SHERMAN COUNTY OBSERVER

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Synopsis of Annual Statement of the
NEW YORK INDEMNITY COMPANY
of New York, in the State of New York, on the thirty-first day of December, 1926, made to the Insurance Commissioner of the State of Oregon, pursuant to law:

Capital	
Amount of capital stock paid up	$ 1,000,000.00
Income	
Net premiums received during the year	$ 5,548,752.51
Interest, dividends and rents received during the year	254,097.37
Income from other sources received during the year	218,117.26
Total income	$ 6,020,967.14
Disbursements	
Net losses paid during the year including adjustment expenses	$ 2,981,149.22
Commissions and salaries paid during the year	1,917,878.54
Taxes, licenses and fees paid during the year	140,786.75
Amount of all other expenditures	924,152.20
Total expenditures	$ 5,963,966.71
Assets	
Value of stocks and bonds owned (market value)	$ 5,229,228.02
Cash in banks and on hand	271,376.61
Premiums in course of collection, written since September 30, 1926	1,267,295.33
Interest and rents due and accrued	70,606.22
All other assets	138,116.58
Total admitted assets	$ 6,976,622.76
Liabilities	
Gross claims for losses unpaid	$ 2,452,240.58
Amount of unearned premiums on all outstanding risks	2,277,963.87
Due for commission and brokerage	290,450.12
All other liabilities	366,036.50
Total liabilities, exclusive of capital stock of $1,000,000 and surplus	$ 5,386,691.07
Business in Oregon for the Year	
Net premiums received during the year	$ 20,130.61
Losses paid during the year	12,939.65
Losses incurred during the year	14,551.80

NEW YORK INDEMNITY COMPANY
Spencer Welton, President.
Hubert J. Hewitt, Secretary.
Statutory resident attorney for service: Insurance Commissioner of Oregon.

SYNOPSIS OF THE ANNUAL STATEMENT OF
United States Branch
London Guarantee & Accident Co., Ltd.
of New York City, in the State of New York, on the 31st day of December, 1926, made to the Insurance Commissioner of the State of California, pursuant to law.

Assets.	
Mortgages and collateral loans	$ 22,100.00
Bonds and stocks	18,065,239.18
Cash in company's office and in banks	478,865.18
Premiums in course of collection	2,644,642.44
Equity in Workmen's Compensation Reinsurance Bureau	226,003.95
Other ledger assets	63,315.65
Ledger assets	$16,494,165.40
Non-ledger assets:	
Interest and rents due or accrued	$ 263,061.25
Market value of securities over book value	575,762.86
Other non-ledger assets, refunds and salvage due	36,061.79
Total gross assets	$17,669,052.28
Deduct assets not admitted	274,832.65
Total admitted assets	$17,394,219.63
Liabilities.	
Net unpaid claims, except liability and workmen's compensation	$ 1,167,835.60
Special reserve for unpaid liability and workmen's compensation claims	7,749,131.66
Estimated expenses of investigation and adjustment of claims	27,000.00
Total unearned premiums on unexpired risks	4,184,130.15
Commissions and brokerage due or to become due	611,598.62
All other liabilities	416,815.95
Total liabilities (except capital and surplus)	$14,156,561.98
Statutory deposit	750,000.00
Surplus	2,487,657.65
Total liabilities, capital and surplus	$17,394,219.63

C. M. BERGER,
U. S. Manager.
H. LLOYD JONES,
Comptroller.

LANDIS & BRICKELL,
General Agents,
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San Francisco, California.
H. G. BECKWITH,
Statutory Attorney-in-Fact for Service,
Board of Trade Bldg.
Portland, Oregon.

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WHY WIDOWS ARE THE SPECIAL PREY OF CONFIDENCE MEN

By W. R. MOREHOUSE
Public Relations Commission, American Bankers Association

WOMEN are often easy victims for the high-pressure promoter. Widows are especially sought out by the confidence men. Even before their deceased husbands, protectors and counselors are buried the wolves of high finance are waiting outside their doors. They know the defenseless widows will be easy prey. Many a woman today is penniless as a result of making poor investments. "Getting rich quick" for the widow without investment experience is in reality getting poor quick. Once a sharp promoter gets the confidence of a rich widow he has a "Bonanza" as he calls it. Eventually he gets the estate and the widow gets the experience. Widows with estates should be on guard every minute. They are marked persons, with promotion crooks hot on their trail. The best thing that every woman investor can do is to consult her banker before investing.

