

CENTRAL WESTERN BANKER

Omaha

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FEBRUARY

1932

THROUGH ROSE-COLORED GLASSES



WHEN YOU VIEW the economic conditions in Nebraska and compare them with general conditions throughout the country, it is almost like looking through rose-colored glasses. Nebraska looks rosy, because there is always a demand for Nebraska's products . . . and that means each year the dollars come rolling into the state in return for the food products of Nebraska.

Nebraska products have been bringing annually more than a half billion dollars into the state in return for the state's agricultural crops and live stock sales. And, of course, many millions more come from manufactured products, such as butter, meat, flour and other food products.

Perhaps the total amount will not be as large this year due to either smaller yields or lower prices, but the farms will not shut down. The annual income will continue in return for Nebraska's products, because these products are food.

THE FIRST



You are always welcome at this bank regardless of whether or not you are a depositor.

First National Bank of Omaha

CENTRAL WESTERN BANKER

410 ARTHUR BUILDING

OMAHA

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The Teller Tells the World

By C. W. FISHBAUGH

HERE'S SOMETHING bankers with insurance departments might be interested in: "In the last eighteen months more people were killed in automobile accidents in the United States than American soldiers were killed in action or died from wounds in the World War!"

In other words, if your clients want long lives, have them sell their cars and join the army.



THE ELKS LODGE of Iowa City is doing a fine piece of work in aiding students. All students who lost money in the closing of the Johnson County Savings Bank and the Citizens Savings and Trust Co. of Iowa City can borrow fifty per cent of the amount they had on deposit from a special Elks Fund.



THE CAPTURE of the lone bandit who held up the American State Bank at Burr, Nebr., still stands out as one of the quickest arrests of a bank bandit of last year. The bandit, a young man from Omaha, only twenty years old, was arrested three hours after he had escaped with a loot of \$300.00.



THE FIDELITY NATIONAL BANK AND TRUST CO. of Kansas City has placed the largest single contract ever written for an electrical tear gas system. Its installation will protect every department of the bank.

The plan seems to be, "give the bandits something to cry about!"



THE FIVE POUND NOTE issued by the Bank of England seems to be the very aim of simplicity. It has no colors, only black. The wording is simple, design plain. So simple, in fact, that a boy seventeen years old taking some India ink and fine steel pen drew a perfect duplicate. So expert, in fact, that experts had to take a magnifying glass to tell the difference. Yet the

forgery was a failure, as has been the fate of almost every forgery of the five pound note. The reason is the paper. The paper rather than the design is what the cashiers scrutinize. The paper is all made at one special plant. Each process in the making of the paper is kept separate from the other. The plant is zealously guarded. A rigid search is made as each man leaves the factory.



THERE'S A LAUGH now and then, even in these days of depression. I read the other day where the Indians in the Dakotas were becoming very uneasy. The Indians say the Great Father took the land away from them, and now they're afraid he's going to make them take it back.

At least it's worth considering.



EINSTEIN HAS SAID: "Time is fallacy and is the same as space."

Some of our customers have the same idea. Time means nothing to them and they sure get located all over space.



FROM A SPEECH made Feb. 17, 1929, by Senator James A. Reed: "More profit can be made from distilling liquor in a wash boiler than can be made in banking."

I'm almost convinced he's right. Has anyone any good home brew recipes?



BLACK BLOTTERS are used in diplomatic offices and embassies throughout the world to guard against the revelation of state secrets.

It's just as important that banks guard against forgeries by the use of these same black blotters. In fact, I use black blotters entirely when writing this column.



ARKANSAS, one of our great southern states is taking a step that might well be adapted to all states. The state bankers have drawn up a "code" of good banking. It contains twelve

The Ten Largest Banks

(Three ciphers omitted)	—Gross Deposits—		Deposits		
	December 31, 1931	December 31, 1930	December 31, 1926	Increase 5 Years	% of Inc.
Chase National Bank, New York.....	\$1,459,115	\$2,073,775	\$852,456	\$606,659	71
National City Bank, New York.....	1,418,702	1,460,031	864,354	554,348	64
Guaranty Trust Co., New York.....	1,070,022	1,341,640	639,362	430,660	68
Bk. of America, N.T.&S., San Francisco	799,220	998,039	424,054	375,166	89
Cont'l Ill. Bank & Trust Co., Chicago....	773,437	964,468	a 795,085	x 21,648
Central Hanover Bk. & Tr., New York..	608,192	660,779	b 432,813	175,397	41
Bankers Trust Co., New York.....	558,086	636,589	459,529	98,557	22
First Wayne Nat'l Bank, Detroit.....	483,911	c 511,126	c 338,045	145,866	43
Sec. First N. B., Los Angeles.....	479,013	543,800
First National Bank, Boston.....	476,989	581,235	308,666	168,323	54

articles, all of them thoroughly practical and each meant for good sound banking. As each bank adopts the code its name is printed in the Roll of Honor in the Arkansas Banker, the official publication of the Arkansas Bankers Association. The Honor Roll is certainly growing, too.



THERE IS A NEW POLITICAL PARTY with the old W. J. Bryan slogan of Silver 14-1 (Bryan's was 16-1). It looks like it's going to be the same old fight all over again.

But, why not have the duel money system? We have dual banking, the dual court system, a dual government and a lot of people leading dual lives. Hip, hurrah, for free silver.



COUNTERFEITING in the old days was somewhat simpler than it is today. The coins of the government were none too perfect, so a fair counterfeit had a chance to get by. One way counterfeits were made was to take a double plate of iron in which two hollow disks had been cut. Clay was placed in the disks and an impression of a coin was made. With two impressions, for each side of the coin, the plates were placed together and hot lead poured in through a funnel-like opening in the top. When the piece cooled the knob left at the place the metal ran in was filed away, and the job was complete.



DO YOU REMEMBER in the Village Smithy this sentence: "And he looked the whole world in the face, for he owed not any man."

Automobile dealers now take the place of the Smithy, but I don't believe they can say the same.

THE STRONGEST competitor the banks have right now is the government. At present the government has around 400 million dollars of deposits that rightly belong to local banks all over the country. This is called the postal savings system. It is of course true that the money is re-deposited in a certain few banks. But the money is still out of use in that community. For every dollar deposited the bank must put up bonds to guarantee its safety and then pay a good rate of interest besides.



THE MINNESOTA Bankers Association has stated that they will do everything possible to put a stop to false rumors about banks. Anyone caught in a "whispering campaign" will be punished to the full extent of the law.

All state associations should fall into line and stamp out this malicious form of gossip that is undermining banking.



THE SHANGHAI Commercial Savings Bank, Ltd., Shanghai, is having installed a vault alarm system.

Maybe "East is East," but it needs Western protection.



A CERTAIN presidential candidate made a speech recently and remarked that he couldn't be a banker—he didn't have enough ice in his veins.

Well, if he gets to be president he better take up banking and get some ice in his veins to face a few of those foreign diplomats.



A STOCK that was called in 1929, "a stock to buy for your grandchildren," has dropped over \$200 a share. That's tough on posterity.

WHEN THE Louisville Trust Co. of Louisville reopened for business the town factory whistles were blown in celebration.

I've heard of them hooting, but that's the first time I've heard of them whistling. Maybe it's a good old southern custom, yes, sah.

Canadian Gold-Output

According to figures issued by the Canadian Bureau of Statistics, Canada now is close behind the United States for second place among the world's gold-producing nations. Canada made a new high record for gold output during 1930.

The revised Canadian figures indicate an output for the year of 2,012,068 fine ounces. Preliminary figures for the United States show an annual production of 2,232,593 fine ounces, ranking second to South Africa for the largest output in the world.

Activity in Canadian gold mining and prospecting has been stimulated by the reduction in commodity prices, combined with the attitude in financial circles toward increasing the world's gold supply.

Ontario's output during 1930 increased by 113,745 fine ounces, totaling 1,736,012, while 141,747 fine ounces were mined in Quebec, an increase of 50,949 fine ounces over the previous year. British Columbia also increased its production.

World gold production during 1930 totaled 20,460,168 fine ounces, of which 10,716,351 fine ounces were obtained from the Transvaal, Cape Colony and Natal. Total of the South African districts also represented a new high record.

The Gold Standard in Present-Day Banking Economics

THE ONLY purpose of any economic system that might be devised would be to further the ability of man to meet his physical needs and in such manner as to allow opportunity for mental and spiritual growth.

When man and the members of his family were able to provide all of their requirements without the exchange of goods with others no extended economic system was necessary. Again when the number of families within a reasonable area was small enough that trading intercourse could be carried on by means of barter, no system of economics was essential.

When barter was first undertaken, however, the first economic element arose, for it was inevitable that some sort of mental measure would have to take place in the minds of those engaged in barter before they could arrive at decisions as to what would constitute a fair exchange.

Two Forces

These mental measures must have had in them two forces: desire, and the time labor element. As soon as triangulation entered into the situation barter became more complicated and men soon found it necessary to have some measure into which quantities of all things could be converted. The laws of supply and demand must have become operative at the inception of barter. They have prevailed ever since, are equally forceful today, and must be so in the future.

To visualize just what the laws of supply and demand mean as applied to human endeavor let us suppose that a central warehouse were established in a large community; that prices were fixed as between all commodities which were carried to and taken from the central warehouse and that all men in the community took to this central warehouse all surpluses which they themselves provided through their labor and received all of their needs that the warehouse contained. Each individual would select for his part of the work such production as his ability, opportunity and desire determined.

We will suppose that the warehouseman had instructions to receive everything presented and to give in exchange to each individual those things

By FRED I. KENT

Chairman, Commerce and Marine Committee, A.B.A.

which he wished that were in the warehouse on the basis of the prices fixed.

Under such a system it is inconceivable that there would not be a piling up of certain goods which were not wanted in the quantities delivered and such a scarcity of others that were desired in greater numbers that living would become very difficult.

"PERIODIC movements that reflect a rise and fall in the activities of men must continue while man is constituted as he now is and always has been. There is reason to believe, however, that industry will be able to devise a means whereby the current moving relationship between demand and supply, in specific commodities, and in general, will be better understood!"

When the unbalanced conditions reached a certain point, necessity might force individuals to try to provide themselves with things that were not in the warehouse.

Money Essential

If those in control of the central warehouse were allowed to vary quantities of what were at first considered equivalents between various goods to meet the laws of supply and demand, conditions of life would thereupon be improved. But it is inconceivable that any system to intelligently accomplish the moving relationships between quantities of a large number of commodities could be worked out that did not carry within it some common measure in which quantities of each character of goods could be translated in words expressing mathematical values. Such common measure has been designated in our language as "money" and has usually been some commodity, or a term such as "dollar," meaning a specified amount of some commodity, or "fiat," which, when tried, has always led to disaster.

