

CENTRAL WESTERN BANKER

Omaha

The Teller Tells the World
Page 4

Does Finance Need A Mussolini?
Page 5

How The R. F. C. Is Functioning
Page 6

Breaking The Vicious Circle
Page 7

JUNE

1932



GROWTH

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

The First National Bank of Omaha, beginning with the early days of Omaha, has grown in size and importance as the city has grown. The city and the bank have passed successfully through all the periods of stress and strain . . . and both have progressed, moved forward.

The growth of the First National Bank is due to its policy of conservative and sane banking . . . that is why many of our customers have done their banking business with the First National for as long as twenty, thirty, forty and fifty years.

First National Bank of Omaha

MEMBER FEDERAL RESERVE SYSTEM



**a cordial
invitation**

*is extended to all bankers to
attend the annual convention*

**AMERICAN BANKERS
ASSOCIATION**

Los Angeles
October 3rd-7th

*a gathering of banking executives,
for business purposes, in pleasur-
able surroundings*

L O S A N G E L E S
C L E A R I N G H O U S E
A S S O C I A T I O N



CENTRAL WESTERN BANKER

410 ARTHUR BUILDING

OMAHA

GERALD A. SNIDER, *Associate Publisher*

CLIFFORD DEPUY, *Publisher*

H. E. O'CONNOR, *Field Representative*

WM. H. MAAS, 1221 First National Bank Bldg., Chicago, *Vice-President*

FRANK P. SYMS, 19 West 44th Street, New York, *Vice-President*

FRANK S. LEWIS, 840 Lumber Exchange, Minneapolis

Subscription, 25 cents per copy; \$2.00 per year. Entered as second-class matter at the Omaha postoffice.

VOLUME 27

JUNE, 1932

NUMBER 6

The Teller Tells the World

By C. W. FISHBAUGH

THE ANTI-HOARDING "baby bond" sale has been stopped, it being claimed the campaign had served its purpose. A funny incident in regards to baby bonds came up at a recent bankers' meeting. The chairman asked if any banker present had been called on for baby bonds. One man arose and said one customer had come in and asked for one, but he didn't want to buy one, but to just see what they looked like. This caused another banker to state his experience: "We had one customer come in to buy one. He drew his checking account from our bank and his savings account from your bank [the chairman's] to buy the bonds." The meeting then continued with the next business.

THE MELLON INSTITUTE is always giving new things to science. Now comes the suggestion that five pounds of sugar mixed with each hundred pounds of lime will make stone-work 60 per cent stronger. That's O. K., but what we want to know is what to mix with paper to make it 60 per cent more liquid. How about it, Andy?

THE FOLLOWING NOTICE may seem of more interest to farmers than to bankers. But I still think bankers could find some use for it. Anyway the following was posted on a farmer's fence:

"Notis—trespassers will B persecuted to the full extent of 2 mungrel dogs which never was over sochible to strangers. 1 dubble brl. shot gun which aint loded with sofa pillows. Dam if I aint gitten tired of this hell raisin on my place."

A LAWYER gave a speech about chattel mortgages to a group of bankers. The bankers were permitted to ask any question they wanted to about chattel mortgages. It may be due to the fact that it was the first time a banker was able to ask a lawyer a question without paying for it, but I never heard so many questions asked about any one subject. (Possibly the lawyer will mail each bank a bill.) At the end of the session one

banker summed it up: "It looks to me like a chattel mortgage is no good." Another banker answered with: "Well, it might be good, but you better get a picture of the whole family and paste it on the C. M."

THE STOCK MARKET has done many things, but one of the queerest is what it did to the Donnelley estate. Reuben H. Donnelley of Chicago died in February, 1929, leaving about \$11,000,000 in various stock. The inheritance tax was \$2,000,000. Then came the crash and Donnelley's heirs now owe the government everything they have, and \$1,300,000 more.

A CERTAIN BANKER has suggested the following for his autobiography: "Born in Ohio, raised in Kansas, educated in Iowa, and gyped in banking."

WE RECENTLY WROTE to an oil company stating that a certain service charge would be necessary to carry their account. We received in part the following reply:

"Our connections over the middle west will run over several hundred banks and of these over 75 per cent make no service charge whatever with the accounts on exactly the same basis as we have with your bank."

If such is the case it looks like a lot of banks in the middle west are passing up a lot of revenue that rightly belongs to them. Oh, yes, by the way, we got our service charge.

SERVICE CHARGE has a very unpleasant sound and many banks are getting away from the phrase by calling it "activity charge." Which, of course, means nothing more than the metered service charge.

This reminds me that high priced cafes all have a cover charge. It would really sound much nicer if they would call it the "gourmet charge." Anyway it don't make any difference what you call your charge, the main thing is to collect it.

(Continued on page 11)

Does Finance Need a Mussolini?

By WALTER LICHENSTEIN

*Executive Secretary, First National Bank,
Chicago*

IN 1926, gold was moving strongly toward this country and we find that in that year we gained a net of \$72,000,000 of gold, while in 1927 we lost \$154,000,000. Parenthetically, it might be noted that in 1928 we lost \$272,000,000 of gold, while in 1929 we gained \$120,000,000 of gold. In 1926 it seemed to many observers that there was real danger that Great Britain would be forced off the gold standard and that Germany, which had just recovered from the inflation, would again be subjected to an inordinate strain. It was realized that for our own sake we ought to do something to check this movement, otherwise our exports would be in danger. Consequently, the Federal Reserve Board decided to bring about a reduction of rates in this country in order that the influx of gold might be checked. Unfortunately, the action was taken rather late in the day.

It is no disrespect to the Federal Reserve Board to say that there is an inherent weakness in having such a body rule the Federal Reserve System. Committees and commissions are not designed for quick and instant decisions, for there has to be a meeting of too many minds before definite conclusions can be translated into action. Bankers are being accused at present by Senator Glass and others of having always opposed banking reform. It is true that in 1913 and 1914 many of the bankers did oppose the enactment of the Federal Reserve Act. Many, however, were in favor of some such law but objected to certain details. I am not convinced that many of these objections were not perfectly valid and that the Federal Reserve System would not be much better off if some of these protests had been heeded. But be that as it may, the fact is that the Federal Reserve Board did create an easy money market in 1927 which for a short time checked the flow of gold into this country as I have just shown, and caused American capital to go into Europe for the purpose of being invested at a much higher rate of interest than could be obtained in this country.

Action Came Too Late

Whether or not this action in 1927 was correct, the Federal Reserve authorities certainly did not reverse the movement quickly enough. Again their action came too late. They allowed money conditions to grow ever easier here, possibly with an eye to the fact that a presidential election



WALTER LICHTENSTEIN

was impending in 1928, and so finally since commerce, industry, and agriculture could not make use of all of the funds supplied, most of them began to seep into the security markets of the country and a speculative boom of enormous proportions began. The history of this I need hardly repeat in detail. We all know what took place: prices of equity securities arose to unprecedented heights and lost all relationship to intrinsic values and to the earning possibilities of the securities. The desire on the part of all classes in the population to make money quickly and easily became so great that not only the people of this country but people all over the world began to send funds into the New York market for speculative purposes.

The Federal Reserve Bank of New York a number of times asked permission to raise the rediscount rate and the Federal Advisory Council rather late in the day advised similar measures for the purpose of stopping the speculative movement which was clearly getting out of hand and bound to bring about disaster. But again the Federal Reserve authorities moved

much too slowly. Ordinary investment of all kinds ceased and foreign loans were no longer attractive since, after all, even a rate of eight or more per cent was not an inducement if money could be doubled in a few days or a few weeks by buying stocks on the New York market. And so in October the collapse came. It would seem from this recital that while the banks may not have been blameless, to a large extent the fault lay with the action, or lack of action, of the Federal Reserve System. In other words, bankers were human and followed the stream, but they did not primarily cause the waters to flow so abundantly.

It is interesting to note that in the meantime a meeting had been held in Paris early in 1929 for the purpose of definitely settling the problem of reparations. The so-called Young, or New, Plan was actually adopted by this Paris Conference on June 7, 1929, but it was not until months after the crash, namely in January, 1930, that the various treaties putting into effect the New Plan were actually signed. By that time, the presumptions upon which the Young Plan was based no longer held true. To be sure, if the conditions of 1928 and 1929 had continued, possibly reparations and intergovernmental debts would have continued to be paid without placing an undue burden upon the budgets of most of the countries. If there were time, I might now discuss at some length the relationship between reparations and intergovernmental debts, but grant me permission to assume that there is some and that they have certain features in common. It might be questioned whether it was good psychology to demand payment from nations for a period of fifty-nine years, for it must always be remembered that rightly or wrongly these reparations and debts were considered an unjust imposition by large masses of people.

President Butler's View

There has been much ink spilled pro and con as to what we ought to do in the premises. I do not question in the least that the majority of the people believe we ought to be paid regardless of how this may be done. It is a short-sighted policy and as President Butler of Columbia University pointed out in a recent address:

"It is quite ludicrous to say, as is said, at Washington almost every day, that if we cancel the so-called

intergovernmental war debts the amounts which we might have received in those payments will have to be made up by the American taxpayer. One would suppose that Washington had never heard of the fact that, because of the situation arising from these so-called intergovernmental war debts, we in America have lost many, many times over in shrinkage of capital values and in loss of business, the sum total of what we could ever hope to receive from this source.

"The United States Treasury received in the last fiscal year some \$240,000,000 on account of these so-called intergovernmental war

debt payments, but the losses from the collapse of our foreign trade have been ten times that amount and our Federal income tax has fallen off more than five times that amount. We present the unenviable picture of cutting off our national nose to spite our national face."

President Butler, in support of his statement, quoted from the report of the Special Advisory Committee on the Young Plan which was appointed by the Bank for International Settlements and sat at Basle from December 9 to December 23, 1931. It was composed of a body of most distinguished economists representing the nations interested in reparations and

of representatives of the so-called neutral countries.