W. R. MOREHOUSE

Properly cut and set, crystals sparkle in realistic imitation of diamonds. The same is true in the field of finance. There is that which is fraudulent parading as the genuine. Don't buy investments simply because they sparkle. In the realm of wild cat financing, fictitious credentials, testimonials, and references are employed to give setting and genuine appearance. Some are such rank imitations that they are easily recognized, but others defy detection except on the closest investigation by an expert. The only safe procedure is to investigate under competent advice.

Literally millions of dollars are lost to American savers annually as the outcome of buying into something—a fraudulent farm promotion, a business or a job that is nothing more or less than a set-up to catch suckers.

Often the savings of a lifetime are lost by buying unimproved farm lands with the understanding that the seller, or a service company promoted by him, will plant the farm to trees or vines, care for them, market the crop and turn the profits, which, it is promised, will be big, over to the owner. But this dream never comes true. The so-called guaranteed big profits are never realized. If people would only stop long enough to consider all angles of an offer like that before investing they would see the folly of plunging blindly into such a proposition. Let them ask themselves only this one question: "If it is true that such big profits are to be made, why is the seller so eager to part with his property, even to the extent of making it easy for a new owner to farm it?" The answer is that the land is no worth the selling price, nor will the profits derived from it be anywhere near as large as promised.

Buying into the fox business, the poultry business, the dairy business or any kind of business is risky unless you deal with reliable persons or firms whose word is as good as gold. Watch the seller who is insistent in forcing a sale upon you. Look at his proposition from every angle. Just because he makes glowing promises is no assurance that he is not the world's champion exaggerator. Extravagant and exaggerated claims are the earmarks of the fake investment. If you want to go into farming or buy into a business, investigate before you invest. Write to the National Better Business Bureau, New York, or consult your local banker. If they are without information on your proposed investment, wait until they can get the facts and report to you. They have no interest at stake except to forestall crooked games.

Abraham Lincoln Said That

"The legitimate object of government is to do for a people whatever they need to have done, but can not do at all, or can not so well do for themselves in their separate and individual capacities. In all that the people can individually do as well for themselves, government ought not to interfere.

"The desirable things which individuals can not do fall into two classes: Those which have relation to wrongs and those which have not. Each of these branches off into an infinite variety of subdivisions. The first — in relation to wrongs — embraces all crimes, misdemeanors and non-performance of contracts. The other embraces all which in its nature and without wrong, requires concerted action, as public roads and highways, public schools, charities, pauperism, orphanages, estates of the deceased, and the machinery of the government itself."

Investing College Funds

Harvard University has invested more than one-third of its general fund of sixty-one million dollars in public utility securities other than those of steam railroads. During the last five years the university's investment in public utility bonds has risen from eight to more than eighteen million dollars. Columbia University, New York, has invested 33 per cent of her total endowment funds in public utilities; the Massachusettes Institute of Technology has invested 30 per cent, Williams College 39 per cent, Vassar College 26 per cent, and the University of Rochester, New York, 24 per cent.

Everybody Pays the Losses

After pointing out that last year 14,000 lives were lost and 16,000 people injured as the result of fires, and that property loss amounted to $559,000,000, or more than we paid for our entire system of national defense in the same period, T. Alfred Fleming, of the National Board of Fire Underwriters, said:

"The question comes to our mind —Who pays this loss? Insurance companies are but collectors and distributors of the fire loss. They pay the losses as they occur, thus enabling the reestablishment of business, but collect all such amounts, with the cost of doing business, in the premium of succeeding years. The rates paid are large or small in proportion to the fire losses."

Must Assume Responsibility

The present high taxes in most states and the actual financial plight of the treasuries of many of them, is said to exist because "the people demand all the things done by the government."

