive service to all its customers. Special attention given to collections. Special facilities and liberal terms offered in connection with handling miscellaneous items on outside points. Correspondence invited. A cordial invitation is extended to Bankers and others desiring safe and courteous banking connections in Chicago to visit us when in the City.

producer; the compress man second, because he gets ten cents a bale for every hundred pounds that he compresses, and whenever a hundred pounds is lost, it means a dime to the compress man. I do not believe that any compress man or any farmer or any banker or any merchant would object to paying a reasonable amount for the protection that is furnished him by the proper shedding and protecting of cotton.

The proposition, as our President has said, must start from the interior, and in order to start it from the interior, every country banker that is in the same business that I am has had about all the wet cotton that he wants; he has asked day after day that the cotton be shipped, and when he did not get it shipped, he would ask the Commissioner of Insurance and Banking to please be a little bit easy, that he was doing just the very best he could.

Now is the time for us to get the remedy, and if we ask

that a committee be appointed and a resolution adopted here for our committee to go before the Legislature and have a law enacted that will meet these requirements, I tell you that it will be wonderful, the work that we will do for the State of Texas.

I thank you. (Applause.)

President Adams—I take pleasure in introducing to you Mr. Benson, of Bartlett, Texas, who is going to make a short talk on some losses, as he has had some experience in handling cotton. (Applause.)

Mr. T. B. Benson, of Bartlett—Mr. President, Ladies and Gentlemen:

First I want to ask every banker that is here, who is satisfied with the method of handling cotton, to rise. (No one.) It seems to be unanimous; every one has kept his seat.

PREVENTING COTTON LOSSES

BY T. B. BENSON, CASHIER BARTLETT NATIONAL BANK, BARTLETT.

MY NEIGHBOR and friend, Mr. Eckhardt, has certainly done justice to his subject. He has covered the ground very thoroughly, and I can see but little left to say on the subject of handling cotton.

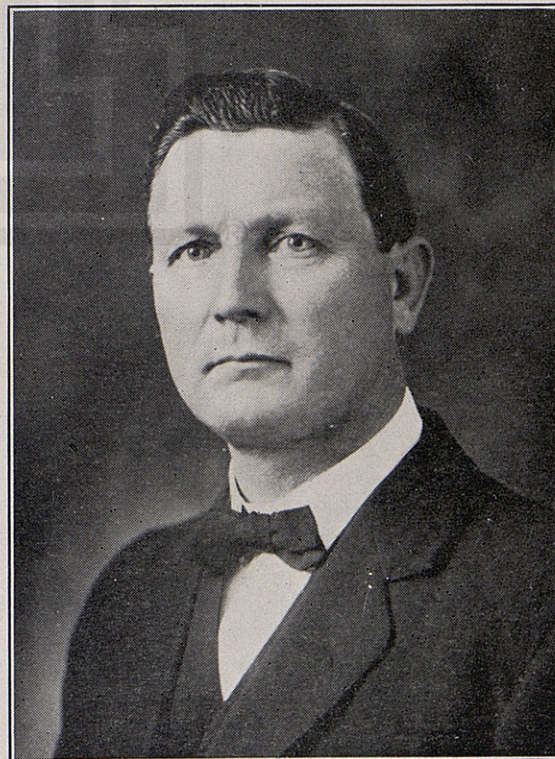
But as cotton is the principal money crop of the South, and as the Southern banker is called upon to finance the crop from long before the first seed is planted until the crop is made, gathered and in the hands of the exporter, I feel that too much cannot be said on this subject. This state alone planted in cotton last year about twelve million acres, or a little less than one-third of the total acreage of the United States. Texas cotton acreage last year was about twice as large as all the cotton states west of the Mississippi River and nearly as large as all of the cotton states east of the Mississippi, excluding the State of Georgia. Last year Texas alone produced about 4,000,000 bales of cotton, or a little less than one-third of the total cotton crop of the United States, which had a money value of about \$250,000,000.

Cotton Neither Worked nor Gathered.

Texas should have easily produced five million bales of cotton last year, had we not been so busily engaged riding in automobiles and air ships and speculating on the location of a Federal Bank that we could not take time to work and gather the crop. But that is now all past history. Dallas, the greatest city in Texas, with possibly the exception of Fort Worth and Houston, has been favored with a Federal Bank, and we are all not only pleased with the location, but elated, and we promise you here and now that we do not envy you your good fortune, but we will all work in harmony with you to make your city even greater.

But since Dallas has had so much to say in regard to her central location, her natural advantages and her immense wealth, there is one demand that we country bankers propose to make upon Dallas, and that is that you furnish us with ample money and at a very low rate of interest to handle this year's cotton crop, which promises to be the largest this state has ever produced.

The cotton account, if successfully handled, is one of the most profitable accounts that a bank has. It is not only profitable as a producer of interest and exchange, but it brings to your bank many deposits that you would



T. B. BENSON

Cashier of the Bartlett National Bank, Bartlett, retiring Treasurer of the Texas Bankers' Association. Mr. Benson is an expert on the handling of Cotton Accounts, and his little talk at the Convention was listened to with much interest.



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not get otherwise. But we should not lose sight of the fact that it is also a very dangerous account. To produce interest and exchange on a cotton account we must first produce a successful cotton buyer. My observation has been that there are two classes of cotton buyers—First, the successful, legitimate dealer, the one who is conservative, financially responsible and keeps his cotton well margined and fully covered against loss by fire. His account is not only profitable, but should be desired.

Different Species of Cotton Men.

There is another species of cotton buyers commonly known as the "Stemwinder." He belongs to the class who usually comes well dressed and well recommended. To ask him for a cash margin would be an insult to his dignity. He is usually willing and anxious to buy the entire cotton receipts of your town and is disappointed if he does not handle it all. He is the man who will use your last available dollar and then mourn if you have no more for him. He will buy at least a thousand bales at the beginning of the season and carry it until the bagging rots off and without a dollar of insurance. If he plays the game lucky, he is ahead; if there is a loss, it is the bank's loss. He has nothing to lose but everything to gain. But he is always willing to speculate if you will furnish the money. If he were in the middle of a desert he would sell his last jug of water and then bet your capital that a spring of beautiful flowing water could be found not a half mile distant.

I take it that the method of handling cotton is practically the same among all the country bankers. But I am strongly convinced that our method is not up to the standard of conservative banking and that the time is ripe for a change.

Cotton Over Drafts Never Helped the Banker.

Since over-drafts have largely been discontinued by the banker, most cotton accounts are carried as bills of exchange. Bills of exchange when drawn in proper form and properly accepted, carrying a liberal margin and having attached a policy of fire insurance fully covering the value of the cotton, then become demand obligations of unquestionable solvency and may be rediscounted with a correspondent bank on short notice. It should be readily seen that the over-drafts do not possess these advantages, and permit me to add that I have never seen any good purpose that the over-drafts serve the banker, and I shall welcome the day when the over-draft is a thing of history.

On cotton handled on bills of exchange as I have outlined, the banker may keep loaned up close to his reserve during the cotton season without risk to either his bank or his depositor.

I am told that a large part of England's credit business is conducted by bills of exchange, and I am glad to see that this method of handling cotton, the South's greatest crop, is fast gaining favor.

The anxiety of the cotton account does not end with getting your bills of exchange in good form. In every Texas town that handles cotton there is one or more public cotton weighers who is either appointed or elected by popular vote. He is expected to make a bond of from \$2,500.00 to \$5,000.00 for the faithful performance of his duty. With due respect to the weigher, I claim that his bond is too small to fully protect the rightful owner of the cotton, and right here I insist that it is the duty of every bank to exert its best effort to have the law changed, compelling every Public Cotton Weigher to make a bond of not less than \$15,000.00, depending on the amount of cotton

he handles during the season. It is not unusual for the public cotton weigher to be custodian of from 2,000 to 5,000 bales of cotton at one time, for which he has issued his receipts, and these certificates being carried by the bank, his bond of \$2,500.00 is certainly inadequate to protect the rightful owner of the cotton, and I know that there are at least a few public cotton weighers who permit cotton to go out of their yards without demanding the surrender of these certificates. Should this happen, the cotton for which you are carrying the public weigher's receipts and have paid for could be well on its way to Liverpool before you had even suspicioned wrong doing. Certainly you would consider a cotton buyer who would resort to such a method as neither honest nor responsible, and to call upon him to pay for the cotton would be a loss of time, and you could not expect full compensation from a public weigher with a bond of only \$2,500.00.

Duties of the Public Weigher.

In addition to weighing and numbering each bale of cotton, it should also be a part of the duty of every public cotton weigher to class each bale, to put the class on his certificate and the sample in the head of the bale, and not allow the bale cut again until it becomes the property of the exporter. This would serve a double purpose. First, we would get better weights and the banker could then have an intelligent idea of the class of cotton he is carrying, and possibly at the end of the season prevent a loss when seemingly the buyer had ample margin.

We demand bonded warehouses and public cotton weighers, but just why the compresses have never been required to give bond, I am unable to understand. I do not think I would miss my guess far if I should say that in this state there are at least a few compresses operating with a paid-up capital of not more than six or eight thousand dollars; the same press might possibly be mortgaged to an amount equal to its cash value, the same press might handle and issue their receipts for twenty to thirty thousand bales of cotton during the cotton season, and if for any reason they should wrongfully permit a few hundred bales of cotton shipped out for which the local banker is carrying their receipts I would like to know, in the name of common reason, who the banker could go to for reimbursement. And for that reason I insist that every compress doing business in this state should be required to give bond in an amount sufficient to protect their receipts.

Since the railroad companies refuse to sign bills of lading for cotton until the cotton has been compressed, inspected and ready to load on their cars, and as railroad companies will not sign for cotton that is wet or damaged without making a notation of same, which prevents the prompt movement of the cotton crop and ties up thousands of dollars at a time when most needed, I insist that every compress should be compelled to shed its wharf. It would not be a loss to the press to require them to shed their wharves, when we consider that the life of an uncovered wharf is only seven years, while the wharf that is under cover will last twenty-one years. I do not wish to be unfair to the compresses. They are engaged in a legitimate business and should have due consideration, but when they expect patronage they should be prepared to give prompt and efficient service.

President Adams—I would like to hear this discussed; I think Mr. Potter, of Gainesville, can tell us something about the trouble they have had over

there. Will you be kind enough to come up, Mr. Potter? (Applause.)

Mr. Potter, of Gainesville—Mr. Chairman, Ladies and Gentlemen:

I am sorry that it falls to my lot to tell you of my trouble; most all people have trouble of their own, and care nothing about hearing the troubles of other people, but I will tell you what I believe, and that is that no man or set of men can take any intelligent action upon any question until they are in possession of the facts.

Now, I am not here to tell you what you ought to do, or the schemes that you should put into operation, or what you could do in the management of your business, but I will tell you of some things that exist in my part of the State. If every other man will do the same thing, you will find out something about the conditions that are existing in this State today. The remedy, your good judgment ought to suggest, after you are in possession of the facts.

Now then, in my county, which, by the way, I may say is Cooke County, and my town is Gainesville, we raised this year about twenty thousand bales of cotton—not much more than half what we raised last year. When I speak of this year, I mean the season of 1913.

Now, I believe that what we call "country damage" cost the farmers, alone, at least fifty cents a bale, which would amount to ten thousand dollars on the twenty thousand bales. This is enough this year alone, to build them a good warehouse, large enough to accommodate and take care of and protect from the bad weather many, many bales of cotton.

Farmers Are Not the Only Losers.

Now, if the farmer was the only man who was losing by this matter, we would put it entirely up to the farmer and show him what a fool he is for not making some arrangements to protect the crop after he has gathered it. We would show him that he is unwise—and I guess none of you will question that fact; I know there are many farmers in my county who do not question it any longer, themselves.

But not only has the farmer lost on this cotton, but the shipper has lost—the man who bought the cotton and the man whom the farmer is cursing today for having picked his bales, as you call it, when he ought to thank the buyer for having bought it after the bale is picked, because we can give you some figures that will show you that the shippers of cotton from our country have lost. Their loss has been enormous and when you consider the loss of that amount from that one little town alone, with that small cotton crop, just imagine what it must be the State over.

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Geo. K. McLendon

I am surprised, first and primarily, at the lack of care and attention that the farmers give to this great crop. I don't know why they treat it as they do. I insist that every farmer ought to sell a bale of cotton just as quick as he can get it to market and get it baled. If he will do that from year to year, he will lose less money than in any other way, though some of us are not able to see it that way.

Perhaps our banks have not charged off a dollar on account of this loss, and yet they feel the loss and have suffered a loss because their customers have lost, and every bank should feel that interest in its customers.

One Instance of Loss of Weight.

A few days ago, in thinking this matter over, I met with one of our cotton buyers and shippers, a man that does an extensive business; I knew that he had recently bought some cotton, and I asked him to make a little memorandum of this last purchase showing what he paid for the cotton, and what he lost after it was picked and conditioned, as we call it, and yesterday he handed me this memorandum which shows the purchase of 1369 bales of cotton; this cotton was bought at the little towns around near Gainesville, and was shipped into

Gainesville to be compressed. When he got this cotton to Gainesville and put it off at the compress, the compress conditioned this cotton—picked it, you understand, and prepared it for compressing and shipment. This invoice of 1369 bales of cotton lost 370,000 pounds, and he was paying for that cotton at the rate of about twelve cents a pound, and the loss on that cotton was \$4400—\$4442.40. You understand what I mean by that—loss from the damage when he went to condition the cotton when it was ready to be compressed. Now, then, I don't know what the next loss will be on that cotton, but listen here—I have a friend exporter who lives in my town who told me the other day that he had bought and shipped only eight thousand bales of cotton this year, and that in conditioning that cotton at our compress, as much as forty pounds was picked off of some of the bales of cotton.

It angers the farmer very much, but he is the last man that should ever complain. Some of that cotton was picked early in the season, before it had rained and it was as pretty as it could be, but he hauled it to the compress, and there wasn't a sign of a platform and he threw it out on the ground—the price didn't quite suit him; he wanted an eighth of a cent or a sixteenth of a cent a pound more than

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they offered to give him that day, and he threw the cotton down on the ground, and he is apt to have thrown it down on the ground with the flat side on the bottom and the other flat side up, in order to catch more water, if it rained, I presume. (Applause.) Some of that cotton lay there until recently, and I tell you when it was picked, preparatory to being compressed, there were forty pounds picked off of the bales. The farmer lost that. That very man that shipped these eight thousand bales of cotton away has just had reports from his house in England—he shipped to Manchester, I believe, and he has paid one dollar a bale damage on that cotton; remitted from our own town four thousand dollars the other day and said he was going to have to send four thousand more, to pay for his loss on the eight thousand bales of cotton.

Everybody Is Losing Now.

Another firm there—and I don't mind mentioning their names—any of their names for that matter—I have been looking into this matter to see just what enormous losses there were and where they came from—another firm that ships to England has handled thirty thousand bales of cotton this year; they own an interest in the compress; they buy their cotton from the surrounding country and ship it in their to be compressed, you know; they say they know that already the reclamation on these thirty thousand bales of cotton has amounted to fifteen thousand dollars.

Well, now, you see the farmer has lost; the buyer has lost, the banker has lost—the country has lost; everybody has lost. Whenever you affect the prosperity of the country like that or damage a crop like that, everybody suffers, and I cannot understand, gentlemen, for my life why something is not being done.