To accomplish the conversion in our warehouse the ruling force would

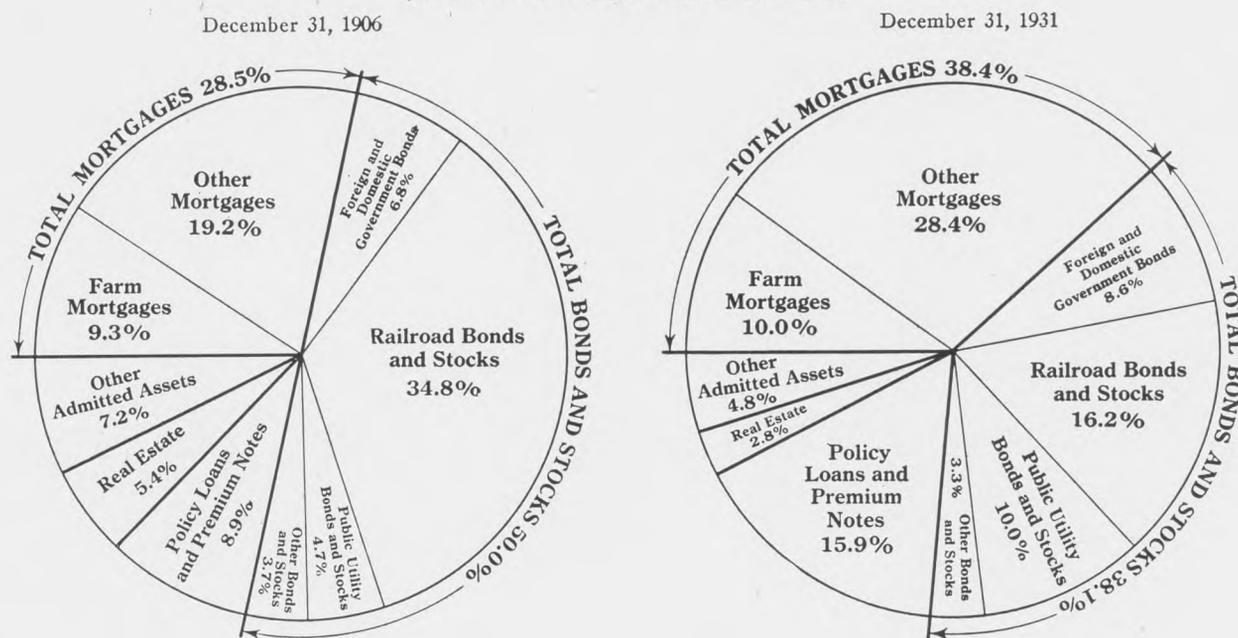
always be supply and demand, but there would be underlying conditions that would take into account the time labor element contained within each article, the time labor element contained in the production of raw materials and, further, a recognition of the value of skill and ingenuity. In a world where skill and ingenuity had no place the mentality of men would undoubtedly depreciate, for there would be no mental stimulant to further production of the conveniences of life, to develop science, or to create art. Now it is not conceivable that any control group in such a single warehouse could measure the needs and desires of men except in a very limited community. It has therefore been necessary for individual markets to be developed covering many kinds of goods, the production of which must be in enormous quantities. Such markets would not be possible if there were not some commonly accepted measure that would enable the flowing into and out of the markets of goods of the same character on a basis of measurement as against all other goods.

If we assume a common measure, which we will call gold of a certain weight and fineness, and all commodities were expressed in gold values as to quantities that relatively represent, say, the middle point of demand and supply, such prices could not be expected to maintain this perfect point for any appreciable period of time. Instead there would be a dispersion of prices due to the action of a great series of causes affecting the relationships between supply and demand in each commodity. The principal such causes are relative crop production, discoveries of new bodies of metals, changing customs and habits of the people, introduction of labor-saving devices and inventions, and discoveries.

It is because individual goods are subject to these forces that the relationship between various kinds of goods to each other, as expressed in the common measure of gold, fluctuate. If, therefore, the price index in relation to gold were as fixed as is the metal bar which is held in vacuum in the Bureau of Standards in Washington to define the length of one yard, there would still be constant fluctua-

(Continued on Page 14)

DISTRIBUTION OF LIFE INSURANCE INVESTMENTS—BY CLASSES—1906-1931
(52 United States Legal Reserve Companies)



Trends and Traditions of Life Insurance Investment

TODAY the minds of Americans of all classes are focused upon investments and their analysis to an extent never before experienced. While nothing dramatic or sensational can be said on the subject of life insurance investments, their character indicates the composite judgment of the managers of 350 different companies with over twenty billion dollars of assets. Conclusions reached are, therefore, entitled to respect. Detailed analysis of the investing activities of life insurance companies has been possible by the cooperation of 52 leading companies holding 91.6% of the assets of the United States legal reserve companies. For the twenty-five-year period under observation these companies have furnished their statistics in detail. It has been a most eventful period, including the greatest war in history, and the rising and falling tides of industry and idleness—of wealth and poverty. One can almost read the economic and political history of an era in noting the investment trends of this period, and their underlying causes—so let us recur to the situation existing in the year 1906, when The Association of Life Insurance Presidents was formed. The important insurance event of the year was the investigation and report of the Armstrong Committee of the New

By WILLIAM A. LAW
President, Penn Mutual Life Insurance Co.

York Legislature, and the enactment into law of its major recommendations, thereby creating a comprehensive code for stabilizing and safeguarding life insurance operations. Its beneficial effects ever since cannot be overestimated.

Roosevelt President

Theodore Roosevelt was then the versatile and colorful President of the United States—a leader of rare personality. During the year his plans for the construction of the Panama Canal were approved by the Senate. Joseph G. Cannon was Speaker of the House of Representatives—an invaluable factor for conservatism and economy. The expenditures of the Federal Government in the year 1906 amounted to \$6.64 per capita—in 1930, \$32.96 per capita. This increase, however, is partly due to the larger interest paid upon the public debt, which was 29 cents per capita in 1906 and increased to \$5.44 per capita in 1930, or a net increase of \$5.15 per capita. Eliminating this, the increase is from \$6.35 to \$27.52 per capita. The San Francisco earthquake and fire had occurred and had aroused the sympathy and help of the entire na-

tion. It was a disaster of first magnitude, which the fire insurance companies met with courage and energetic action. It caused a volume of security liquidation, in order to supply the funds for reconstruction, which was to have a notable effect on the financial events of the succeeding year 1907. The largest bank in the United States had \$25,000,000 capital, \$20,000,000 surplus, and \$160,000,000 deposits. Charles Evans Hughes, Esq., had attained such public favor through his activities in the life insurance investigation that he was elected Governor of the State of New York. Neither Federal income taxes nor Federal inheritance taxes had been authorized by Congress.

The total assets of the United States legal reserve life insurance companies amounted to \$2,942,000,000, compared with \$20,200,000,000 at present. This indicates the extent to which the American people have sought financial independence for themselves and for their dependents, constituting a national self-reliance reserve—a reserve against the one great hazard of life which no man can avoid. It is characteristic of the self-reliant spirit of more than half our people that they have accumulated a fund of such magnitude, the purpose of which is to relieve the State

or charitable organizations from the necessity of supporting these policyholders or their dependents. The larger this fund grows the greater the national benefit. While large in the aggregate, it represents the equities of more than 68,000,000 policyholders — or an average of \$297 per policyholder. These steady increases are not a product of spasmodic prosperity, but are the result of continuing growth on an ascending scale for many years. From 1881 to 1906, United States life insurance assets increased from \$461,000,000 to \$2,924,000,000 or 534.2%, while for the succeeding twenty-five years from 1906 to 1931, the increase to \$20,200,000,000 was 590.8%.

More Than Doubled

During this period the ratio of life insurance assets to national wealth has more than doubled, increasing from 2.3% to 5.6%.

Since 1906, probably the most significant economic changes have occurred in the department of transportation, due to the invention, development, and utilization of the automobile, and in the extension of electric light and power facilities. The growth of motor operation has not only affected seriously the earnings of steam railroads and interurban electric railroads, but has rendered most difficult the profitable operation of electric street railways in localities other than the centers of dense population. It has caused the construction of more highways and better highways at a cost and to an extent entailing many large issues of State bonds in various sections of the country, and has induced the creation of many County, Township, and Municipal obligations. It has revolutionized the personal habits of a nation.

The automobile and tractor together have exerted an enormous influence in changing farming operations, increasing production, eliminating manpower, decreasing the use of animal manures, and impairing the earning capacity of local railroad lines.

Electric street railways were quite profitable and their first-mortgage bonds constituted a conservative and highly popular type of investment in 1906, and deservedly so, because their earnings were both ample and progressive in growth. But time wrought vast changes. For example: In 1903, a group of wealthy and experienced street railway operators bought a property in a thrifty and active industrial area in the East, paying about \$800,000 for the equity, subject to a bonded debt of \$1,000,000. Net earnings exceeded twice bond interest. In developing and improving the prop-

erty they spent \$1,000,000 more, raising the money through junior liens. It has always had capable and honest management. In 1931, it was impracticable to obtain a bid for the first-mortgage bonds of the Company as it was barely earning its operating expenses. The people are there. They are still gainfully employed. They are traveling more than ever, but in automobiles and not on electric street railways. It is doubtful if \$50,000 can be realized from assets.

In 1906, the shares and bonds of steam railroads were stock exchange favorites, constituting almost the entire list and the bulk of daily transactions, and railroad bonds represented by far the major item of security investment of life insurance companies.

At that time \$1,001,728,000, or 34.8% of total assets, were invested in railroad securities. The period of rapid railroad expansion had ended and thereafter a decline occurred in

Guaranty Trust Company of New York

140 Broadway

LONDON PARIS BRUSSELS LIVERPOOL HAVRE ANTWERP

CONDENSED STATEMENT, DECEMBER 31, 1931

RESOURCES

Cash on Hand, in Federal Reserve Bank, and due from Banks and Bankers	\$ 257,806,418.75
U. S. Government Bonds and Certificates	274,349,207.44
Public Securities	34,596,044.44
Stock of the Federal Reserve Bank	7,800,000.00
Other Securities	22,686,032.18
Loans and Bills Purchased	778,505,668.63
Real Estate Bonds and Mortgages	1,445,273.43
Items in Transit with Foreign Branches	8,358,702.88
Credits Granted on Acceptances	86,715,794.72
Bank Buildings	14,554,843.29
Accrued Interest and Accounts Receivable	7,222,066.19
	\$1,494,040,051.95

LIABILITIES

Capital	\$ 90,000,000.00
Surplus Fund	170,000,000.00
Undivided Profits	24,959,038.49
	\$ 284,959,038.49
Accrued Interest, Miscellaneous Accounts	
Payable, Reserve for Taxes, etc.	8,112,102.82
Acceptances	86,715,794.72
Liability as Endorser on Acceptances and	
Foreign Bills	44,231,200.07
Deposits	\$1,025,049,550.56
Outstanding Checks	44,972,365.29
	\$1,494,040,051.95

the total of railroad securities in relation to other types of available investments. At the close of this year \$2,986,000,000, almost three times the sum in 1906, will be invested in railroad bonds and stocks. Nevertheless, after this huge increase in the amount of such investments, railroad securities will represent only 16.2% of the total assets of life insurance companies, i. e., the life insurance assets have grown in volume during the period so much more rapidly and constantly than have railroad securities that the life insurance holdings, al-

though much larger in dollars and much larger in ratio of total railroad securities outstanding, represent a ratio of insurance assets only one-half as large.