There is another phase which seems to me to show lack of sense of proportion. Congressmen and editorial writers talk of the burden our taxpayers will be compelled to assume if reparations and interallied debts are cancelled. Let us investigate this a little further. We receive on account of these debts on an average about \$300,000,000 a year. Our Federal budget alone is over \$4,000,000,000 a year and the budget of the states and municipalities add to our governmental expenditures somewhat over nine billions a year or, in other words,

(Continued on page 14)

How the R. F. C. Is Functioning

By JAS. B. OWEN

Vice-President, Stock Yards National Bank, Omaha

(From group meeting address)

THE Reconstruction Finance Corporation was created to provide emergency financing facilities for financial institutions to aid in financing agriculture, commerce, and industry, with an authorized capital of 500 million dollars subscribed from funds of the Treasury of the United States.

The Corporation shall have succession for a period of ten years from the date of the enactment, January 22, 1932, unless it is sooner dissolved by an Act of Congress.

The Corporation is authorized and empowered, with the approval of the Secretary of the Treasury, to issue and have outstanding its notes, bonds, or debentures, or other such obligations, at any one time in an amount aggregating not more than three times its subscribed capital, to mature not more than five years from the dates issued, to bear such rates of interest as the corporation may determine.

These notes, bonds or debentures may be secured by the assets of the Corporation in such manner as the Board of Directors may prescribe.

Two Billion Dollars

This makes possible the creation of a fund of 2 billion dollars.

Fifty million of the amount subscribed and the expansion through notes, debentures, bonds, or other obligations (which would make the maximum of 200 million dollars) shall be made available to the Secretary of Agriculture for the purpose of making loans to farmers for crop production during 1932, giving preference to farmers who suffered from crop failure in 1931. Such loans to be secured by a first lien on the crop.

The Corporation may make loans prior to the expiration of one year

from January 22, 1932, the date the Act became a law. The President may from time to time postpone such date of expiration for a period not exceeding two years from January 22, 1932.

The management consists of a Board of Directors, Secretary of the Treasury—Ogden Mills or Under Secretary—Ballantine, Governor of the Federal Reserve Bank—Eugene Meyer, Farm Loan Commissioner—Paul Bestor and four other persons appointed by the President with the advice and consent of the Senate: Charles G. Dawes; Harvey C. Couch, Arkansas; Jesse H. Jones, Texas; Wilson McCarthy, Utah.

Section 5 of the Act refers to aid in financing agriculture, commerce, and industry, including the facilitating of the exportation of agricultural and other products. The Corporation is authorized to make loans, which must be fully and adequately secured, to any Bank; Savings Bank; Trust Company; Building and Loan Association; Insurance Company; Mortgage Loan Company; Credit Union; Federal Land Bank; Federal Intermediate Credit Bank; Joint Stock Land Bank; Agricultural Credit Corporation; Live Stock Credit Corporation.

No loans or advances shall be made on foreign securities or acceptances, as collateral.

Applications for loans in Nebraska

and Wyoming should be submitted to the Loan Agency of the Reconstruction Finance Corporation at Omaha on blanks, in triplicate, furnished by the Corporation, and must be accompanied by the last report of the Bank Examiner. The obligation should be in the form of a bills payable, with acceptable collateral in an amount approved by the agency. As stated before, the law requires that collateral notes must be fully and adequately secured, which means that there must be sufficient live stock in the mortgages, based on conservative values, to fully cover the amount of the note, with farming equipment included as additional security. If unsecured, notes must be accompanied by sworn property statement showing sufficient unencumbered real estate and personal property to indicate the ability of the maker to pay without handicap.

Real Estate loans should be secured by a first mortgage, based on conservative present day valuations, and must be accompanied by sworn appraisal of two disinterested men. They should be accompanied by sworn property statement.

While original statements are preferred, certified copies will be accepted.

Six Months' Loans

Loans are made for six months, at 5½ per cent from date, with the privilege of renewing for a stated period within the discretion of the Board of Directors of the Corporation.

The time required for the proceeds of an application to become available depends on the collateral notes. The stronger the security, the quicker the returns. It takes from ten days to

(Continued on page 12)

Breaking the "Vicious Circle"

BREAKING the "vicious circle" of depressive business influences is the paramount need of the hour and can be accomplished only by all business men working together to restore public confidence and buying power through a returning feeling of security, Harry J. Haas, president of the American Bankers Association, declared in a recent address.

"There is a great volume of unsatisfied requirements overhanging the market," Mr. Haas said. "People have economized too much and too long. This suspended buying will be replaced by effective purchasing demand as soon as people feel that their jobs are secure, that the period of wage cutting has come to an end, that the destruction of values and purchasing power will go no further. The restoration of purchasing power is the paramount need. It can be accomplished only by restoring public confidence, and public confidence can be restored only by the return of a sense of security. Each in the scope of our business influence can do our part to re-establish security."

Mr. Haas said in part: "Just now the great problem that confronts us is to find some way to break the vicious circle of depressive influences that have the nation's business in their grip. No one of us by his own business policies can break it—but all of us working together can bring it to an end. There is a great deal of the psychological element in the vicious circle—whose cure can be brought about by changing our own mental attitudes and using our influence to change public fear into growing confidence.

A Vicious "Spiral"

"It is difficult to say just when the vicious circle begins to operate in a depression. In fact, it is more like a vicious spiral, than a circle. It starts in relatively small swings, but as it sinks lower and lower with the deepening of depression it swings in ever widening reaches that finally become a public menace. I believe we can describe the beginning of this vicious spiral in the present business reaction as the contraction of current buying power that set in in 1929. At the height of our prosperity a large part of our activity was financed by borrowed buying power.

"In every direction, except in the actual volumes of the United States currency and commercial banking credit, there was tremendous inflation.



HARRY J. HAAS

It was this inflation that financed the speculative rise of prices in securities and kept the excessive activity of business going. In other words, the great, perilous structure of over-priced security values, overproduction in many lines of industry, and over-trading in commerce was made possible by a tremendous credit inflation outside of the currency and commercial credit structures. It was this situation that was all set for the devastating effects of the vicious circle that began to move in rapidly increasing spirals in 1929.

"Without attempting to state a rigid sequence of events we find the following developments: (1) There was a cessation of foreign loans by this country, and this meant decreased foreign purchasing power in our markets with adverse effects on our foreign trade. (2) The reaction to this was slackened business for industry and an impairment of speculative confidence in the stock market, starting the liquidation of the inflated price structure. (3) A panicky contraction of the call loan credit structure began, causing a contraction of effective purchasing power and a further drop in values. (4) Slackening trade increased the fall in commodity prices progressively and further injured the prospects of corporate enterprise on which the speculative security price structure depended. (5) Falling prices and volumes of trade impaired the confidence of business men who began to curtail operations, reduce payrolls and cut dividends. (6)

Reduced payrolls and dividends meant reduced public purchasing power, and a further contraction of credit and money as people reduced their installment purchasing commitments and current expenditures, resulting in a slowing down in the velocity of money. (7) Fear becomes general, and the vicious spiral was by now swinging in its full scope through our whole economic and social life, bringing ruin wherever it struck.

"Under the spell of fear the reaction went too far in every direction. In wave after wave of liquidation securities prices—even the prices of U. S. Government bonds—dropped beyond all reason. The panic seized the public. Public buying ceased—in place of prudence and sensible economy an excess of retrenchment in expenditures and purchases set in as increasing numbers of people lost their jobs or received wage cuts and other people grew more and more fearful that they would be the next to suffer a like fate.

"In business and industry also a panicky fear drove the wave of reducing payrolls too far, perhaps, in some directions—although of course each individual concern had to judge for itself as to whether or not it would have to adopt extreme measures of caution to conserve its position. There is no doubt, however, that the reaction from optimism to pessimism swung too far in every direction and that values have been reduced and activities cut down beyond all reason. The result is that we are now greatly over-deflated.

"Suspended Buying"

"There is a great volume of unsatisfied requirements overhanging the market. People have economized too much and too long. This suspended buying will be replaced by effective purchasing demand as soon as people feel that their jobs are secure, that the period of wage cutting has come to an end, that the destruction of values and purchasing power will go no further. The restoration of purchasing power is the paramount need. It can be accomplished only by restoring public confidence, and public confidence can be restored only by the return of a sense of security. Each in the scope of our business influence can do our part to re-establish security.

"I do not mean to say that business endeavors should be undertaken that

(Continued on page 12)



The voice of
One Million

THERE are today one million holders of "fixed" or unit type trust shares in the United States, according to latest estimates. Many of the nation's greatest corporations today have more stockholders through leading unit trusts than they have on their own books of record.

To the banker the growth of the unit trust means that as time goes on this security will appear more and more frequently in lists of securities submitted as collateral. It means that he will meet it with growing frequency in his daily contacts with bank customers. It means that if he has not done so he must acquaint himself with this already widely accepted investment instrument.

The market value of all the outstanding common shares of the 34 companies in the portfolio of NORTH AMERICAN TRUST SHARES largest of unit trusts, is more than half the market value of all the common stocks listed on the New York Stock Exchange. This single investment provides diversification over corporations whose 1500 subsidiaries do business in virtually all parts of the world.

NORTH AMERICAN TRUST SHARES 1955 (Maximum Cumulation Type) and NORTH AMERICAN TRUST SHARES 1956 (Maximum Distribution Type) are available to the investor with \$150 or \$150,000. They provide: (1) Balanced dollar diversification; (2) Maintenance of investment quality under the direction of a Research Department; (3) No substitution; (4) The convenience and safety of trust administration provided by a large bank acting as Trustee; (5) Marketability. *North American Trust Shares are known the world over. Nearly 23 million shares are outstanding today.*

A BOOKLET FOR BANKERS

How these 34 stocks were chosen is described in detail in a booklet, "Building a Portfolio", which will be sent without charge on request to any bank officer. Address Distributors Group, Incorporated, 63 Wall Street, New York, Dept. G



DISTRIBUTORS GROUP, INCORPORATED

Owned by a Nationwide Group of Investment Houses

63 WALL STREET, NEW YORK

CHICAGO BOSTON ATLANTA PITTSBURGH PHILADELPHIA LOS ANGELES

Deposited Stocks in Each Unit of 100,000

**NORTH AMERICAN TRUST
 SHARES 1955**

Maximum Cumulation Type

E. I. duPont de Nemours & Company.....	200
Eastman Kodak Company.....	100
The Procter & Gamble Company.....	100
Union Carbide & Carbon Corporation.....	300
General Electric Company.....	400
Westinghouse Electric & Mfg. Company.....	100
United States Steel Corporation.....	100
The Borden Company.....	200
Corn Products Refining Company.....	100
General Foods Corporation.....	100
National Biscuit Company.....	200
Standard Brands Incorporated.....	200
Drug Incorporated.....	100
Sears, Roebuck & Company.....	200
F. W. Woolworth Company.....	200
American Can Company.....	100
American Rad. & Stand. Sanitary Corp.....	300
Otis Elevator Company.....	200
International Harvester Company.....	100
The American Tobacco Company "B".....	100
R. J. Reynolds Tobacco Company "B".....	200
General Motors Corporation.....	200
Standard Oil Company (New Jersey).....	300
Aetehison, Topeka & Santa Fe Ry. Co.....	100
The New York Central Railroad Company.....	100
The Pennsylvania Railroad Company.....	100
Union Pacific Railroad Company.....	100
American Telephone & Telegraph Company.....	100
Columbia Gas & Electric Corporation.....	400
Consolidated Gas Company of New York.....	200
The North American Company.....	200
Pacific Gas & Electric Company.....	200
Public Service Corporation of New Jersey.....	100
The United Gas Improvement Company.....	300

As of October 17, 1931, the date of execution of the Trust Agreement, a stock unit consisted of the shares listed above. • The deposited stocks in each unit of 4,000 NORTH AMERICAN TRUST SHARES, 1956 (Maximum Distribution Type) consisted on October 17, 1931, of 1/25th of the number of shares of the common stocks listed above.