Now, one of the owners of our compress told me the other day that they had decided—decided right recently to build a shed over their platform that they have there; that will accommodate several hundred bales of cotton, but that is only a few hundred bales that they are going to cover; the rest of the cotton, if the farmer is going to hold his cotton, he will bring it into town and dump it on the ground; if it does not rain, it is all right, but it does rain in this country some times, I am told.

My judgment is, gentlemen, that the farmer ought to be persuaded or hired or made—something ought to be done to have him prepare a place to take care of his cotton at home, because you cannot build a place large enough, if the farmer is going to haul his cotton to town and refuse to sell it at the price then offered; such a large amount of it being thus held, you cannot build a place large enough to ac-

commodate it and store it, but induce the farmer to keep it at home.

Farmer Should Hold Cotton at Home.

During the last thirty days I have seen cotton brought to town by a few farmers who had a place to store their cotton and that cotton looked as good as it did the day it left the field and it is bringing over thirteen cents a pound. I don't know why this does not teach the farmer a valuable lesson, but they continue, year after year to do the same thing they have been doing.

Some of them say that this has been an unusually wet year, and that this has not happened before in two or three years. Well, probably not, but it may happen again next year; it may happen two or three years in succession, and something ought to be done. I don't know what the bankers can do—I don't know what they are going to do, and I shall leave you to decide that; you may be better judges about that than I am, but so sure as you live, gentlemen, something ought to be done in this country to protect this cotton crop. If you see that the farmers are not going to do it, the bankers ought to take a hand in it.

Now, it is hard for the banker to do anything for the farmer, when the farmer does not think that the banker ought to interfere with him. That is natural, but some of our farmers are gradually learning to understand that the banker is interested in their prosperity, and that the banker wants to help them and will help them, but I believe it would be a good idea never to lend a farmer a cent on cotton unless he puts it away somewhere; tell him if he wants money advanced on his cotton to tell you where it is.

A Member—I want to cheer you on that suggestion. What do you think about the bonded warehouse?

Mr. Potter—Bonded warehouses? Well, as I say, I did not come here to tell you what you ought to do, but I am just telling you a few of the troubles we are having; bonded warehouses might be all right, but I believe that the farmer should build cause he cannot help himself, it is all the more reason, it seems to me—all the more important we do something about it.

I have some other troubles I might tell you, but I am quite sure these are sufficient. No doubt, many others of you have had some experience the same as I have had. In our section of the country, as far as I am concerned, and in every other section of the country for that matter, I believe we will co-operate on any proposition that looks like it is reasonable and right towards inducing our good farmers of this country to protect this great crop.

I thank you. (Applause.)

President Adams—Would it be possible to get a resolution offered to instruct the Legislative Committee to take this matter up upon the meeting of the Legislature, so that we can get something done with this compress situation?

Mr. L. L. Shields, of Santa Anna—Mr. President, before the resolution is offered, I would take great pleasure in giving the bankers a few of my views concerning this cotton business. I will say, gentlemen, at the outset, that it appears to me that the Texas bankers are taking on themselves trouble—a lot of trouble concerning these farmers' cotton.

Warehouse System Opposed.

Now, at this time allow me to say, Mr. Chairman and Gentlemen, that the proposition of warehouses, is the proposition of holding cotton. I want to say to you that to hold the Texas cotton crop is a matter that, in my judgment, is absolutely impossible; it cannot be done.

As an experienced cotton buyer—now my fellow bankers have been talking to you—I know them all and most of them are not cotton buyers, but I have been a cotton buyer for a number of years and have been a banker for a number of years and a farmer all my life, and I want to tell you in all candor that I oppose the warehouse system. Some of you are

surprised to hear a banker and a farmer make such a declaration. But the fact is, that if you build warehouses, you encourage the holding of cotton, and if you encourage the holding of cotton, you are encouraging something against the interest of the Texas farmer.

Now, I want to say to you that I have fifteen hundred acres of cotton in cultivation and I have been buying cotton practically all of my life. I know that it is a matter of impossibility for the farmer to hold the cotton without the assistance of the banker; that is, that the banker pay for the cotton for the farmer.

Cotton Must Be Sold.

I want to give you just a little practical experience that I have had in this cotton business. I know what you all think along these lines—Well, if we don't hold the cotton and protect the farmer, what will he do? One gentleman says that he thinks it is a good idea to sell the cotton and get it out. There is no other remedy; there is no remedy aside from the farmer selling his cotton; any other plan aside from selling the cotton as soon as he gets it ready for the market is detrimental to the best interests of the farmer. If you encourage him to build warehouses and to store his cotton, you must then ad-

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vance him the money to pay for his cotton.

Now, gentlemen, bear this in mind, and I challenge any man—

President Adams—I do not at all contemplate building warehouses and the article does not contemplate it; there is no part of it that contemplates building warehouses. While I have no objection to your speaking, I think it should be to the resolution to be offered, which is looking to a better method of handling cotton. You cannot possibly have any objection to it, nor could you possibly have any objection to the building of warehouses in those communities where they want them built and where the bankers have let them have the money to build them. What I am trying to do is to get at a better method for the handling of this cotton in this state and for having the cotton yards covered and having the compresses in this state covered and if you will speak to that, I will be much obliged to you. (Applause.)

Mr. Shields—I did not know I was to speak to a resolution. I just came into the hall, and I was informed by the Chair yesterday that this question would be discussed fully on the floor of the house, and I am discussing the question of the best interest of the farmer, regardless of any resolution whatever before the house, gentlemen, and if the Chairman will just give me a little time, I will address myself further to the facts of the resolution, if a resolution is pending, but if there is such a resolution, it is unfounded or, it is not well founded, on this subject.

Now, gentlemen, I stated to you at the outset of my remarks, that I am a practical farmer; I have been two years in Houston in the cotton factory business and I know something about handling cotton; I know, and I challenge any man to gainsay what I have got to say here and to contend that the warehouse business is not a detriment to the farmers of Texas, because it necessarily follows, gentlemen, that if you build warehouses for that purpose, you will have to hold the cotton for the farmers.

Now I want to say to you in all candor and sincerity, and to the Chairman, that Texas hasn't got spare money enough to pay interest on the amount of money it takes to hold the cotton crop of Texas.

I was in Houston a few days ago—I don't know whether this applies to the resolution or not, nor does it make any difference to me what the resolution is, but listen—I was in Houston—now, this is telling facts and what I found in the city of Houston—I found that I had a lot of cotton shipped to Houston or to Galveston, and I went to the Exchange at Houston to sell this cotton and it was quoted on the board that day at 12 5-8 cents, but

I could not sell it at that; the gentlemen who was supposed to buy cotton and a cotton factor there—I says, "I want this cotton sold." Well, sir, he says, "I cannot sell it at the market price today." Well, I says, "Sell it for whatever it will sell for." My judgment was that to hold the cotton, it would depreciate in value, and was depreciating in value and I offered to sell that cotton at 12 cents, when it was marked on the board that day at 12 5-8 cents; I offered that cotton at 12 cents and failed to sell it. Now, I want to know the cause; I want to give you the cause.

The gentleman asked for some person to rise that was satisfied with the present conditions for handling cotton. The present price of cotton, gentlemen and fellow citizens, is perfectly satisfactory to the farmers of Texas, but the method of handling the cotton is unsatisfactory. But the best way to handle our cotton, as I stated awhile ago, is to sell it when you get it ready for the market.

Now, I have found that the spinners—I want you to listen to this—that the spinners will take your cotton just when they want it and I have found that the Houston bankers—and if there is any of them here, I want them to answer if it is not so—I have found that the Houston bankers are standing for a burden of ten million dollars, advanced on cotton; that advance was made on some cotton at 14 and 14 1-4 cents and I tell you that today, that it would not sell for 12 5-8 cents.

What else do I find? I found, when I got to Galveston, that there was more cotton at the compresses there than could be shipped away in a year; it was shipped down there to hold and it was lying out there in the country, rotting; I was informed Mr. W. L. Moody could not pick all the cotton he had in twelve months, if you would give him the hands to pick it. What caused that? It was caused because the bankers at home had engaged in the holding of this cotton and advanced money on it.

There was a gentleman last night told me that there was a bank—his neighbor's bank, at one time had four hundred thousand dollars advanced on cotton; a little small bank with four hundred thousand dollars and that it had been reduced down to about one hundred and ninety thousand dollars, and that the cotton had laid out until it was practically rotten and that that bank was holding that cotton on the basis of sixty dollars a bale, when it was worth about thirty dollars a bale.

Now, if that is a true statement, gentlemen, then my theory of selling the cotton is the proper theory, and not the idea of the bankers advancing the money to hold it.

Now, if you will take the whole category, from beginning to end—take it down there where I live,

or take it wherever you please—you go to the farmers with the proposition that they must sell this cotton and pay their debts and do away with the idea that the banks will carry them, and that he can hold his cotton, I will tell you what the farmers will do—if you give the farmers an opportunity to gamble on the cotton, nine tenths of them will gamble on it. (Applause.) But farmers and bankers are not able to gamble on that proposition and hold the cotton crou. While your President, who lives in Dallas, may have a place big enough to hold the cotton, is there a place in Houston to hold it? Is there a place in Galveston to hold it?

President Adams—How much more time do you want Mr. Shields?

Mr. Shields—Well, I expect I am becoming obnoxious to the Chairman.

President Adams—Well, the only thing is that we have a set program and you are talking on something that is not before us.

Mr. Shields—Well, there are two or three other points that I want to mention; first, that the bankers are not able to hold this cotton. This is a proposition on which I challenge the whole State of Texas. The next proposition is, if we do hold it, it is detrimental to the people of Texas to do it.

The proposition, gentlemen and fellow citizens, gets down to this, that you cannot raise the price of any commodity on earth by holding it; I don't care what it is; if you will show me anything on the face of the earth, that you can increase the value of it by holding it, I will sit down and never let my voice raise again before the bankers or farmers or anybody else, from a business standpoint, in the State of Texas.

If you hold one crop, they will pile another crop right on top of it, and when we have two crops to dispose of, I would just like to know what the value of either will be.

Now, gentlemen, I suppose that I have talked about as long as possible or for the best interests of this convention, but I do say as a farmer, and as a banker and as a man with forty years experience in these things, that my position is unquestionably right, and I hope that the bankers will do all they can for the farmer, but I hope that you will let me go back home and tell the farmers that they better sell this cotton and take the money.

I thank you, gentlemen. (Applause.)

President Adams—I know that every banker in the State of Texas is interested in good roads.

Not long ago there was a club house built over in Dallas and the young business men of the town who had organized it, concluded that instead of having their Macadam pike built, that they would do it themselves; they had been given the idea by the Governor of this state in the "good road days."

I am sorry that the speaker who is next to address you was not there so that he could have given those young men some practical knowledge about road building. I understand that he has built his own way to the position he holds with the Central Trust Company of Chicago. I am sure that you will enjoy his address and I take pleasure in introducing to you Mr. William G. Edens. (Applause.)

Mr. William G. Edens—Mr. President, Popular and handsome Secretary, Ladies and Gentlemen of the Texas Bankers' Association:

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Capital	\$ 2,000,000.00
Surplus and Undivided Profits.....	3,098,950.91
Circulation	1,955,500.00
Letters of Credit	624,375.57
Deposits	18,960,220.47
	\$26,639,046.95

Co-operation the Key to Success in Road Improvement

BY W. G. EDENS, ASSISTANT SECRETARY, CENTRAL TRUST CO., CHICAGO, ILL.

I HAVE had a great deal of interest in being present when this discussion introduced by your President was on fire here.

I shall be pleased, as a modest representative of a clearing house bank in Chicago, to take word to our leading bankers that you are giving this matter—this important matter—such intelligent and earnest consideration, because other cotton states that go to make up this great cotton growing section of the country are wise to the fact that they must conserve the land and watch their interests and have the spirit of co-operation, not only in the matter of producing the cotton, but getting it finally into the hands of the ultimate consumer, safe-guarding each interest along the way. So, I am glad to be able to take back to Chicago the report of this discussion.

A very important group of our people have just returned from the Carolinas, Georgia, Louisiana and Tennessee, and the man who went to represent our bank went to secure more information about the methods of marketing and making of cotton paper, so when the time comes for us to meet that matter over the counter of our bank we will have a man who has been on the ground and got first-hand information.

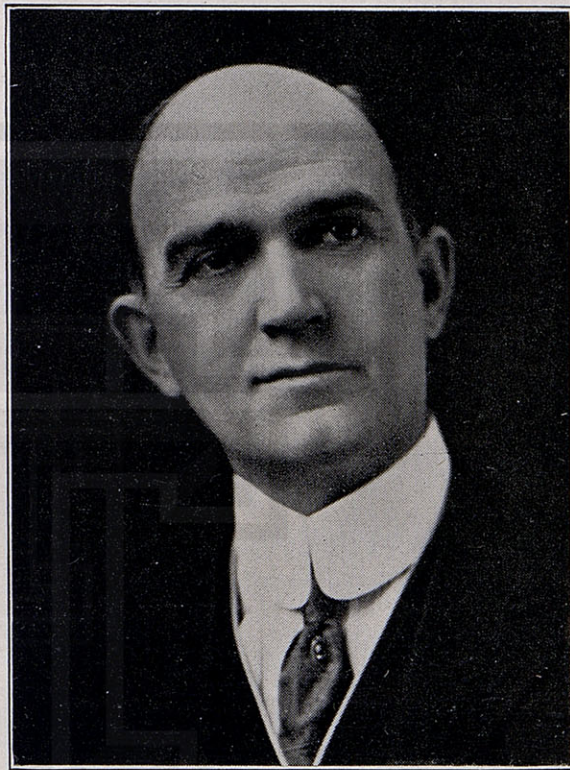
Now, pardon me, ladies and gentlemen, for this digression from the program, which seems to be the custom. The question of getting off the track on the matter of the program reminds me of the story of the little boy who said to his father, "Father, did Mr. Edison make the first talking machine?" "No, my son, the Lord made the first talking machine, but Mr. Edison made the first one that could be shut off." (Laughter and applause.)

Mr. Edens Likes Texas Men and Women.

And when I got the invitation from my friend Fred Hoopes to come to Texas and address this convention formally, can you imagine how my heart beat and my vanity spread itself out to think that I might have the opportunity of grasping you in convention and addressing you formally upon this important subject? And that reminds me of another story, familiar to all of you gentlemen who have been in the business a long time, of the Black Handers writing a letter to a modest banker and telling him that unless he placed twenty thousand dollars at a certain place, within a given time, that they would kidnap his wife. He wrote back, modestly, and said that he did not have the money, but that the proposition appealed to him. (Laughter.)

So, I told Fred that although I had made my maiden voyage to Texas twenty-seven years ago as a delegate to a Brakeman's Convention, I would be glad to come back down here now as a banker, and look you people over. (Applause.)

But it strikes me that this convention's success is not wholly due to the fact that the popular Fred Hoopes and the capable President and this Local Committee have all spread themselves, but that it is, in a large measure, due to the quality of the ladies that I have met here; their genius; their beauty; their gracious manner; their earnestness in welcoming you; their tact, and their ability to tango and to hand out a pink tea, until I almost regret



WILLIAM G. EDENS

I did not marry down here so that I would have an excuse to come back, or else have a bank job in St. Louis or Kansas City and have to make this round regularly, as the gentlemen connected with those banks seem to have no other occupation than coming to Texas, from what I can hear. (Laughter.) But anyhow, it has been mighty nice to come here and I have had three delightful days. I visited this little suburb across the Trinity—I believe that is what you call the river—and some of these days you will combine these two cities by the building of a third city; I don't know what you will call it, but it will be Dalworth, or something of that sort, and you will have down here the most magnificent city the world ever saw.

Texas a Great State, Even to a Chicagoan.

Let me congratulate you upon the things that I have seen. I cannot talk about the wonderful resources of Texas, nor shall I attempt to quote statistics as they are so eloquently quoted in the Texas Almanac this year. I have bought a copy of that almanac and carried it around in my hip pocket, but there is one thing that you have, and in profusion, that they have left out, and which is your greatest product—men and women; everything else is given; they have taken the census of everything—the counties, the amount of road, and the amount of money expended upon them, but they make no mention of the magnificent crop of men and women I see in Texas.

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So, I am thankful to have had this privilege of coming down here. But if I had never come down here again I would still have remembered the privilege I had of meeting one of God's noblemen, Colonel Henry Exall, whose name is emblazoned on one of these banners. (Applause.) It was my honor to be his host the last time he visited Chicago, and it was my pleasure to receive from him an invitation to come to Texas and to let him explain to me about this great state, and so when I come down here it is the one great regret of the trip that I do not find him in the flesh to greet me.

Today, in my state, we are being helped in a most admirable manner by a distinguished son of Texas, who presides over the Post Office Department, and who so long and so ably represented this state in Congress General Burleson. (Applause.)

Burleson Helping Cause of Good Roads.

You know the Constitution of the United States provides that the Government may build post roads, although in this country, in our time, the Government has not exhausted itself on that proposition, but today General Burleson, by an efficient and capable and earnest application of the regulations we now have, is using his great army of letter carriers, and the great army of postmasters, who do not do much of anything else but talk politics, to help raise an intelligent public opinion on this matter of good roads. And I pause at this time to pay a compliment to General Burleson, who has so magnificently helped us in our own state when he had our convention of good roads.

The letter carrier uses the roads, and he is in daily contact with the farmers and with the patrons of the postal service and he has an influence in determining how the ancient mud hole on his route is to be eliminated; and so I say, all glory and praise to Burleson. But then, if I should forget all these things, I should never forget the night when Judge Dunlap, of this state, responding to an invitation of the President, paid one of the most graceful compliments to the women of the country and to the genius of Washington Irving, as a writer, before the Executive Council of the American Bankers' Association.

So, without the privilege of coming here and looking into your faces, and without the honor of talking to you for these few minutes, I would have treasured these jewels which I have picked up along life's highway during all these years, outside of the State of Texas, coming from representative Texans.

Now, may I have two or three minutes to refer to the subject that appears on the program?

Philosophy of An Empire Builder.

James J. Hill, criticise him as you will for having made a success of railroading and empire building; restrict him by all forms of legislation that you will, has left a thought with us that has started the bankers in our state, and at least, I think is largely responsible for the success we have achieved—growing population—reduced production. What are you going to do about it?

You remember, those of you who visited that magnificent fair of ours in Chicago—the great White City—at the entrance of the Transportation Building, as you passed into the main entrance, what Lord Bacon, I think it was, left emblazoned over the main gateway—the elements that constituted the greatness of a nation; he suggested that sturdy, virile men and easy means of

transportation for men and goods were some of the elements that go to make a nation great.

This same James J. Hill brings us this message: The earth's resources are, first, the farms; then, the forests, and the mines. Our mines are rich, but some one else owns them; our forests are gone and we are dependent upon the farms and the farms must support the cities, or the cities will not be supported; there is no other place to which the cities can look for sustenance.

During the past two years various groups of citizens throughout Illinois have energetically worked together to create a favorable public sentiment with respect to the improvement of the wagon roads of Illinois. This agitation was carried through the sessions of the last General Assembly with effective results, bringing about the passage of the so-called Tice good roads bill, which had been developed step by step as a result of the study given the subject by the members of the State Legislature appointed at a previous session under the direction and guidance of Representative Homer J. Tice, of Menard County, a farmer and experienced legislator. The plan was to study, codify and rewrite the roads and bridges laws of the state.

Tice Bill in Operation.

The Tice bill brought into operation the new principle in this state of financial aid to such counties as elect, through the vote of their boards of supervisors, to come under the law. The state aid funds available for the period ending July 1, 1915, were \$800,000, which had accumulated through automobile licenses, and \$300,000 for this same period additional from general taxation.

This general fund taxation falls the heaviest on the dwellers in the cities and villages and on corporations, the land and lot owners paying only about 40 per cent. The counties, of course, must raise their share of the state aid, meeting the state's offer of 50 per cent, which, if taken advantage of, means the expenditure of \$2,200,000 on permanent improvement of roads during the period referred to above.

The creation of the position of County Superintendent of Roads, selected by competitive examination, and who has to have experience in road building, or should have graduate engineer's training, is another important item under the Tice bill. The large number of township highway commissioners who officially conduct all road construction and repair work in their respective townships—4,800—representing the 1,500 townships throughout the state, and handling the 95,000 miles of Illinois roads, has resulted during the nearly 100 years of our existence as a state in the expenditure of vast sums of money, with practically no permanently improved roads.

Per Cent of Good Roads in Illinois.

Less than 10 per cent of the roads of Illinois are built of macadam, cement or brick, while the remainder are still of the original earth road variety, unusable in many counties of the state for periods of from three to four months during the year.

County superintendents of roads have the opportunity, by urging and practicing co-operation with the local township highway commissioners, and bringing them into intimate, official and personal contact with the members of the boards of supervisors, and by close inspection of the character of work to be done, and the power to approve all expenditures of local township commissioners exceeding \$200, to do a great work in providing and organizing a

system out of which we should get better road results in the immediate future.

To Governor E. F. Dunne must be given the credit for earnestly pressing this matter in his inaugural communication to the members of the legislature, urging favorable consideration of the use of short-term prisoners in our state penitentiaries for the preparation of road material, and the actual construction of roads under the honor system, where practicable.

Immediately upon the passage of the Tice bill and the convict labor bill the Governor appointed the State Highway Commission created under the Tice bill, selecting for the important work well-known citizens who are regarded as being honest, experienced and capable to represent the state efficiently in the matter of efficient, economical expenditure of state aid funds. The services of an experienced state engineer who has been in the employ of the state eight years have been retained. The Governor also authorized Warden Allen, of the Joliet penitentiary, to try out the experiment of the use of prison labor on road work in Ogle County. This experiment, extending over a period of four months, has been commented upon frequently by the press of the state, and is regarded as having been successful.

Working Convicts on Roads.

The Governor and the Warden are now considering the advisability of throwing out five or more groups of convicts this season, including about fifty men in each group, and will furnish these men to work under certain restrictions in such counties in the state as will agree to the terms required by the Governor and the Warden.

To the members of the Chicago Association of Commerce, who have engaged in so many commendable activities, this one feature of the good roads subject is recommended for serious consideration.

"Investigation into the costs of convict labor on the roads emphasizes clearly the economic advantage secured by thus joining the problem of the convict and the road. This advantage reverts to the taxpayer and also to the convict's family through the wage which can be paid for his labor.

"The Academy of Political Science has undertaken to make this study available because of its broad social and political significance. When each state and county is engaged, as at present, in the reorganization of its prison system, and is endeavoring to do away with crude methods of torture, scientific methods of successfully employing the convicts with advantage to all parties becomes of public interest, it is argued.

Profits From Convict Labor.

"The findings of the investigation show that the work performed by the convicts in the different states ranges in value from \$1.50 to \$5.75 per day, with a profit to the state by the use of this labor of from 50 cents to \$4.03 a day. In short, the contention is well sustained that there is a general and considerable profit at present going to the state by the use of convict labor for road work over the cost by other methods of construction, this saving being quite independent of locality and types of construction, although influenced by the size of the gang used.

"It has been found that the average cost of sustenance is 40 cents a man for a day, while the expenditure for guarding in those cases where costs could be secured averaged 48 2-5 cents. The striking thing of these figures is that the expense of guarding adds to the cost of work

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more than 20 per cent more than the feeding. This throws into prominence the economic advantages of the honor system as advanced by Warden Tyan of the Colorado penitentiary."

So enthusiastic and constant has been the interest of commercial clubs, farmers' organizations and other groups throughout the state that on the twenty-third day of March Governor Dunne issued the proclamation, already published in these columns, asking the observance of "road day" on April 15th, as a day on which to plan and carry forward actual road construction and improvement.

On April 15th it was my pleasure to ride in the car with the Governor from Chicago to Sterling, a distance of about 130 miles, passing through the counties of Cook, Dupage, Kane, Ogle, Lee and Whiteside. Some of the best agricultural regions of Illinois were traversed. Frequently roads were found that were in splendid condition, where the people, as a result of having had natural material provided them, also had intelligence, ability and enterprise enough to get the material onto the roads.

We encountered no difficulty in making the distance in twelve hours, besides stopping at the numerous places where the Governor was scheduled to address the people. It is estimated that 10,000 school children were included in the day's meeting, and that an additional 40,000 parents participated in the day's program. Everywhere the liveliest interest was manifested on the part of farmers and business men, and the observance of "road day," under the leadership of Governor Dunne, was voted a success.

The whole matter has been conducted in a purely non-partisan way, and the patriotic addresses delivered to teachers and pupils by the various members of the party

would have been sufficient excuse for the day's observance had there been no physical work done on the roads or plans made for the future.

Detailed Report of Work Done.

Reports come in from sections of the state as far away as Cairo; in fact, every section indicates actual accomplishment and broader plans for the future.

In Hanniman township, in Whiteside county, where it is stated not a mile of macadam or gravel road exists, and where the official representatives of the people have been at a great disadvantage in caring for the large mileage of earth roads, it is reported that the Parents' and Teachers' Association of that township recently organized, and composed mainly of women, dragged 1,200 miles of earth roads on "road day."

From Quincy, in Adams county, a county which for several years has given an excellent example of the systematic care of earth roads, there were more than 100 teams and several hundred citizens engaged all day in actual road construction.

The members of the Loyal Order of Moose, at the beautiful Brookline farm in Kane county, near Aurora, where they are building a fraternal home for their young Moose, set a good example for their land-owning neighbors by actually building a half-mile of modern road, which will be a section of the Lincoln Highway through that county. Governor Dunne at this point threw the first shovel of earth on a state aid road in Illinois.

From Rock Island, where there is an agitation on for a substantial bond issue to aid in road building; from Danville, La Salle and many other points throughout the

state, come reports of road dragging contests or announcement of plans of township commissioners or county supervisors of intention to continue the interest in the work throughout the year.

In our own Cook county, under the direction of the Associated Roads organizations, which represent every group in the county manifesting an interest in better roads—the farmer and the city merchant as well—the first good roads day was a big success. One thousand dollars in gold were awarded to men, women and children for participating in the dragging of earth roads, and the repair of gravel and stone roads.

At Chicago Heights, Joseph Klein, a pioneer settler and owner of 2,000 acres of farm land near there, participated in the day's events, attended by his eight sons, all enthusiastic believers in road dragging as an effective means of their improvement, for the use of school children, churchgoers, fraternalists, and finally for the farmer himself.

Pulling the County Out of the Mud.

It would appear to the members of your committee that our association, which has been actively and energetically engaged in this work during the past two years, should continue its interest and support in order that we may bring about broader co-operation between the people living in rural districts and those in the city, in finally "pulling Cook county and Illinois out of the mud;" or at least make substantial headway in that direction, particularly before we engage as citizens in the historic event of celebrating the one hundredth anniversary of Illinois' admission to the Union in 1918(?), when we shall be further ashamed of our road conditions if we do not make substantial progress in that direction. (Applause.)

Mr. Joe Hirsch—Mr. President, I move you, sir, that a vote of thanks be extended to this speaker from Illinois for his interesting and inspiring address. (Motion seconded and carried.)

President Adams—It seems to be unanimous, Mr. Edens.

Mr. Edens—I thank you.

President Adams—On account of the lateness of the hour we are going to pass the talk of Mr. Joe Hirsch until in the morning. We have with us Dr. Sampson, who desires to talk to you upon educational matters just five minutes; I take pleasure in introducing him to you.

Dr. Sampson—Ladies and Gentlemen, I shall not abuse your patience, so please listen to me kindly for a few moments. It is by the grace of your officers that I am permitted to look into your faces and speak a few words to you this afternoon. I am not to speak upon the subject of money; I know very little about money. My life has been divided into three parts; I was a farmer's boy—a poor farmer's boy for the first third of it; I was a poor preacher for the second third of it and I am a poor teacher for the last third of it, so all I know about money is like the little boy who gave the definition of salt; when he was asked what salt was he said that

salt was what made potatoes taste mighty bad when you didn't have none on. (Laughter.) Now, I will not talk about money, but I have come to talk to the bankers of Texas for less than five minutes upon the question of the greatest asset of Texas—the undeveloped resources of Texas—I mean the neglected and uneducated six hundred thousand boys and girls in the country.

I am the Secretary for the Conference for Education in Texas; that Conference for Education is composed, not simply of teachers—we have the Texas State Teachers Association composed of teachers—but this Conference is composed of all who take an interest in the educational betterment of Texas, is composed chiefly of those who are not professional teachers; this organization undertakes to be the clearing house for all educational interests, public, private, endowed and denominational.

Now this Texas Conference has laid down five things which we are now striving and hope to bring before the Legislature next winter.

First, non-political and professional superintendents for our county schools.

Second, the improvements of our local schools by that means, partially.

Third, some sort of a compulsory law.

Fourth, to remove the restrictions—unwise and absurd restrictions which now exist of the fifty cent limit of taxation for school purposes and the two-thirds limit required in the town.

Fifth, the levy of a uniform mill tax for the support of our higher institutions, in order to deliver them from the political perils to which they are now exposed every two years.

Now, there is just one remark that I want to make—I have listened with a great deal of interest to the speakers upon this platform today, and there is scarcely one that has been made that has not touched in some way upon this great problem of what we shall do to hold our people in the country. One of the first things to be done is to improve the educational, social and religious conditions of the country in order to make it possible for our people to stay there.

Some one said from this platform that our higher institutions were turning out lawyers and doctors and teachers too rapidly. Now, I don't say that we have not enough lawyers or that we have not enough doctors, but I do want to say and say emphatically that we have not enough teachers in Texas. Listen—out of every five teachers in Texas, only two have had the advantage of high school education; and out of every five teachers in the rural districts, only one has had the advantage of a high school education. Whatever may be true of

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the lawyers and doctors in Texas, it is not true that we have too many capable teachers in Texas. There is an immediate and pressing demand for more and better teachers.

President Adams—The gentleman that made that statement was from Oklahoma.

Dr. Sampson—The gentleman that made that statement was from Oklahoma? Well excuse me, he was doing the best he could. (Laughter.)

Now, this is all that I have to say; I know that this Conference with which I am connected is going to succeed. I met four gentlemen on the street and told them that I had gone into this work; that I did not want to do it, but that the boys had insisted that I take it up, and I said that I would take it up, but I said that I could not rob the pockets of the teachers to keep me up—I met four men on the street and the first four men I met told me that they would give me Five Hundred dollars—to go ahead and make a success of this thing, and I told them that I would do everything I possibly could; but that I certainly was not going to use this as a stepping stone; I told them that I had been a preacher and was now a professor in a theological seminary, and that a teacher in a theological seminary could not step any higher until he steps into heaven, and that I expected to go there at some time because I believed that I had a special work to perform there for the Lord. (Laughter.) And secondly, I am not going to use this office, nor allow any body else to use it as a grind-stone to grind any political axes, and I told them I hoped I might not turn out to be a mill-stone around the neck of that Conference. One of the boys says, "Well, Doctor, I hope it will not be your tomb stone; you nearly killed yourself working for the educational institutions of Texas several years ago." I says, "Talking about tomb stones, I am getting to the time of life when I have to begin thinking about these things, but I have got to die some time and I would as soon die in this work as in anything else," and I turned to Dr. Brooks who was sitting there and I said to him, "Will you see that they put on my tomb stone these words, 'Here lies a poor orphan country boy who done his durndest to help other poor country boys.'" (Laughter.)