Is this a fact, or do the constantly increasing number of boards, commissions, functions and officials that are foisted upon the taxpayers by legislatures and the politicians who want jobs for their friends, pile up the debt burden slowly but surely? The average politician recognizes no obligation to economize along the line of President Coolidge's theory of government in federal affairs.

When a public deficit is created, it is wisely referred to as "the grave financial dilemma of the state." The situation is at once seized upon as an excuse for proposing new laws to raise more taxes and, incidentally, create more jobs which add to the permanent overhead expense of government. Budget-makers create deficits and legislatures appropriate money which is not in the treasury to spend.

Is there no moral responsibility in public office? Do constitutional limitations on amount of taxes that can be levied and collected have any meaning to the lawmakers who create illegal deficits? Is there no obligation to so manage public affairs that the burdens of the taxpayer may be reduced?

Cartoonists and would-be wits have poked fun at President Coolidge's New England thrift, but he worked with congress to constantly reduce taxes and reduce deficits by paring appropriations, and has toiled with his budget-making department to maintain a surplus in the national treasury and constantly reduce taxes. State officials could employ a little of his thrift to the great benefit of local taxpayers.

Just as it takes brains to have a private business show a profit, so does it take brains to operate a state on a solvent basis without constant and increasing assessments on the taxpayers.

Public officials blaming "the people" for the taxation dilemma, is on a par with the officers of an army blaming the soldiers for ill-advised campaign tactics. Both the people and the soldiers follow their leaders.

The End of the Sea

If the supply of heat from the sun becomes in the course of ages less and less, the earth will become cold like the moon, and colder. The sea will become as hard as rock, frozen from top to bottom. Unless, of course, something unforeseen happens.

The Bulk of the Wealth

We read, with interest, comments the Kansas City Times, the astronomical figures in the internal revenue bureau reporting income tax figures: seventy-five persons with an income above $1,000,000; three with incomes of $5,000,000 or more; total incomes reported for taxation, $25,500,000,000, from nearly 7,500,000 individuals. But while the spectacular feature of the report is the few huge incomes, the really striking thing is the way the smaller incomes outstrip the big ones. The seventy-five persons with incomes in excess of $1,000,000 report total incomes of $156,000,000. But the persons with incomes between $2,000 and $3,000 a year have a combined income of $5,000,000,000, and those with incomes between $3,000 and $5,000 have a combined income of $7,000,000,000. The incomes of $10,000 or under total nearly $19,000,000,000 of the total $25,500,000,000. The bulk of the wealth of the United States remains in the hands of the people of moderate means.

A Washington bank has cageless counters in its new building. The result is a banking room that is a thing of beauty; even if it may not prove a joy forever, says the Cincinnati Times-Star. For there are bankers who believe that the experiment is not an adaptation to the spirit of our times, when bank robberies from without occur with disturbing frequency. But the cageless counters are an interesting experiment. It does away with the zoo appearance of a banking room. Of course, the purpose of the zoo cages is to keep animals in, while the purpose of bank cages is to keep out animals, of which there is an all too numerous species. But when you face a bank cage, you have an almost zoo attitude toward its occupant. His name is before you on a metal placard, and almost intuitively you look for its Latin counterpart. Perhaps you should not be unduly surprised if you should encounter the information that the occupant is of the "genus homo."

Slowly, but surely, the world is amending many of its hasty and ill-formed opinions of modern youth. As often as not, the adult critic revises his views with a chagrined recollection of the advice in Matt. 7:1: "Judge not, that ye be not judged." The recently published expressions of a number of prominent educators may be taken as a vindication of the younger generation, throwing, as they do, completely into the shadow the dark and foreboding pictures frequently painted hitherto. For these preceptors' composite portrait depicts today's budding manhood as a truth-lover and an earnest searcher for hidden facts, clean-minded, straighforward and without hypocrisy.