In 1906, the investments of these fifty-two companies, amounting to \$1,001,728,000, were 12.2% of the funded debt of the railroads, which was then approximately \$8,200,000,000. By 1930, the investments of \$2,947,027,000 were 23.1% of the total funded debt of the United States railroads, then amounting to \$12,771,351,000.

An Important Factor

The service of transportation is vital to our national life and the participation of life insurance companies in railroad financing has been an important contribution to American progress.

It is essential that the affairs of the railroads be so administered by the cooperation of management and rate-making bodies as to provide ample earnings to meet the service of all financial obligations. The rate-making powers of the Interstate Commerce Commission are exercisable not only for the protection of shippers and passengers, but also for the maintenance of railroad credit and the preservation of values for the holders of railroad securities. This is a duty as plain as the responsibility for efficient management resting upon railroad officials. It should be the combined objective of management and rate-maker to enable railroad companies to accumulate in prosperous years substantial liquid reserves from which to meet the requirements of lean years. The continuation of a healthy transportation system adequately financed and entitled to the highest credit rating has a bearing of inestimable importance upon the maintenance of other property values and the prosperity of business generally. It is unthinkable that any step will be taken, or any action fail to be taken, which will result in the permanent impairment of present railroad obligations, or the ability of the railroads to effect such further financing as may be required to maintain our high standards of railroad service.

Life insurance companies are not immune from the possibility of some loss in specific cases of railroad investments, but the records of past experience and the extreme care with which such securities have been selected by life insurance companies justify complete confidence in the integrity of railroad obligations held by them, and in ultimate payment at maturity regardless of present market quotations and outlook.

Today, street railway securities constitute only a minor portion of life insurance investments, while the holdings of various public utility issues have increased greatly in volume. Holdings of public utility bonds and stocks in 1906 represented only \$134,056,000, or 4.7% of assets. Since 1921, the ratio has steadily increased owing to the rapid growth of the electric light and power industry, and its ever-broadening scope of service. The stability of its earnings has been extremely satisfactory during recent years of depression. The investment

(Continued on Page 10)

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BONDS AND INVESTMENTS

Are Railroads Keeping Up With the Times?

CLASS I railways in 1930 purchased more than \$1,000,000,000 of goods essential to their operation. What this means "in terms of busy factories and farms, active mines and lumber yards: in other words, tens of thousands of jobs for workers in practically every field," was described in a radio address recently by Dr. Julius Klein, Assistant Secretary of Commerce.

"The great importance of the railways in and to American business becomes apparent when we consider a few of the outstanding figures concerning them," stated Dr. Klein. "We are dealing here with an industry which in 1930 paid out considerably more than \$2,500,000,000 in salaries and wages to more than 1,500,000 workers. Compare these figures with those of other great industries: they are, for example, much more than three times the figures for our automobile factories or those for the vast iron and steel mills.

Operations in 1930

"In 1930, American railways carried more than 2,000,000,000 tons of freight for an average haul of more than 180 miles. Business welfare and business development are tied up with every phase of the activity of the railways.

"If we include indirect as well as direct purchases, the railways use more than one-fifth of all the timber that is cut in this country. They take nearly one-quarter of all the bituminous coal produced, and not far from one-fifth of all the fuel oil. About 17 per cent of the total iron and steel output of the United States finds utilization on the railways. I hardly need to enumerate the specific articles of routine type that the lines buy—the rails and ties, the wheels, axles, and tires, the bolts, spikes, frogs, and switches, the nuts and rivets, the big boilers, the turntables, and so on. Those are the perfectly obvious things.

"And most of us realize, too, that the railways have to use great quantities of cement, of grease, of ballast,

the Times?

"THE RAILROADS have been and still are, in the very front rank of American industries and activities as regards the introduction of new methods, improved devices, ingenious short-cuts, and in general superior management in the handling of their distinctive engineering problems. In many ways, their achievements along this line have been positively startling!"

of electrical materials of every conceivable sort. But until we are confronted with the cold figures, few of us appreciate the fact that the railways spend more than \$20,000,000 annually for such an item as 'stationery and printing.' They spend \$7,500,000 for rubber and leather goods. And in the smaller items connected chiefly with the passenger service, they provide a market for just about every line of merchandise.

"The figures as to the value of annual purchases by the railroads do not include the value of materials and supplies that are purchased indirectly for the railroads by contractors who carry on construction work, who build equipment, or do other work for the railroads on a contract lump-sum agreement basis. If we were to add these other values, the total would be even more astonishing."

Dr. Klein pointed out that the steam carriers still transport 75 per cent of the freight traffic of the United States, as measured in ton-mileage, "whereas it is estimated that trucks carry only about three per cent." This does not mean that motor transport is of minor consequence, Dr. Klein explained. He added, however, that the possibilities and limitations of this type of transport agency were being more and more clearly defined.

Discussing the "resounding triumphs" of railway efficiency, Dr. Klein added: "The railways have been, and still are, in the very front rank of

American industries and activities as regards the introduction of new methods, improved devices, ingenious short-cuts, and in general superior management in the handling of their distinctive engineering problems. In many ways, their achievements along this line have been positively startling."

By way of illustrating some of the achievements of the railroads, Dr. Klein explained that the carriers handled the traffic of 1929—representing an increase of 37,000,000,000 ton-miles over 1920—with 7,500 fewer locomotives, 65,000 fewer freight cars, and a saving of 18,000,000 freight-train miles.

Increased Efficiency

"In 1920," he said, "each railway freight car traveled, on the average, 25.1 miles each day—but a decade later this figure had been increased to 32.3 miles per day, an increase of 29 per cent (reduction in traffic cut this average in 1930, but the heightened efficiency remained available, none the less). In 1920, the average freight train consisted of 37 cars—but ten years later that figure had risen to 49 cars, an increase of 32 per cent.

"The roads managed to bring about an increase of 34 per cent in average freight-train speed over the same period. They reduced by 30 per cent the number of pounds of coal required to move 1,000 tons of freight and cars for the distance of one mile. By a carefully planned campaign, they brought about the drastic reduction of 71 per cent in the payments required to be made for loss and damage to freight; the service has thus become substantially more reliable, and shipments more secure."

Speed Helps Economies

Referring to the remarkable increase in the speed of the average freight train during the last decade, Dr. Klein continued:

"Not only has this been helpful in enabling the railways to economize; it has had a notable influence on the business of merchandising. One of the outstanding trends in retail busi-

ness in recent years has been the one that is generally described as 'hand-to-mouth buying'—the purchase of rather small quantities of up-to-date goods just as they are needed, instead of keeping a big, diversified stock on hand in the store.

"Merchants are able to do this nowadays much more effectively than they could in the past, because, with the greater speed of freight trains, they can get the ordered merchandise more quickly from the suppliers. A competent economist who has studied this matter carefully said the other day that the actual savings to American business from this source amount to many millions of dollars annually. This is just a single example of the way in which the achievements by the railways in the field of efficiency have provided dollars-and-cents benefits not merely for themselves but for the entire structure of American business.

"Our American railways today, with few exceptions, are rendering enormous service to American business and are thoroughly alert, progressive, and 'in tune with the times.' Their future as an indispensable agency of transportation seems to me to be secure."

TRENDS OF LIFE INSURANCE INVESTMENT

(Continued from Page 8)

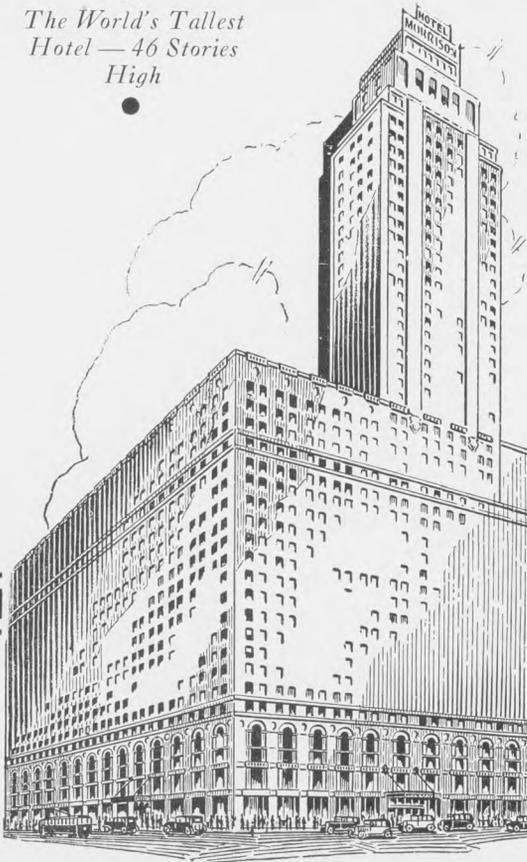
by life insurance companies in such securities at the close of this year will have increased to \$1,856,000,000, or 10% of assets. During the last three years preferred and guaranteed public utility stocks gained in favor, the investment increasing from \$1,678,000 in 1906 to \$117,644,000 at the end of 1930.

Mortgage holdings have tremendously increased both in volume and ratio. The ratio of city mortgages has become much larger while that of farm mortgages has also increased. Total investment in mortgage loans in 1906 was \$820,522,000. At the close of this year it will be \$7,095,000,000, nearly nine times the 1906 figure, the percentage increasing from 28.5% to 38.4%. During the post-War period, while the country was busily catching up with delayed construction, the largest percentage of increase occurred. It is only natural that investments in mortgage loans should follow the expansion of real estate values and the erection of new buildings. It is equally logical that there should be a decline in this ratio from 43.1% in 1927, which was the high-

water mark of real estate expansion and construction, to 38.4% now when building and real estate development have slowed up.