Now, in October we are going to organize all over the State, conferences for the improvements of education conditions in Texas, just as they have done in Ohio, and all that I ask of you—I am not asking you for a cent; I have raised hundreds of thousands of dollars in Texas and I have never raised a cent by passing the hat around; if a fellow puts in a nickle, he thinks he can discharge his obligation in that way; when thinking about these things one of these days, may be you will want to give

me five or twenty-five—I got one check once for seventy-five thousand dollars on the sly; and once I was talking to three men and before we separated, I told them they would not feel like we had been having services if I did not pass around the hat, and I passed around the hat and got fifteen thousand dollars out of those three men, but I am not going to pass around the hat at all here, but I want to lay it on your minds and hearts, and in October we are going to have simultaneous conferences in every town in Texas, just as they did in Ohio, and the result there was that they have a magnificent system of education that is challenging Texas and the whole United States.

Gentlemen, this is an important matter; it is a matter that is near to my heart, and I am going to try to lay it upon the minds and hearts and consciences of every father and mother and of every friend of the poor country boy—five hundred thousand of them that need your attention and mine—and if they do not receive our attention along these lines, they will demand our attention along another line, as some of the speakers have said here today.

I thank you. (Applause.)

Mr. W. F. Skillman of Sulphur Springs—Mr. President, there has been considerable discussion on the subject here, but I don't believe there has been offered any resolution bearing upon it, and I move that the Legislative Committee of the Texas Bankers' Association be instructed to bring this matter before the Legislature next January, when the Legislature meets, in order to have some definite action with reference to the protection of cotton from country damage. I make that as a resolution, if I can get a second. (Motion seconded and carried.)

Circulating Library for Farmers.

Mr. T. C. Yantis—Gentlemen of the Convention, I have enjoyed the proceedings of the Convention today very much; in fact, it seems to me that we have had one of the best programs that the Convention has ever had, and I want to say this, that while it is a good thing to have the very best laws that we can have as to marketing our products and it is a fine thing to have good roads, yet the bankers of this convention and of this State can assist a great deal in the education of our people. I have been, to some extent, identified with the educational institutions of my city and I have been over the country and I have been in the homes of our farmers and I find very few books there, and, therefore, I initiated the idea of a circulating library in my place of business; this is not a bank movement, but a movement of my own, and I just want to lay this plan before you and I am done, and when you go home, won't you take up the matter of a circu-

lating library in your bank for the farmer—not for your town? In my city we have a Carnegie Library, but I placed one thousand books in my bank and I call it my own free circulating library; I let out the books to boys and girls, for thirty days, free—two books to the home, provided there is a boy or a girl in the home; whenever they want a book, they can send in and get a book for a boy or a girl or for a young man or a young lady, as I have them all classified, and then I have some other books that are for farmers; they are books that I have carefully picked out.

Now, I give you this for your consideration. Will you not do it? I am sure we can do more to help the farmer by giving them the right kind of literature for their children than in any other way of which I can conceive at this time.

I thank you, Mr. President, for this opportunity of presenting this matter to the Bankers of Texas, and I hope that some one will report on it at our next meeting. (Applause.)

A Member—On an average, what do those books cost, Mr. Yantis?

Mr. Yantis—About fifty cents; some of them I pay as high as a dollar and a half for them and some at a dollar, but the average is about fifty cents; I lay aside five hundred dollars a year for this purpose, and I am going on until I have five thousand books.

Brethren, I want to do something else besides make money in this life; and I believe you will get a great deal of pleasure out of this plan. Try it. I have tried it for one year and I am starting on the second year, putting in another thousand books.

President Adams—The idea is certainly a novel one, and it might be adopted by all with good effect.

Is there any one else who desires to talk to this convention? This may be your last chance, boys.

If there is no further business, a motion to adjourn is in order.

A Member—I move we adjourn.

President Adams—We will stand adjourned until 9:30 tomorrow morning.

HIRAM GROSMAN & CO.

Commonwealth Bank Building.

DALLAS, TEXAS

Investment Securities.

We invite correspondence on enlisted Stocks and Bonds.

CABLE ADDRESS KIRBY

KIRBY LUMBER COMPANY

EXECUTIVE OFFICE.

JOHN H. KIRBY,
PRESIDENT.

HOUSTON, TEXAS. Sept. 20, 1913.

Mr. O. S. Carlton,
Vice-Pres., Great Southern Life Ins. Co.,
Houston, Texas.

My dear Mr. Carlton:

You have asked me to state why I carry a policy in your company for \$100,000.00. The answer is easy. I think every citizen of Texas should give preference to home companies. The laws of our State regulating life insurance companies place such safeguards around their obligations to policy holders as to make a policy in your company as safe and dependable as any written by the oldest and largest company in the world. The marvelous record of your company stands out as an exemplification of the wonderful growth and development of the insurance business in Texas in the past few years.

I understand the amount of life insurance being written in this state is now nearly double the amount that was written in 1906 and that the home companies are writing about two-thirds of this total business.

Your success means more than the prosperity of your stockholders. It means a great institution for Texas and for the Southwest. It means another factor in national strength and progress and a greater factor in the progress and development of this great commonwealth and in the promotion of the thrift and happiness of our people.

Greater still are the benefits that it will bestow on thousands, and I hope hundreds of thousands, of men and women in this great section.

The business of reduced to a science; its than in the past; demands greater. The president insurance companies of stating at the fiftieth organization that the \$650,000,000.00 in benefit and at the same time had in assets. It is not Great Southern Life to success in the same length make such a record as this, a fair measure of success to your policy holders. You how to reach them in every the benefits which you are artisan, mechanic, clerk, wage earner and to the men and women in every walk of life regardless of their income. Above all you must find a way to do this at the very lowest expense which will support both your efficiency and solvency.

I repeat, I insure with you because it is my duty as one who loves his country to do so and because I know that your contracts are dependable.



life insurance has been hazards are much lower for its service much of one of the great life New York was quoted as annual meeting of that company had distributed fits in fifty years on hand \$500,000,000.00 too much to expect the achieve even higher of time. Whether you or whether you win even depends upon your fidelity must study their needs; walk of life; how to extend organized to bestow to the

Very truly yours,

John H. Kirby

THURSDAY, THIRD DAY, MAY 7.

President Adams—The Convention will please come to order.

At the close of yesterday afternoon's session a committee composed of Mr. R. L. Ball of San Antonio, Judge O. E. Dunlap and William Poindexter was appointed on the question of devising ways and means of raising the money to give Texas a proper representation at the Panama Pacific Exposition to be held at San Francisco and they report as follows:

"We, your committee, appointed to draft suitable resolutions and to devise ways and means for the raising of funds to be expended for a suitable representation of Texas at the Panama Pacific Exposition, beg leave to report as follows:

Whereas, early in the year 1915 the building of the Panama Canal undertaken by the United States Government will be completed and ready for use by the Nations and the peoples of the earth, and,

Whereas, this stupendous achievement is to be celebrated by the Exposition to be held in San Francisco beginning on the second day of February, 1915, and continuing until the fourth day of December, 1915, which celebration has been authorized by the Congress of the United States of America, and in which all Nations have been invited to participate by the President of the United States, and,

Whereas, up to date twenty-nine or more nations, through their parliaments, and twenty or more American states, through their legislatures, have appropriated funds to defray the cost of participation, and,

Whereas, this is in celebration of an event national and international in its scope, in which no state, no nation and no people has more pride, or more to offer to the world in the way of display than the State of Texas, and,

Whereas, The Legislature of the State of Texas

has made no appropriation for the purpose of a Texas exhibit at this Exposition, and individual citizens and institutions alone are relied on to furnish sufficient funds for such purpose, and it is understood that the amount realized to date is inadequate for a proper representation; that unless efforts are made at once, Texas may fall short of the representation she is justly entitled to, therefore be it

Assessments Suggested.

Resolved, that the Texas Bankers' Association in convention assembled does hereby pledge itself to do its full share towards the Texas Exhibit at this Exposition and that it further urges that the bankers of this State levy an assessment as follows: On banks of the capital stock of one hundred thousand dollars and less, one-twentieth of one per cent of said capital stock, with a minimum assessment of ten dollars; on banks with a capital stock in excess of one hundred thousand dollars, an assessment of one-thirtieth of one per cent on their respective capital stock, same to be used as a contribution by the bankers of the State of Texas, to be turned over to a general fund to be expended at the Panama Pacific International Exposition for the display of the resources of the State of Texas and the erection of a suitable Texas Building,

Resolved, that for the carrying out of this resolution there be appointed by the Chairman of this Association a committee of three for the purpose of taking up at once with the respective banks the collection of the assessment herein recommended and that all sums so collected be turned over to the Texas Panama Pacific Commission.

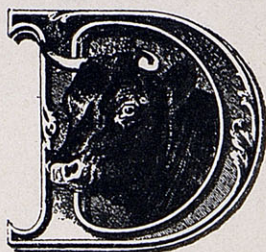
Respectfully submitted,

R. L. BALL,

O. E. DUNLAP,

WM. POINDEXTER.

What is the pleasure of the Convention; does



STATEMENT OF CONDITION, MARCH 4, 1914. THE DROVERS NATIONAL BANK STOCK YARDS STATION KANSAS CITY, MO.

RESOURCES.

Loans and Discounts.....	\$2,486,997.67
Over Drafts	1,554.49
Furniture and Fixtures.....	811.34
U. S. Bonds at par.....	244,000.00
Bonds and Warrants.....	4,811.10
Five per cent Redemption Fund.....	10,000.00
Cash and Sight Exchange.....	2,351,784.27
	\$5,099,958.87

LIABILITIES.

Capital	\$ 500,000.00
Surplus	100,000.00
Undivided Profits	23,074.68
Unearned Discount	19,162.60
Circulation	195,500.00
Deposits	4,262,221.59
	\$5,099,958.87

OFFICERS

HARRY L. JARBOE, JR., President

A. NEWMAN, Vice-President

J. E. LONGMOOR, JR., Ass't Cashier

I. E. GASKILL, Ass't Cashier

WE WANT YOUR BUSINESS

Comparative Showing of Deposits

Nov. 16, 1909	\$ 303,665.21
Nov. 10, 1910	554,249.56
Dec. 5, 1911	1,489,551.44
Sept. 4, 1912	2,126,403.86
April 4, 1913	2,742,195.82
March 4, 1914	4,262,221.59

anybody want to make a talk on it; has anybody any objection to the adoption of that resolution?

A Member—I move the adoption of the resolution.

Motion seconded and carried.

Mr. Joe Hirsch of Corpus Christi—Mr. Chairman, I have a couple of resolution I would like to offer.

President Adams—All right, Mr. Hirsch. Mr. Hirsch offers the following resolution:

Resolved, that the Texas Bankers' Association has heard with pleasure the statement by Dr. T. R. Sampson, General Agent and Secretary of the Conference for Education in Texas, concerning the general object and purposes of this Conference and would give renewed expression of its sympathy with the endeavors of this organization for the betterment of the general educational conditions in this State.

Can I hear a second to the resolution?

Mr. McInnis, of Bryan—I second the motion.

Motion carried.

President Adams—It is also resolved as follows:

To Study Farm Land Bank Act.

Resolved, That the incoming President of the Texas Bankers' Association appoint a special committee of three members for the purpose of making a care-

ful study of the proposed National Farm Land Bank Act with the view of suggesting such changes in our present system of the registration of land titles in Texas and such modifications, or amendments to the present Texas Homestead Law as will permit Texas farmers to reap the advantages of the National Farm Land Bank Act.

Resolved, That the Texas Bankers' Association desires to perpetuate the noble work of the lamented Henry Exall and heartily indorses the plans and purposes of the Texas Industrial Congress. We recommend to the Executive Committee of the Association that a special committee from the Agricultural Committee be appointed to confer with the officers of the Texas Industrial Congress for the purpose of assisting them in their work.

Resolved Further, That we favor the continuance of the prize offers of the Industrial Congress, and we urge the Texas Bankers to contribute liberally to the funds of the organization.

I believe you want that referred to the Resolutions Committee?

Mr. J. A. Pondrom of Texarkana—I suggest that the Convention act on it. There is no Resolutions Committee to pass upon these matters. I tried to get that Committee together and I believe

The National Bank of the Republic

OF CHICAGO

Capital, Surplus and Profits \$3,200,000

OFFICERS:

JOHN A. LYNCH, *President*

W. T. FENTON, *Vice President*

R. M. MCKINNEY, *Cashier*

O. H. SWAN, *Assistant Cashier*

JAMES M. HURST, *Assistant Cashier*

WM. B. LAVINIA, *Assistant Cashier*

Legitimate Commercial Banking

I am the sole member of that Committee here and I would rather that the Convention acted on these matters.

Mr. Hirsch—Mr. President, if they are going to be submitted on the floor of the Convention I prefer that they be deferred until after I have read my report.

Mr. W. H. Folts, of Austin—I have a resolution to offer.

President Adams—Mr. Folts offers the following resolution:

Resolved, by the Texas Bankers' Association, in annual convention assembled, that we congratulate the Honorable William G. McAdoo, David F. Huston and John Skelton Williams upon their successful performance of the arduous task of dividing the country into reserve bank districts.

Resolved, that we especially appreciate their action in making Texas the nucleus of one of these reserve districts; that we generally and heartily approve of the territory allotted to such district.

Resolved, that we welcome the bankers of those parts of Arizona, New Mexico, Oklahoma and Louisiana that have been allotted to the eleventh district to a closer relationship and union with us, sincerely trusting and believing that it will prove mutually pleasant and profitable; that it is our earnest desire that these, our neighbors, shall avail themselves to the fullest extent of the new facility provided by the federal government and shall participate actively and fully in the selection of the Directors of the Reserve Bank soon to be established at Dallas.

Resolved, further, that we pledge to the organization committee, the federal reserve board and to the bankers and citizens of every part of the Eleventh Reserve District our fullest and heartiest cooperation in all matters pertaining to the reserve system.

(Motion seconded and carried.)

Mr. J. Howard Ardrey, of Dallas—The adoption of that resolution calls to mind the fact that today is Secretary McAdoo's wedding day and I want to make a motion that the Secretary be instructed to send Secretary McAdoo and his bride a message of congratulation.

Mr. Webb, of San Angelo—I second the motion.

Motion carried and following telegram sent:

"Mr. and Mrs. W. G. McAdoo,
Washington, D. C.

The Texas Bankers' Association, in annual Convention assembled, unanimously congratulates you and tenders assurances of its sincere good wishes for your long life and happiness.

J. W. HOOPES,
Secretary."

Mr. Hirsch—Mr. President, since we are sending telegrams it has occurred to me that for the first time in many years we are without our official stenographer, Mr. J. A. Lord, and I think it would be a pleasant act to send him a telegram and express our regret at his absence.

Mr. Butler, of Clifton—I second the motion.