Japan found that her people did not take kindly to Manchuria and that this great region offered little attraction for the surplus population of the island empire. The Tokyo government is apparently having better luck with Korea, for a recent census shows an increase of 1,451,787 in the population of that peninsula last year, bringing the total to 19,519,903. Moreover, the survey shows that the density of population in Korea is 1,864 a square ri (the equivalent of 2.45 English miles), as compared with 2,424 in Japan proper. And a greater part of the area of Korea is cultivable than is the case in Japan. The total population of Japan, including Formosa, Saghalien and Korea, is now 83,454,347, Japan proper being credited with 59,736,704. The male population outnumbers the female by 963,373

Understanding of the political situation in China, it is often asserted, would be greatly facilitated if leading figures would consent to westernize their names, as in the case of Dr. Wellington Koo. This can be overdone as when a certain Mr. Gin decided that henceforth he would be known as King, in spite of the strongly American flavor of his original patronimic. But even when proper names are straightened out difficulties are going to remain, says an exchange. All the shroffs at certain godowns in Shanghai went on strike recently, and what are you going to do about it?

A ball of twine five feet in diameter has been entered by a California postmaster for the Coolidge economy award. The postmaster salvaged it all in a year. What we want to know is this—was the post office swept out, and did folks always get waited on promptly?

To Prevent Fogs.

It is reported that in Lyons, France, a plan has been adopted to prevent fogs by covering the waterways about the city with a film of oil. Scientists have figured out that it is feasible to suppress the great banks of vapor that follow the lines of the streams by preventing evaporation, at a daily cost of about $8. For two months of the year Lyons is besieged and business suffers greatly as a result of fogs. Fogs in most places roll in from the sea and cannot be so treated.

LOCATING THE FINANCIAL LEAKS THAT TAKE THE PROFITS OUT OF FARMING

By DAN H. OTIS
Director Agricultural Commission, American Bankers Association

INDUSTRIAL lines suffer because of inefficient firms, whose officers cling to old methods and place goods on the market, even at a loss, to compete with the more efficient institutions. Agriculture, too, has this problem to face. We find farmers who fight new methods. They retard the prosperity of other farmers by throwing on the market poor quality products, frequently produced at a loss.

D. H. OTIS

The nature of the banker's business places him in a position to help this type of farmer as well as the more progressive farmer. At the same time the banker can assure himself of good loans based on the farm as a going concern.

A study of the investments, sources of income and expenses of the successful farmers in his community will give the banker a measuring stick by which to gage the hazard entailed in furnishing loans to other farmers. This study is readily accomplished through the use of summaries of farm records. In the absence of good records, survey blanks which can be obtained from the agricultural colleges, may be used for collecting the information.

A banker in a dairy district would use data similar to Farmer A's summary in the following table as a measuring stick to judge the condition of Farmer B:

	Farmer A	Farmer B
Farm receipts	$5,465	$2,214
Farm expenses	2,123	1,079
Rec'pts above expenses	$3,342	$1,135
Interest on total investment @ 5 per cent	1,070	989
Net income after deducting interest	$2,272	$146
Acres	127	130
Total investment	$21,400	$19,773
Operating capital (machinery, live stock, equipment)	5,862	4,473
Number of cows	18	11
Investment in cows	$2,302	$1,205

The total investment of Farmer A is moderate with a large percentage (27 per cent) of operating or working capital. Farmer B is low in operating capital. The number of cows is also low, which is reflected in the farm receipts, these being $3,251 less than those of Farmer A. The expenses of Farmer B, although about one-half of those of Farmer A, are, nevertheless, high in the ratio to receipts.

The only way to safeguard a loan to Farmer B is to consider assets and not income. Before any loan should be considered at all the banker and the farmer should go over the situation, uncover the leaks and outline a definite program of improvement.

Diversity of Business Good Sign

	Farmer A	Farmer B
Income from crops	$1,476	$851
From dairy products	2,343	752
Sale of livestock (including increased inventory)	1,656	280
Miscellaneous income	327	181

A good diversity of income serves to protect the farmer against years of over-production of any one farm product. Farmer A has a good diversity of income. Notice that the leading source of income, dairy products, constitutes less than one-half of the total income. The various enterprises that make up Farmer B's diversity of business all show marked decreased income.