Mortgages upon town and city property increased from \$551,864,000, or 19.2% of assets in 1906, to \$5,249,000,000 at the close of this year, or 28.4% of assets. As to farm mortgages, the total in 1906 amounted to \$268,658,000, or 9.3% of assets, while at the close of this year farm mortgage investments will have increased to \$1,864,000,000, or 10% of assets, nearly seven times the 1906 investment. Comparing farm mortgage holdings with the value of farm property, the ratio of holdings has more than trebled during the twenty-five years. In 1910, the United States Department of Agriculture estimated the value of farm property, both land and improvements, at \$34,801,000,000; at that time the life insurance investments in farm mortgages were \$443,456,000, or 1.27% of the value of farm property. In 1925, farm property was valued at \$49,468,000,000, at which time the life insurance companies held farm mortgages amounting to \$1,893,000,000, or 3.83% of the value of all farm property. In other words, the percentage of life

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LEONARD HICKS, *Managing Director*

insurance investments as related to the value of farm property has more than trebled in the fifteen-year period from 1910 to 1925. Figures as to present farm values are not available, but in our opinion the ratio of farm mortgages held by life insurance companies represents today a larger percentage of farm values than ever before.

A Significant Fact

It is most significant that in 1906 the life insurance companies had holdings of bonds and stocks amounting to 50% of assets compared with total mortgage holdings of 28.5%, while in 1931 they will have holdings of bonds and stocks amounting to 38.1% compared with total mortgage holdings of 38.4%. The mortgage holdings have thus increased from slightly more than one-half the ratio of bond and stock holdings to a ratio somewhat in excess of bond and stock holdings.

In 1906, life insurance companies held Government bonds amounting to \$2,900,000, or one-tenth of 1% of total assets. By 1921, as a result of war financing, this sum had grown to \$801,268,000, or 10.7% of assets. With the reduction of the War debt both volume and percentage in Government bonds declined, until this year, when, for the first time since 1922, amount of these securities and ratio to total assets have shown an increase.

As to State, County, and Municipals. The volume has increased from \$103,789,000, or 3.6% of assets, to \$728,000,000 at the end of 1931, or 3.9% of assets. The low yield of these securities is offset in a measure by their desirability due to safe character and tax benefits accruing to the owner.

Investments in real estate increased from \$156,442,000 to \$519,000,000, but the ratio decreased from 5.4% to 2.8% of assets. Since 1926, when real estate investments had shrunk to 1.8% of assets, there has been a continuing increase in ratio resulting from prevailing conditions involving foreclosures and purchases of real estate. Of course, the policy of all companies is to hold only real estate essential to operations, but mortgage investments entail occasional purchases, and it is a gratifying fact that at the end of the year 1931 the percentage of assets invested in real estate will be only one-half what it was in 1906.

Let us subdivide assets into two classes: first, the investments for the conduct of business (into which class would fall Home Office buildings and equipment, cash on hand and in banks), and second, the investments

for income purposes. The ratio of the first class—investments essential to the conduct of business—to total ledger assets decreased from 6.9% in 1906 to 2% in 1930, a remarkable evidence of increased operating efficiency.

The management of all companies view with concern the growth in percentage of assets invested in policy loans and premium notes. While such assets could logically be rated quadruple A, these liens against the amount of insurance reduce the sum payable at maturity to beneficiaries. Notwithstanding all efforts to discourage policy loans, it is only nat-

ural that policyholders should pledge their policies to obtain funds in time of need. This should, of course, be the last resort of the borrower. In 1906, \$254,815,000, or 8.9% of assets, were invested in such loans; the ration increasing to 14% in 1916, falling to 12% in 1926, and increasing from 1929 to the present. It is a comforting thought that such loans have relieved distressed policyholders, but the responsibility remains with us to strive constantly toward the reduction of this ratio.

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CAPITAL AND SURPLUS - SEVENTY MILLION DOLLARS

in preferred and guaranteed stocks, there has been considerable activity in the accumulation of such investments, the total increasing from \$17,437,000, or six-tenths of 1% of assets in 1906 to \$351,385,000, or 2% of assets in 1930. The attitude of the companies toward such investments has been conservative, as long with increased yield and tax benefits considerable market fluctuations have occurred in even the most sound issues of preferred and guaranteed stocks.

It is encouraging to note that, notwithstanding the influences of the current depression, life insurance companies of the United States will this year add \$1,320,389,000 to their assets, bringing the total to the rec-

ord figure of \$20,200,000,000. This 1931 increase exceeds the average annual increase for the eight-year period from 1923 to 1930, inclusive, which was \$1,278,412,000, and is only \$248,854,000 less than for the record year 1928. Thus, these companies have been enabled to continue to serve the financial needs of the country by adding to their ownership of the nation's fundamental securities. These new investments have assisted in maintaining work and purchasing power by financing building operations, in making possible public works by the absorption of state, county, and municipal bonds, and in aiding public utility and railroad financing. But for the unusual demands of policyholders for

loans against their policies, the investments in these other fields would have been much greater. However, as previously indicated, these policy loans have undoubtedly been of tremendous benefit to policyholders and have performed the same general service as investments in other fields.

The 52 companies, whose detailed figures have been assembled in the survey, will increase their holdings during the year in each of the major investment classifications. Only the investments in the relatively small items of foreign government bonds (other than Canadian) and collateral loans will show a decrease. The amount loaned to policyholders by these 52 companies during the year will absorb 32% of the year's increase in assets. The new loans to policyholders, amounting to \$427,291,000, will be the largest increase in any type of investment. The total investment in mortgage loans (farm and city) at the end of the year will be \$7,095,000,000, an increase of \$80,965,000. There will be added to the holdings of railroad securities \$38,973,000, making the total investment \$2,986,000,000, ranking second to mortgage loans in the percentage of assets invested therein. The portfolio of United States government bonds will be increased by \$91,569,000 and of state, county and municipal bonds by \$140,795,000, making the aggregate investment in these two types of security \$395,000,000 and \$728,000,000, respectively. To the holdings of public utility securities, \$180,813,000 will be added and to miscellaneous bonds and stocks, \$64,094,000. The total public utility securities held will be \$1,856,000,000, and of miscellaneous bonds and stocks \$611,000,000. Life insurance real estate holdings will increase by \$107,918,000, the largest addition during the twenty-five-year period, bringing the total real estate investment up to \$519,000,000. Undoubtedly, a large portion of this increase arose from the necessity of foreclosure purchases under real estate mortgages. The investment in all common stocks increased during the first nine months of the year by the relatively inconsiderable figure of \$6,441,000.



The February Horoscope . . .

The Amethyst is the February birthstone. The birth flower is the Violet, and the virtue of the month is Sincerity.

People born in February have a great deal of natural ability in certain directions. Literary talent is particularly marked; medicine and the law also claim a good many February men.

February persons usually have a magnetic, attractive personality which makes them ideally fitted for salesmanship.

Frequently, however, February persons lack complete frankness with themselves and others. Above all else it is important that you learn to be sincere and you should try to cultivate evenness of mind and temper.

Famous persons born in February are Washington, Lincoln, Dickens, Ruskin, Jules Verne, Lamb, Galileo, Lowell, Cicero and Longfellow.

The stars omen well for 1932. Opportunities will abound for all. Some will succeed in the New Year and some will just get by. It is for you to choose.



ROYAL UNION LIFE INSURANCE COMPANY

DES MOINES, IOWA

A. C. TUCKER, *Chairman of the Board*
J. J. SHAMBAUGH, *Pres.*
B. M. KIRKE, *V. P. and Field Mgr.*
W. D. HALLER, *Sec'y*

Already Done

Six-year-old Billie found a pocket-book and made haste to return it to its owner.

"You're an honest lad," the latter told him magnanimously. "Here, I'll give you a dime."

"Aw, you don't hafta," replied Billie, turning away. "I kept a quarter out."—American Legion Weekly.

INSURANCE

Its Application to the Banking Fraternity

Selling Self Reliance

THEORETICALLY, self-reliance is an admirable ideal. Practically, in the growing complexities of human civilization some degree of cooperation seems essential to individual progress, prosperity and happiness. Human society is too closely knit in an interdependent organization to permit a completely self-reliant man to exist in its midst. The political scientist and the political economist are constantly trying to determine what the individual can best accomplish through that cooperation which is government and what can best be left to voluntary association. It is, I suspect, this distinction between enforced cooperation and voluntary cooperation which the makers of this program had in mind in phrasing our theme and the title of this paper.

Missionaries of Thrift

Certainly, we who labor in the field of life insurance have not been guilty of encouraging the individual to risk too great a degree of self-reliance. In the recent past some of those with whom we have been more or less in competition have played that role with varying degrees of credit to themselves and of satisfaction to their victims. The representatives of life insurance institutions have been the great missionaries of a type of thrift based not upon the idea of self-sufficiency but rather upon a plan of cooperative accumulation, investment and administration of common funds for individual protection. The volume of our new business, even under current conditions, indicates the public confidence in the soundness of this plan and the success which has attended its operation. We may well rejoice in this evidence of the fact that to many who might otherwise have despaired of hereafter accomplishing any useful purpose by thrift, life insurance has been a sentinel which from place to place has given assurance that all is well with the cooperative thrift plan which we offer to the public.

Sound as the plan is, however, it cannot be denied that the widespread acceptance and use of life insurance by the general public is due and in

By THOMAS I. PARKINSON
President, Equitable Life of New York

no small measure to the American system of offering life insurance protection not alone to those who seek it, but also to the hesitant, reluctant or sometime antagonistic individual, sought out, informed and persuaded by the most efficient and public-serving sales force in the world. It is not the result of inborn thrift or self-animated conservatism that more than sixty-eight million citizens of the United States have associated themselves to maintain a great reservoir of self-reliance represented by one hun-



THOMAS I. PARKINSON

dred and ten billion dollars of life insurance in force in this country. This great source of national strength, economic stability and family protection springs directly from the activities of our underwriters in the field. The vitally important place of life insurance in our social and economic structure, recognized and acclaimed by the press, statesmen, economists and the common people of our nation is a tribute to the energy, intelligence and loyalty of that great body of men and women who, during the past eighty-three years, have been carrying a message of thrift and cooperative protection to the American people.

A Dignified Career

Membership in this great American force of life underwriters has constantly increased in dignity as a career and in opportunities for usefulness. Even now, their problem, involving as it does so much of the machinery of professional service, is not an easy one. But in those pioneer days when the foundations which we now enjoy were being laid the difficulties of the agents must have tried the patience and the endurance of the best of them. Their activities were hampered by the fact that they had both to educate their prospects to the need of life insurance and to inspire faith in the dependability of their company's guarantees. John Bassett Moore, speaking of those early days, has said that "there was a tendency to put life insurance in the same category with the sale of lightning rods, with which an old lady was reported to have refused to have her house equipped because she said the lightning came near enough in the adjacent woods and she did not want to bring it any closer."