Motion carried and following telegram sent:

"Mr. J. A. Lord,
Houston, Texas.

The Association directs me to extend you best wishes and hopes for your speedy recovery. They regret you are not with us.

J. W. HOOPES,
Secretary."

Secretary Hoopes read the following telegrams:

"J. W. Hoopes, Secretary Texas Bankers' Ass'n.
Fort Worth, Texas.

On behalf of myself and associates in the First National Bank of Joliet, Ill., and the Woodruff Trust Co., I wish to extend kindest regards and best wishes to our many Texas friends. Business is so rushing here in Joliet it almost reminds one of Texas.

F. W. WOODRUFF,
Vice President

Chicago, Ill."

"J. W. Hoopes,
Secretary Texas Bankers' Association,
Fort Worth, Texas.

A matter of infinite regret Fred that circumstances have prevented my getting home in time to attend convention. Sincere regret to any of the faithful whom the spirit may move to inquire about me and hopes for a rousing time and splendid meeting. May I never have to miss another.

W. R. BOYD, JR.,
of Philp, Boyd & Co."

President Adams—Since we have been in Fort Worth and been so hospitably entertained by the people of Fort Worth, to those of us who have been coming here for so many years, I am sure that there has been a feeling of regret when we missed the kindly, genial face of one of the noblest men who has ever lived in Texas and I want to ask that this convention adopt suitable resolutions—and that is Mr. Noah Harding who was a credit to his city and to his State and one of the best bankers I have ever known. (Applause.) And for the purpose of getting that resolution before the convention I am going to appoint Mr. P. L. Downs, Mr. J. H. Ardrey

C. H. SCHOOLAR, President

GEO. H. BIRD, Sec'y-Treas.

CORPORATION AUDIT COMPANY

SCHOOLAR, BIRD & COMPANY
PUBLIC ACCOUNTANTS

GENERAL OFFICES: COMMONWEALTH BUILDING, DALLAS, TEXAS

and Mr. Thomas Rodgers to draft suitable resolutions.

I have a telegram from Mr. W. F. McCaleb, a member of the Executive Council for Texas of the American Bankers' Association:

"St. Louis, Mo., May 7, 1914.

"Nathan Adams,

"Texas Bankers' Convention, Fort Worth, Tex.

Have just returned from Executive Council meeting Hot Springs. Find we need about thirty additional members American Bankers' Association to entitle us to another member on Council. See if these can't be secured and elect new member now making three from Texas. Regret could not be with you this year.

W. F. McCALEB."

Mr. Hirsch Called On.

Gentlemen, I think the Texas Bankers' Association is fortunate in one thing and that is having and Irish-German-American farmer. Most of us people have found an easier way in which to make a living. This young man, however, in the past three years has devoted a great deal of his time to scientific farming. He has been recognized as

one of the greatest farmers of this country by the American Bankers' Association. What he don't know about farming isn't worth knowing. I take pleasure in introducing to you one of the great Irishmen of this country, Mr. Joe Hirsch, of Corpus Christi.

Mr. Joe Hirsch—I don't know what the matter of nationality has to do with agriculture. Personally I want to inform the President and the members of this organization that in proportion to their number there are just as many Israelites on the farm as any other denomination. It has been generally thought that more of them were engaged in soiling the tills than in tilling the soil. (Laughter.) But such is really not the case.

Now, as our friend, Bill Edens, said yesterday, if you will permit me for two or three minutes I will speak on the subject which has been allotted to me.

I know it is a great pleasure to the agriculturists to hear this rain that is pattering down on the roof. It is going to put my farm in great condition.

Mr. President and Members of the Association:

Your committee on Agriculture begs to submit herewith its second annual report.

REPUBLIC TRUST COMPANY

Commonwealth Bank Building, Dallas, Texas,

Offers facilities for the handling and placing of real estate loans, and the financing and equipment of street railways and interurban lines, telephone consolidations and other industrial enterprises of merit.

RESOURCES OVER \$1,400,000

What Texas Bankers Are Doing for Texas Farmers

BY JOE HIRSCH, VICE PRESIDENT OF THE CORPUS CHRISTI NATIONAL BANK, CORPUS CHRISTI,
AND CHAIRMAN OF THE COMMITTEE ON AGRICULTURE, TEXAS BANKERS ASSOCIATION.

EXTENSION of the United States Field Demonstration Work—active assistance and co-operation with the Texas Industrial Congress—educational publicity of the plans and purposes of the Bankers' Agricultural Committee and a vigorous campaign among Texas bankers to encourage live stock farmings, have marked the principal activities of your committee during the past year.

Too much stress cannot be laid upon the importance of the Demonstration Agent. Experience has demonstrated that the quickest and best method for the improvement of farming is to send a trained agriculturist into every community to help the farmers apply the new methods to local conditions. Your committee has devoted its chief efforts to the extension of this demonstration work to the various counties of the state. In this work we have had to depend upon the efforts of the County Chairmen appointed by this committee, a list of whom is appended and made a part of this report. Your careful attention is directed to this portion of our report. Your committee has arranged the lists of counties in the seven banking districts, showing the name of the county, the amounts appropriated for the demonstration work and the name and address of the banker acting as local Chairman of Agriculture. There are now over one hundred counties employing field agents, due largely to the efforts of the County Chairmen of this association. In many counties the scope of the work has been greatly enhanced through the activities of the bankers. In some sections, however, interest continues to lag. The success or failure of this work is attributable largely to the class of men appointed to this work. We, therefore, urge the District Chairmen of the Texas Bankers' Association to assist the Agricultural Committee in the appointment of local chairmen. You, the District Chairmen, are more familiar with the qualifications of the bankers living in your own district than we are. We have tried to select good men, men who will work; we ask you, the District Chairmen of this association, to join hands with us; make changes in the list of County Chairmen where you deem such changes necessary. Write the Chairman of the Agricultural Committee, and if you want to weed out a non-working banker and substitute a live, active man who will assist this organization in what we consider one of the most important movements ever undertaken by the Texas bankers, you will be performing a public service.

Have You a Demonstrator in Your County?

Texas bankers, scan the list of counties engaged in this demonstration work—*Is your county missing?* Few men realize the value of this work until confronted with its amazing results. We append as a portion of this report the summary for three years, 1909, 1910 and 1911, of the Cotton and Corn Crop Records under Farmers' Co-operative Demonstration work, compared with the average yields for the states represented and for the United States; 13,641 farms in the South show an average yield of 1,081.8 pounds of seed cotton per acre (1911 figures), compared with 624.6 pounds of seed cotton average for all the farms in the United States that year, and 33.2 bushels of corn, compared with 15.8 average corn yield in southern states that year—the corn figures being the results on 12,390 demon-



JOE HIRSCH.

stration farms reporting. The increased value of the corn and cotton on the farms thus reporting above the state average on acres reported show the amazing total of \$2,479,694.62 on 176,879 acres of land, an average increased value of \$14.00 per acre. No business in the Union is susceptible to such increased profits as the business of farming, and this applies, particularly, to our own state, and if the Texas bankers will join hands with the Agricultural Committee in this kind of work there is no doubt that we can greatly increase the bank deposits and add to the prosperity of our state.

Since our last annual meeting, Congress has passed the Smith-Lever Agricultural Extension Bill, which greatly increases the scope of the field demonstration work and applies it to all the states of the Union. Under this act, Texas will receive \$10,000.00 annually, and from 1915, additional amounts conditioned on equal state appropriations, as follows: First year \$36,000.00; second, \$66,000.00; third, \$96,000.00; fourth, \$126,000.00; fifth, \$156,000.00; sixth, \$186,000.00; seventh, \$216,000.00; eighth (1922), and each year thereafter, the sum of \$246,000.00 per year. The government and the states have expended over two hundred millions of dollars in developing scientific knowledge relating to agriculture. This knowledge has been practically in cold storage. The passage of the Smith-Lever bill will permit the dissemination of this knowledge among the actual farmers and enable them and the whole country to profit by it.

Congressmen Have Been Appealed To.

The Agricultural Committee of the Texas Bankers' Association, acting jointly with the Agricultural Committees of some thirty-five State Bankers' organizations, sent appeals to the Texas Congressmen and Senators in the sup-

port of this measure. The various conferences of the Bankers' Agricultural Committees held in Minneapolis in 1911 and 1912, and the Kansas City conferences of 1913, all passed resolutions endorsing this or similar measures, and it is the direct result of such agitation that the bill has passed. With the exception of the Currency Bill, it is believed that the passage of the Smith-Lever Bill will do more good to more people than any other act passed since the Civil War.

Your Agricultural Committee has worked in close touch with the Texas Industrial Congress. During the year we sent out several thousand circulars to the Texas bankers, asking them to contribute toward the Industrial Congress, and after the death of the lamented Henry Exall, the chairman of this committee, sent a special circular, and Mr. Nathan Adams, president of the Texas Bankers' Association, made a personal appeal to the members, through the columns of the Texas Bankers' Record, the official journal of the organization. As a result of this co-operation on the part of this association several thousand dollars was raised.

Praise for Colonel Exall.

It is unnecessary for this committee to again comment upon the work of the Texas Industrial Congress. You are all familiar with it; there is no organization like it in the United States, and we do not believe a man ever lived who took a deeper interest in the welfare of the farmers, in the ultimate prosperity of his state, who entered so feelingly into the lives of the women and the children on the farms, as the lamented Exall. His death was a grievous blow to our state. (Applause.)

Bankers of Texas, we must help to perpetuate his work. It is estimated that the expenses of maintaining the Industrial Congress for 1914 will be between \$50,000.00 and \$60,000.00, and as interest in the contest continues to grow, the expense constantly increases. Over 11,000 farmers and farmers' children participated in the contest last year.

It has been suggested that the Texas bankers raise the \$10,000,000 which are offered for the prize yields. This could be done by assessing the banks according to their capital and surplus. The County Chairman of Agriculture, one in every county of Texas, could collect the amounts assessed against the banks in his county. This would be a simple and, I believe, an effective method of raising this fund, and I think it would be a fine thing, a glorious thing, for this bankers' organization to do. Let the bankers of Texas take the lead in giving the farmer's boy

an incentive to stay on the farm. The Demonstration Agents work hand in hand with the Industrial Congress. Many a farmer's boy who will not take advantage of the opportunity offered by the government and by his county to become a demonstration farmer has had his ambition fired by the prize offers of the Industrial Congress. The prize is a great stimulus. The United States Demonstration Agents have been quick to perceive this, and all over Texas have been active factors in securing applications for the Congress. In my county the United States Demonstration Agent secured applications from over fifty boys, each one of whom was given, free of charge, a copy of the Henry Exall Farm Book. It would pay every bank in Texas to buy a hundred, or more, copies of this valuable farm book and distribute them among the farmers' children of his section. The boys are very susceptible to the training of the Demonstration Agents, who have organized hundreds of these children into Corn and Kaffir and Milo Clubs, Pig Clubs, Baby Beef Clubs, and the money prizes offered by the Texas Industrial Congress have been the greatest of incentives.

The Country Boy.

Why does he want to leave his father's farm to go to the city? He ought to be able to find his greatest happiness and usefulness in the country, his native environment, where he is sadly needed. We can help to make it worth while for this boy to invest his life in rural leadership.

And, now, to that portion of this report dealing with a subject of the most vital importance to this State—livestock farming. Livestock farming, the very foundation of agriculture, without which no prosperity can be lasting. What are we doing to encourage it in our State? What are you doing to encourage it in your community? What are you doing toward the permanent prosperity of your section, the building up of your soils, by encouraging the livestock farmer and discouraging the one-crop farmer?

Butter, eggs, poultry, bacon, beef, sorghum, kaffir, milo, corn, silos, spell prosperity. What is your county raising? Cotton?

Texas Imports Dairy Products.

Do you know that Texas sends several millions of dollars out of her borders every year for dairy products? Do you know that Texas sent \$106,000,000 away for feed stuffs and pork products last year? With great packing plants in Fort Worth, the packers get ninety per cent. of their hogs from Oklahoma. Have you any conception of

GEO. J. McCARTY, President

K. M. VAN ZANDT, JR., Vice President and Manager

H. C. HEAD, Cashier

SHUR WELCH, Assistant Cashier

Mercantile Banking Company, Ltd.

Avenida San Francisco No. 12

CITY OF MEXICO

Capital \$500,000

Surplus \$100,000

Members American Bankers Association
Texas Bankers Association
Mexico City Clearing House Association

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Write us on any subject which may be of interest to you in the Republic of Mexico

the profit in dairy farming? I wish time permitted me to read you the bulletin entitled "\$50,000,000 In Our Reach," issued by the Agricultural Committee of the Illinois Bankers' Association. Do you know that the average New York farm of 102 acres, with an average of 7 cows, has an annual income from dairy products of \$360.00? Wisconsin, with 118 acres and 8 cows, an average of \$304.00? Minnesota, with 177 acres and 7 cows, a dairy cow income of \$187.00? Iowa, with 156 acres and 6 cows, an income of \$143? Illinois, with 129 acres and 4 cows, a dairy income of \$125.00? Wisconsin's dairy products bring her \$53,000,000.00; New York, \$42,000,000.00; Iowa, \$25,000,000.00; Minnesota, \$25,000,000.00; Illinois, \$17,000,000.00, and Michigan, \$14,000,000.00. While Texas does not raise her own supply, but sends five millions of dollars away every year, when we ought to be one of the great exporting States of the Union. (Applause.)

We send several hundred thousand good blooded range cattle out of our State every year, to be fattened by Oklahoma, Kansas and Missouri feeders. In order to get the subject of cattle feeding before the Texas Bankers in an interesting way and from an authoritative source, your chairman has been fortunate enough to secure the following article from Mr. H. B. Johnson, of Chickasha, Oklahoma, the most important cattle feeder in the Southwest, and one of the best known cattlemen in the country. Mr. Johnson's cattle have won sweepstakes and grand championship prizes for the last six years, and he holds the record for top prices at four markets, viz.: Kansas City, St. Louis, St. Joseph and Fort Worth. Mr. Johnson is a strong advocate of feeding ensilage, and is said to have increased his profits \$10.00 on each steer sent to market since feeding silage.

Mr. Johnson on Ensilage Feeding.

"If every farmer in Texas will erect a silo for every 160 acres of land he has in cultivation, and will feed from one to four cars of cattle, and he can also fatten 25 to 50 head of hogs on the same feed he has fed the cattle, he will also have a large supply of the best dairy feed on earth for his milch cows and will be making from 25 to 50 tons of the best fertilizer to go back on his land.

"Fifteen to twenty acres of kaffir corn, sorghum or milo maise, if planted in drills, not broadcast, will make from 200 to 225 tons of ensilage. I much prefer kaffir corn and sorghum mixed half and half. Kaffir corn gives you the grain and sorghum has the sugar, and the stock like the flavor of the sorghum. To this ration must be added from three to six pounds of cotton seed meal per head per day, this to be determined by the age and the weight of the cattle, and you have a balanced ration, and one that will fatten and make cattle that will command top prices on any market.