Quality of Business Shows Leaks

	Farmer A	Farmer B
Receipts per cow	$130	$68
Receipts per livestock units other than cows	94	32

Under the heading, "Quality of Business," Farmer B shows that his cows are bringing in $62 less per year than Farmer A's. The $68 a year which they are producing is undoubtedly below the cost of feed and keep. The income per live-stock unit is still worse, and while this farm needs more cows to increase its volume of business, it would be financial suicide to invest in the same type of cow. This poor farmer must weed out his poor cows and feed the balance properly to get results before money is loaned to him to increase his herd with good stock.

An analysis of the farmer's records will bring out many other leaks which the farmer may not have noticed. He may be paying high prices for feed when less money spent for fertilizers and lime may enable him to raise the right kind of feed on his own farm and stop this drain on his pocketbook.

Barring temporary emergencies, farm loans handled on the basis of income, indicating a going concern, would hasten tremendously the day of a permanent and prosperous agriculture.

What to Eat

We all need a definite objective in eating. Our good sense tells us that most dietary fads are absurd. Relying upon our appetites in the choice of foods can not always be considered a wise proceedure. The fats and the thins, the anemics and the apoplectics are ever-present evidence of the unreliability of appetite alone as a guide. We eat for two purposes, first to supply the body with fuel for the day's work, and second to furnish material for worn-out tissues. We should not live to eat, but if we get pleasure from our meals, so much the better.

It is important to get the right proportion of the various types of foodstuffs if we are to make what we eat do us the most good. The chief source of energy for body heat and action are the combinations of carbon, hydrogen, and oxygen called carbohydrates, of which starch and sugar are examples. The various fats, like butter, egg yolk and olive oil are also used by the body for the same purpose.

The repair of worn-out tissues or the building of new, comes from the protiens, those foodstuffs in which nitrogen is the important factor. Meats are rich in protiens as are also peas, beans, milk and eggs. Information concerning the best combination of foodstuffs and how much of each shall be used can be found in any good book on "diets".

In addition to foodstuffs the body needs small amounts of salts of calcium, phosphorus, iron and other minerals. Also of importance are mysterious substances, the vitamins about which so much is said and so little definitely known. Milk, eggs, green vegetables and fruits are some of the readily available sources of these necessary substances.

We also need roughage in our diet. This is obtained in bulky foods which give the teeth, the stomach, and the intestines plenty of work to do. Raw fruits and vegetables and such roots as carrots and turnips are examples. Water is equally important and needed in larger quantities than most people drink.

The two great essentials in diet are variety and moderation. Each person is a law unto himself. He must learn which foods are most suitable to his needs and how much he needs each day to keep himself at a slightly below normal weight for his age and height. General directions are given to assist in forming good eating habits.

Fruit at breakfast and at other meals is preferable to rich deserts and pastry. A pint of milk for adults and a quart for children, whole wheat bread for part of the daily portion, at least one green cooked vegetable and one raw vegetable should be consumed daily. With due regard for moderation in all things, we can rely pretty well on our appetites to guide us in choosing the rest of our meals until we can learn more about food values in diets. We must eat correctly to live well.

The Wheels of Destiny

"In no other land can there be found the equal of our national railway system," says the Cincinnati Enquirer. "These roads contribute more toward the material advancement of the national destiny than all other combined influences and agencies. In making their own wheels go round they influence the revolution of all the other wheels of industry. Without the American railway system, Father Time would have abundant leisure to sit down and whet his scythe while pondering upon the slowness of things in general.

"And yet it is no uncommon thing to hear these great institutions, their management and works, utterly damned by the wild-eyed communist and by the feather-weight philosopher who advocates a policy of government ownership of all public utilities.

"But the American people will never toss their railroad systems into the maelstrom of speculative radicalism and illegimate economics. They have learned to understand that true ownership of these great enterprises rests in their own possession.

"Steadily, interest and ownership in American railroads spreads among the people. More and more they are coming to realize the necessity for a fair deal and encouragement for the railroad."