The experience of two pioneer agents in the southwest illustrates the difficulties which those early salesmen encountered and demonstrates their institutional loyalty. The story is told that these two were attempting the sale of a policy to one of the big cow men. They knew him well, even intimately, but when they attempted to interest him in life insurance he said: "Boys, what you say is all right. I think insurance is a good thing; but I do not know anything about your company or its ability to pay when the money becomes due." The agents were resourceful and realizing the force of the personal factor in that society, responded: "Well, Bill, you know us and you know we would not recommend anything to you unless *we* had confidence in it. Now, would it be all right with you if we personally guaranteed the payment of your policy?" This satisfied the prospect and when the \$100,000 contract was delivered it bore the personal guarantee of those two agents endorsed on the back of the policy. There that guar-

antee remained until the policy was paid at maturity.

The Prospect's Requirements

The modern life insurance agent encounters no such public attitude;

he enjoys the advantage of the general public's familiarity with insurance coverage and confidence in the institutions which provide it. The change, however, has brought him new and different problems. The better informed buying public calls for abler sales effort. The complexity of modern life has presented new needs for life insurance and has increased the importance of the agent's knowledge of varying types of contracts and his capacity to diagnose the business and domestic situation of his prospect in order to meet the prospect's expectations in the fitting of insurance protection to his peculiar needs. Moreover, the human inertia or perversity that leads men to neglect or resist that which is good for them still requires of the life agent the exercise of the greatest patience and tact in the advocacy of the protection which he offers. Therefore, although the modern life underwriter has need of new equipment and deals with more technical problems, he must, nevertheless, still be the man of great human sentiment, the missionary interested in and enthusiastic about service to others and ready, even though not required, to guarantee that performance by his company which he inspires his prospect to expect.

Looking back over the last twenty-five years one notes no more important development in the life insurance world than the gradual evolution of something in the nature of a professional status for the life insurance agent. It is to the credit of the men and women who constitute our agency forces, that the greatest contribution to this evolution and their preparation for their new tasks has been made by themselves and their own organizations. They have struggled to raise their own ideals of service, not only individually but through their underwriters' associations, national and local. The companies, some more than

others, have made use of training schools and other methods to educate newcomers and improve old-timers in the use of the tools of life insurance, but such training would never have developed the ideals of professional service which now dominate the permanent agency forces of our companies, if it had not been accompanied by the urge and effort of the agents themselves.

THE GOLD STANDARD IN PRESENT-DAY ECONOMICS

(Continued from Page 5)

tions in prices of commodities and prices of goods constituting active dispersion.

If, therefore, we would have a true commodity price index it would not only have to be weighted for quantity but considered for dispersion as well.

Importance of Price Index

Admitting this, we must recognize that the commodity price index, as determined by the United States Department of Labor (which uses 550 articles) and by various other reliable agencies in the world, does enable us to realize the movement of all commodity prices in their relation to the measure of gold to some valuable extent.

World trade is primarily an exchange of goods. Goods which are exchanged when expressed in gold values, after the necessary allowances for supply and demand, contain within them the following five primary costs:

1. Labor;
2. Materials;
3. Overhead, including invention and interest covering the time element;
4. Transportation;
5. Distribution.

All of these costs are subject to their own fluctuations without regard to any of the others, although there is always a tendency for adjustments to follow important movements in the



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BANK OF NEW SOUTH WALES

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PAID-UP CAPITAL	7,500,000 £s
RESERVE FUND	6,150,000 £s
RESERVE LIABILITY OF PROPRIETORS	7,500,000 £s
	21,150,000 £s

Aggregate Assets 30th September, 1930, 89,228,378 £s

AGENTS—FIRST NATIONAL BANK, OMAHA, NEBRASKA GENERAL MANAGER, ALFRED CHARLES DAVIDSON

HEAD OFFICE, GEORGE ST., SYDNEY LONDON OFFICE, 29 THREADNEEDLE ST., E. C. 2

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general commodity price level. The reason for this can be clearly seen in a simple statement. Suppose a manufacturer produces a million articles, which he sells at \$1 apiece, and that his profit of his turnover is 10 per cent; his profit will be \$100,000, and if he pays 10 per cent in taxes the government will receive \$10,000. Then suppose the price falls to 50 cents an article; total receipts will be \$500,000; the profit at 10 per cent will be \$50,000, and government will receive, at 10 per cent, \$5,000. But, during such a drop in the price of this commodity, if it is in line with the general price-index movement, it means a depression is existent. Regardless of the virulence of the depression it must carry an important recession in business.

A recession in business means reduced quantity production. Under present conditions many concerns are running close to 30 per cent capacity. If we apply this figure to the foregoing business we find that instead of producing one million items at \$1 there would be produced 300,000, which would be sold at 50 cents each, meaning a gross profit of \$150,000, a net profit on a 10 per cent basis of \$15,000, and taxation to government at 10 per cent, or \$1,500. Such a condition means less monetary units per share of stock, a reduction or elimination of dividends and greatly reduced receipts by stockholders and government.

Adjustments of Commodity Prices

A further difficulty must be faced in that reduced production means increased proportional cost of overhead and a further reduction in earnings. This has resulted in the creation of losses by innumerable organizations throughout the world during the year 1931. The pressure for readjustment, therefore, becomes enormous and naturally follows the lines of least resistance. Thus, while the units of labor are reduced the wages of those who remain are maintained to the last. This means increasing unemployment and lengthens the duration of the depression.

If it were possible to have falling commodity prices attended simultaneously by similar percentage movements adjusted to proportionate costs, the value of incomes from profits, even though reduced in the number of units received, would be the same in commodities. Then the reduced units in the taxes received by government would meet governmental costs, provided they were reduced in the same manner.

But the dispersion of prices which takes place in the commodity price index would require different percentages of movement in each industry in

order to maintain the status quo.

In order, therefore, for men to live in growing densities of population with requirements for vast units of production, the world has been dependent to a large extent upon the ingenuity that has been vouchsafed to man for self-preservation, as exercised by those who have moved into positions of semi-authority and authority in business operation.

The tendency of democracy, however, is to select in large proportion the mediocre for government and unfortunate political forces are always at work which enormously complicate the natural complexities of business and industrial progress. The people are led to believe that government can be more wise than men, that they can live beyond capacity, and the burdens of the public are increased.

Periodic movements that reflect a rise and fall in the activities of men must continue while man is constituted as he now is and always has been. There is reason to believe, however, that industry will be able to devise a means whereby the current moving relationship between demand and supply, in specific commodities and in general, will be better understood. Then we can expect a flattening of the curves of business enterprise which will reduce the depth and duration of depressions except as unfortunate political conditions may prevent.

The method under which this will be accomplished will undoubtedly be through some form of economic council which, to function effectively, must be free from government, although advisory to it.

New York Bank Stockholders

Stockholders of 16 leading banks and trust companies in the City of New York now number 322,286 against 21,869 in 1920, an increase of 1,374 per cent, according to a survey by Hoit, Rose & Troster. No other group of stocks in the United States, with the exception of the public utility group has experienced such an increase in stock ownership.

The market value of the outstanding shares of the 16 banks, the firm points out, at present is approximately \$2,114,720,000 compared with \$638,978,500 in 1920, and with an average valuation of \$9,063,045,000 in 1929.

The yield of the 16 stocks on the average makes an interesting showing. The present yield is approximately 6.25 per cent, virtually the highest for any period in the last 11 years. In 1921 the yield was 6.10 per cent, and in 1929 went as low as 2.11 per cent.

Lamentation

"This country is going to the dogs!" roared the statesman. "The Constitution means nothing to the people! Our great nation will be consumed by the red fire of Bolshevism!"

"So you got licked for Congress, eh?" remarked the common citizen.—American Legion Weekly.

We are shown that no suffering, no self-examination, however honest, however stern, no searching-out of the heart by its own bitterness, is enough to convince man of his nothingness before God; but that the sight of God's creation will do it.—Ruskin.

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THE SERVICE LIFE INSURANCE COMPANY



**E. N. VAN HORNE, President
Nebraska Bankers Association**

Nebraska News



**W. M. B. HUGHES, Secretary,
Nebraska Bankers Association**

OPTIMISM for the future, based upon a satisfactory year just ended, was expressed by bankers of Lincoln at the time of the annual meetings in January. In all of the banks officers and directors were re-elected, there being no change in the executive personnel of the Lincoln banks. Most of them reported quarterly dividends as usual, and dividends for the year closed paid as in former years.

E. N. Van Horne, who is president of the Nebraska Bankers Association, was re-elected president of the Continental National Bank of Lincoln. "The year 1931," he said, "was very satisfactory from the standpoint of the bank's activities and we look for a gradual improvement in general business conditions in 1932."

M. Weil, re-elected president of the National Bank of Commerce, said, "The past year has been entirely satisfactory. The bank paid its regular dividend the same as it has for the past fifteen years. There has been no change in the employes of the bank nor any salary reductions and we are looking toward 1932 with a great deal more confidence than we did toward 1931."

W. E. Barkley, president of the Union Bank, reported "Deposits in the bank have increased 20 per cent since the middle of December. A distinct turn in deposits was noted then and we are very optimistic regarding conditions during the coming year."

O. J. Hitchcock, president of the Havelock National Bank, said, "Indications are good for 1932. The Havelock shops are working on good schedules and we look for a much better year in 1932. We feel that we did well in 1931 considering that the shops were working but a short time. General conditions, as a whole, are much brighter."

THE ENTIRE INTEREST of J. H. Miles, now of California, in the First National Bank of Falls City, Nebraska, were sold, in mid-January, to E. H. Towle of Falls City and

John W. Towle of Omaha, the latter being president of the Omaha Steel Works.

Mr. Miles is 81 years old. He announced that his advancing years made it impossible for him to continue looking after the bank's interests. He has heavy real estate holdings in Richardson County, of which Falls City is the county seat.

The new officers of the bank are: E. H. Towle, president; John W. Towle, vice president; J. S. Lord, cashier; F. W. Bucholz and A. D. Cameron, assistant cashiers. The Towle family has been one of the major stockholders of the bank since its founding 50 years ago.

FORD E. HOVEY, president of the Stock Yards National Bank of Omaha and a director of the Northwest Bancorporation, was one of three men suggested for governor of the Tenth federal reserve district to



FORD E. HOVEY

succeed W. J. Bailey, who retired in January. Mr. Hovey, however, declined to permit his name to be presented, according to W. D. Hosford of Omaha, one of the directors of the bank.

THE NEW WAHOO State Bank of Wahoo, Nebraska, opened for business last month after holding open house for friends on New Year's day. J. G. Hohl, banker at Pargue for a number of years, is the president of the bank. E. G. Risk, Wahoo manufacturer, is vice president. The charter for the new bank is the only one granted by the state of Nebraska during 1931. The bank occupies the former Saunders County National Bank building.