"The farmers of this country are more fortunate than any of their Northern neighbors. They have, right at their doors, herds of the very best cattle to feed, in the State of Texas, and by planting some feed crops and putting in silos and feeding it to cattle and hogs, they get a larger return per acre on their land than if planted all to cotton. For example, a farmer buys 25 head of coming two-year-old steers. They cost him, say, \$40.00 per head, and he feeds them three tons of ensilage which costs him to raise and put in the silos \$3.00 per ton, and he feeds 500 pounds of cotton seed meal which costs \$7.00. The steers, say, will weigh 800 pounds when he gets them, and he puts on 3 pounds per day for 120 days, which would bring them up to 1100 pounds, and they sell for

\$7.50, and might bring \$8.00. This would be \$82.50 per head, deducting the cost, including feed, \$56.00, would leave a balance of \$26.50; take off \$3.50 for shipping, which would still leave him \$23.00 per head. It is true we have not counted anything for hog feed or for interest, but say one will offset the other; this would leave him a nice profit of \$500.00 on each carload of cattle fed, and he would have 20 to 25 tons of fertilizer to put back on his land.

"The small farmer can beat the large speculator feeder, feeding cattle. The farmer will do most of the work himself and be on the job all of the time, while the large feeder has to depend on some one else to do the work, and he buys all of his feed and oftentimes the expense eats up the profit. It is true the majority of the speculator-feeders feed cattle at oil mills and have no land or interests whereby they could utilize any of the fertilizer derived from feeding.

Bankers Should Encourage the Small Feeder.

"If the bankers will encourage and help the small feeder to get started by erecting silos and feeding from one to four cars of cattle, South Texas will soon be producing more pounds of good choice beef than any other section of the country? You have the climate, you don't have to waste any feed during the cold weather, keeping up animal heat like the Northern feeder in the same business. You have no blizzards and no muddy feed lots, and you have right at your door as well bred cattle as you will find anywhere in Texas.

"What has made Iowa, Illinois and Kansas, where all of the farmers are practically independent and have lifted all of the mortgages off of their farms? It was raising the feed, feeding it to hogs and cattle, and doing most of the work themselves. The farmers in South Texas can all do likewise. They can do more—they can raise the cattle and then raise the feed to fatten them. You have more varieties of feed and have a great deal of advantage in climate.

"I think the bankers will generally admit that the small cotton farmer has never been known to build up much of a bank account, especially if he continues to raise all cotton. He is a continual borrower; but with the farmer who raises diversified crops and feeds part of it to his cattle, he can have more chance for making good than the one-crop farmer, and, besides, he does not have to work half as hard as the farmer and all of his family has to work eleven months in the year to raise a cotton crop."

Each Man Must Do His Share.

Gentlemen of the Texas Bankers' Convention, will you not assist this committee in the effort to promote this kind of farming in Texas? We need personal work in the field; we need the District Chairmen to assist us in selecting the proper man, the banker to act as County Chairman of this committee. With such a man in each county, we plan the calling of monthly meetings of the bankers in every county, a sort of County Bankers' Convention. Let us assume there are seven banking towns in your county. Get one banker in each town who will canvass the merchants, ascertain how much money your grocers are sending away for feed and grain, how much money your town is sending away for butter, for eggs, for poultry, for bacon, for beef. It is only when the home town exports figures strike you in the face that you will realize what it means to send away \$106,000,000.00 a year for feed and pork products, and several millions

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is now ready and will be shown you soon by a salesman who is an expert in PRACTICAL PUBLICITY. You cannot afford to buy before you see it, for it contains some of the most beautiful specimens of art in existence, and the price is no more than you pay for inferior pictures and workmanship.

more for dairy and poultry products. If Swift or Armour have a branch in your town, find out how much butter, eggs and other products they are bringing in. The packers will tell you, and will be glad to build up a home market. They would rather buy it from you than bring it in. They, just as much as you, are interested in the development of the Texas livestock industry.

When you find out, as you very shortly will, how much money your own home town is sending away, you will soon begin to take a real interest in this work. A great good could be accomplished by the monthly bankers' meeting. Let the country merchant join in these meetings. This is not a movement for bankers alone. The country merchant should know, as well as you, that the one-crop farmer is the curse of our State, a constant menace to his prosperity, and that if we want to build successful communities we must have successful farmers, and that can be done only by the elimination of the one-crop farmer and the substitution of livestock farming. We want a banker in every county of Texas who can lead in this movement, and once we have such a working organization we can and will become a powerful factor in the development of this State.

Financing Diversified Operations.

To develop livestock farming in Texas, to build up dairy herds, furnish money for beef cattle, pure-bred swine, poultry and sheep, money for silos, leads us to the important question of financing these operations. That, gentlemen of the convention, is one of the most important propositions confronting the bankers and the people of Texas today—a subject probably as much discussed and as little understood as any confronting the people today—the question of farm financing, generally known as Rural Credits.

The President of the United States appointed a Special Commission to investigate the European Co-operative Land Mortgage Banks, Rural Credit Unions and similar organizations and institutions which promote agriculture. After exhaustive study, this Commission, in January of this year, rendered a report on Agricultural Credit (printed as Senate Document No. 380). Any banker may get one upon application. As a result of this, and of a previous Commission's report, a bill has been introduced in Congress, which has the avowed support of President Wilson, known as the National Farm Land Bank Act, a survey of which is given in this report, and which will later be distributed among the Texas bankers. It is not my purpose to dwell at length upon it on this occasion. But, briefly, this bill seeks to accomplish the establishment of farm-land banks which will lend money on long-term mortgages at reasonable rates of interest for the following purposes: (A) To complete the purchase of agricultural lands mortgaged. (B) To improve and equip such lands for agricultural purposes. In short, to provide money for the specific purposes referred to in this report. For dairy cattle, beef steers, hogs, sheep, poultry, silos. To furnish this money to the small farmer, as it is furnished him abroad, on long, easy payments at a low interest rate. Think what it would mean to a Texas farmer wanting to improve his farm—a man owning, say, 80 to 100 acres, who wanted \$1,000.00 for 10 good dairy cows, another \$1,000.00 for a good thoroughbred bull, some registered hogs and a silo. A man who could not get this money from his local banker, because the banker could not safely risk putting up all the money for this deserving enterprise unless the farmer had a margin to invest in it himself—

the man's 100 acres being exempt under our benevolent homestead law—who, even with a first-class endorser, might have difficulty in obtaining a \$2,000.00 loan from his local banker, and even then, if he did obtain it, at an eight or ten per cent. rate, and for no longer than six months. Think what a salvation it would be to him and to thousands of small farmers in Texas if they could obtain this money, as is contemplated, under the bill, on long, easy terms, the bill providing for loans running as long as thirty-five years. It is this system of farm mortgages banks and the Rural Credit Unions which have built up the agriculture of Europe.

The National Farm Land Bank Act is undoubtedly one of the most important measures ever introduced in the Congress.

It is especially provided in the pending measure that no State in the Union can obtain the privileges outlined in this bill until the State laws provide sufficiently for the cancelling of the right to claim exemption or for waiver of such exemption for homestead, or otherwise. That the State laws provide properly for registration of land titles, conveyances and foreclosures, so as to give reasonable protection to the holders of mortgages. My friends, the National Farm Land Bank Act is, undoubtedly, one of the most important measures affecting the prosperity of this country ever offered to the Congress of this Union. It is the result of laborious investigation and the best thought, not only of this country, but of the civilized globe. Whether it passes the present Congress or not, it is a foregone conclusion that some similar measure will, ere long, become a National law, and if Texas is to reap any of its advantages it behooves us now to make a study of the proposed measure and endeavor to shape our existing homestead law in order to meet its requirements. (Applause.)

Your Agricultural Committee respectfully suggests the appointment of a special committee from this organization to consider this most important subject. And that, as a result of such calm and dispassionate consideration, without appeal to class, partisanship or politics, we endeavor to shape legislation tending toward a modification of the present Texas Homestead Law, and put such a measure on our books as will permit the farmers of Texas to build up their farms—a measure that will give a new hope to the half million tenant farmers of Texas, for with such a law on our books we may, as Denmark has done, convert a country of tenant farmers into a country of farm owners, double the land values, quadruple the savings bank deposits, and make Texas, as it made Denmark, a happy, prosperous nation.

Miscellaneous Activities.

During the past year your chairman met with the Executive Committee of the Texas Bankers' Association, at which time a special appropriation of \$1,000.00 was set aside for the use of the Agricultural Committee. Your chairman also attended the third annual conference of Bankers' Agricultural Committees, held in Kansas City in August, 1913, and also attended a special meeting of the Agricultural Committees of the American Bankers' Association, held in Boston during October, at which time he presented a report, as chairman of a special committee, on the National Bureau of Marketing. During the Boston convention the Executive Committee of the American Bankers' Association appointed a special Agricultural Commission consisting of seven members, of which the chairman of your Agricultural Committee is a member.



GEORGE D. CAMPBELL

Vice-President of the State Bank & Trust Company, San Antonio, who was unanimously chosen as Treasurer of the Texas Bankers' Association at the Ft. Worth Convention. Mr. Campbell is a typical self-made Texas banker who enjoys a very wide circle of banking friends in every section of the State. His bank, which has been making such strides lately, is just beginning to feel at home in its wonderful new building.

This special Agricultural Commission, under the leadership of Mr. B. F. Harris, of Champaign, Ill., has been endeavoring to extend this work to all the States of the Union, and your chairman has been delegated to perform special work of this character in some of the Southern States. The Executive Committee of the American Bankers' Association considers this work of such great importance that it set aside a special sum to pay half the cost of publication of the Banker-Farmer, the journal now published under the auspices of the Agricultural Commission, the other half being paid by the various State bankers' organizations subscribing. A portion of the sum allotted to the Texas Agricultural Committee was used for this purpose. This journal is now being sent to all our members. It has a circulation now of over 25,000 copies monthly. Mr. B. F. Harris, of Champaign, Ill., the chairman of the Agricultural Commission, is devoting practically all his time to the editing of the Banker-Farmer. Texas bankers, you are urged to assist the editors by furnishing them with live topics from your neighborhood. The Banker-Farmer is particularly interested in telling what the various State Bankers' Associations are doing in the Better Farming Movement, and if you will address communications of this character to the editor at Champaign, Ill., you will not only be assisting in the general work of the Agricultural Commission, but will be advertising your State, and your portion of Texas in particular.

Your chairman attended the February Group Meetings, and is glad to report that interest in the Better-Farming Movement continues to grow. Agricultural topics were assigned a prominent place on the programs, and this feature of the meetings aroused a lively interest among the country bankers. The United States Government recognized the work of the Texas Bankers' Association, lent

its assistance through its able agent in charge of the demonstrating work, Mr. W. F. Proctor, of College Station, who delivered interesting addresses at the Houston and Fort Worth meetings. The Waco meeting was addressed by the Hon. S. A. Lindsay, of the Texas Farm Life Commission, while at the San Angelo meeting a notable address on beef feeding was delivered by Mr. M. A. Traylor, vice-president National Stock Yards National Bank, East St. Louis, Ill.

Movement Interesting Bankers Everywhere.

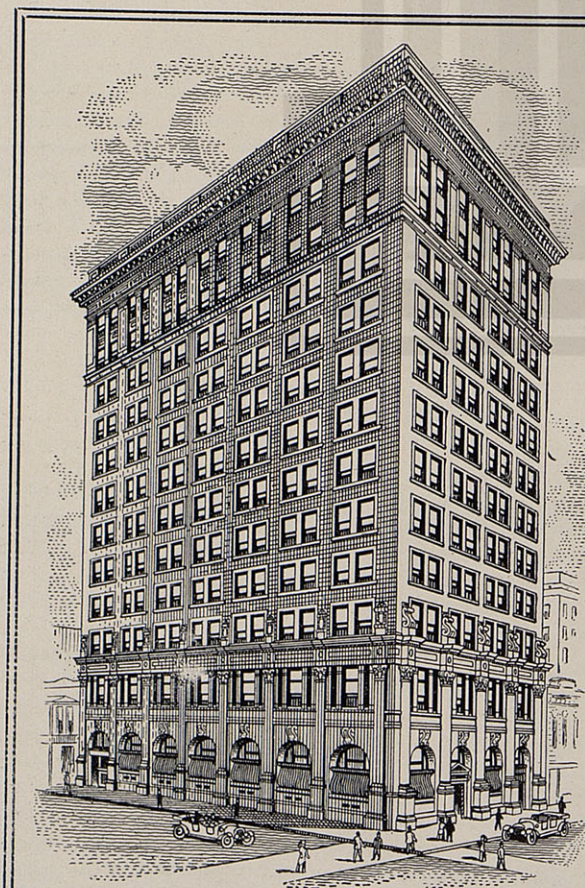
All over Texas the bankers are responding to the Better-Farming movement. Out in the San Angelo country the farmers are going into beef feeding. Ballinger is shipping eggs by the carload. Ask the Smith County bankers what the work has done for them. Look at the results from South Texas, 'way down in the Rio Grande Valley, the far-famed truck country; the bankers have organized the Rio Grande Valley Bankers' Association, and have organized the farmers and merchants and are going into dairying and hog raising on a large scale. At San Benito, a month or two ago, you all read of the Hog Parade, and all this in a part of the State that never even dreamed of hog raising until the bankers organized this movement. At McAllen there is a thriving creamery—and McAllen is one of the few towns in the Rio Grande Valley where the banks did not have to borrow during the entire year. Kingsville has a creamery making over 15,000 pounds

of butter a month; Alice, in the very heart of the old cattle range country, is going in for dairy farming. Creameries are being established at Bishop, Robstown and Corpus Christi. Over one hundred silos have been erected in Nueces and Kleberg Counties alone during the last twelve months. These are all the result of agitation of work of this kind, and what has been done in South and West Texas can be done in any portion of this State.

The special thanks of this committee are due to Mr. W. A. Philpott, Jr., editor of the Texas Bankers' Record, who has given us every possible assistance in the promotion of our work. Special thanks are also due the Executive Committee, and especially Nathan Adams, president and our secretary, J. W. Hoopes, as well as the accommodating assistant secretary, Miss Lydia Littman, who have lent us every possible assistance. Our thanks are also due to Mr. W. F. Proctor, of College Station, and to Dean E. J. Kyle and Prof. B. Youngblood, both of the College. Our special thanks are also due the newspapers of the State, who have given us valuable space in the promotion of our work. And, finally, our thanks are due to all the county chairmen and the bankers of Texas, generally, who have assisted in promoting the work of your Agricultural Committee.

You all know how deeply interested I am in the work, and that it is a pleasure to serve you, but this is a work that can be done by no one man alone, and we need the hearty support and co-operation of every banker in Texas.

I thank you for the honor conferred upon me, and bespeak for this committee your active co-operation during the ensuing year.



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ABE M. LEVY, Vice-President
C. G. PILLOT, Vice-President
J. M. ROCKWELL, Vice-President
DeWITT C. DUNN, Cashier
D. W. COOLEY, Assistant Cashier
H. B. FINCH, Assistant Cashier

COUNTY CHAIRMEN.

Below is a list of County Chairmen of Agriculture, Texas Bankers Association, and amounts appropriated by Counties and Government, also local aid for Demonstration Agents:

FIRST DISTRICT.

