

# CENTRAL WESTERN BANKER

## *Omaha*

The Teller Tells the World

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Gobbled Up By the Tax-Eaters

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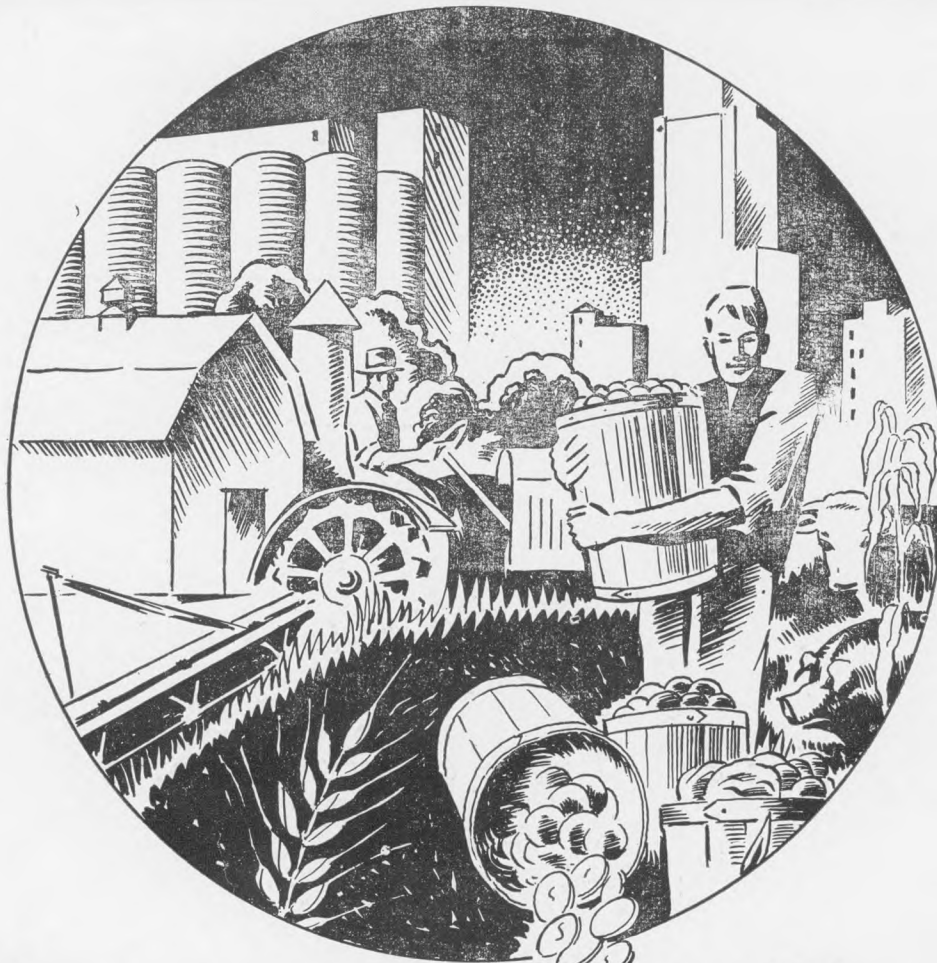
Revenue Producers For  
Country Banks

Page 6

SEPTEMBER

1932





# ROLLING IN.

Harvest Time is here . . . the days when Nebraska farmers cash in on their labors . . . and the money is rolling in.

Encouraging reports from other parts of the country concern the re-opening of factories. In Nebraska, however, the factories (farms) have never been closed. Our encouraging reports tell about bumper crops and higher prices.

And although this year's income from Nebraska's crops may not be as large as in past record years, yet it is a steady income . . . for every year the money comes rolling in.



## First National Bank of Omaha

MEMBER FEDERAL RESERVE SYSTEM

*A Million A Day  
Paid By Chicago Packers  
For Live Stock*

During the five years, 1927 to 1931 inclusive, Chicago meat packers paid more than a billion and a half dollars for cattle, calves, hogs and sheep — an average of more than one million dollars each business day. And in the conduct of their business, representative packers use the commercial banking facilities of the Continental Illinois Bank

**CONTINENTAL ILLINOIS  
BANK AND TRUST  
COMPANY  
CHICAGO**

# CENTRAL WESTERN BANKER

410 ARTHUR BUILDING

OMAHA

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

VOLUME 27

SEPTEMBER, 1932

NUMBER 9

## The Teller Tells the World

By C. W. FISHBAUGH

**A**N IOWA farmer owing \$50 an acre on a Federal farm loan wants service. His farm is now worth about \$20 an acre, so he wrote to the government: "If you don't come and paint this place, I'll move out."

\*\*\*

IT COSTS REAL money to ship gold from this country to Europe. It costs roughly \$4,000 to ship a million dollars in gold from New York City to Paris. The transatlantic freight charge is \$2,500; rail cost in France, \$1,000; insurance, \$50; and loss of interest in transit, \$600.