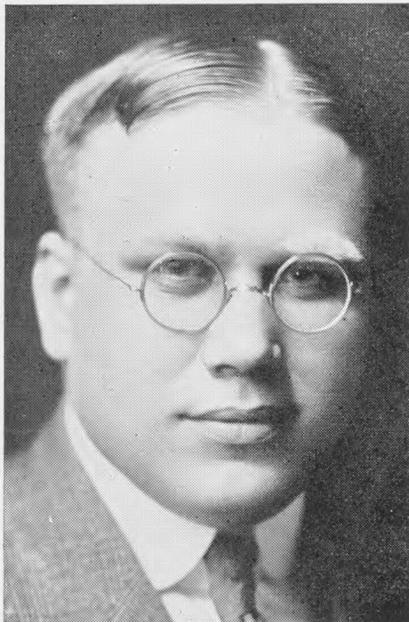
THE FIRST NATIONAL Bank of York, Nebraska, declared its one hundredth consecutive semi-annual dividend at the annual meeting in January. The First Trust Company, affiliated with the bank, declared its thirty-sixth consecutive semi-annual dividend. C. A. McCloud, who is republican national committeeman for Nebraska, is the president of the bank.

THE BANK OF MILLER, in Buffalo County, Nebraska, was re-organized and reopened January 14, depositors agreeing to accept repayments on their old accounts at the rate of 1 per cent a month, according to an announcement by Governor Bryan.

KEITH NEVILLE, former Governor of Nebraska, was named president of the First National Bank of North Platte recently to succeed Frank L. Mooney, who died. The election was made permanent in January, when E. F. Seeberger was made vice president and W. H. Munger, cashier. Mr. Neville had been vice president.

Johnson Heads Clearing House

Alvin E. Johnson, vice-president of the Live Stock National Bank of South Omaha, was last month elected president of the Omaha Clearing House association at its annual meeting. Mr. Johnson succeeds W. Dale Clark, and has been vice-president. T. L. Davis, vice-president of the First



ALVIN E. JOHNSON

National Bank, was elected vice-president of the clearing house. William B. Hughes was again chosen secretary-treasurer.

On the clearing house committee were appointed T. L. Davis, Alvin E. Johnson, W. Dale Clark, president of the Omaha National; Gwyer H. Yates, president United States National; J. B. Owen, vice-president Stock Yards National of South Omaha; J. F. Coad, president Packers National of South Omaha.

ORVILLE CHATT, former county judge of Burt County, was elected a director of the First National Bank of Tekamah. He takes the place on the board made vacant by the resignation of Herbert Rhoades, district judge at Omaha.

THE LIVE STOCK National Bank of Omaha distributed 36 thousand dollars in dividends during 1931, a payment of 8 per cent on the stock, according to Alvin E. Johnson, vice president.

THE SECURITY STATE Bank of Broken Bow, Nebraska, which closed in November has reopened. Depositors, permitted to withdraw 30 per cent of deposits at once, contracted to defer withdrawals for the

balance. Joseph Houmont is president of the bank and P. G. Richardson, cashier.

BANKS OF NEBRASKA which subscribed to debentures of the National Credit Corporation were asked to take \$108,970 worth at the first call, for 10 per cent of subscriptions, in January.

DEPOSITORS of failed state banks in Nebraska were paid dividends of \$3,528,620 in 1931, according to the state department of trade and commerce.

The largest payment in December was \$817,857 to the depositors of the

State Bank of Omaha, representing 40 per cent of deposits.

In January checks for 106 thousand dollars were mailed to depositors of the South Omaha State Bank. It was their first payment. Total deposits there amounted to about 940 thousand dollars.

D. P. HOGAN, president of the Federal Land Bank of Omaha, was called to Washington to testify at hearing before Congress committees on future policies of land banks.

J. H. STEINMEYER, 78, who had been president of the Nebraska State Bank at Beatrice, died recently.

THE
CHASE NATIONAL BANK
of the City of New York

Capital \$148,000,000 . . Surplus \$124,000,000
Deposits (December 31, 1931) . \$1,459,000,000

The Chase National Bank invites the accounts of
banks, bankers, corporations, firms and individuals.

General Banking . . . Trust Department
Foreign Department

A Complete Service

Combining a complete service
for every department of
correspondent banking, we are
especially able to care for your
Lincoln account.

THE FIRST NATIONAL BANK
AND
THE FIRST TRUST COMPANY
OF
LINCOLN, NEBRASKA
"Since 1871"

JOHN M. KINGERY, 65, president of the First National Bank of Tilden, Nebraska, died early last month.

DEPOSITS of the nine Omaha banks amounted to \$85,175,658 at the close of business December 31, it was announced following the call of the comptroller of the currency. Loans and discounts at the same time amounted to \$42,222,350.

The figures from the separate banks follow:

BANK	DEPOSITS	LOANS
Omaha National	\$28,215,880	\$14,148,198
First National	20,764,808	6,803,078
United States National	20,543,637	7,300,867
Stock Yards National	6,676,342	8,294,596
Live Stock National	4,711,649	2,866,225
Packers National	2,103,303	1,286,646
Union State	1,174,071	525,263
South Omaha Savings	815,031	883,349
Bank of Florence	170,937	114,128
Total	\$85,175,658	\$42,222,350

Unusually heavy fall borrowings to take care of feed loans were reflected in the figures from the Stock Yards National Bank.

E. E. PLACEK was elected president of the First National Bank of Wahoo, in January, succeeding Ed Lemkuhl. Mr. Placek is president of the Nebraska Culvert Company. Ed Lemkuhl was made vice president, Ernest Hanson, cashier; and E. E. Good, L. J. Kudrna, Mr. Placek, Paul F. Good, Dr. R. F. McCreary, Mr. Hanson, Herbert Reader and E. S. Schiefelbein, directors.

J. FRANCIS McDERMOTT was advanced from assistant cashier to vice president of the First National Bank of Omaha at the annual meeting in January.

Mr. McDermott has been with the bank since 1920, and had been assistant cashier since 1922. He is a graduate of both the arts college and law college of Creighton University at Omaha, and is the president of Omaha post No. 1 of the American Legion—one of the largest legion posts in the world.

The directors also made Charles D. Saunders assistant to the president of the bank. Mr. Saunders came to the bank January 1, 1929, from Denison, Iowa, where for four years he had been vice president and cashier of the First National Bank of Denison. He is treasurer of the Merchants Investment Company, which is owned by T. L. Davis and Fred W. Thomas, vice presidents of the First National Bank. Mr. Saunders is also interested in four outstate Nebraska banks.

Former Senator Gilbert M. Hitchcock, publisher of the Omaha *World-Herald*, resigned from the board of directors of the First National. His place was not filled, the directorate being reduced from eight to seven.

EDWARD A. CUDAHY of Chicago resigned as director of the Stock Yards National Bank of Omaha, in January. Ford Hovey, president of the bank, said Mr. Cudahy withdrew because it was difficult for him to attend directors' meetings. The position was not filled, the board being reduced from fifteen to fourteen.

VICTOR B. CALDWELL, assistant vice president, has been advanced to vice president of the United States National Bank of Omaha.

Other changes made by the directors at the January meeting included:



VICTOR B. CALDWELL

Advancement of Shirley S. Ford from vice president to executive vice president;

Advancement of Ralph R. Rainey from cashier to assistant vice president;

Advancement of Harry E. Rogers from assistant cashier to cashier;

Advancement of N. L. Sholen from head of the new accounts department to assistant cashier.

Gwyer Yates, president of the bank, spoke of the promotions as being based on records of service. Mr. Rogers has been connected with the bank since 1911. Mr. Sholen entered the employ of the bank as a messenger 25 year ago.

Plan New Bank

Alliance, Nebraska, business men have applied to the comptroller of currency at Washington for permission to establish a new national bank, with \$100,000 capital and \$10,000 surplus.

The institution would replace the First National bank which closed last October 31, and would be called "the First National bank in Alliance." C. A. Newberry, pioneer merchant, headed the organization group.

Announce Merger

Officers of the Farmers' State bank of Bradshaw, Nebraska, have announced its merger with the First National bank. The new institution will conduct its business under the latter name.

For the past decade, it was explained, stock in both banks has been held by the same persons, who believed the merger would provide better banking facilities.

WE KNOW LINCOLN AND WE KNOW NEBRASKA

FREQUENTLY in our service to correspondent banks we are called upon for assistance beyond the usual banking routine. It is then that those we serve appreciate most our knowledge of this territory.



As your correspondent bank in Lincoln, this intimate knowledge of Lincoln and of Nebraska will be valuable to you. We would welcome an opportunity to serve You.

Continental National Bank

LINCOLN, NEBRASKA

Affiliated with NORTHWEST BANCORPORATION

News of the Omaha Stock Yards

New Officers Elected

At the meeting of the Central Nebraska Breeders' association, the following officers were elected: Walter E. Cole, Broken Bow, president; Ben A. Best, Oconto, vice president, and M. L. Gould, secretary-treasurer. The two-day tour that was to have been held was abandoned on account of the snow. It is planned to hold a sale of pure bred stock early in February.

Heads Beet Growers

J. A. Stockwell, cashier of the First National Bank at Bayard, Nebraska, and treasurer of the National Beet Growers association, has been elected to fill the vacancy on the Cooperative Beet Growers association board of directors caused by the recent death of Frank R. Becker. Mr. Stockwell has for a considerable period been active in the affairs of the organization.

Skimmilk Possible Dairy Feed

In areas where the use of surplus skimmilk is a problem, it can be fed

to dairy cattle economically, according to Earl N. Shultz, extension specialist in dairy husbandry at Iowa State college. Mr. Shultz's recommendation is based on experiments conducted by himself at the University of Minnesota during the winter of 1928-29.

Skimmilk can be used as a supplement in the dairy ration, replacing linseed oil-meal at the rate of 8 pounds of skimmilk to 1 pound of linseed oil-meal. Mr. Shultz found that the best way to feed skimmilk was to weigh it and the grain for each individual cow, and pour the liquid over the grain before feeding. The grain mixture absorbs the skimmilk without mixing and when fed on top of the silage there was no loss of skimmilk.

With oil meal worth \$2 per hundred, skimmilk has a value of 21 cents per hundred pounds. With soybean oil-meal worth \$2.50 per hundred, skimmilk is worth 23 cents per hundred pounds for feeding. The value of milk can be determined by

the market price of the high protein concentrates in the various localities.

A Corn Fed Country

[Walter Locke in Dayton News]

Omaha looms through its unaccustomed mist, a city of rugged outline and hardy strength. Its streets swarm with a cornfed crowd. The farmers are poor in pocket but rich in pounds. They can't sell their stuff for anything worth while. There is nothing to do but eat it. A sight not common since the '93s has reappeared. Once more the home killed hog dangles in the cooling farmyard breeze. The trainman swears that this has been his regular landscape view. For a while the farmer was prosperous enough to ship two porkers to Omaha and get one back, all sliced to eat. Not now. Again he kills his own and packing stock, hitherto at par, has slumped 10 points down.

These oversize denizens of Omaha streets came mostly from these well fed farms. Their youth was spent out

LIVE STOCK NATIONAL BANK - OMAHA

Condensed Statement, December 31, 1931

RESOURCES

Loans and Discounts	\$2,866,224.76
Bonds and Securities	215,999.49
(See Itemized List)	
U. S. Government Securities	1,160,611.32
Stock in Federal Reserve Bank	16,500.00
Banking House and Fixtures	56,000.00
Other Real Estate	1.00
Cash and Sight Exchange	1,075,776.24
	\$5,391,112.81

LIABILITIES

Capital	\$ 450,000.00
Surplus	100,000.00
Undivided Profits, Net	58,302.18
Unearned Discount	37,730.44
Reserve for Taxes, Interest, etc.	24,431.32
Reserved for Dividends payable Jan. 2, 1932	9,000.00
Deposits	4,711,648.87
	\$5,391,112.81

BONDS AND SECURITIES

DESCRIPTION	Maturity	Par Value	Carried on St'n'd Books at Rating	DESCRIPTION	Maturity	Par Value	Carried on St'n'd Books at Rating
PUBLIC UTILITIES				FOREIGN			
Lowell Gas Light Co.	1932	5,000.00	5,000.00 A	Gov. of New'dland	1939	9,000.00	4,500.00 A
New Bedford Gas & Edison Light Co.	1932	5,000.00	5,000.00 A1	Republic of Panama	1963	5,000.00	2,725.00 A1
Staten Island Edison Corp.	1932	10,000.00	10,000.00 A	Total		14,000.00	7,225.00
Rochester Gas & E. Corp.	1932	10,000.00	9,987.50 A	INDUSTRIALS			
Peoples Gas Lt. & Coke Co.	1932, 3	4, 5	10,000.00	Gen. Amer. Trans. Sys. Eq. Tr.	1935	5,000.00	4,400.00 A1
Southern Bell T. & T. 1st Mtg.	1941	1,000.00	990.00 A11	Gen. Amer. Trans. Sys. Eq. Tr.	1938	5,000.00	4,400.00 A1
International T. & T. Deb.	1955	10,000.00	4,100.00 A	Crucible St. Co. Deb.	1940	9,000.00	6,300.00 A1
Illinois Bell Tel. Co. 1st & Ref.	1956	1,000.00	1,000.00 A11	California Packing Co. Deb.	1940	1,000.00	650.00 A
Pacific Gas & Elec. 1st & Ref.	1957	7,000.00	6,300.00 A1	Union Oil of Calif. Deb.	1945	5,000.00	3,750.00 A
Texas Electric Serv. Co. 1st	1960	10,000.00	8,035.00 A	Prestone Cotton M'ls 1st Guar.	1948	6,000.00	3,360.00 A
Jersey Central Power & Lgt. 1st	1961	11,000.00	9,092.50 A1	National Steel Corp. 1st Coll.	1956	2,000.00	1,460.00 A
Central Ill. Public Service 1st	1967	6,000.00	4,100.00 A	Inland Steel Co. 1st	1981	10,000.00	7,400.00 A1
Shawinigen W. & P. 1st & Coll.	1970	5,000.00	3,450.00 A1	Total		43,000.00	31,720.00
Pennsylvania El. 1st	1971	10,000.00	7,700.00 A1	MUNICIPALS			
Penn. Central Light & Power 1st	1977	4,000.00	2,840.00 A1	City of Omaha, Neb. Sewer	1936	5,000.00	5,000.00
Minn. Power & Light 1st & Ref.	1978	5,000.00	3,850.00 A	City of Omaha, Neb. Park	1948	10,000.00	10,000.00
Commonwealth Edison 1st Coll.	1981	1,000.00	790.00 A11	City of Chicago, Ill.	1949	5,000.00	4,834.52
Total		111,000.00	92,207.05	Co. of Harris, Tex. Rd. & Bridge	1949	5,000.00	4,300.00
RAILROADS				Total		45,000.00	39,234.52
Ala. & Gri. South'n 1st Cons.	1943	5,000.00	3,750.00 A1	MISCELLANEOUS			
Can. Pac. Ry. Co. Cons. Perp.	17,000.00	10,355.00 A1		Sarpy County War.	6,485.42	6,485.42	
Kansas City South'n Ry. Co. 1st	1950	10,000.00	6,062.50 A1	Clearing House Dep.	1,000.00	1,000.00	
Pittsburgh & W. Va. Ry. Co. 1st	1960	9,000.00	4,050.00 A	Total		7,485.42	7,485.42
Pere Marquette Ry. Co. 1st	1980	5,000.00	2,200.00 A	RECAPITULATION			
Tex. & Pac. Ry. Co. Gen'l & Ref.	1980	7,000.00	4,410.00 A	Description	Par Value	Books at	
New York Cent. RR. Co. Cons.	1998	10,000.00	7,300.00 A11	Public Utilities	111,000.00	92,207.05	
Total		63,000.00	38,127.50	Railroads	63,000.00	38,127.50	
				Foreign	14,000.00	7,225.00	
				Industrials	43,000.00	31,720.00	
				Municipals	45,000.00	39,234.52	
				Miscellaneous	7,485.42	7,485.42	
				Total	283,485.42	215,999.49	

This Bank Has NO Affiliated Companies

Member Federal Reserve System and Omaha Clearing House Association

on the earth where, in their growing up, the sky was the limit. Nebraska is poor but powerful. Omaha is its overplus. The runts, if any, the blizzards have blown away. Smile at this Goliath race, it smiles back. Speak to it, it speaks back. They have the expansiveness of conscious strength. Exclusiveness is the self-protection of the self-conscious weak.

These giants swarm the stores. It takes about a thousand pounds of them, the merchant wryly smiles, to buy a dollar's worth. It takes as many laborers at the stockyards to pack a pig as if hogs were worth 12 cents instead of only 4. The towns, therefore, seem sometimes prosperous when the farms are not. But what can a farmer buy with his 4-cent hog? "Christmas cards," says the sadly cheerful merchant, "instead of overcoat."

Champion Dairy Cow

W. A. Post of Franklin county had the high butterfat producing cow in dairy herd improvement associations in the state during the past year, according to announcements. The Hamilton-Hall-Merrick association was the high association in Nebraska while W. F. Bechtolt of the Platte Valley organization was adjudged the most efficient tester.

The high cow, Beauty Mercedes Pldge Lyongs 8884, is seven years old and made a record production 26,761 pounds of milk containing 917.5 pounds butterfat.

In addition to having the high cow in the state, Post also owned the high

butterfat producing herd. His registered Holsteins averaged 604.4 pounds butterfat. The records were based upon 11.58 cow years. The average milk production per cow was 18,674 pounds. The cows each returned \$214.41 above feed costs. For every dollar spent for feed, the cows returned \$4.21. It costs the Naponee dairymen 12 cents to produce a pound of butterfat and 35 cents to produce 100 pounds of milk during the year as an average. The milk was worth on an average of \$1.58 per hundred-weight.

Champion Corn Growers Named

Champion corn growers of Nebraska were announced at the meetings of the Nebraska Crop Growers' Association, held in connection with the annual sessions of Nebraska Organized Agriculture.

Winners named were Lee Faris, Union, eastern division; Hal A. DeMay, Danbury, central division; George Eiker, Brule, irrigation district, and Tyre Nelson, Curtis, western division.

Donald Sutherland, of Lancaster county, won the 4-H Club honors of the eastern division of the state, and Lawrence Larson, of Polk county, took first honor in the 4-H Club central division of the state.

The contest, known as the Ten Acre Corn Yield Contest, was sponsored by the Crop Growers' Association.

Certain fixed costs were recognized in deciding the winners. Man labor was computed at 25 cents per hour,

horse and machinery charges at 13 cents per hour, use of land at two-fifths or one-third of the crop, tractor power at from \$1 to \$1.50 per hour depending upon the size of the outfit, and corn at 35 cents per bushel.

Re-elects J. R. Hughes

At the regular annual meeting of the Omaha Live Stock Traders' Exchange, John R. Hughes was re-elected president for the ensuing year and George Macdonald re-elected as vice president.

In presenting his annual report, Mr. Hughes pointed out the favorable as well as the discouraging features of the situation as it developed during the past year, and said traders were now in a position to go ahead and keep in step with the improved conditions in business that he hoped the new year would bring.

Directors elected for the three-year term were: Byron Smiley, George Francis and William Guilfoyle. The board of directors now stands: Sam Wertheimer, Dave Rosenstock, James A. Sullivan, Joseph C. Christie, Thomas F. Gill, John J. King, William Guilfoyle, George Francis and Byron Smiley.

Charles F. Huntzinger was re-elected secretary-treasurer of the organization.

Corn Stalks Good Bedding

By mixing cornstalks which have been run through a hay cutter with straw, John Stewart, manager of the Iowa State college dairy farm, has discovered a method of providing live stock with economical bedding and at the same time making more complete utilization of farm waste.

As soon as the corn had been husked this fall, the stalks were cut and bound in bundles with a corn binder. They were then run through the ensilage cutter.

The stalks then were mixed half and half with straw. Mr. Stewart found the cornstalks, which were in half-inch lengths after being put through the hay cutter, to be unusually good absorbers of moisture. He states that this bedding is more satisfactory than straw alone for the animals do not kick it away from them during the night.

The total cost of getting the cornstalks in the barn was only \$3 a ton, while straw alone costs \$7 a ton. Another advantage of this type of bedding is that the manure can be spread on any land and will not be picked up in the first crop of hay as is often the case when longer length fodder or all straw bedding is used.

VALUABLE TO YOU

THE officers of the STOCK YARDS NATIONAL BANK of SOUTH OMAHA have had long experience and close contact with the livestock industry.

As your correspondent bank in South Omaha, their experience will be valuable to you.



Stock Yards National Bank of South Omaha

Affiliated with NORTHWEST BANCORPORATION

Kansas News

F. A. Derby Is Director

Fred A. Derby, president of the Derby Milling Company, has been elected a director of the Guaranty State Bank of Topeka, Kansas, to succeed the late Oliver H. White. All other directors and officers were re-elected at the annual meeting.

The annual report showed that the earnings justified the payment of the usual 16 per cent annual dividend after suitable reserves had been made for contingencies of various kinds. N. A. Turner, president, said. Total deposits show a \$10,000 increase over a year ago.