Angelina Co., Lufkin, W. R. McMullin, county, \$500; government, \$400.
 Austin Co., Bellville, H. F. von Rosenberg.
 Brazoria Co., Angleton, J. M. Hodges.
 Brazos Co., Bryan, L. L. McInnis, county, \$800; government, \$400.
 Calhoun Co., Port Lavaca, W. C. Noble, county, \$400; government, \$400.
 Chambers Co., Anahuac, R. D. White.
 Colorado Co., Columbus, S. H. Simpson, county, \$500; government, \$400.
 Fort Bend Co., Richmond, T. A. Wessendorf, county, \$450; government, \$400.
 Galveston Co., Galveston, J. W. Hoopes, local aid, \$200; county, \$1000; government, \$400.
 Grimes Co., Anderson, J. H. Kenard, county, \$1000; government, \$400.
 Hardin Co., Kountze, J. O. Fountain.
 Harris Co., Houston, Oscar Wells, local aid, \$400; county, \$1000; government, \$400.
 Houston Co., Crockett, Arch Baker, county, \$400; government, \$400.
 Jackson Co., Edna, A. S. White.
 Jasper Co., Jasper, John H. Seale.
 Jefferson Co., Beaumont, F. M. Law, county, \$1000; government, \$400.
 Lavaca Co., Hallettsville, French Simpson, county, \$600; government, \$400.
 Liberty Co., Liberty, J. W. Stubblefield, county, \$800; government, \$400.
 Madison Co., Madisonville, E. M. Thomason.
 Montgomery Co., Conroe, Banks Griffith, county, \$799; government, \$400.
 Matagorda Co., Bay City, A. D. Thompson, local aid, \$500; county, \$1000; government, \$400.
 Nacogdoches Co., Nacogdoches, John Schmidt, county, \$800; government, \$400.
 Newton Co., Newton, E. D. Terry.
 Orange Co., Orange, J. O. Sims, local aid, \$361.20; county, \$444; government, \$400.
 Polk Co., Livingston, J. E. Peters.
 Trinity Co., Groveton, L. P. Atmar, local aid, \$100; county, \$600; government, \$400.
 Sabine Co., Hemphill, G. E. Pratt, county, \$400; government, \$400.
 Tyler Co., Woodville, H. H. Wilkins, county, \$800; government, \$400.
 San Augustine Co.
 San Jacinto Co., Cold Springs, R. L. Renick, county, \$600; government, \$400.
 Shelby Co., Center, F. C. Powell.
 Victoria Co., Victoria, F. S. Buhler.
 Walker Co., Huntsville, G. A. Wynne, county, \$1000; government, \$400.
 Waller Co., Hempstead, A. G. Rompkins.
 Wharton Co., Wharton, B. C. Roberts, county, \$900; government, \$400.

SECOND DISTRICT.

Atascosa Co., Jourdanton, R. L. Witt.
 Aransas Co., Rockport, Arthur Mathis.
 Bandera Co., Bandera, S. B. Ford.
 Bexar Co., San Antonio, J. M. Haile, local aid, \$400; county, \$1000; government, \$400.
 Bee Co., Beeville, I. T. Miller.
 Crockett Co., Ozona, Elam Dudley.
 Comal Co., New Braunfels, Walter Faust.
 Cameron Co., Brownsville, A. Wayne Wood, county, \$1000; government, \$400.
 Dimmitt Co., Carrizo Springs, W. A. McCaleb.
 Duval Co., San Diego, N. A. Hoffman.
 DeWitt Co., Cuero, Lee Joseph.
 Edwards Co., Rock Springs, C. Axson.
 Encinal Co.
 Frio Co., Pearsall, R. S. Nixon.
 Gillespie Co., Fredericksburg, Wm. Bierschwale.
 Guadalupe Co., Seguin, Chas. E. Tips.
 Gonzales Co., Gonzales, C. E. Dilworth.
 Goliad Co., Goliad, W. B. McCampbell, county, \$500; government, \$400.
 Hidalgo Co., Mercedes, N. P. Barton, county, \$1000; government, \$400.
 Jim Wells Co., Alice, T. M. Clark, county, \$750; government, \$400.
 Kimble Co., Junction, T. S. Butland.

Kendall Co., Boerne, T. S. Loe.
 Kleberg Co., Kingsville, E. W. House, county, \$750; government, \$400.
 Kerr Co., Kerrville, L. A. Schreiner.
 Kinney, Brackettville, N. P. Peterson.
 Karnes Co., Karnes City, J. W. Ruckman.
 Live Oak Co., Oakville, D. T. Blair.
 Medina, Hondo, J. M. Finger.
 Maverick Co., Eagle Pass, F. V. Blesse.
 McMullen Co., Tilden, W. P. Shannon.
 La Salle Co., Cotulla, L. A. Kerr.
 Nueces Co., Corpus Christi, J. Hirsch, county, \$1000; government, \$400.
 Refugio, Woodsboro, W. T. Hasdorf.
 Sutton Co., Sonora, Roy E. Aldwell.
 San Patricio Co., Taft, D. O. Fitzgerald, county, \$600; government, \$400.
 Starr Co., Rio Grande City, O. E. Cannon.
 Uvalde Co., Uvalde, J. W. Vanham.
 Val Verde Co., Del Rio, W. R. Wheeler.
 Webb Co., Laredo, R. K. Mims.
 Wilson Co., Floresville, J. H. Brown.
 Zavalla Co., Crystal City, Lee Graham.
 Zapata Co.

THIRD DISTRICT.

Bastrop Co., Bastrop, Paul D. Page.
 Blanco Co., Johnson City, Chas. Klett.
 Burleson Co., Caldwell, Harry Hudson.
 Burnet Co., Burnet, W. L. Chamberlain, county, \$500; government, \$400.
 Caldwell Co., Lockhart, Geo. W. Baker, county, \$800; government, \$400.
 Fayette Co., LaGrange, Leo Frede, county, \$700; government, \$400.
 Hays Co., San Marcos, C. C. Wade.
 Llano Co., Llano, M. D. Slater.
 Lee Co., Giddings, W. A. Knox.
 Mason Co., Mason, F. W. Lemberg, county, \$500; government, \$400.
 Travis Co., Austin, Chester Thrasher, county, \$1000; government, \$400.
 Washington Co., Brenham, C. L. Wilkins, county, \$1000; government, \$400.
 Williamson Co., Taylor, G. M. Booth.

FOURTH DISTRICT.

Bell Co., Temple, P. L. Downs, local aid, \$200; county, \$1000; government, \$400.
 Bosque Co., Meridian, C. W. Tidwell, county, \$600; government, \$400.
 Coryell Co., Gatesville, Leake Ayres.
 Falls Co., Marlin, L. H. Johnson, county, \$400; government, \$400.
 Freestone Co., Fairfield, W. F. Storey.
 Hill Co., Hillsboro, Geo. L. Porter.
 Limestone Co., Groesbeck, Dan Parker.
 Milam Co., Cameron, Oxheer Smith, county, \$800; government, \$400.
 McLellan Co., Waco, Geo. L. McGhee, county, \$700; government, \$400.
 Navarro Co., Corsicana, Frank Drane, county, \$1000; government, \$400.
 Robertson Co., Franklin, R. S. Glass, county, \$450; government, \$400.
 Leon Co., Centerville, L. T. Graham.

FIFTH DISTRICT.

Anderson Co., Palestine, Tucker Royall.
 Bowie Co., Boston, J. F. Collins, county, \$720; government, \$400.
 Camp Co., Pittsburg, W. C. Hargrove, county, \$400; government, \$400.
 Cass Co., Linden, C. H. Nelson.

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Collin Co., McKinney, Howell E. Smith.
Cherokee Co., Rusk, W. T. Norman, county, \$600; government, \$400.
Dallas Co., Dallas, R. P. Wofford, county, \$1000; government, \$400.
Delta Co., Cooper, H. B. Lane.
Ellis Co., Midlothian, G. W. Newton.
Franklin Co., Mt. Vernon, C. C. Dupree, county, \$600; government, \$400.
Fannin Co., Bonham, D. W. Sweeney, county, \$500; government, \$400.
Gregg Co., Longview, E. H. Bussey, county, \$620; government, \$400.
Hopkins Co., Sulphur Springs, W. F. Skillman.
Hunt Co., Greenville, W. H. James, local aid, \$900; county \$600; government, \$400.
Harrison Co., Marshall, E. J. Fry, county, \$800; government, \$400.
Henderson Co., Athens, D. R. Murchison, county, \$600; government, \$400.
Kauffman Co., Kauffman, T. S. Pyle.
Lamar Co., Paris, James S. Smith.
Grayson Co., Sherman, C. A. Sanford.
Morris Co., Daingerfield, W. A. Connor, Jr.
Marion Co., Jefferson, J. B. Hussey.
Panola Co., Carthage, J. W. Cook.
Red River Co., Clarksville, A. M. Graves, county, \$800; government, \$400.
Rockwall Co., Rockwall, T. L. Keys.
Rains Co., Emory, F. J. Phillips.
Rusk Co., Henderson, E. B. Alford.
Smith Co., Tyler, Gus F. Taylor, local aid, \$500; county, \$1000; government, \$400.
Titus Co., Mt. Pleasant, R. F. Lindsay, county, \$400; government, \$400.
Upshur Co., Gilmer, H. R. McGoughy.
Van Zandt Co., Canton, M. L. Cox, county, \$400; government, \$600.
Wood Co., Quitman, W. M. Lloyd, county, \$400; government, \$400.

SIXTH DISTRICT.

Brown Co., Brownwood, F. S. Abney, county, \$600; government, \$400.
Coke Co., Robert Lee, A. P. Stone.
Coleman Co., Coleman, C. F. Dumas, county, \$900; government, \$400.
Comanche Co., Comanche, I. M. Easley, county, \$800; government, \$400.
Concho Co., Paint Rock, I. M. Patton.
Erath Co., Stephenville, W. H. Frey, county, \$800; government, \$400.
Hamilton Co., Hamilton, J. M. Williams.
Irion Co., Sherwood, W. M. Folsom.
Lampasas Co., Lampasas, W. B. McGee, county, \$500; government, \$400.
McCullough Co., Brady, W. D. Crothers, county, \$800; government, \$400.
Menard Co., Menardville, C. B. Mason.
Mills Co., Goldthwaite, W. C. Dew, county, \$400; government, \$400.
Runnels Co., Ballinger, R. G. Erwin, county, \$800; government, \$400.
Sterling Co., Sterling City, J. S. Cole.
San Saba Co., San Saba, U. M. Sanderson, county, \$600; government, \$400.
Schleicher Co., Eldorado, W. C. Alexander.
Tom Green Co., San Angelo, W. D. Kirkpatrick, county, \$800; government, \$400.

SEVENTH DISTRICT.

Armstrong Co., Claude, Clifford Walker.
Archer Co., Archer City, H. A. Power.
Andrews Co., Abilene, Ed S. Hughes.
Briscoe Co., Silverton, J. A. Bain.
Baylor Co., Seymour, T. C. Whiteside.
Bailey Co., Hurley, J. F. Mertzner.
Borden Co., Gail, J. D. Brown.
Brewster Co., Alpine, C. A. Brown.
Buchel Co.
Clay Co., Henrietta, T. H. Marberry, county, \$450; government, \$400.
Carson Co., (See Oldham) Panhandle, A. R. Burton, county, \$300; government, \$400.
Collingsworth Co., Wellington, C. J. Glenn.
Castro Co., Dimmitt, B. Rowan.
Childress Co., Childress, C. C. Badgett.
Cottle Co., Paducah, W. H. Abernathy, county, \$600; government, \$400.
Cochran Co.
Crosby Co., Crosbyton, Edgar Allen.
Cooke Co., Gainesville, Frank H. Sherwood.
Callahan Co., Baird, J. F. Dyer.
Crane Co.
Dallam Co., Dalhart, E. T. Adair.

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Deaf Smith, Hereford, A. P. Murchison.
 Donley, Clarendon, H. D. Ramsey.
 Dickens Co., Dickens, H. P. Cole.
 Denton Co., Denton, J. C. Coit, local aid, \$900; government, \$400.
 Dawson Co., Lamesa, E. R. Bainbridge, county, \$600; government, \$400.
 Eastland Co., Eastland, H. P. Brelsford, county, \$600; government, \$400.
 El Paso Co., El Paso, W. Cooley.
 Ector Co., Odessa, W. F. Bate.
 Ford Co., Crowell, S. S. Bell.
 Fisher Co., Roby, F. M. Long.
 Floyd Co., Floydada, W. A. Robbins.
 Foley Co.
 Gray Co., Pampa, J. M. Smith.
 Glasscock Co., Garden City, R. S. Durbar.
 Garza Co., Post, W. O. Stevens.
 Gaines Co., Seminole, T. C. Ivey.
 Hansford Co., Hansford, M. B. Wright.
 Hartley Co., Channing, Saunders Gregg.
 Hutchison Co.
 Hemphill Co., Canadian, J. W. Allen.
 Hall Co., Memphis, J. A. Bradford, county, \$800; government, \$400.
 Hardeman Co., Quanah, W. L. McCauley, county, \$600; government, \$400.
 Hale Co., Plainview, E. B. Hughes.
 Haskell Co., Haskell, G. E. Langford.
 Hood Co., Granbury, J. N. Nutt.
 Howard Co., Big Springs, A. E. Pool.
 Hockley Co.
 Jack Co., Jacksboro, D. L. Knox, county, \$180; government, \$400.
 Jones Co., Anson, C. H. Steele.
 Johnson Co., Cleburne, E. P. West, local aid, \$200; county, \$600; government, \$400.
 Jeff Davis Co., Fort Davis, Chas. Mulhern.
 King Co.
 Knox Co., Benjamin, A. H. Sams.
 Kent Co., Clairemont, J. B. Joy.
 Lipscomb Co., Lipscomb, Geo. W. Long.
 Lamb Co., Olton, G. T. Galloway.
 Lubbock Co., Lubbock, W. S. Posey.
 Lynn Co., Tohoka, W. B. Slaton.
 Loving Co.
 Montague Co., Montague, G. L. Aldrege.
 Mitchell Co., Colorado, J. E. Hooper.
 Moore Co., Dumas, W. J. Morton.
 Martin Co., Stanton, Paul Honz.
 Midland Co., Midland, E. R. Bryan.
 Nolan Co., Sweetwater, J. W. Mingus, county, \$800; government, \$400.
 Ochiltree Co., Ochiltree, Wm. Wilson.
 Oldham Co., county, \$180.
 Potter Co., Amarillo, Chas. Ware, county, \$420.
 (One agent for Oldham, Potter, Carson and Randall).
 Palmer Co., Farwell, A. J. Fry.
 Palo Pinto, Palo Pinto, G. Metcalf.
 Parker Co., Weatherford, R. W. Davis, county, \$600; government, \$400.
 Pecos Co., Fort Stockton, S. Parke.
 Presidio Co., Marfa, H. M. Fennell.
 Roberts Co., Miami, H. E. Baird.
 Randall Co., Canyon, L. T. Lester, county, \$300.
 (See Oldham).
 Reeves Co., Pecos, T. H. Beauchamp.
 Sherman Co., Stratford, L. R. McCrory.
 Swisher Co., Tulia, T. W. Tomlinson.
 Stephens Co., Breckenridge, B. S. Walker.
 Somerville Co., Glen Rose, C. A. Milam.
 Stonewall Co., Aspermont, Roy Riddel.
 Scurry Co., Snyder, C. Ezell.
 Shakelford Co., Albany, W. G. Webb.
 Throckmorton Co., Throckmorton, W. R. King.
 Terry Co., Brownfield, W. A. Bell.
 Tarrant Co., Fort Smith, Elmo Sledd, county, \$1000; government, \$400.
 Taylor Co., Abilene, Henry James, county, \$600; government, \$400.
 Upton Co.
 Wilbarger Co., Vernon, D. L. Green, county, \$550; government, \$400.
 Wichita Co., Wichita Falls, G. W. Snider, local aid, \$500; county, \$800; government, \$400.
 Wise Co., Decatur, W. C. Bailey.
 Winkler Co.
 Ward Co., Barstow, C. E. Nichols.
 Wheeler Co., Mobette, T. E. Durham.
 Young Co., Graham, R. E. Lynch.
 Yoakum Co., Plains, A. J. Bank.
 Motley Co., Matador, A. B. Echols.