The offering price of NORTH AMERICAN TRUST SHARES is based upon and varies with the actual New York Stock Exchange 100-share lot transaction prices of the underlying stocks during market hours. (Full details of method of calculating offering price are contained in the Offering Circular.)

**North American
 TRUST SHARES**





BONDS AND INVESTMENTS

Why Real Estate Is a Prime Investment

By TRUMAN S. MERSEREAU

IT IS no cause for wonder that investors are in a state of confusion regarding today's investment situation.

They are beset on every hand with conflicting opinions. Financial sections of our newspapers are filled with news of reorganizations, receiverships, mergers, sales declines, decreases in car loadings and reductions and omissions of dividends. Our legislative bodies are making investigations of financial and business institutions and practices. Certainly it is not surprising that holders of securities are frightened into sacrificing their investments at ridiculously low prices in order to place their funds in safe deposit boxes or in other forms of investment which may seem more attractive at the moment.

Obviously, real estate securities could not escape some of the ill effects of this trying period. Many holders of real estate securities, like investors in other types of securities, have lost a sense of proportion. The present depressed market value of sound real estate securities which is accompanying this general deflation, and the publicity given to defaults in real estate loans, has caused hysteria among many holders of sound investments in this field. Hence a discussion and reiteration of certain fundamental considerations may not be inopportune at this time.

A Basic Necessity

Although it may seem idle to dwell upon the magnitude of real estate—a form of property which embraces every bit of land and every building upon that land throughout the entire country, yet many of us seem to have forgotten that economically and socially real estate is a basic necessity. We live and work in buildings that rest upon land, hence our workshops, our offices and our homes constitute a universal need. Amid the shifting and evanescent values of the world, real estate, with the safeguards that have been thrown around it, is one of the prime tangibles of our economic structure. This tenet must be regarded of first importance in considering all investment values.

Although the last 18 months have brought defaults on real estate loans aggregating variously estimated amounts, we must realize that the significance is greatly reduced when we view it proportionately. A few black sheep always stand out in a large flock of white ones. Financing in the real estate field was subjected to the same over-extension as was our entire economic structure during the boom period up to 1929. In the five year period from 1925 to 1930 billions of dollars of real estate securities were

"Fortified with accurate information received from an unbiased source, the present, instead of being a time for fear and indecision, offers an excellent opportunity for the prudent and courageous investor. Real estate is a field of investment that deserves careful study. Security issues against advantageously situated buildings that are well rented and soundly managed hold now, as always, a high investment position."

sold annually to individuals, investment institutions and banks. While we cannot escape the burden of such of this financing which, in the light of today's conditions may appear excessive, we must not over-emphasize its importance to the point where we ignore the intrinsic value of our prime investments.

One simple principle of investment is as true today as it always has been. The ability of a given property to earn sufficient income to meet interest and carrying charges, to build up a reserve fund for amortization of outstanding indebtedness, and to take care of depreciation is the basic consideration in gauging the calibre of a given security. The primary yardstick of investment value applies with equal force whether the security be an in-

dustrial corporation or a mortgage on a piece of real estate. Before disposing of his holdings in real estate mortgage bonds and certificates, or before switching these valuable investments, an investor should have in hand all available data covering the requirements suggested above.

Opportunities for Investor

Fortified with accurate information received from an unbiased source, the present, instead of being a time of fear and indecision, offers an excellent opportunity for the prudent and courageous investor. Real estate is a field of investment that deserves careful study. Security issues against advantageously situated buildings that are well rented and soundly managed hold now, as always, a high investment position. Due to prevailing conditions such securities are to be had today at prices far below their intrinsic worth; but it behooves the prospective investor as it does the investor who perhaps is contemplating the sale of his holdings to obtain, first of all, available information such as net income, earnings statements, balance sheets and other significant financial data.

Another factor which is causing some anxiety among holders of real estate securities is what is termed the "frozen" condition. This can be attributed in large measure to the fact that up to 1929 no specialized public market place existed where such securities could have been purchased and sold at prices based on the laws of supply and demand and under careful supervision. In the past, the market for real estate securities has been scattered, with no centralized exchange where actual sellers and buyers might meet through their appointed broker representatives. As a result at times there have been almost as many different prices for certain securities as bids and offerings, and in consequence, little on which to base loan values.

Meeting Conditions

The New York Real Estate Securities Exchange which opened its doors December 16, 1929, is now in its third

year of operation. It is bending every effort to meet these conditions. Despite the fact that the two years through which it has just passed have been most distressing, the exchange has accomplished much in this direction. The volume of trading on security exchanges in all parts of the country as well as abroad shrank during the last year to an almost unbelievable extent. Prices declined to the lowest levels in many years. Naturally, this has had its effect on the turnover volume of the Real Estate Securities Exchange.

The importance of a centralized market place for real estate securities can be visualized by considering what would happen to securities listed on the New York Stock Exchange if it were to close its doors temporarily. When this happened during the World War, the stock of one large industrial company, for example, dropped from \$30 to \$5 per share. The company was sound and a leader in its field. The stock was worth just as much as it had been, but without the public market and in the absence of daily newspaper quotations, the public became worried. Large amounts of the stock were offered for sale. Loans were called because the quicksale value of the stock had almost disappeared. Unscrupulous dealers sprang up overnight to prey upon stockholders. The stock was "frozen." It no longer had that quality which made it readily convertible into cash at short notice without serious depreciation in value.

Suggestions for Betterment

The last two years have demonstrated that the liquefying of real estate securities is a public necessity.

The means to that end are apparent and not too difficult to attain. Some factors which would greatly alleviate the present "frozen" condition of sound real estate securities are:

The listing of all important real estate security issues on an exchange with current bid and asked prices quoted daily in the newspapers, as well as prices at which the securities have been purchased or sold.

The banker should not discourage prospective investors in real estate securities because he does not have financial data on such investments at hand. He should get the available facts.

Public confidence would be improved through the publication of earnings statements and balance sheets at regular intervals. A central clearing house for such information should be maintained, at no cost to the public, similar to the statistical department of the New York Real Estate Securities Exchange.

We must have conservative appraisals and conservative loans based on those appraisals. Bankers must be able to depend upon selling such securities on short notice if necessary by sheer force of buyer attraction.

Budget or Bust

The American people will have no return of prosperity until their budgets are balanced, John W. Prentiss, of Hornblower & Weeks, asserted recently. To balance the budget the income tax must be supplemented by a sales tax, for it is idle to expect to get increased revenue from decreased income, he pointed out.

"The United States Government is

losing 50 million dollars a week," he commented pithily. "No corporation in the world has ever been able to lose 50 million dollars a week and stay solvent. The total debts of Government have risen in 20 years from 1913 to 1932, inclusive, from 4 billion dollars to 34 billion dollars, an increase of 800 per cent. The operating expenses of Government have risen since 1913 from 3 billion dollars to 14 billion dollars, approximately 500 per cent. With what do we pay the interest on our debt and the operating expenses of Government? With the income of the taxpayers. What has happened to the income of the taxpayers?"

"The net income available for taxpayers in the United States in 1913 was approximately \$31,500,000,000. It is today about 31 billion dollars and it will be lower tomorrow. In other words, our debts have gone up 800 per cent, our operating expenses have gone up 500 per cent, and our net income has actually dropped in the same period about 5 per cent.

"Debts and expenses must be reduced. For the time being, taxes must be increased, but at the present the most important thing is to balance the budget and that can only be done by the passage of a sales tax immediately."

Increase in Circulation

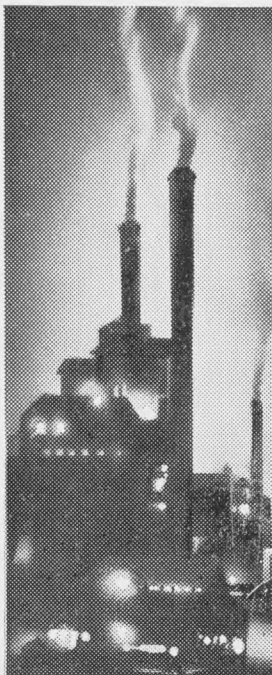
The total volume of currency in circulation as of April 30 was \$5,464,093,541, as against \$5,459,085,385 on March 31 and \$4,652,414,437 on April 30, 1931, according to the monthly circulation statement of the U. S. Treasury.

Per capita circulation on April 30 was \$43.76, against \$43.74 on March 31 and \$37.54 on April 30, 1931.

Whitney Re-elected

Richard Whitney has begun serving his third term as president of the New York Stock Exchange following his reelection last month. Allen L. Lindley was reappointed vice-president; Warren B. Nash, treasurer, and T. H. Talmage, Jr., assistant treasurer. Nine of the ten members of the governing committee whose terms expired were reelected for a four-year period, while William V. C. Ruxton was succeeded by A. Heyward McAlpin.

The committee adopted a resolution praising as invaluable the services of one of their members, Henry G. S. Noble, on the completion of half a century of membership in the Exchange. Mr. Noble received his seat from his grandfather, Henry G. Stebbins, who joined the Exchange in 1831.