A resolution of respect was passed to the memory of Mr. White. Board members are Turner, S. V. Firestone, T. F. Kreipe, Robert Stone, Earl Ives, A. J. Schober, H. H. Turner and C. W. Pratt. Officers are Turner, president; Firestone, vice president; H. H. Turner, cashier, and Pratt, assistant cashier.

P. W. Goebel Resigns

P. W. Goebel, veteran banker, is retiring from active executive management in the Commercial National Bank and the Kansas Trust Company of Kansas City, Kansas. He resigned as president of the latter institution and announced he will retire as chairman of the board of the Commercial Bank. He will devote his time primarily to his banking interests in Kansas City, Missouri. C. L. Brokaw, president of the Commercial National Bank and Goebel's friend and associate through many years of banking, was elected president of the Kansas Trust Company.

One New Director

Officers and directors for the Turner State Bank of Kansas City, Kansas, were elected at the annual stockholders' meeting.

C. S. Wilson is president; John Swartz, vice president, and William Madden, cashier. All were re-elected. The board of directors is composed of those three officers, W. J. Breidenthal and Frank Holcomb. Madden is the only new director. He replaces R. H. Perkins, who has moved from the community.

The regular dividend was paid.

Changes at Ottawa

The Lane State Bank of Ottawa, Kansas, held its annual stockholders

and directors meeting, directors being re-elected as follows: F. J. Miller, N. E. Coffey, C. H. Estabrook, E. A. Hanes, H. T. Jordan, J. K. Emerson and W. W. Lehw. F. J. Miller succeeds N. E. Coffey as president of the board. Mr. Coffey becomes vice president in place of E. A. Hanes. H. T. Jordan was re-elected cashier.

Reduces Bank Directorate

The annual meeting of the stockholders of the Community State Bank of Hanover, Kansas, was held last month and the following directors for the ensuing year elected: Jacob Eipper, L. R. Kramer, J. T. Murphy, H. H. Neumann, Wes J. Sekal, A. C. Pecenka, Joseph Vlach, John F. White and A. C. Wurtz, this being the same board that has directed the affairs of the bank for the past several years with the exception of Fred

Hildebrandt and Rudolph Koehler. A resolution was adopted reducing the number of directors from 11 to 9 and the above named stockholders were unanimously named as directors.

New Bank Officer

A vice presidency in the Concordia First National Bank of Concordia, Kansas, has been accepted by George W. Nimocks, for many years prominent banker in this section, president of the Bank of Scandia, but will still retain his relations with the Scandia bank, continuing as president of the latter institution.

4 Banks Merge

Four banks in Kansas were last month merged into two institutions, according to the state bank department. The Edgerton State Bank merged with the Farmers State at Gardner. Frank Sponable will be president of the Farmers State of Edgerton and H. C. Bigelow, cashier. The State Bank of Castleton, merged with the State Bank of Pretty Prairie.

New Mexico News

Group Three Meeting

Members of the regional clearing house No. 3 of the New Mexico Bankers' Association held a recent meeting at the Crawford hotel in Carlsbad.

Chief among subjects discussed was the new National Credit Corporation, which is being sponsored by President Hoover to partly relieve the banking situation. Miss Margaret Brown of Albuquerque, secretary of the New Mexico Bankers' Association also addressed the meeting.

In the election of officers, J. E. Robertson, president of the First National Bank of Artesia was chosen chairman of the district succeeding W. A. Losey of Hagerman; Claud Hobbs, cashier of the First National Bank of Roswell, was elected vice-chairman and Floyd Childress, auditor of the First National Bank of Roswell, was made secretary-treasurer.

G. K. Richardson of Carlsbad, who has been with the Carlsbad National Bank since its organization, has severed his connection with the Carlsbad institution as president and will remove to Brownwood, Texas, where he has a position with a newly organized bank at the Texas city.

Las Vegas Election

At the annual meeting of the stockholders of the Las Vegas Savings Bank, the following directors were re-elected for the ensuing year: William G. Haydon, A. H. Gerdeman, George A. Fleming, L. H. Kronig, J. H. Stearns, N. Fontaine, W. E. Kaser.

The bank reports a very satisfactory year as its published statement indicates.

After the meeting of the stockholders, the directors-elect held a meeting and officers of the institution were re-elected. The personnel follows: William G. Haydon, president; George A. Fleming, vice president; A. H. Gerdeman, cashier; R. R. Devine, assistant cashier.

All of the present employes, Philip Guerin, Faustin Guerin, T. E. Molleston, Alma Wilson, Virgie Brite and Olivia Deutschman, were retained.

History shows that the majority of men who have done anything great have passed their youth in seclusion.—Heine.

Flowers may beckon toward us, but they speak toward heaven and God.—

Colorado News

Colorado State Banks

The total resources of 119 state banks and 13 trust companies of Colorado were \$59,587,311.46 on December 5, 1931, according to a report by Grant McFerson, state bank commissioner.

This is a reduction in resources of only \$3,471,439 since the last report in June.

The average reserve for all the banks is 20.20 per cent, and the average of Liberty bonds held 4.08 per cent, and average cash 4.69 per cent.

A Consolidation

Consolidation of the City National Bank and the Colorado Springs National Bank was announced last month by directors of both institutions, who approved the action.

There will be no change in the name of the Colorado Springs National Bank and no change in directors.

The City National Bank has deposits totaling \$340,000 and the Colorado Springs National Bank has deposits of about \$1,700,000, thus giving the consolidated bank more than \$2,000,000 in deposits.

The City National Bank was established by the late Col. E. T. Ensign in 1902 and has served that section of the city since that time. Its officers and directors are Martin Drake, president; W. N. Armstrong, vice president and cashier; Gordon Parker, W. R. Armstrong and W. L. Fisher, directors. Mr. Drake and Mr. Armstrong will be affiliated with the Colorado Springs National Bank.

The Colorado Springs National Bank officers and directors are Willis R. Armstrong, president; O. E. Hem-

enway, chairman of the board; James P. Shearer, first vice president; Herbert G. Sinton, second vice president; C. C. Fingel, cashier, Dr. E. J. Brady, C. B. Seldomridge, D. N. Heizer, directors. No director has been elected to succeed the late C. A. Hibbard, who was chairman of the board, but this will be done at the annual meeting this month. Mr. Hemenway succeeded Mr. Hubbard as chairman of the board.

Re-elected Bank Director

Harry W. Farr, prominent Greeley farm operator and feeder, has been re-elected a director of the Denver branch of the Federal Reserve Bank of Kansas City for a three year term ending December 31, 1934. Mr. Farr has served seven years as a director of the Denver branch of the bank.

A Kansas Merger

The Kansas state banking department has announced the merger of the Peoples State Bank of Geuda Springs with the Union State Bank at Arkansas City. The Geuda Springs bank was capitalized for \$10,000 and showed deposits of \$49,807 and loans of \$49,200.

Wyoming News

Casper Deposits

Casper, Wyoming, banks began the new year with aggregate resources of \$8,450,797 and deposits amounting to \$6,982,898, according to a composite summary of condensed statements, Cash on hand and sight exchange amounted to more than \$1,334,000 while money in United States and investment bonds struck another large total.

Capital, surplus and undivided profits of the four institutions on December 31 aggregated \$920,000, an imposing total to start the new year. The reporting banks are the Casper National, the Wyoming National, the Wyoming Trust company and the First Trust and Savings Bank.

Merger at Powell

Consolidation of the Park County Bank and the First National Bank, both of Powell, Wyoming, became effective last month.

The merging of the two institutions was done voluntarily in the interest of better business management. The

name of the First National Bank of Powell will be retained.

C. J. Williams was president of the Park County Bank and G. W. Williams was cashier. S. A. Nelson is president of the First National while Harry Barrows is cashier.

Re-elects All Officers

Stockholders of the Casper National Bank, Casper, Wyoming, at their annual meeting re-elected all officers and announced J. W. Ouderkirk of Kansas City, Missouri, who is now in Casper, as executive vice president of the institution.

Mr. Ouderkirk resigned a position with the Federal Reserve Bank of Kansas City to join the Casper National staff. Mr. Ouderkirk's family will move to Casper.

Officers re-elected were Pat Sullivan, chairman of the board; P. C. Nicolaysen, president and director; G. R. Hagens, vice president and director; Robert Grieve and O. L. Walker, directors; C. H. McFarland, cashier; A. J. Clare, assistant cashier, and R. E. Barton, assistant cashier and auditor.

Reduce Interest Rates

Savings deposits in Casper, Wyoming, banks will draw compound interest at the rate of three and one-half per cent, as compared with four per cent up to this time, it was announced last month by the Casper Clearing House association. The new rate is the prevailing one in other principal cities of the Rocky mountain region and the east, where it was placed in effect on the first of the present year.

Central Typewriter Exchange, Inc.

(EST. 1903)

TYPEWRITERS, ADDING MACHINES, CHECK WRITERS

LATEST MODELS AT BIG DISCOUNT

ASK TO SEE

ALLEN-WALES

THE FINEST "HEAVY DUTY"
ADDING MACHINE MADE

1912 Farnam St.

Omaha, Nebraska



2350 miles from salt water *thrives 2nd Largest U. S. Port*



IN the Northwest, the cities of Duluth and Superior lie cheek by jowl. The Atlantic rolls 2,350 miles to the East. The Pacific is almost equidistant to the West.

Yet only the Port of New York handled more millions of tons of shipping in 1930. And bustling New York bulked only 4% larger in the nation's shipping total than Duluth-Superior.

To the manufacturer who seeks production cheaply, the 31,000,000 tons of iron ore, the ten million tons of coal shipped through Duluth-Superior point out again the raw material at hand in the Northwest.

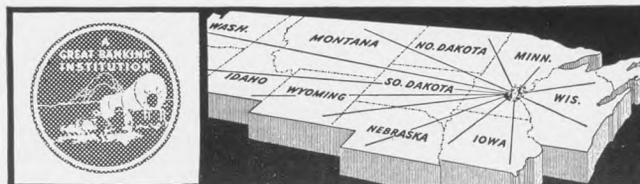
To the manufacturer who seeks markets and sales outlets that can profitably be developed, the commerce of Duluth-Superior offers ample evidence of employment and buying power that make the Northwest a market which invites further scrutiny.

To the banker . . . it is evidence of the continuous banking needs of the complex, active Northwest, and the solidity of the Northwest Bancorporation which serves them through 127 locally situated affiliates.

The Northwest Bancorporation invites fact seeking inquiries from business men who want either production, sales or banking information . . . Address Northwest Bancorporation, Minneapolis, Minnesota.

NORTHWEST BANCORPORATION

MINNEAPOLIS, MINNESOTA



The Omaha National Bank



ALWAYS
AT YOUR SERVICE