Those figures are worth looking at. Only \$50 to insure one million dollars on a trip of that length, while the loss of interest in transit is \$600. At least that proves that interest certainly counts up.

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I NOTICE A SIGN in every barber shop that reads: "It Pays to Look Well." It seems like a good slogan and probably helps business.

After thinking it over I believe banks should have a slogan something like this: "It Looks Well to Pay." I don't know if it would help any, but at least it's an idea.

\*\*\*

MANY BANKERS advocate that the bank be allowed to retain 10 per cent of the amount collected to pay for the time, trouble and actual amount spent in handling the taxable checks. I hardly believe this would be fair to the other lines of business that also have taxes to pay under this new law. What I favor is repeal of the check tax, and if we have to have a tax, let's have the old stamp tax!

\*\*\*

EVEN GETTING A CHECK O. K.'d by telephone does not assure its being paid. I recall once we called a bank in a town nearby about a check we were taking for deposit. The check was reported as good. We accepted it for deposit. But before the check cleared the maker had committed suicide, so naturally all his checks met with stop payments. Our check was returned in spite of the verbal O. K.

We were reimbursed by the endorser of the check. But it certainly emphasized the fact that checks with only a telephone O. K. may cause trouble. The only safe way is to have the bank wire an O. K., and then you have the whole thing in black and white. Or better yet, take the check for collection.

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HATS OFF to a former Iowa boy. George M. Reynolds, prominent Chicago banker, started his banking career in Iowa. His first position was that of a clerk in the Guthrie County National Bank of Panora, Iowa.

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THE VILLAGE SAGE is remarking: "It's easy to live within your income. The hard part is to live without one."

Still, I've come across a large number of fellows that have been living without incomes for the better part of their lives. So why change now?

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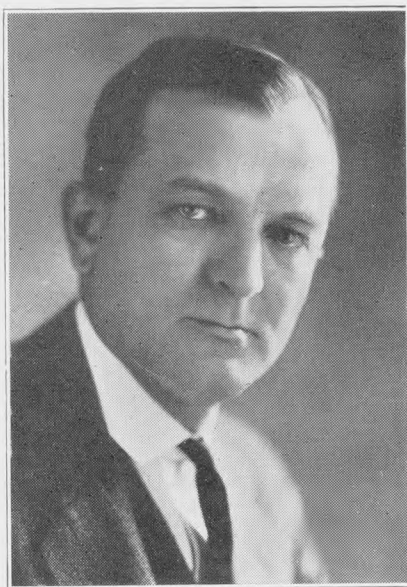
HEADLIGHTS! Saving depositors in the United States number 52,000,000. Nearly two per family. People save during a depression.

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A BANKER tells me the following story of the time he went to a neighboring town to get five hundred silver dollars. He threw the sacks of money in the back of the car, not noticing if the sacks were tied well. It turned out that a couple of them weren't tied at all. On his five mile drive home the sacks leaked through a crack in the floor boards. Imagine his surprise when he arrived home and found he had only four hundred and some odd dollars out of the five hundred he had started with. He was a quick thinker, though. He gathered up all the children he could find and started back over the road on a dollar hunt. He found all but a few dollars.

That's what I call taking the loss out of banking. Here's the moral to the story if there is any. This banker is now a member of the Federal Reserve and can order silver or currency when ever he needs it and have no fear of loss or robbery in transit.





FRED W. SARGENT

I BELIEVE it is unquestionably true that the lack of confidence generally felt today by business men, which is largely responsible for the continuance of the depression, in great part derives from a widespread uneasiness because of the increasing activities of government in business and private enterprise and the consequent increasing load of taxation.

It is an insidious, far-reaching uneasiness. The finger of the government has been getting longer. More and more private businesses have been touched in one way or another. There have been subsidies, hidden or open. There is actual manufacture and distribution of numerous articles of commerce by the government. There is increasingly onerous regulation and supervision of private business. A host of activities, veiled under the guise of "service," have encroached upon private enterprise and have caused the burden of taxation to grow by leaps and bounds.

#### Fear of the Future

Most harmful of all just now is the continuing uncertainty as to what next, the doubt whether all that has gone before may not be merely by way of preface, and whether soon we are not to see the government shoved into business and tax-devouring activities on a grander scale than ever. A portion of our population, in short, has grown to feel, unlike our pioneer ancestors who built the nation, that the remedy for every private evil is to induce the government to "do something."

I am speaking here about permanent and not temporary or emergency measures. I conceive that every think-

# Gobbled Up By the TAX-EATERS!

Shall We Continue to Let Governmental Expenditures Take Thirty Per Cent of Our National Income?

By FRED W. SARGENT

President, Chicago & North Western Railway Co.

ing man must realize that in times of great crises the government can and should exercise its responsibility to the end of uniting and consolidating the resources of the government with a view of relieving the distress of individuals and corporations.