COTTON.

Summary for Three Years, 1909, 1910 and 1911, Crop Records Under Farmers' Co-operative Demonstration Work, Compared With Average Yields for the States Represented and for the United States.

STATES.	Average yields under Demonstration Methods.			Bureau of Statistics' Figures for the States.		
	Pounds Seed Cotton.			Pounds Seed Cotton.		
	1909	1910	1911	1909	1910	1911
East Texas	690.6	826.1	1074.5			
West Texas	547.5	578.4	699.4			
(All of Texas)	633.3	710.4	849.9	375.0	477.0	576.0
Oklahoma	527.7	708.1	628.7	441.0	585.0	504.0
Louisiana	757.8	785.5	1063.5	390.0	390.0	522.0
Arkansas	844.6	915.3	946.7	459.0	525.0	558.0
Tennessee*			1672.9			744.0
Mississippi	1115.7	933.5	1045.0	471.0	519.0	510.0
Alabama	1138.4	1220.2	1442.9	426.0	474.0	609.0
Florida	597.5	572.0	840.4	330.0	330.0	384.0
Georgia	1303.9	1298.0	1510.0	552.0	522.0	732.0
South Carolina	1204.9	1249.3	1569.2	630.0	636.0	795.0
North Carolina	1238.2	1332.7	1591.5	630.0	681.0	861.0
Virginia			1414.3			912.0
Averages for States represented	906.1	858.9	1081.8			
Averages for U. S.				503.6	512.1	624.6

CORN.

East Texas	28.4	34.1	21.4			
West Texas	21.8	31.5	23.1			
(All of Texas)	25.4	32.8	22.3	15.0	20.6	9.5
Oklahoma	26.0	24.1	13.0	17.0	16.0	6.5
Louisiana	30.8	35.2	28.6	23.0	23.6	18.5
Arkansas	30.6	36.8	32.9	18.0	24.0	20.8
Tennessee*			46.6			26.8
Mississippi	36.9	41.6	32.4	14.5	20.5	19.0
Alabama	33.2	41.4	46.3	13.5	18.0	18.0
Florida	21.0	23.0	30.9	12.6	13.00	14.6
Georgia	34.4	35.4	39.2	13.9	14.5	16.0
South Carolina	36.1	41.0	39.2	16.7	18.5	18.2
North Carolina	40.0	43.4	42.6	16.8	18.6	18.4
Virginia	41.0	46.5	41.9	22.3	25.5	24.0
Averages for States represented	31.7	35.3	33.2	16.7	19.3	15.8
Averages for U. S.				25.9	27.7	23.9

*(Began in 1911).

COTTON.

Summary Showing Total Production and Values of Increase Crop Records Under Farmers' Co-operative Demonstration Work, 1911.

STATES.	No. of Dems.	No. of Reported Acres.	Av. Yield per Acre. Lbs. Seed Cotton.	Total Yield. Lbs. Seed Cotton.	Val. of Increase above State Av. on Acres Reported.
East Texas	951	8,023	1,074.5	8,620,399	\$ 120,024.08
West Texas	1,171	11,972	699.4	8,373,440	44,296.40
Oklahoma	845	9,317	637.9	5,942,952	37,454.34
Louisiana	1,675	33,022	1,063.5	35,120,291	536,277.28
Arkansas	1,588	14,912	946.7	14,117,613	173,873.92
Tennessee	110	249	1,672.9	416,561	6,939.63
Mississippi	864	4,162	1,045.0	4,349,347	66,800.10
Alabama	1,999	8,531	1,377.4	11,749,916	196,639.55
Florida	403	1,294	840.4	1,087,538	35,429.72
Georgia	1,555	7,427	1,510.0	11,215,115	173,346.18
South Carolina	1,574	7,371	1,569.2	11,566,537	171,228.33
North Carolina	885	3,612	1,591.5	5,748,664	79,175.04
Virginia	21	107	1,414.3	151,325	1,612.49
Totals and averages	13,641	109,999	1,081.8	118,459,698	\$1,643,097.06

CORN.

East Texas	545	3,539	21.4	75,663	\$ 33,691.28
West Texas	582	4,246	23.1	98,165	46,196.48
Oklahoma	273	1,777	13.0	23,066	8,085.35
Louisiana	1,216	16,783	28.6	479,798	128,755.81
Arkansas	1,241	10,783	32.9	354,600	91,332.01
Tennessee	72	232	46.6	10,805	2,983.52
Mississippi	625	3,797	32.4	123,145	36,641.05
Alabama	1,600	5,639	46.9	264,416	127,103.06
Florida	435	1,339	30.9	41,389	17,460.56
Georgia	1,382	5,119	39.2	200,640	98,591.94
South Carolina	1,672	5,958	39.2	231,874	112,579.38
North Carolina	1,727	4,868	42.6	207,471	96,581.12
Virginia	1,021	2,800	41.9	117,247	36,596.00
Totals and averages	12,390	66,880	33.2	2,228,279	\$ 836,597.56

Bankers Trust Co.

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First Mortgage Real Estate Notes and Bonds bought and sold: both principal and interest guaranteed, and collected without charge. Legal Department, Real Estate Loan Department, Cattle Loan Department, City Loan Department, Farm Loan Department, Building Department, Stock and Bond Department.

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Mr. P. L. Downs, of Temple—Mr. President, in moving for the adoption of this report I crave your permission and the indulgence of this Association for about a moment to lay special emphasis or stress upon one or two points that have been touched upon in the reading of this report by the Chairman, who has just been before us.

I want to throw out one or two helpful, practical remarks that I believe will be of great assistance to the bankers of Texas in the ordinary pursuit of their business and in mixing up with the farmers of this State.

Our Chairman has already told you that he doesn't know anything about agriculture and as I, according to his statement, am the only practical farmer on that Committee, and I don't know any more than he does, nevertheless, I want to say to you that while you may think you don't know anything about the agricultural interests of this State and may feel a hesitancy in pushing forward in the usual activities attendant upon this department or feature of our development, that the responsibility devolves upon you gentlemen of this Bankers' Association and the other business interests of this State to push forward with all eagerness and earnestness for the development of our agricultural interests. (Applause.)

I want to tell you, as I have said before on this floor on many occasions, that in the soil of our State rests the wealth of our State and that, however much we may do in the future to make Texas a manufacturing and industrial State it will not in your life-time nor in my life-time see the day when it will become a great, widespread manufacturing State. Therefore, during your life-time and mine we will necessarily have to depend upon our agricultural resources, our agricultural development for the maintenance of our institutions and the support of our people. I want to tell you, therefore, that when you go to your home you cannot get into any greater activity, be of any greater service to your State or your country than to take up an abiding and earnest interest in the agricultural development of this great commonwealth.

The Farmer Must Be Told.

So, go to it! boys, go to it! It depends on you to lead in this great work for Texas. In the very ordinary run of things the farmer will not and cannot be a leader. I say this without any reflection upon the farmer himself, having been born and reared upon a farm, having been engaged in the farming business all my life. I say it without any reflection upon him because what applies to him applies likewise to myself. No man has a greater respect and reverence for the farmer, the yeomanry of this

country, than I but I want to tell you that it depends on the commercial and the banking interests in this State to lead in this great undertaking.

You will have to lead and don't get it into your cranium that you don't know anything about farming and consequently cannot be of any value or help to the agricultural interests of Texas. Go to it, as I say, and take an active interest with the farmer in this great work because your business, the very life and existence of your business depends upon the full and complete development of the agricultural and farming interests of Texas.

Now, one or two other practical points. Let every man in this State go after the demonstration work; let him be sure that he has a demonstrator for his county and when you go after that demonstrator get a practical man and a scientifically educated demonstrator, that is what you need, a scientifically educated demonstrator.

A Member—A point of order, Mr. President.

Mr. Downs—It is the scientific agricultural education of the future that is going to make for the development of Texas. Get an agriculture demonstrator, by all means, and let him and you look carefully after the farm.

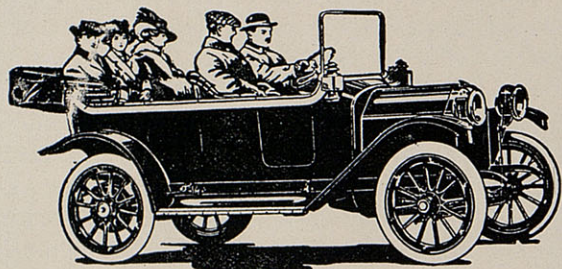
A Member—Mr. President, will you please rule on my point of order.

President Adams—How much more time would you like to have, Mr. Downs?

Experimental Work in Texas.

Mr. Downs—Just another closing remark, another point in regard to the Experiment Station in this State. We have, by the laws of Texas, a dozen agricultural experiment stations in this State. As a part of the Governing Board of the State Experiment Station I have been for the past several years in a splendid position to realize and appreciate the full necessity of the experiment station work to the development of the scientific education of our people.

When you go by these stations or pass by them, whether it be at Spur or at Terrell or at Uvalde or at Temple or at Denton or wherever that station may be, don't pass it by lightly, give it full credit for what it is doing. Don't get it into your heads that it is a demonstration farm. Mr. President, there is the most marked ignorance in the State of Texas as to the difference between a demonstration farm and the experiment station farm. If you see the farm at a different height don't say that it is a ragged farm and the farm doesn't amount to anything. If you see the cotton, little and big and larger, don't pass it up and say that that farmer doesn't know anything about his business. In the Temple Station alone, for instance, forty-eight dif-



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ferent types of corn were planted, all at different periods and at different months. In the Temple station last year more than one hundred and thirty-two different types of cotton were planted. How many bankers in Texas know that there are one hundred and thirty-two different types of cotton? Go to your farm station, study them and mix with them and learn something about the agricultural education of Texas.

Mr. President, I beg your pardon for dilating on those remarks. I had several other suggestions that I wanted to make but realizing that the hour is late I will pass them by.

Mr. President, I move the adoption of the report.

President Adams—Do I hear a second to the motion of Mr. Downs to adopt the report of the Agricultural Committee.

I am sure every banker in this house realizes the importance of giving their support to the Agricultural Committee not only in a financial way but to help the Committee in every possible way to establish their work throughout the State.

(Motion seconded and carried.)

I want to say that this is going to be the last session of the Bankers' Association Convention and

there is only one more address on the regular program.

I have been requested to give ten minutes to Mr. McKnight of the Agricultural College at Bryan, he tells me that ten minutes is all he wants. Immediately after that will be the last address on the program and the election of officers and the selection of the next place of meeting. I hope you will remain patient and be with us through the entire meeting.

Mr. J. A. Pondrom, of Texarkana—Mr. Chairman, a question please. I understood that this resolution with reference to endorsing the San Francisco Exposition was to be taken up. Now, for fear the Chair might overlook—

President Adams—I am going to appoint that committee right now. It has been adopted and I am going to appoint the committee. I am going to appoint on the committee R. L. Ball, of San Antonio, D. W. Cooley, of Houston, Edwin Hobby of Dallas and R. C. Roberdeau of Austin to put into effect the plans of raising this money in accordance with the resolution.

Mr. Pondrom—Mr. President, by the action of the convention all the resolutions have been taken out

J. F. DOWNING, President
G. B. HARRISON, Vice Pres.
P. G. WALTON, Cashier

F. T. CHILDS, Ass't Cashier
V. K. TUGGLE, Ass't Cashier
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Deposits, \$14,000,000

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of the hands of the Resolutions Committee except two which I hold in my hands and which are not likely to create any discussion and as there is only one other member of the committee in the city and he is present I am satisfied that he will join me in presenting these to the Convention so that we can dispose of them.

President Adams—All right Mr. Pondrom, I will be glad for you to present them.

Mr. Pondrom—Shall I read them?

President Adams—Yes?

Mr. Pondrom—The first resolution is as follows:

One Cent Rate On Letters Indorsed.

Whereas, There is now, and for years has been, a large net profit on first-class mail, and

Whereas, Such profits have been entirely dissipated by the losses incurred in handling other classes of mail at less than the cost of service, thus working an injustice on all users of first-class postage,

Therefore, Be It Resolved, by the Texas Bankers' Association that a one cent rate on ordinary letters should be accorded, at once, to all users of the letter mail, and we therefore, ask members of Congress from this state to support Senate Bill No. 152, introduced in the United States Senate by Hon. Theodore E. Burton, and House Bill No. 4322, introduced in the House of Representatives by Hon. Charles L. Bartlett for One Cent Letter Postage measures, and to use their efforts to secure the passage of these bills with as little delay as possible.

The Secretary of this body is hereby instructed to send copies of this resolution to our Senators and Representatives, and also to do everything within his power by correspondence, publicity, etc., to accomplish the results which the National One Cent Letter Postage Association is endeavoring to secure.

Such consideration as the Resolutions Committee gave this resolution we considered it unobjectionable but, I believe, the matter was passed upon and the Association has gone on record as opposed to this at the last session at Galveston, if I am not mistaken. Am I right, Mr. Hoopes?

Secretary Hoopes—No, we didn't pass on it for want of information.

Mr. Pondrom—It wasn't passed on for want of information; I knew the resolution was before us at Galveston. Well, under the circumstances, we will submit this without recommendation.

President Adams—Can I hear a motion to adopt this resolution for one cent postage.

Mr. Woodson, of Waco—Mr. Chairman, I understand the American Bankers' Association has threshed that out and endorsed the resolution and, therefore, I move that it be adopted.

President Adams—I understand that a great many State Bankers' Associations have done the same thing.

(Motion seconded and carried.)

Mr. Pondrom—The other resolution was as follows:

Resolved, That it is the sense of this body that Section 5200 U. S. Revised Statutes be further amended so as to permit National Banks to make advances in excess of the proscribed limit on bona fide warehouse and compress receipts under proper limitation to be considered in a legislative act.

The committee recommended the passage of that resolution at the one meeting they had.

A Member—I move its adoption.

Motion seconded and carried.

President Adams—We will now take up Mr. Hirsch's resolution that was presented this morning. I will read it again.

The Hirsch Resolution Adopted.

Resolved, That the incoming President of the Texas Bankers' Association appoint a special committee of three members for the purpose of making a careful study of the proposed National Farm Land Bank Act with the view of suggesting such changes in our present system of the registration of land titles in Texas and such modifications, or amendments to the present Texas Homestead Law as will permit Texas farmers to reap the advantages of the National Farm Land Bank Act.

A Member—I move its adoption.

(Motion seconded and carried.)

President Adams—The second resolution is:

In Memory of Henry Exall.

Resolved, That the Texas Bankers' Association desires to perpetuate the noble work of the lamented Henry Exall and heartily indorses the plans and purposes of the Texas Industrial Congress. We recommend to the Executive Committee of the Association that a special committee from the Agricultural Committee be appointed to confer with the officers of the Texas Industrial Congress for the purpose of assisting them in their work.

Resolved Further, That we favor the continuance of the prize offers of the Industrial Congress, and we urge the Texas bankers to contribute liberally to the funds of the organization.

A Member—I move the resolution be adopted.

Motion seconded and carried.

President Adams—I now take pleasure in introducing to you Mr. McKnight, of the Agricultural & Mechanical College, of Bryan, who desires ten minutes of your time. (Applause.)

Mr. McKnight—Mr. President and Gentlemen of