Liquid COLLATERAL

Corporate Trust Shares may be converted, at any time and in any number, directly through the trustee into the underlying shares or cash. In addition, more than 1500 banks and investment houses throughout the country regularly buy and sell them. Bid and asked prices are published daily in leading newspapers.

SMITH, BURRIS & CO., Central Syndicate Managers
120 South LaSalle Street, Chicago
Detroit New Orleans

Your Customers Who Hold OLD SERIES Corporate Trust Shares may obtain, without cost, Warrants which expire June 15, 1932, evidencing the right to exchange for either of the new series on a preferential basis. Get details from any authorized distributor.

CORPORATE TRUST SHARES

Accumulative Series*

*ALSO AVAILABLE IN DISTRIBUTIVE TYPE KNOWN AS SERIES AA

THE TELLER TELLS THE WORLD

(Continued from page 4)

AT THE PRESENT time real estate values are the lowest in years. But real estate is the greatest investment in the world. One of the greatest examples of real estate bargains is our great empire to the north, Alaska. Russia owned Alaska, but all the sea otters that had supplied the fine fur for the Russian noblemen's coats had been killed off, so they sold it to Seward for eight million dollars. People laughed at his buy. We have been paid this eight million back hundreds of times in the natural resources alone. Real estate is REAL, prices, bonds, stocks, everything may fade away — but real estate is here to stay.



CHINESE MONEY in circulation from 70 to 350 A. D. resembled the old fashioned razor. I guess maybe that's where the old Chinese saying came from: "Shave and a hair cut six bits."



THE WEATHERCOCK that roosts atop the First National Bank, Portland, Maine, is 144 years old. It was first installed on the original Cumberland County courthouse. A relic such as that is worth a lot for the verbal advertisement it will create. Just think, when that weathercock was made, G. Washington was still very much alive.



THE INDIVIDUAL banker may not have to pay an income tax, but his bank generally does. It is interesting to note that all the 1932 income tax will be more than consumed by Veterans' relief. In other words it costs taxpayers more for relief from the last war than the combined army and navy does today. We promised to pay the ex-soldier and he should be paid; he earned it, but the heavy tax ought to teach us one thing — "Keep out of foreign entanglements."



THE CHRISTIAN SCIENCE MONITOR says: "All the gold produced in the world in 438 years would make a block 38 feet square. Nearly two billion people are tied by the leg to this golden fetish."

Personally I wouldn't mind being tied to it, if I had a pick axe with me. Yes, just a big chiseler, that's me.



A FEW VALUABLE coins to watch out for (I'll bet you don't find any): 1913 nickel with liberty head, \$50; 1894 dime with S mint, \$50 to \$100; 1827 quarter, \$30 to \$100; 1878 S mint half dollar, \$1 to \$5; 1873 dollar S mint mark, \$25 to \$50.

IN LEROY, SASKATCHEWAN, currency backed by cheese instead of gold reserve has proved a successful financial experiment. The town wanted to rebuild the cheese factory, but the bankers told them their security wasn't enough, so they made their own loan. They issued coupons bearing the factory's promise to pay 50 cents for 100 pounds of milk redeemable upon sale of the cheese. The factory not only paid a dividend but increased its payments to 69 cents for every 100 pounds of milk. For almost a year the cheese coupons have circulated in the community as readily as actual cash.

It seems where there's a will there's a way and where there's cheese there are cheese eaters. It does really bring home the fact that any commodity that is in demand can be used to back a currency, whether silver, gold, pebbles or cheese.



WHAT'S WRONG HERE? The highest official in the banking industry is called a governor, while the highest official in the government is called the president. Yet every bank has a president and every state has a governor. Something is mixed up some place. I'm starting a new campaign to fix things, henceforth presidents of banks will be referred to as govern-dents.

OUR OFFERING LIST
WILL BE MAILED REGULARLY UPON REQUEST

G M A C NOTES

are a standard medium for short term investment. Based on highly liquid assets, they provide a sound instrument for the temporary employment of surplus funds. GMAC obligations are in country-wide demand for the security portfolios of individuals, institutions and thousands of banks.

available in convenient maturities and denominations at current discount rates

**GENERAL MOTORS
ACCEPTANCE CORPORATION**

OFFICES IN PRINCIPAL CITIES

Executive Office · BROADWAY at 57TH STREET · New York City

CAPITAL AND SURPLUS · SEVENTY MILLION DOLLARS

BREAKING THE VICIOUS CIRCLE

(Continued from page 7)

are not justified — but I do mean that an important element in business policy just now is to create moral courage — to avoid, each in the scope of his own influence, any further destruction of confidence.

“Sound business revival must begin in an increase in consumption. It cannot be created merely by an increase in credit, nor an expansion in uncalled for production. But moral influence can be brought to bear on the public mind aimed to release, by a restoration of confidence, the potential buying that now exists.

“Just as the vicious circle I have described progressively spread its in-

fluence and bred fear, so can a beneficent circle be started whose power to breed confidence on an ever widening scale should be just as effective. Bad news travels fast from person to person. A man loses his employment and all his friends, who had begun to have a sense of security, know of it and their fears are aroused all over again. Wages are cut here and there — and the indirect economic effect in the form of broken morale among others is greater than the direct effects on those immediately concerned. A concern cuts down its production or sales schedule or cancels its plans, possibly in an excess of caution, and as from a stone thrown in a pond, a wide circle of mental depression spreads out among those who hear of it. A

large volume of potential buying power is frozen up by the fears that are created.

“Good news also spreads rapidly. A contract let, a construction begun, a payroll increased—things like these bring relieved smiles and courage wherever they are mentioned—they give confidence to others—they increase moral purchasing power. That is the beginning of the beneficent circle whose gradually widening swings will gather headway and power, touching a broadening scope of our economic life, bringing business regeneration in all directions until finally prosperity is once more established.”

HOW THE R. F. C. IS FUNCTIONING

(Continued from page 6)

three weeks. First the application is passed on by the Omaha Agency Manager, with the concurrence of the local committee, after which it goes to Washington for final approval or rejected by the Board there.

If Washington agrees with Omaha's appraisal, funds are made available by telephone. If Washington raises a question about an application it usually takes some little time to try and get their criticism adjusted.

Please bear in mind that all applications recommended by the Omaha Manager are not passed by Washington as recommended. Some have been reduced. Some have been rejected.

The Omaha Committee is sincere in its desire to be helpful and fair in passing on all applications. It regrets that it is sometimes necessary to reject an application because of the fact that collateral notes are insufficiently secured, or unsecured, when property statement is not strong enough to justify the loan on that basis, though there may be sufficient personal property shown in the statement to adequately secure the loan.

To be more explicit, sometimes it is necessary to reject loans based on property statements because the statement does not show and unincumbered real estate or clear personal property sufficient to pay the loan without hampering the operations of the maker, whereas, if this same loan were secured by chattel mortgage on the live stock, of which there is a sufficient amount, based on conservative valuations, to adequately secure it, it would have been approved.

In conclusion, I would recommend that any bank contemplating the need of help from the Corporation, prepare its application some time in advance in order to avoid any embarrassment caused by delays in approval of the application.

Direct Action

At Central Hanover
the policy of prompt
decisions and direct
action speeds the
business of our
correspondents.

CENTRAL HANOVER BANK AND TRUST COMPANY

NEW YORK

NO SECURITIES FOR SALE



Representatives in

LONDON, PARIS, BERLIN AND BUENOS AIRES

INSURANCE

Its Application to the Banking Fraternity

Safeguarding a Twenty Billion

Investment

By W. M. SMITH

*Redwood Falls, Minnesota
District Manager, Mutual Life Insurance
Company of New York*

IN SPEAKING of the shifts of investments of Life Insurance Companies, one must keep in mind that we are dealing with twenty billion dollars worth of assets. At the present time, when everybody is scrutinizing and analyzing investments, it is interesting to note the methods followed in caring for this vast fund and the safeguards which are thrown around it by charter provisions, by the legislative restrictions of the various states, by the rules of the Insurance Commissioners, and by the conservative traditions of company management. This is a fund dedicated to such sacred purposes that it must be invested in accordance with every principle of caution and safety.

To illustrate the subdivision of life insurance investments, let us refer to the chart on this page, from which note the extraordinary strength as a result of the diversification.

First we note that —

16.2% has been loaned to our best managed railroad systems, through mortgages upon their property or rolling stock.

10% has been loaned to what we call public utilities, that is, gas, electric lights, power companies and telephone companies, through mortgages on their plants.

3.3% has been loaned on other bonds and stocks.

10% loaned to farmers in the most successful agricultural districts, through mortgages upon their productive farms.

28.4% has been loaned on first mortgages upon homes, stores and office buildings located in the best sections of our growing cities.

2.8% is invested in home office buildings and other real estate.

8.6% has been loaned to United States Government, States, Counties, Cities and to similar Canadian jurisdictions by purchasing their bonds.

15.9% has been loaned to old policy holders upon pledge of their policies to supply them with cash, or to secure premiums due.

4.8% is represented by miscellaneous bonds, secured by mortgages on industrial plants of established earning capacity.

Therefore, as Calvin Coolidge has well said, "The stability of Life Insurance rests upon America."

With further reference to the chart you will notice that the changing trends in life insurance investments in the last 25 years brings out an interesting evolution in the American financial structure. The greatest change in any one class of investment since 1906 has been a 50 per cent switch of these companies away from railroad stocks and bonds.

A comprehensive analysis of the investment practices of fifty leading Life Insurance Companies, holding over 90 per cent of the assets of the United States Legal reserve companies, show that the holdings of rail securities dropped from 34.8 per cent of a total in 1906 to 16.2 per cent in 1931. The reason for this drop in percentage was that in 1906 the railways enjoyed a high earning power and the Life Insurance Companies acquired substantial blocks of their securities only to dispose of them as this form of transportation became less and less profitable due to the increasing use of the automobile.

You will also note that investments in Public Utilities in the same period more than doubled, or from 4.7 per

cent to 10 per cent last year. The reason is that the management saw, in the rapid growth of the electric light and power industry, a new and stable investment for their funds.

Mortgage investments, other than farm mortgages, rose from 19.2 per cent to 28.4 per cent. To explain this rise it is necessary to refer to the farm mortgages, which due to great agricultural activity that accompanied the military operations during the World War period, resulted in the extraordinary demand for farm products. City mortgages decreased during that period, but since then the construction operations of city holdings grew so rapidly from 1921 to 1929 and farm products and values have decreased to such a great extent, we find the investments have shifted from the farm to the city mortgages, demonstrating that no security is good enough to forget.

In passing, I wish to call your attention to the remarkable decrease during the past 25 years in the companies' real estate holdings, which is truly remarkable in these times.

An interesting trend in the past 10 years is found in the government bond situation. In 1921, due to patriotic motives, companies invested large sums of money in Liberty Bonds. These have been gradually disposed of due to the fact that other sound investments yielded a greater return. Investments in policy loans and premium notes also show substantial gains from 8.9 per cent to 15.9 per cent. The reason for this is obvious.

Distribution of Insurance Investments

	1906 Per Cent	1921 Per Cent	1931 Per Cent
Railroad Bonds and Stocks.....	34.8	22.9	16.2
Public Utility Bonds and Stocks....	4.7	3.0	10.0
Other Bonds and Stocks.....	3.7	1.4	3.3
Farm Mortgages	9.3	17.7	10.0
Other Mortgages	19.2	16.7	28.4
Real Estate	5.4	2.0	2.8
Government Bonds	6.8	18.9	8.6
Policy Loans	8.9	13.0	15.9
Other Assets	7.2	4.4	4.8

The strain and stress of the times has caused many policy holders to turn to the only place that they could obtain cash in order to carry on. It goes without saying, that these loans are abundantly safe as they are secured by the policy itself.

The fluctuations as shown by this chart, clearly demonstrate that continual supervision and management is ever necessary, without which no investment can be properly maintained; or in the statement of the National City Bank, "No bond is good enough to forget," and as this statement applies to first class bonds, how much more is it applicable to mortgages, preferred stocks and real estate holdings?

Supervision is necessary because of the continuous movements of population affecting real estate values, political corruption and waste, depreciating municipal bonds, as well as the constantly shifting of positions of various types of industry and of individual corporations within each industry. It is the ability to anticipate and foresee such occurrences and trends which distinguishes expert security management.

Old Age Pensions On the Increase

According to a report at the recent National Conference on Old Age Security, 82,000 persons are now receiving old age pensions in the thirteen states which have pension laws. A year ago there were only 40,000 old people receiving such aid in five states. New York this year has the greatest number with 50,000.

DOES FINANCE NEED A MUSSOLINI?

(Continued from page 6)

a grand total of over thirteen billions. Certainly the \$300,000,000 plays a very small part in the burden of the taxpayer.

In my opinion, there can be no real recovery until the international financial situation is adjusted. But as always in times of stress and strain there is agitation on the part of the discontented which affects problems other than merely financial ones. It is natural that in times such as these, masses of people who are suffering should seek salvation in foolish remedies and movements. If you and your family are starving and there seems no hope ahead, you may be willing to regard almost anything better than that which is. This is the explanation of the Hitler movement in Germany and similar movements elsewhere in the world. It is the explanation of the many foolish measures pending in Congress today. This as well as many other things makes people despair of the future of democratic form of government. Intelligent people realize that to submit questions which require considerable technical knowledge for their proper understanding to the haphazard majority vote of people, the vast number of whom obviously cannot have any sound judgment on such questions, is unsatisfactory and helps to prolong the conditions in which we find ourselves. Thus nations are apt to turn to despotism of one kind or another.

"Intelligent Autocracy"

There is no question that an intelligent autocracy is vastly more efficient than any democracy and that it can bring about adjustments in domestic and international relationships more easily and quickly than can be done under a form of government where the prejudices of millions of people can be aroused and made use of by demagogues. But as an old friend of mine, now long dead, once said to me, the most desirable government in the world is a benevolent despotism, but the only difficulty is that the despotism always outlasts the benevolence. And so even though we look with dismay upon the vagaries of a democratic form of government we much prefer it to the galling restrictions imposed upon individual liberty by such governments as those of Russia and Italy.

Nevertheless, this much is clear, we shall ever have chaos and we ourselves shall have some form of arbitrary government unless we can develop leadership of a type which will cause the majority of the people to be willing to trust the government and those in charge of it to take the necessary steps to pull us out of the slough of despond. In its original conception, our government was a representative government. The ideal was that the wisest men should be selected as representatives of the people and, once selected, be given a free hand in solving the problems confronting them. The idea was not that the people themselves should decide and vote upon the details of intricate questions of government and finance. Unfortunately, however, the need of developing the country was evident, and the prizes offered for this work were so much greater than those which government office had to offer that very early in the history of the country it became difficult to obtain the best brains for the service of the country. The best people, in the true sense of the word, did not go into government service, but went into professional careers and especially into business. The result has been that material success has been the aim and goal of nearly everyone in this country, which is not quite so true in many other countries of the world. If we can revert to the earlier conditions in this country, if again the best brains are willing to enter public life, public life itself will enter upon a higher plane and in turn prove as attractive to men of character and intelligence as do the material prizes of business today. We can then perhaps continue to develop the liberty of the individual without sacrificing efficiency and intelligence in government.

Attractive Part-Time Contracts and Managers' Contracts

available in

NEBRASKA, IOWA, MISSOURI and COLORADO

to Firms and Individuals Financially Responsible
with Top "General Agents'" First Year Commissions
and Liberal Renewals

For information write

1445 N Street, Lincoln, Nebr.

THE SERVICE LIFE INSURANCE COMPANY



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

Nebraska News



**WM. B. HUGHES, Secretary,
Nebraska Bankers Association**

Holdrege Group Meeting

The largest meeting of bankers of Group 4 in the group's history was held last month at Holdrege, Nebraska. Minden was selected for the meeting next year, the selection being a recognition of the fiftieth anniversary of the establishment of the two banks in that city.

A. B. Wood of Bartley was elected president, I. J. Wherman of Nelson vice-president and Moritz A. Abel of Bertrand secretary.

Resolutions adopted declared unqualified opposition to any form of state or federal government in business, against any form of tax on checks as a costly and unnecessary nuisance tax, and urged greater economy in governmental functions rather than seeking other sources of revenue.

The address of George W. Woods, state banking commissioner, was heard with many evidences of approval. He paid a high tribute to the bankers who have come through the depression and asserted that the proportion of crooks in the business is small, the trouble being that one crooked banker could destroy confidence in a hundred reliable banks and bankers.

Prof. W. H. Brokaw of the University of Nebraska explained the present emergency in agriculture and asked continued co-operation of bankers in an effort to tide the farmers over. E. N. VanHorne, president of the association, gave a few leaves out of his banking experience, telling of some of the trials endured and obstacles overcome by bankers.

Wilkins Head of Group One

Earl Wilkins of Geneva was elected president of group one, Nebraska Bankers Association, at the district's annual meeting in Falls City. Joe Johnson of Tecumseh was chosen vice president and R. W. Heim of Dawson secretary. The 1933 convention city was not selected.

New Honors for A. G. Sam

A. G. Sam, well-known Iowa banker, president of the Live Stock National Bank of Sioux City, and a director of the Northwest Bancorporation, of which the Live Stock National is an affiliate, was last month elected president of the Security State Bank of Norfolk, Nebraska. This institution is a member of the Northwest Bancorporation.

Maurice K. Van Horne, an examiner for the Northwest Bancorporation, was elected vice president of the Security State at Norfolk, and takes over the active management of the bank. He is a son of H. C. Van Horne, veteran Nebraska banker, and a brother of E. N. Van Horne, president of the Continental National Bank of Lincoln, who is also president of the Nebraska Bankers Association this year. Maurice Van Horne is a native of Nebraska, securing his early banking experience in his father's

bank at Pawnee City, and is a graduate of the University of Nebraska.

Frank D. Perry, Norfolk business man, remains as vice president and director of the Security State. Robert Weidenbach, who has been connected with the First National Bank and Trust Company of Aberdeen, South Dakota, becomes cashier of the Security State.

New directors elected are Mr. Sam, Mr. Van Horne, Donald Bridge and Cene Huse.

Mr. Sam will serve the Security State in an advisory capacity, making frequent visits to Norfolk to assist in the management of the bank.

Nebraska News

THE REORGANIZED First State Bank of Beaver City, Nebraska, was opened last month after being closed five months. Frank Keiser is president.

Citizens and school children, headed

DETAILS

The policy of these institutions has always been conservative, but at the same time in full accord with modern ideas. Because of their length in service, their familiarity with conditions in this section, they are today more than ever in a position to be of real service to banks and bankers.

THE FIRST NATIONAL BANK
AND
THE FIRST TRUST COMPANY
OF
LINCOLN, NEBRASKA

"Since 1871"

by a band, gathered at the bank at 9 A.M. During the program depositors stood in line to leave money. The first depositor was Robert Scott, a 90 year old Civil war veteran.

The bank suspended business November 20, 1931. Stockholders recapitalized the institution with a view to ultimately paying the depositors in full.

The bank opened with capital stock of \$30,000 with Mr. Keiser as president; A. B. Brown, vice president, and A. T. Nickerson, cashier.

TWO HUNDRED AND forty guests attended the thirty-fifth annual banquet of group three of the Nebraska Bankers' Association at Norfolk and heard an address on Russia by N. P. Dodge of Omaha. A dancing party followed the dinner. William Phillips of Omaha was toastmaster. The Stanton high school orchestra played during the dinner.

During the evening the reports of the nominating committee and resolutions committee were read and adopted, the following being chosen officers: Ben N. Saunders, Plainview, president; Neil D. Saville, Wisner, vice president; Fred W. Muller, Norfolk, re-elected secretary; Henry Ley, Wayne, treasurer. Mr. Saunders succeeds W. F. Wenke of Pender.

The convention heard addresses by Alvin E. Johnson of Omaha, J. F. McDermott of Omaha and Carl Weil, of Lincoln.

AT A MEETING of stockholders of the new Nebraska National Bank of Alliance, Nebraska, last month, of-

ficers and directors for the new institution were selected. W. A. Rose, now cashier of the First National Bank of Florence, Colorado, was elected president. Everett M. Eldred, prominent rancher living south of Alliance was elected vice president, H. D. Wells, cashier, and Carl Hee, assistant cashier.

A board of directors for the new bank was selected from the list of stockholders. They include: W. A. Rose, E. M. Eldred, Jake Herman, Charles Thompson, Herman Krause, Marcus Frankle, Harry Thiele, H. P. Coursey, B. J. Sallows and R. O. Reddish. There will also be selected from this board, a loan committee which will meet with bank officials each week to pass upon loan applications.

Mr. Rose, the president of the Nebraska Bank, has had many years' banking experience and comes to Alliance with the best of recommendations from Colorado bankers.

Mr. Rose is cashier of one of the Thatcher group of banks in Colorado, which is one of the largest in that state. He has been with the bank at Florence for the past nine years and prior to that he was owner and manager of a bank in northern Kansas for three years.

THE EXETER NATIONAL and the Wallace National Banks of Exeter, Nebraska, are now one and occupy the quarters of the latter. The Exeter National was moved on Arbor day, when there was no business to interfere with the work. The officers of the consolidated bank are: President, W. P. Wallace; vice president,

H. M. Link; cashier, Lester T. Blouch. P. W. Carraher and Joe Kyne are bookkeeper and teller.

BACK FROM A three-week vacation trip through the south by automobile, Gwyer H. Yates, president of the United States National Bank, of Omaha, said it was an "inspiring sight to see the farmers all at work in the fields." Mr. and Mrs. Yates went to New Orleans by way of St. Louis and Memphis, and returned through the Ozarks.

GROUP TWO of the Nebraska Bankers' Association held its annual meeting this year at Columbus.

Addresses were made by Mr. Dickenson, an official of the Northern Railway System, and N. W. Gaines of Lincoln, and discussed the measures helpful in restoring confidence in business.

A Humphrey banker, P. J. Ternus, was elected president of Group Two bankers; Herman Beckman of Fremont, vice president; and Frank Shonka, jr., of Schuyler, secretary-treasurer.

JOHN F. FLACK, Omaha banker and business man for many years, died last month at an Omaha hospital following an emergency operation. Mr. Flack was 69 years old and had lived in Omaha since 1884. He was a native of New York.

Mr. Flack's business career had seen him as president of the former City National Bank, the Occidental Building and Loan Association and the Bankers Mortgage and Loan Company. For the past three years he had given his entire time to the handling of his own properties.

P. S. CHAPMAN, 65, auditor of the Lincoln Trust company 25 years, died last month of heart disease. He had been ill several months. He was a member of the Sons of Union Veterans, his father being an organizer and first commander of the Gibbon chapter of G.A.R.

SEVERAL THOUSAND persons visited the First National Bank of York, Nebraska, at a fiftieth anniversary celebration last month. The institution and its allied savings bank and trust company have resources of two million dollars.

JESSE E. BILLINGS was elected president of the Omaha chapter, American Institute of Banking, at a meeting of the board of governors last month. Other officers are R. Wallace Johnston, vice president; Verne McLean, secretary; and Raymond Nelson, treasurer.

3 TRUMPS YOU CAN'T BEAT

AS YOUR correspondent bank in Lincoln, Nebraska, we offer you these three important advantages:

1. Speed in handling your transactions.
2. Intimate knowledge of Lincoln and of the whole state of Nebraska.
3. The personal cooperation of our staff with yours.

We'd be glad of an opportunity to prove these statements.



Continental National Bank
LINCOLN, NEBRASKA

Affiliated with NORTHWEST BANCORPORATION

News of the Omaha Stock Yards

Explains Credit Bill

How farmers and stockmen in the Omaha territory will benefit from enactment of the Norbeck-Steagall bill, affecting the Federal Intermediate Credit Bank, was explained recently by Charles McCumsey, manager at Omaha. The bill went into effect last month. The Omaha bank serves Nebraska, Iowa, South Dakota and Wyoming. Mr. McCumsey's statement follows:

"The money loaned by the Federal Intermediate Credit banks, aside from their capital, which is subscribed and owned by the treasurer of the United States, is obtained from the sale of short time, tax exempt debentures in the open market. The rate of interest which the banks charge is determined by the rate at which these debentures can be sold, the law permitting them to charge as much as 1 per cent above the debenture interest rate.

"The Norbeck-Steagall bill makes these debentures eligible as collateral for member banks at their federal reserve banks. This gives an added liquidity to the debentures, which, when coupled with their recognized safety, will greatly broaden the market for them and permit their sale on a low interest rate basis.

"This saving in interest is reflected in interest rates which will be paid by farmers and stockmen whose paper is carried by this bank, and this reduction comes at a time when it should be most helpful because of the present low level of agricultural commodity prices.

"In addition to having loans outstanding at this time to co-operative marketing associations amounting to \$1,770,000, the Federal Intermediate Credit Bank of Omaha is carrying live stock loans of individual farmers and stockmen under the indorsement of 44 live stock loan companies and agricultural credit corporations amounting to \$9,400,000, and it is expected that the lower interest rates which should follow this legislation will encourage a further use of the facilities this institution has to offer to farmers and stockmen throughout the territory it serves and that such extension will act as a stabilizing credit influence throughout that district."

Nebraska State Fair

The Nebraska State Fair will open on Saturday, September 3, rather than Sunday, September 4 and will continue for seven rather than the announced six days, it was decided by the state fair board last month.

The earlier opening date and extending of time for the exposition was voted on request of the Lancaster county fair board.

Through agreement with the state fair board, the Lancaster county fair is to be held in conjunction with the state exposition. The six day fair, it was said, would not permit judging of the Lancaster exhibits in time to permit their entry in the state competition.

Small Crop Predicted

With a winter wheat condition of 70 per cent and an abandonment of 40 per cent on a planted acreage considerably below normal, Nebraska is expected to harvest the smallest wheat crop in thirty years with the exception of the 1917 crop, which was practically all abandoned, says the state and federal division of agricultural statistics. Abnormally low March temperatures in eastern Nebraska and a combination of low temperatures, drouth and high winds in western Nebraska is largely responsible for the heavy abandonment.

A total of 3,042,000 acres were planted last autumn as compared with 3,496,000 acres planted in the autumn of 1930 and the 1925-29 average of 3,691,000 acres sown. The abandonment of 40 per cent leaves 1,825,000 acres to be harvested in 1932 as compared to 3,339,000 acres in 1931 and the 1926-30 average of 3,473,000 acres harvested.

Lamb Figures

There were 70,000 lambs left in feed lots of Northern Colorado, Arkansas Valley and Scottsbluff Sections on May 7, compared with 40,000 a year ago and 50,000 two years ago, reports the U. S. Bureau of Agricultural Economics.

During the week ending May 7, the three sections shipped 464 cars of lambs compared with 386 cars last year and 347 cars two years ago. Since January 1, the three sections have shipped 7,533 cars of lambs compared with 7,439 cars last year and 9,980 cars two years ago.

Praises Omaha Yards

Officers of the Omaha Live Stock Exchange were honor guests at a recent meeting of the Omaha chapter of the National Conference of Bank Auditors and Controllers. About 40 Omaha and Council Bluffs bankers attended the banquet, in the tenth floor dining room of the Live Stock Exchange building.

F. S. Rickard, secretary of the Omaha Live Stock Exchange, was the principal speaker. He outlined the importance of the live stock industry to banking in Iowa and Nebraska.

"Bankers may well be proud of the facilities provided in Omaha by the Union Stock Yards company for the handling of cattle, hogs and sheep," said Rickard. "These facilities are better than those offered by any other stock yards. The Omaha yards excell all others because of their location on a gently sloping hillside, affording natural drainage, and providing other facilities which make the handling of live stock convenient and economical to patrons of the market.

"These facilities have been a big factor in making Omaha the world's second largest live stock market.

"During 1931, there were sold on the Omaha market 1,750,000 cattle, 3,500,000 hogs and 3,500,000 sheep. This stock was all paid for in cash. All the cash was handled through Omaha banks. It amounted to more than 170 million dollars, or about 10 per cent of the total clearings. Sales were all made by word of mouth without written contracts. There is no other business where such voluminous transactions are made strictly on honor. It is a source of great pride to the Omaha Live Stock Exchange that no shipper has ever lost a dollar in more than 43 years through failure of one of its members."

John Kelsen, auditor of the State Savings Bank at Council Bluffs and president of the Conference of Bank Auditors and Controllers, presided at the meeting. T. G. Boggs, auditor of the Stock Yards National Bank, acted as toastmaster, and A. D. Majors, president of the Omaha Live Stock Exchange, was an honor guest.

Show Album Now Ready

Announcement has been received from B. H. Heide, manager of the International Live Stock Exposition, that the annual 340-page cloth bound review of the 1931 Exposition is now ready for distribution.

It is a handsomely illustrated complete history of all the events and contests of this famous show and may be obtained from the Exposition headquarters at the Union Stock Yards, Chicago.

The Case Against an All-National Bank System

ATTACKING official proposals at Washington to force all commercial banking under Federal control, Rudolf S. Hecht of New Orleans told the meeting of the Chamber of the Commerce of the United States at San Francisco that even if this idea "could be shown to be 100 per cent desirable on purely banking grounds, the main question would remain as to how heavy a price would be paid for it in terms of further encroachments of central government domination over private business and surrender of local financial independence." He made a strong plea for the preservation of the present plan of alternative state or national charters and supervision for banks.

"Complete banking unification would constitute abandonment of our traditional defenses against over-central-

ized government," declared Mr. Hecht, who is president of the Hibernia Bank & Trust Company and chairman of the Economic Policy Commission of the American Bankers Association. "Effectively centralized control over credit would mean potential dominance over the very lives and liberties of the people."

He argued that the multiplicity of political jurisdictions in the United States, especially in the dual division of authority between state and national government, is inseparably a part of American political security against over-centralization and the dual banking system of state and national banks carries this out in the

financial field.

The national interests in respect to Federal government currency, fiscal and other financial requirements, he said, were fully provided for by the National Bank and Federal Reserve Systems and to consolidate central government influence over banking any further would carry it too far.

"Continuation of the state banking systems enables business if it chooses to conduct its financial affairs in entire independence of federal influence," Mr. Hecht continued. "To bring all commercial banking under Federal control would destroy this safeguard. It would create opportunities for lines of political thought that do not now exist, and opportunity inevitably becomes temptation, and temptation, long enough continued seldom fails to become action sooner or later.

Abuses Possible

"The traditional sanctity that surrounds the Presidency and its zone of administrative influence forbids picturing the possibility of a national political regime using the power made possible by unified control over all commercial banking for base purposes or political manipulation. But it does not forbid the general observations that the government has a long time to live, that generations come and go, that even honest statesmanship may unconsciously fall under evil influence, that human nature swings through wide extremes, and there is no telling what changes in the state of political morals the future may witness.

"Ours is a government of checks and balances and the fact that banking has free choice whether it shall render its services to the people under Federal or state charter is one of the most important of these. To force all commercial banks under Federal control by abolishing the power of the states to charter them would shut off escape for banking from any bureaucratic tyranny or political coercion that might conceivably arise. The fact that almost without exception, particularly in recent years, Federal bank officials have been characterized by the highest ideals of public service under the dual banking system in the past, does not guarantee that others would not display a different attitude under a single unescapable system in the future."

Mr. Hecht pointed out that all credit basically is local in character,

We Couldn't BULLDOG A STEER

BUT WE KNOW how it's done . . . and how lots of other things are done in the livestock industry.

Each one of our officers has kept in close contact with the yards for a long, long time.

As a result we have a highly specialized knowledge of the particular banking requirements of the livestock industry. As your correspondent bank in South Omaha, you get full benefit of this knowledge.



STOCK YARDS NATIONAL BANK

SOUTH OMAHA, NEBRASKA

Affiliated with NORTHWEST BANCORPORATION

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

that inter-state trade does not demand a particular type of inter-state financial function and that its free flow is in no way hampered by the present multiplicity of banking jurisdictions which it encounters. He also declared that, although statistically banks under Federal auspices in the Federal Reserve and National Systems had made a better record in respect to failures than state banks, nevertheless even there the record was "so far from satisfactory as to fail to show that the mere transfer of our banking from state to central government jurisdiction into a single unified system would supply the remedy for our banking troubles." The remedy, he said, was to preserve the dual system and to bring all codes and supervisions up to the best standards that can be found in either system.

He also advocated an extension of branch banking in both state and national systems to enable strong local financial center banks to extend support to communities now lacking adequate banking facilities, but vigorously opposed the provision in the Glass Banking Bill now pending in Congress to grant national banks, regardless of state bank laws, statewide branch powers in all states and limited inter-state branches in certain localities. He declared that national banks should be given just as wide branch powers as state banks within any state but that they should not be given greater privileges than are granted state banks in their own territory.

Mr. Hecht, in opposing nation-wide branch banking, presented a vigorous refutation of comparisons between the Canadian and American systems "making it appear the former has all the virtues, the latter all the vices." It is true, he said, no bank failures occurred in Canada in recent years "while thousands have closed their doors in the United States—but there is far more for banking to do than merely to keep its doors open." He went on to compare the "extraordinary contrast of American progress as against the picture of Canada's development," pointing out that Canadian authority estimates that of 360 million acres there available for agriculture, 200 million lie neglected and that the mineral resources have been hardly scratched.

Canadian Situation Different

He also brought out that Canada, granting that there are larger waste regions in her gross area which is equal to that of the United States, supports only 10 million people against America's 122 million, that her developed national wealth was only 29 billion dollars in 1928 against this

country's 360 billion, and her income but \$6,000,000,000 against \$82,000,000,000.

"These facts are not to say that Canada is a backward country, but they indicate that she has in no way comparable to the United States yet entered into the great adventure of industrial and commercial expansion and exploitation which for all their contributions to human progress are also attended by great social and financial hazards," he said. "Without contrasting standards of living, systems of education, world-wide financial responsibilities and other contributions to human progress, the United States has gone to far greater lengths than Canada.

"This progress has been made possible under our banking systems and methods for all their defects. The United States has ventured greatly and American banks have at all times stood right beside American agriculture, industry, commerce and finance and taken their chances with them."

He asked whether Canada would not have made greater progress if "instead of less than a score of banks centralized in the big cities, with four thousand branches reaching out and enforcing cautious, metropolitan financial policies upon the farms and local industries throughout the country, she had the American system of independent local banks, bound up in the welfare, progress and ambitions of their local communities." He also expressed doubt that America's greater progress would have been

possible if local development had been dependent upon a few great financial centers instead of receiving aid from thousands of local bankers.

One bank in Canada alone, he said, with about a thousand branches, controls 27 per cent of the nation's total commercial banking resources, while the three largest, with 2,400 branches controls 70 per cent. "We do not want any such centralization as that," he declared. "How foreign that is to anything this country wants is obvious when we consider that many of our people grow apprehensive because two or three of our great banks each control resources of a billion and a half or two billion dollars—about 7 per cent of the nation's total for the three largest combined, as contrasted with the 70 per cent for Canada's three largest."

He was opposed, he said, to giving banks under national charter, such vital advantages over state banks, as proposed in the Glass Bill, as to lead to the destruction of the present dual system of local independent unit banks. He, and bankers generally, he said, were heartily in favor of legislation or changes that are "truly constructive and helpful to banking as well as to the public."

Convention at Scottsbluff

Scottsbluff will be host on June 16, 17 and 18 to the forty-second annual convention of the Nebraska Stock Growers' association.

Arrangements for the convention are under supervision of the headquarters office of the association at



Ship to the South Omaha Stockyards
Instruct Proceeds Credited
to Your Account at

:

LIVE STOCK NATIONAL BANK
UNION STOCK YARDS OMAHA

Alliance. Scottsbluff was selected the convention site because of its location in the heart of an important cattle-feeding belt, and because of its growing importance as a cattle marketing point.

Plans now being completed call for addresses by men prominent in railway, banking and live stock growing enterprise. Governor Charles W. Bryan, President Ralph Budd of the Burlington, General Manager Williams of the Union Pacific and Fred Gurley, assistant vice president of the Burlington, will be among those present.

Robert Graham of Alliance, president of the state association, will preside at the convention. An address of welcome will be made by Mayor A. T. Howard of Scottsbluff, with responses by the following: T. F. Arnold, Cody, Neb.; Bruce McCulloch, South Omaha, editor of the Omaha *Journal-Stockman*; F. G. Gurley, Chicago.

A. I. B. Convention

Governor James Rolph, Jr., of California, Dr. R. B. von Klein Smid, president of the University of Southern California, and other nationally known figures will address the general sessions of the annual convention of the American Institute of Banking Section of the American Bankers Association, which will be held at Los Angeles, California, June 6-10. In addition to the general business sessions which occur the mornings of June 7 and June 10, there will be a series of eight departmental conferences dealing with practical operating details of banking. These conferences will be held the afternoons of June 7 and June 9, and will deal with audits and accounting, bank administration, business development and advertising, credits, deposit functions, investments and investment banking, savings banking and trust functions.

The evening of June 7 the national convention debate will be held on the

question, "Resolved, That an Economic Boycott Should Be Directed Against Belligerent Nations as a Means of Preventing War." The affirmative side of this discussion will be upheld by the following members of the St. Louis chapter of the Institute: W. L. Gregory, Guaranty Bank and Trust Company, St. Louis; A. W. Dimond, First National Bank in East St. Louis, East St. Louis, Ill.; E. Carroll Sibley, Mississippi Valley Trust Company, St. Louis; alternate, Dewey Shea, Federal Reserve Bank, St. Louis. The negative will be taken by the following members of the Philadelphia chapter: Edward F. Matthews, The First National Bank; Harold W. Wallgren, The Philadelphia National Company; Carry C. Culshaw, The Pennsylvania Company for Insurances on Lives and Granting Annuities; alternate, Horace R. Whartonby, Jr., Corn Exchange National Bank & Trust Company, all of Philadelphia.

Another event will be the national public speaking contest for the A. P. Giannini Endowment Fund Prizes to be held the evening of June 7, on the subject, "The Banker in Our Economic System." Four prizes are to be awarded, the first \$500, second \$300, third \$200 and fourth \$100. The contestants will be as follows: Hays E. Bassett, Republic National Bank & Trust Company, Dallas, Texas; Clement Cambon, Jr., Fidelity Union Trust Company, Newark, N. J.; Paul Cunningham, Security-First National Bank of Los Angeles, Los Angeles; Charles H. Dixon, The Commercial Bank of Spanish Fork, Spanish Fork, Utah; Dan D. Goodsell, First National Bank in East St. Louis, East St. Louis, Ill.; Robert M. Hoffman, Jr., Continental Illinois Bank and Trust Company, Chicago; Erling O. Johnson, Puget Sound National Bank, Tacoma, Wash.; William H. Roche, Jamaica National Bank, Jamaica, N. Y.; B. M. Theus, Jr., Florida National Bank, Jacksonville, Florida. During the convention there will also

be held a number of conferences on special topics of chapter administration. The Institute, which is the educational section of the American Bankers Association, conducts 231 chapters in cities throughout the country, with an aggregate enrollment of more than 40,000 bank employees.

STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC., REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912

Of CENTRAL WESTERN BANKER, published monthly at Omaha, Nebraska, for April 1, 1932.

State of Iowa, County of Polk, ss.

Before me, a Notary Public, in and for the State and County aforesaid personally appeared R. W. Moorhead, who, having been duly sworn according to law, deposes and says that he is the editor of the CENTRAL WESTERN BANKER, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 411, Postal Laws and Regulations, printed on the reverse of this form, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are: Publisher, Clifford De Puy, Des Moines, Iowa; Editor, R. W. Moorhead, Des Moines, Iowa; Business Manager, Gerald A. Snider, Des Moines, Iowa.

2. That the owner is: Clifford De Puy, Des Moines, Iowa; Gerald A. Snider, Des Moines, Iowa; William H. Maas, Chicago, Illinois.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: None.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contains not only the list of stockholders and security holders as they appear upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

R. W. MOORHEAD.
(Signature of Editor.)

Sworn to and subscribed before me this 31st day of March, 1932.

EARL S. LINN.

(My commission expires July 4, 1933.)

AUSTRALIA BANK OF NEW SOUTH WALES

ESTABLISHED 1817

(With which are amalgamated THE WESTERN AUSTRALIAN BANK and THE AUSTRALIAN BANK OF COMMERCE Ltd.)

PAID-UP CAPITAL	£s	8,780,000
RESERVE FUND		6,150,000
RESERVE LIABILITY OF PROPRIETORS		8,780,000
		£s 23,710,000

Aggregate Assets 30th September, 1931, £s 90,111,427

AGENTS—FIRST NATIONAL BANK, OMAHA, NEBRASKA

GENERAL MANAGER, ALFRED CHARLES DAVIDSON

HEAD OFFICE, GEORGE ST., SYDNEY

LONDON OFFICE, 29 THREADNEEDLE ST., E. C. 2

694 Branches and Agencies in All Australian States, Federal Territory, New Zealand, Fiji, Papua, Mandated Territory of New Guinea and London

New Mexico News

Elects Officers

The New Mexico Industrial Finance corporation held its annual stockholders' meeting recently at Albuquerque, at which officers and directors were elected. The officers are: Dr. E. E. Thaxton, president; A. J. Exter, vice president; J. S. Dodson, formerly a bank examiner of Los Angeles, treasurer and manager; Miss Edith Kloepfel, secretary to the board of directors. The directors are Dr. Thaxton, Exter, Dr. E. C. Matthews, Ralph J. Spillers and Alfred Thelin, Sr.

New Charters Granted

The Participating Trust Shares, of Albuquerque has been granted a charter by the state corporation commission. J. S. Vaught, an incorporator, has been named the company's agent. The authorized capital stock of the company is 100,000 shares of common stock of no par value and 2,500 shares of preferred stock at a par value of \$100. The company begins business with \$2,000 invested. Incorporators are O. R. Dibblee, Frank J. Larkin and J. S. Vaught.

Livestock Credit Corporation

The National Livestock Credit corporation, organized under the agricultural marketing act and federal farm board laws, was incorporated last month at Santa Fe, New Mexico.

It is a companion organization to the state loan unit being perfected to operate under the reconstruction finance corporation act.

The board of directors of the National Livestock Credit corporation will consist of A. W. Lohman, Foraker, Okla.; E. M. Tyler, Dewey, Okla.; S. C. Fullerton, Miami, Okla.; E. G. Jeffrey of Oklahoma City, and Gordon Stedman of Taloga, Okla.

The authorized capital is \$1,000,000 to be constituted of 3,000 preferred at \$100 par value and 7,000 shares of common at \$100 par value.

The incorporators listed are Francis C. Wilson of Santa Fe, 118 shares; H. K. Greer, Santa Fe, one share, and George E. Kessler, Santa Fe, one share.

Applies for Loan

The Pennsylvania Railroad has applied for a loan of \$27,500,000 from the Reconstruction Finance Corporation, or half the amount of its original request.

Colorado News

Heads Group One

T. C. Phillips, president of the Greeley Union National Bank, Greeley, Colorado, was elected chairman of Group One of the Colorado Bankers Association, at the annual meeting last month.

Two Sterling men were designated vice-chairman and secretary and Sterling was voted the next meeting place. R. A. Towne is vice-chairman and A. M. Rex, secretary. H. W. McGilp of the Weld County Savings Bank, Greeley, was elected to the nominat-

ing committee of the Colorado Bankers Association for the annual meeting at Troutdale in June.

Seventy bankers from Denver and northeastern Colorado were present for the business session at which resolutions were adopted opposing passage of the bills now before congress which would provide for the guaranteeing of deposits of weaker banks by stronger institutions and that would extend the scope of "branch" banking.

Central Omits Dividends

Directors of the New York Central Railroad voted last month to omit the dividend due on the stock at this time.



SALMON P. CHASE - Secretary of the Treasury under LINCOLN

THE CHASE NATIONAL BANK

of the City of New York

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

ALBERT H. WIGGIN
*Chairman
 Governing Board*

CHARLES S. McCAIN
*Chairman
 Board of Directors*

WINTHROP W. ALDRICH
*Vice Chairman Governing Board
 and President*

JOHN McHUGH
*Chairman
 Executive Committee*

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

The action ended a record maintained since 1870. Operations for the first quarter of 1932 resulted in a deficit after charges of \$1,318,852.

Goes to Nebraska

W. A. Rose has resigned his position as cashier at the First National Bank in Florence, Colorado, and will leave for Alliance, Nebraska, where he will become president of the Nebraska National Bank.

Mr. Rose is well known throughout Colorado, having resided in Florence for the past nine years.

No successor has been named yet for Mr. Rose's position in the Florence bank. However, W. L. Morris, president of the bank, will take over Mr. Rose's former duties in the trust department of the institution.

Denver Banker Retires

W. B. Morrison, Denver's oldest banker in point of years of service, will retire as vice chairman of the board of directors of the Denver National Bank June 1.

In the fifty years since the old State National Bank opened in 1882 at Sixteenth and Larimer streets Mr. Morrison has risen from a position as "runner" to become one of the best known financial authorities and credit executives in the west.

He is retiring to fulfill a desire to devote his time to travel and recreation.

He first came to Denver in 1870 from Warren, Pa. On May 1, 1882, when the State National was organized by a group of pioneer business men, including Charles Hallack, Charles F. Hendrie and others, Mr. Morrison was one of the first runners for the institution.

In 1887 Mr. Morrison had attracted the attention of the late J. J. Reithman and the late Gov. Job A. Cooper and accepted a position as teller in their German National Bank.

Three years later when Governor Cooper and others organized the National Bank of Commerce Mr. Morrison went over to the new institution as assistant cashier.

In 1908, when the National Bank of Commerce was consolidated with the United States National Bank, Mr. Morrison became vice president of the latter, a position he held until 1917, when he went with the Denver National.

He first held a position as vice president of the Denver National. Later he became president. Since 1926 he has been vice chairman of the board.

Keeton, of Mildred, has taken Mr. Webber's place at Bush City in the bank.

To Move Into New Building

The Merchants Reserve State Bank of Wichita, Kansas, will move from its present quarters at 500 East Douglas Avenue to the newly remodeled and refinished banking room, which it formerly occupied at Douglas and Topeka Avenues. A vault of large size and of the most burglar-proof construction is to be built in the new quarters. J. B. Gardiner is the president of the bank.

Fixtures of the new banking room will be of the most modern design. Marble will be the material used in the finishing and the construction of the cages. The bank is the owner of the building which it is to reoccupy.

Directors of the Merchants Reserve State Bank are: J. B. Gardiner, president; T. C. Cory, vice president; Ray F. Foley, vice president; P. H. Allen, cashier; P. D. Gardiner, E. C. Claiborne and Frank B. Harris.

Merger at Atchison

Atchison, Kansas, now has a new bank, the American Savings State Bank.

The new institution is a merger of two old and strong financial institutions, the Atchison Savings Bank and the American State Bank.

W. T. Fox will be president of the new institution. He has been president of the Atchison Savings Bank since the death of the late Joseph W. Allen.

The executive personnel of the merged banks will be as follows: W. T. Fox, president; M. J. Hines, vice president; Frank A. Mangelsdorf and H. M. Turner, active vice presidents; F. M. Allison, cashier; W. T. Jochems and J. E. Clingan, assistant cashiers.

Directors: M. J. Hines, Walter W. Voigt, W. B. Hayes, F. M. Allison, W. T. Fox, Dr. W. G. Beitzel, Frank A. Mangelsdorf and H. M. Turner.

The merged bank will occupy the quarters of the Atchison Savings Bank at Seventh and Commercial streets.

The combined resources will be more than a million and a quarter dollars.

Eight to One Odds

Based on the present survival rate of American families, says *Collier's*, the chance of your baby boy having a son who in turn will have a son — to perpetuate your name — is about one in eight.



HOTEL FONTENELLE

OMAHA'S WELCOME TO THE WORLD

400 Rooms with Bath from \$2.50

100 Rooms Priced From \$3 DOWN!
150 Rooms Priced From \$3.50 DOWN!

Luxurious Accommodations
Popular Dining Rooms
OPERATED BY EPPLEY HOTELS COMPANY

IN OMAHA

IN LINCOLN ...

HOTEL LINCOLN
HOTEL CAPITAL

ALSO IN OMAHA ...

HOTEL LOGAN

Omaha's Largest and Finest
Downtown Apartment Hotel
at Reasonable Rates

Kansas News

Cloud County Meeting

At a meeting of the Cloud County, Kansas, Bankers Association held at the Cloud County Bank, officers for the ensuing year were elected as follows: L. E. Stimson, Miltonvale, president; George Nimocks, Concordia, vice president; John Wilcox, treasurer, and G. L. Huggerth, secretary.

With State Department

W. L. Webber, who has been cashier of the Bush City State Bank of Kansas nearly four years, has taken a position in the state bank commissioner's office as chief clerk and statistician of the state banks. Mr. and Mrs. Webber and sons will move to Topeka after school is out. Miles



Minnesota gets ready to **WELCOME A \$75,000,000 GUEST**

LOOK at any good-sized map of Minnesota, and you will see thousands of tiny blue freckles. These are Minnesota's ten thousand lakes—perpetual magnet for summer travelers.

Last year, they attracted nearly a million and a half vacationing guests. These guests stayed at 337 tourist camps, 122 cabin camps, and 1275 resorts. They spent more than \$75,000,000.

Summer visitors in other parts of the Northwest spent millions more . . . in the Black Hills—in Yellowstone and Glacier National Park—in lake and mountain regions all over the Northwest.

This year . . . tourist bureaus and railroad agencies report heavier early season inquiries than in 1931. The outlook for both dollar volume and number of visitors is most encouraging.

If your business can benefit directly or indirectly by cultivating a summer resort or tourist market—remember the Northwest. The Northwest Bancorporation will be glad to answer any inquiry.

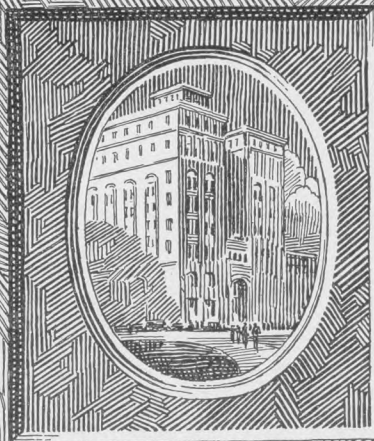


NORTHWEST BANCORPORATION

MINNEAPOLIS, MINNESOTA

BancNorthwest Company—Investment Securities

The Omaha National Bank



ALWAYS
AT YOUR SERVICE