It is, however, urged in good faith that the way to revive prosperity is to maintain or even increase the expenditure of public funds, either by enlarging payrolls or public improvements. In other words, to continue to enlarge the burden of public obligations and thereby the burden of tax commitments that must be extracted from the producing portion of our people and diverted into the channels of public expenditure.

In this regard it is well to examine the record and see if our past experience throws any light upon such a plan. In 1932 there was paid by way of wages to government employes—

.....

**"Taxes today gobble up about 30 per cent of our national income. This means that every man, woman and child must pay from \$107 to \$110 per year in taxes. Of the enormous total of taxes now paid by the American taxpayers, the federal government taxes 34 per cent, state governments 16 per cent and local governments 50 per cent."**

.....

federal, state and local, \$600,000,000 more than was paid in 1929. In 1931 salaries of teachers in schools were \$164,000,000 more than in 1929, and in 1931 there was an increase in pensions, bounties, etc., granted by the government of \$483,000,000 over 1929, and there was also distributed about \$900,000,000 in cashing of so-called adjustment compensation or bonus certificates, so that in 1931 we put out in round numbers two and one-quarter billions of dollars more through our public treasuries than in 1929, but this had no discernible effect in minimizing the constantly aggravated condition of the depression.

#### A Huge Burden

In addition, governments distributed huge sums of money through public works, including highways, waterways, public buildings, etc., adding enormously to the burden of taxation and extracting during the present year probably 30 per cent of the entire national income for purposes of taxation.

The most impressive fact that must strike any one examining the recent economic and political drift is the increasing participation of government in business, either directly or through subsidiaries or regulation. Like an octopus, its tentacles appear to be reaching everywhere. Naturally, I am most familiar with the transportation industry. There is no need to repeat the story that has been told so many times, of subsidized waterways, highways, airways, etc. Sufficient to say that today every form of transportation, except railways, is subsidized in some hidden or outright fashion, and the railways, which are our primary and still by all odds our cheapest mode of transportation when all costs are considered, including taxation, are penalized to pay the subsidies. Say not only the railways, but all the people. The penalty falls on all, for whatever affects the prosperity of the railroads affects also the prosperity of the people.

The railroads are only one group that have felt the heavy heel of government in business. I have seen a catalogue of something over 50 different activities and products handled by the government in competition with private business. These activities call attention to the diverse undertakings that have come to be engaged in already by the government under various necessities or pretexts. The point is, if the government can do all this, is there any logical stopping point? Cannot the government do everything? In some sections it is proposed to put the government into the power business; in others, into the coal business. We know the government is

(Continued on Page 13)

# Revenue Producers For Country Banks

**B**EFORE going into the detailed schedule in use in our bank I will draw for you a mental picture of our financial set up, so that you may visualize what similar treatment will accomplish for you, based on your ratio of earning assets.

Green Bay is a city of approximately 40,000 people. In 1924 our bank was unwisely saddled with a capital stock of \$100,000, of which \$63,000 was invested in a banking house, and we boasted deposit footings of slightly over \$250,000. In spite of the operation of a service and per item charge schedule, we succeeded in increasing our deposits to a peak of \$600,000, which along with most other banks has receded in the past year and a half to about \$400,000. Let me confess to you at this time that we do not have as complete a schedule of per item and service charges in effect at the moment that we eventually hope to have, or which will be advocated to you in this article. In spite of this fact, our income from our present schedule is netting us a trifle better than \$600 per month, on which basis we will produce an income from this source for 1932 in excess of \$7,000, or nearly 2 per cent of our total deposits. Without any stretch of the imagination it is conveniently possible to increase profits through a complete per item and service charge schedule to 2 per cent of your deposit footings. Visualize just for a moment just what this would amount to in your own bank. Just how much discomfort would it be for any of you to have this net profit on your hands at the end of each year. How many of you would be placed in the embarrassing position of not knowing what to do with it. I assure you that the little, if any, annoyance that the adoption of a service charge schedule may be, and the convenient necessity of educating your customers to it will be overwhelmingly repaid.

While you are all more or less familiar with the various items that make up a service charge schedule, I nevertheless will enumerate in detail all the items that are a part of our schedule, as well as such others that have been suggested and recommended by the per item and service charge committee of our association. In fur-

By E. J. VAN VONDEREN

*Cashier, South Side State Bank  
Green Bay, Wisconsin*

ther view of the fact that the topic assigned to me is entitled "Revenue Producers for Country Banks," I may digress for a moment and include what may be termed as "Revenue Savers" as well as "Revenue Producers."

## A Money Order

Beginning with those charges of minor consequence, but nevertheless important to the whole, is the charge for drafts and cashier checks. Since the installation of the service charge

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**"Should you proceed to analyze your commercial accounts, it will be a revelation to you to find that some of your pet accounts are costing you money, whereas your less respected accounts have been showing you a profit. We have accounts in our bank reflecting average daily balances of from \$4,000 to \$5,000 that are showing a loss of from \$10 to \$35 a month. We have two such accounts that are paying us regularly about \$30 a month each."**  
 .....

on small checking accounts, those that found it necessary to discontinue their accounts got into the habit of buying cashier's checks or drafts to pay current monthly bills. Since cashier's checks were primarily designed for the transfer of funds it was somewhat of a new innovation to know just how best to charge for them. To overcome this we installed a regular form of bank money order which has proved very satisfactory. While I do not advocate this as a necessity to the making of a charge, it greatly simplifies it. The customer likes the money order feature; the stub provides him with a receipt for his money which is many times of paramount value to him, especially in the application of his automobile license. It resembles that which he has been accustomed to paying for at the Post Office and Express Company, which in itself discourages any thought on his part that it may be issued free. Our rates for both money orders and drafts are as follows:

Under \$10, 5c; from \$10 to \$100, 10c; over \$100, 5c additional for each \$50 or fraction thereof. The same rates apply to transfers of funds by telegram or telephone, except that the minimum charge is 50c plus charges.

## Other Charges

Our charge for the purchase of Foreign Exchange is 25c per \$100—minimum 25c.

Collection of drafts received from outside, 10c per \$100. Minimum 25c, to accompany draft when received or it is returned without presentation.

Outgoing drafts for collection, 25c each, plus forwarding fee. Due to the added responsibility in forwarding drafts for collection with Bill of Lading or Documents attached, we charge 50c each.

Supplying credit information. By letter 50c. By questionnaire 25c. To banks, no charge.

Collection of notes 1 per cent, minimum 50c. Collection of rents, land contract payments and the like 25c each, whether customers of the bank or not.

In the purchasing and selling of securities, we charge one-half of the regular stock exchange rate. On government bonds \$1.25 per thousand. Minimum \$1.

Shipping securities, 50c per envelope, plus insurance, registration and postage.

Since we have a ruling at our bank that under no circumstances do we accept securities or documents for safe keeping, we have no charge for this service in our schedule. The generally accepted charge for this service, where it is practiced and cannot be avoided, is \$1.50 per \$1,000 on bonds; \$1 per \$1,000, par value on stock, or 10c per share, which ever is greater.

This, more or less, covers the ordinary service charges with which banks have long been familiar and which many have in effect. While it may seem that all are rather trifling, a complete and religious application of all of these charges will net a surprisingly sizable added income.

## Figuring Interest

We will now move along into the more recent and important matters that affect the net profits of our banks. Beginning with our time deposits, the



major consideration, of course, is that of the rate of interest paid. Since relatively few banks in Wisconsin today pay more than 3 per cent on time deposits, and in view of the absolute lack of reason or ability to pay more it will be unnecessary to dwell on this subject. Needless to say, bank depositors are less concerned about interest return today than they are in the security of their funds and the rate of interest the bank can afford to pay them for them.

There is, however, considerable inconsistency in the way interest on savings accounts are figured. A survey shows that it is costing 3 per cent banks all the way from 2 per cent to as high as 3 per cent interest on average deposits in the savings department. Our Green Bay Banks, through our clearing house association, have just adopted a uniform method of computing savings interest, which we believe to be equitable to both the bank and the depositor, and I will submit it to you. Three per cent on sums which have been on deposit full six months. On sums which have remained on deposit one month or more, but less than six months, 2 per cent. No interest allowed on withdrawals between interest periods. Withdrawals to be deducted from latest deposits. Deposits made after the 5th of the month to draw interest from the first of the following month. No interest on balances under \$5. It is frequently advocated that accounts under \$25 should receive no interest. A survey in our bank shows that we have about 300 accounts that would be additionally affected by this ruling. The interest allowed on these accounts amounts to a little over \$100 a year. While it involves a little additional work in figuring and posting these 300 accounts twice a year, we believe that the actual interest cost buys a tremendous amount of good will, especially in view of the fact that it affects largely the accounts of small children to whom an interest credit, regardless of size, strikes a responsive cord and encourages them to build up their balances.

On the above basis of computing savings interest, our cost figured 1.24 per cent for the past six months on our average deposit or a per annum cost of  $2\frac{1}{2}$  per cent.

Savings accounts closed within ninety days after opened are charged 50 cents covering the cost of pass book, ledger sheet, signature card, and the time involved in placing the account on our books.

We believe that we have overcome in part the evils of the small coin banks. Instead of issuing a pass book and opening an account on our ledger

## "Our Responsibility"

**"The fact is that the depositor wants to see his bank make money. If you have any doubt about this, try advertising the fact that you are losing money and see what will happen. Place yourself in a position to broadcast to the world that you are making money and lots of it. Only then will your depositors have confidence that your bank is safe. Any charge you make your customer for service is for his own protection and it is not difficult to get him to see it.**

**"Banking departments are vested with the authority and are obligated to take drastic means to stop bank losses through bad loans. You are likewise vested with the authority as well as the responsibility of taking drastic means to stop bank losses through unprofitable accounts. Are you assuming that responsibility?"**

when a bank is passed out, we collect \$1 for the bank without troubling to keep any record of the customer with the understanding that if it is returned in fit condition to be passed out again we will refund the dollar. The \$1 more than covers the cost of the bank and protects us when it is mutilated, rusted, reported stolen or broken into by the child's father. This may seem an unimportant item, but it will eliminate the periodical jolt to your expense account as your supply of banks become exhausted.

### No Coupon Charge

One of the service charges we have failed to adopt has been the coupon charge. We are perfectly convinced that this charge is justified but it is one of the few that it is difficult to overcome without local banks co-operating, inasmuch as it affects your best and most desirable customers. It is especially a handicap where one or two of your competitors maintain bond departments and make no charge for cashing coupons. One of the primary reasons why we have been unable to get together on this charge in Green Bay is the belief of one or two bankers that customers that purchase their securities from the bank should be exempt. My reaction to this fallacy is this: It is my judgment that if a customer is not satisfied with the rate of interest the bank pays on time deposits and as a result the banker selects, recommends and buys a bond for him, based on his professional experience to be a suitable investment for the particular individual, he has rendered him a valuable service and any profit from the transaction is well

earned by the bank. There is no subsequent reason therefore, why a bank should semi-annually collect his interest coupons for the next forty years without at least getting paid for the expense involved. It is therefore my contention that this service commends a charge without exception to anyone.

The most equitable charge that has come to my attention for the collection of coupons is the schedule being considered by the banks of Outagamie County at this time. Here it is: 25c for the first coupon from a \$1,000 bond; 15c for the first coupon from a \$500 bond; and 10c for the first coupon from a \$100 bond, plus 5c for each additional coupon thereafter of the same size issue and maturity. No modification in this charge is necessary whether the coupon is accepted for collection, cashed, or credited to the depositor's account. The expense involved is the same.

### Charge on Notes

We will now take up one of the most conveniently adopted service charges a bank can install, towards which there is a conspicuous absence of objection and which produces a substantial revenue. This is the service charge on notes. Our charge is \$1 on all notes of \$200 or under, whether new or renewal, payable in advance, in addition to the interest. Any element of fear the banker may possess of the reaction to this charge may be promptly dismissed. It costs the average banker \$1.25 for each note he puts through his records. Is it reasonable then that he should grant a \$50 loan for 30 days and collect only 25c or 30c interest? Ask the borrower this

question and then follow his advice. To give you some idea of what revenue this charge will produce, I suggest that when you get back to your bank you count the number of notes under \$200, from the last run up of your note case. Assuming that you do not issue notes for a period longer than 90 days, multiply this number by four, and I am sure that the charge will recommend itself from the total of your computation. Upon installation of the charge some notes will clean up and some will be consolidated both of which procedures are desirable. But the difference in income will be made up from the short loans and renewals for periods of 30 and 60 days. The fellow who has carelessly permitted a small note to drag along for considerable time can be cut down to 30 day renewals and which in a measure will relieve the monotony of continued renewals, when you know that you are collecting \$12 a year from him, in addition to the interest. All small borrowers under \$500 pay us 7 per cent interest

and we make a minimum interest charge of 25c collected at the time the note is paid. We make a penalty charge of 25c for each past due notice. This is not designed to create revenue but to discourage carelessness on the part of the borrower to permit his note to become past due. We allow no interest on partial payments under \$50 which has worked out without any difficulty. When asked about it we explain that the increased work of handling partial payments do not permit us to allow credit on interest. All interest is figured in actual number of days instead of in months, regardless of the manner in which the note is drawn. This is equivalent to from five to six days additional interest for a year on the total of your loans and discounts.

We have installed the use to some extent of the installment note for which we have had special forms prepared to meet the situation. Since we have several finance companies in Green Bay, many of our people are

installment minded and inquire when making application for a loan whether or not they can repay it in monthly installments. It has also been found very effective in placing the slow, chronic borrower on a liquidating basis. It has met with a ready response from our merchants, who occasionally are required to take notes from customers for delinquent accounts and want them liquidated on some systematic basis. It is much more convenient to get a borrower to pay \$10 a month on an installment note than to pay \$60 at one time on a regular note. We have been charging 7 per cent interest on these notes for the number of months that the installments cover, plus the regular \$1 service charge in advance. While this may be in violation of the usury law, we have experienced no difficulty in this respect. Although I do not wish to assume any responsibility if you may incriminate yourself by following our practice.

(Continued on Page 9)

## Cartoons of the Month



It Took a Stranger to Wake 'Em Up!  
—Westerman in the Columbus "Ohio State Journal."



Everybody's Wolf  
—Shoemaker in the Chicago "Daily News."



Since our bank is located in a territory of railroads and industries, who in normal times issue sizable pay rolls, our merchant depositors procure funds from us for cashing checks on demand notes over week ends. Our charge on these is 10c per \$100 per day. Meaning a \$1,500 loan made on a Saturday and returned on Monday morning earns \$3.

**Mortgage Commission**

While banks at the moment are possibly doing very little loaning on real estate mortgages, we have in past years produced a sizable income by charging a commission of 2 per cent on all new mortgage loans and 1 per cent on renewals. We have experienced utterly no trouble in this respect, as the borrower is more or less expecting to pay something, in view of the practice of the real estate men and the strictly real estate mortgage companies. It is reasonable that a bank should be entitled to some added income from a loan that will probably extend over a period of from three to five years, with the necessity of a periodical check up of taxes and insurance, which is unnecessary on collateralized loans on which the interest rate is the same and the factors of liquidity far more desirable.

The Green Bay banks are just giving consideration to establishing a charge for cashing out of town checks for non-depositors to be based as follows: 5c each, plus 6 per cent interest for the number of days float, with a minimum charge of 10c. This is a charge that can offend no one and will produce considerable revenue.

**The Checking Account**

We will now go into the commercial department of the bank, which, without doubt, has been a greater drain on net profits than all the rest of our free services combined. On the other hand, with proper and intelligent treatment, this leak can be plugged up with much less difficulty than is ordinarily anticipated.

Several years ago when the matter of a service charge on checking accounts was new, the Green Bay banks for want of something better, and to effect a compromise between them, adopted a service charge of 50c a month on all accounts with an average daily balance under \$100. This charge has since proved not only inadequate but unfair as between the depositor who writes only five or six checks a month to the one who writes from 50 to 60. To remedy our present inadequate income from this source, and the inconsistency in its practical application, we are now giving consideration to a measured service charge on personal checking accounts on the fol-

lowing basis: A base charge of 50c a month on accounts with an average daily balance under \$100, allowing 5 free checks if balance averages under \$50 and ten free checks if account averages between \$50 and \$100. On average daily balances over \$100 no base charge, and permitting one free check for each \$10 of average balance. Excess checks in all cases to be charged for at either 3c or 4c each. Four cents for excess checks is more in line with costs in the average bank, but due to the new government tax of 2c it may be advisable to shade the bank cost to 3c so that the total cost

to the customer will not exceed 5c per check. Since we started with a base charge of 5c per month, we feel it unwise to change it at this time, but for those bankers who have no service charge of any kind, it is recommended that you adopt a measured basis as here outlined, but to make your base charge \$1 instead of 50c on balances under \$100 and allow ten free checks.

An additional charge made to this group of accounts is a penalty charge of 25c for each check written for which there are insufficient funds on deposit to cover, whether the check is

(Continued on Page 14)



SALMON P. CHASE - Secretary of the Treasury under LINCOLN

THE  
**CHASE NATIONAL BANK**  
*of the City of New York*

**Capital . . . . . \$148,000,000**  
**Surplus . . . . . 100,000,000**  
**Deposits (June 30, 1932) . . . 1,302,000,000**

ALBERT H. WIGGIN  
*Chairman*  
*Governing Board*

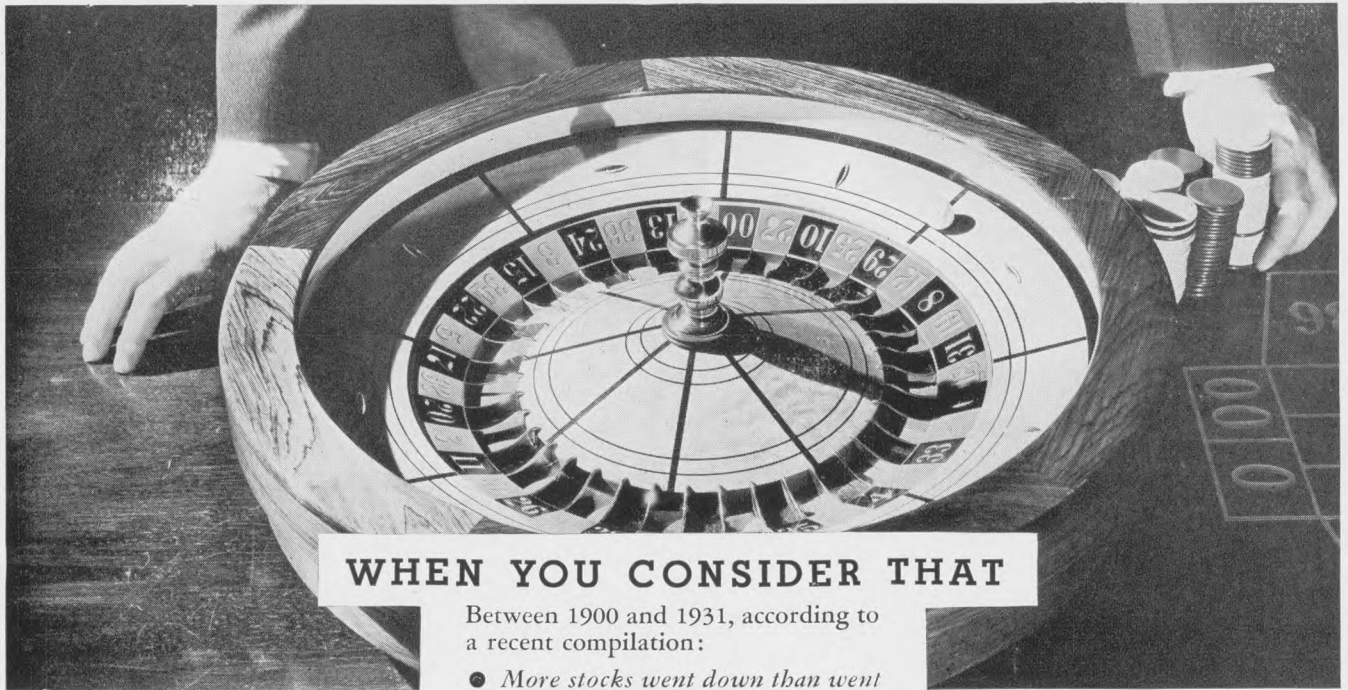
CHARLES S. McCAIN  
*Chairman*  
*Board of Directors*

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.

# How Good Is ONE Good Common Stock ?



## WHEN YOU CONSIDER THAT

Between 1900 and 1931, according to a recent compilation:

- More stocks went down than went up
- More stocks joined Bear movements than joined Bull movements
- In no year since 1915 have more than 75% of all stocks gone up
- During nine of the 32 years the chances were more than four to one against picking a stock that would go up. (Only in 1904 and 1909 were these "odds" reversed.)

Yet, the stock market averages during this long period rose 177%.

**F**EW investors realize the risk they run in trusting their fortunes to one or a few stocks in one or a few industries.

A typical common stock investment might include, for example, 50 shares of American Can, 30 shares of General Foods, 20 shares of Woolworth, 5 shares of American Telephone & Telegraph—all good common stocks. How unbalanced such an investment is will be indicated by the fact that the investor has about 57% of his funds in one company—American Can—and one industry, and representation in only four industries. There is no reason to feel confident that

this one industry and one company will fare better than or as well as the average of American business. Consider, also, the plight of any investor whose holdings in one company are excessive if this one company should pass its dividend.

In building the portfolio of NORTH AMERICAN TRUST SHARES, 1955 and 1956, a Supervised Unit Type Trust—the largest of its kind in the world—a scientific method for common stock diversification was employed. It will interest you. It is fully explained in a booklet called "Building a Portfolio". We shall be glad to send you a copy free of charge on request.



Deposited Stocks in Each Unit of North American Trust Shares, 1955 Maximum Cumulation Type

As of October 17, 1931, the date of execution of the Trust Agreement, a stock unit consisted of the shares listed at the right.

- The deposited stocks in each unit of NORTH AMERICAN TRUST SHARES, 1956 (Maximum Distribution Type) consisted on that date of 1/25 of the number of shares shown.

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

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.)

**DISTRIBUTORS GROUP, INCORPORATED - 63 WALL STREET, NEW YORK**

Owned by a Nationwide Group of Investment Houses

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# BONDS AND INVESTMENTS

## Speculation -- and Investment

IN ALMOST every type of investment, there is some element of speculation, declared Charles C. Marshall, president of the Mutual Savings Banks' Association of Rhode Island, in a recent article in the *Savings Bank Journal*. But speculation differs from gambling, in that speculation is a product of intellectual examination or search, whereas gambling is the act of risking something on an uncertain event.

Declaring that speculation has played a prominent part in the development of civilization, Mr. Marshall points out that Columbus was a spectator, whose theory was a spherical world; the hardy pioneers who first settled the virgin west, were spectators, matching their daring and hardships against the speculative riches of the early west.

Getting down to speculative investments, Mr. Marshall says, in part: "Nevertheless we are all just human enough to be rather self-satisfied with the permanency of any high grade list of investments. We are loath to disturb it owing to the fear of what to do with our funds should we liquidate certain securities which the market appraises at higher than their normal value. However, this problem of re-investment is a very poor excuse for not selling. If the first step is economically and speculatively sound, then, at least, we should clear this first hurdle and take the second after it has been reached. A rather good yardstick will be found in the statement that every investment should be regarded as so much cash, at its market value. The question, what would we do with the money were we to invest that amount of cash today, is of secondary importance.

### We Are Speculators

"Every time we purchase a security, we speculate as to whether or not it will be paid at maturity. We buy readily, but sell begrudgingly and, unfortunately, most of us buy at the wrong time. This is occasioned by the fact that the wrong time is usually simultaneous with the time when we

are in funds, and it takes unlimited patience and foresight and determination to delay an investment in securities until such time as they are on a bargain basis. On the one hand we buy high, with the result that we have to be satisfied with a comparatively constant and low return, and any such investment on the basis of permanency is simply the same as saying, we don't expect that higher rates will obtain until the maturity of our purchase. On the other hand, despite our most careful scrutiny, we are bound to have some unexpected disappointments and experience capital losses which we can ill afford on account of low returns on invested funds.

"Another phase of speculation is the unwillingness to take a loss when

**"In sponsoring a policy of intelligent speculation for any savings bank I am not advocating a wholesale or promiscuous turnover of our investment lists. I am not suggesting that we succumb to the high pressure and subtle salesmanship of some of our investment houses which are more interested in obtaining quick profits than in rendering meritorious service to their clients."**

all signs point to a continued weakened position behind the security originally purchased at higher prices. Such action requires courage, but we all surely would rather show courage in the early stages than to experience despair later. We are rather accustomed to take our losses but not our profits. Inevitably, we must take some losses but it is possible to reduce these to the minimum by painstaking speculation as to the future.

"In my plea for a judicious exercise of speculation in the investment policies of savings banks, I wish to make it clear that I do not in any sense, recommend investment in an inferior grade of security as, after all, experience has taught us that the best results can be achieved by buying only the best. But it has been proven that

there are proper times to buy long term securities and proper times to buy short-term securities, and when these particular times occur, our investment policies should be flexible enough to take advantage of the major trends which economic history shows always have occurred.

### "Self-Satisfaction"

"In sponsoring a policy of intelligent speculation for any savings bank, I am not advocating a wholesale or promiscuous turnover of our investment lists. I am not suggesting that we succumb to the high pressure and subtle salesmanship of some of our investment houses which are more interested in obtaining quick profits than in rendering meritorious service to their clients. I am certainly not recommending any lowering of the general high calibre of investments which savings banks have made simply for the temporary benefit of greater current income at the expense of capital security.

"How much easier it is to fill up our vaults with high grade bonds and sit back and bask in the sunshine of our own satisfaction over the fact that we have hidden assets in the form of so much market value over cost. Let us not become complacent or proud because we have charged down our securities against accumulated profits withheld from our depositor-owners over a period of years. How much better it would be for us to become restless and uneasy over this windfall over which we, as investors, have had no control, and to capitalize on our good fortune to the extent of a realization of our profits by a transference of this excess into temporary investments of unquestioned calibre which would return us dollar for dollar at maturity, thus enabling us to be in funds when it is again our good fortune to find these securities on the bargain counter. Such speculation means hard work.

### Trustees for Others

"We will find no sympathetic audience among those who prefer to follow a *laissez faire* policy nor find a

receptive mind among those of lazy mentality. Those who adopt a do-nothing or negative policy will find a sedative satisfaction in saying that speculation or gambling, as they consider it, is abhorrent to them and leads but to disaster. But the easiest way is not always the best way, and hard though it may be to force ourselves into positive action instead of following a course of inertia, the results to be achieved are well worth the effort.

"We are trustees of the people's money and we should give as good an account of our stewardship of their capital as possibly can be done, never

forgetting for a moment that we should inflexibly adhere to the highest degree of safety which such stewardship implies. I am sure we all have much latent brain power which could be advantageously exercised to the permanent benefit of our depositors. I am convinced that judicious speculation (and for fear of being misunderstood, I again refer to its definition) would bring us all much mental and material growth.

"Let us at all times and under all conditions retain a certain calmness of judgment and proper perspective, banish inaction when action is neces-

sary, be ever willing to assume responsibility when duly and properly convinced of the soundness of our premises, and be anxious and glad to pass on to those who will later take up our burdens, the history of our accumulated experiences gained through our successes and failures.

"The outstanding success of the mutual savings banks is such that we all may be proud to be in this particular field, but let us accept our good fortune with thankfulness and becoming humility, our reverses with dignity and patience."

### Industrial Adjustment

Leading corporations of basic American industries have adjusted their financial positions so that they are in a much more liquid condition and strategic position to meet recovery than in 1921, according to Lawrence W. Schmidt, statistician for Administrative and Research Corporation, New York, who has just completed a comparison of the condition of 30 companies on December 31, 1921, and at the beginning of this year.

"At the end of 1921," says Mr. Schmidt, "current liabilities of these companies amounted to \$900,878,944 while cash and marketable securities were \$858,476,527. In other words, current liabilities were \$42,402,417 in excess of cash and marketable securities. Current assets December 31, 1921 were \$3,247,433,359 leaving working capital of \$2,346,554,415.

"On January 1 of this year cash and marketable securities outweighed current liabilities by \$783,092,575, the actual figures being cash and marketable securities \$1,681,980,556, current liabilities \$898,887,981. Current assets at the beginning of this year were \$4,052,973,521, leaving working capital of \$3,205,030,942.

"The corporations considered in this comparison are Allied Chemical & Dye, American Can, American Radiator & S. S., American Smelting & Refining, American Telephone & Telegraph, American Tobacco (B), Atchison, Borden, Columbia Gas, Consolidated Gas of New York, du Pont, Eastman Kodak, Electric Bond & Share, General Electric, International Harvester, National Biscuit, New York Central, North American, Otis Elevator, Pennsylvania, Procter & Gamble, