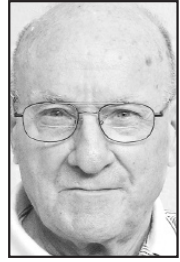


## Plenty of wheat, so why the small bread slices?

Good Evening Norton  
Tom Dreiling



Is it just me, or are slices of bread getting smaller? Honest to goodness, when I come from the grocery store with a loaf of bread (usually "brand" name) and pull out a couple of slices to turn into a sandwich, there's not much sandwich to deal with. A friend thought perhaps I should try buying the stuff labeled *sandwich bread*. So I did, same result and even found the sandwich bread slices are thinner than they used to be. Now I have to eat two sandwiches to equal the one of good times past. I wonder if the price will eventually equal the size.

Have you been catching that silly little television commercial featuring a little gadget into which you speak to see what you need to buy at the store? The housewife in the commercial looks in the refrigerator, glances around and tells the gadget "milk...butter...eggs." Then when she gets to the store, all she has to do is press a little button and the gadget repeats, "milk...butter...eggs." Huh?! I laugh out loud each time I see this crazy thing. Just what we need, another gadget. It's not enough that cell phones keep customers busy at the store (and many times their conversations can be heard), but now we have another talking gadget to put up with. But then again, maybe not; I don't see this thing on the "need list" or the "want list."

But hold on! I got to thinking that there may be a hidden plus in that gadget. If you are of my religion, Catholic, you could use it to record your sins and when it's confession time, all you would need to do is hand it over to Father and have him press the button and then await the result. Hmmm.

Who won the final presidential debate Wednesday night? That's easy to answer. If you are Republican, Sen. John McCain won, if you are Democrat, Sen. Barack Obama won.

I wasn't impressed with the debate moderator. In fact I wasn't impressed with any of the four moderators asking the questions at the three presidential debates and the one vice-presidential face-off. I liked it when there were three or four people doing the questioning. I found it strange that an issue that was tearing us all apart some months ago wasn't even on the radar screen — immigration! Is that not an issue any more?

Today's tip for those planning a trip to Alaska: an optical Aleutian is not an eye doctor.

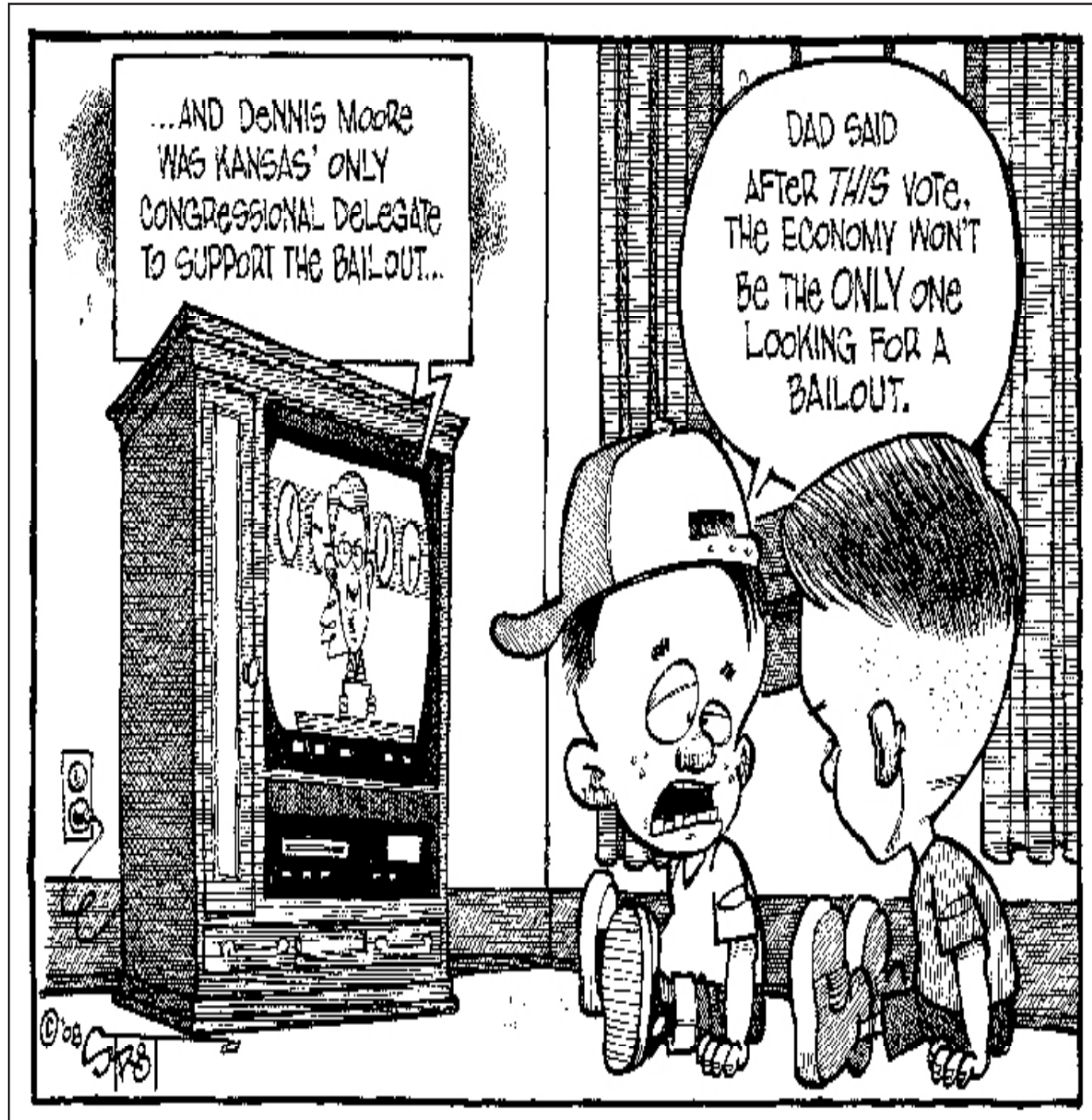
A student told his parents at dinner one evening that his algebra teacher confiscated a rubber band pistol one of the students brought to class. His parents asked why. "Well," said the kid, "the teacher said it was a weapon of math disruption."

Here are a couple of important dates as they relate to the Nov. 4 election: Oct. 20 is the deadline to register to vote for new voters, and others who may need to re-register (check with the county clerk's office if you are in doubt about your registration, 877-5710), and Advanced Voting started Oct. 15. Just think, just slightly more than two weeks and this election will be in the history books. I wonder if all those political analysts on FOX, MSNBC and CNN will have a job to go to after the polls close. For the last nearly two years, their focus was on the presidential campaign, and how New York Sen. Hillary and former New York City Mayor Rudy would win the nominations of their respective parties and battle it out for the keys to the White House. Hehehe!!

Have a good evening! And remember the only analyst we should be concerned with is the one who will determine the pathway we will take when we reach the final fork in the road.

## Your political connection

- ★ **Governor Kathleen Sebelius**, 300 SW 10th Ave., Topeka, Kan. 66612. (785) 296-3232
- ★ **U.S. Sen. Pat Roberts**, 109 Hart Senate Office Building, Washington, D.C. 20510. (202) 224-4774; fax (202) 224-3514
- ★ **U.S. Sen. Sam Brownback**, 303 Hart Senate Office Building, Washington, D.C. 20510. (202) 224-6521
- ★ **U.S. Rep. Jerry Moran**, 2443 Rayburn HOB, Washington, D.C. 20515. (202) 225-2715; fax (202) 225-5124
- ★ **State Sen. Ralph Ostmeyer**, State Capitol Building, Room 262-E, Topeka, Kan. 66612. (785) 296-7399
- ★ **State Rep. John Faber**, 181 W. Capitol Building, Topeka, Kan. 66612. (785) 296-7500



## Your Turn

# Kansas banks: safe, sound, serving their towns

To the Editor,  
Headlines can be misleading, and in a time of financial crisis, that can make matters worse.

Pick up a paper, or listen to the quick bursts of news on TV or radio, and what you get are, "a banking" crisis and market turmoil. That's only intensified on the rare occasion that a bank fails.

Let's set the record straight: The banking industry — traditional federally insured, federally regulated depository institutions (your local commercial bank) — is safe and sound and your money in a commercial bank carries FDIC insurance. That means your money in a federally insured bank is protected to at least a minimum of \$100,000, with additional coverage available for funds held in other types of legal ownership, such as joint ownership or payable on death contracts. Up to \$250,000 insurance is available for a retirement account.

The Federal Deposit Insurance Corporation guarantees your accounts with more than \$45 billion in assets to protect depositors like you and me. In addition, banks in Kansas had historic levels of capital at the end of June 2008. Bank capital, which is required by regulation, currently totals over \$5 billion, up from past years. Capital represents personal ownership investment and is used as a buffer or first line defense against losses.

The challenge we are facing is that words matter. And when one word is used to mean several different things, it inevitably creates confusion. For example, we know what a bank is — or at least we think we do. Sometimes a business that wants to add status to its name will call itself a bank even though it is not an insured depository institution.

Bear Stearns, Lehman Brothers and

Merrill Lynch are not commercial banks but rather investment banks whose deposits are not insured. The word bank has also been applied to mortgage firms. They are not banks either because their function, purpose and regulation differ from federally insured depository institutions.

You have read recently that a private insurance company that had a product to insure deposits in excess of FDIC insurance coverage exited that market. This was a business decision made by one insurance company. The decision to exit this market seems to be based on something other than the condition of the banking industry in Kansas as other companies are still offering this product.

Having a safe and sound banking system to rely on shows the importance of the role banks play in our local communities and in our nation's economy. They are the source of stability and of growth. That is true regardless of their asset size, their charter or their business plan. And the vast majority of banks today hold more capital than the law requires.

Yes, there are challenges in today's market economy and banks may fail. If that happens, a resolutions team is put in place that employs an established process that protects depositors with as little disruption to the financial system as possible.

Recent events also underscore the fact that there are two ways financial institutions can fail. They can fail due to capital insolvency or because they are liquidity insolvent. What we are experiencing now is a lack of liquidity, not a lack of capital. Capital remains strong for commercial banks.

The liquidity crisis that we have seen comes from a crisis of confidence. In the 1930s, before deposit insurance, banks

failed because of a crisis of confidence that led to liquidity insolvency. That can also happen to an investment bank such as Bear Stearns. When there is a crisis of confidence, lending lines are pulled, liquidity evaporates and insolvency is inevitable.

We all know that our financial system is being tested. But let us also remember that the system is showing its resiliency.

The Federal Reserve Board has acted to help restore liquidity by assuring everyone that they are responding to the problems in a measured way. The Fed opened up its lending facility known as the discount window to Wall Street firms and is taking steps to restore liquidity to the markets.

Meanwhile, those headlines and news reports that keep repeating the word "crisis" overlook the fact that the subprime lending debacle was caused by unregulated brokers and Wall Street institutions themselves, not by regulated, insured banks.

Federally regulated banks are regularly examined to insure they employ underwriting practices to limit losses and to promote safe and sound operations.

Our banking system is strong. This time will pass, as have all the others, and the result will be a stronger financial system with fewer unregulated players and a reminder that liquidity and capital are both important to solvency.

Franklin Delano Roosevelt's observation half a century ago is still relevant: "The only thing we have to fear is fear itself."

Respectfully,

Gary J. Walter  
President, The Bank  
Oberlin

THE NORTON TELEGRAM

Office hours:  
8 a.m.-5:30 p.m. Mon.-Fri.  
Phone: (785) 877-3361  
Fax: (785) 877-3732  
E-mail:

nortontelegram@nwkansas.com

### STAFF

- Tom Dreiling..... editor and publisher
- Christie Anderson..... advertising director
- Dana Paxton..... advertising
- Dick Boyd..... Blue Jay sports
- Brandy Leroux..... reporter
- Sherry Hickman..... bookkeeping/circulation
- Vicki Henderson..... computer production

## Nor'West Newspapers

Dick and Mary Beth Boyd  
Publishers, 1970-2002  
Incorporating the Norton County Champion  
Marion R. Krehbiel, editor



## Thumbs Up

To... the staff and students of Northern Valley Schools, for handling themselves with dignity and school spirit during the loss of two of their classmates and celebrating Homecoming all last week. Congratulations on the win and keep on keeping on. (e-mail)

To... Mary Kay Woodyard, on her retirement from Big Brothers Big Sisters and for all her years of loving service. (called in)

To... The Norton Telegram, for its down to earth presidential poll. Nothing fancy, just pick your favorite. (e-mail)

To... the crew in the Norton County Clerk's office, for the extra mile you need to run to keep up with the pending election. Thanks! (regular mail)

To... Sixth grade Jr. Jays. Good luck on Saturday. Coaches — bald is beautiful! (called in)

(To submit a name of names, please e-mail tom.d@nwkansas.com, call either 877-3361 or 877-6908, fax 877-3732, mail to 215 South Kansas Ave. 67654, or drop by the office. Thanks for you continuing input. - td)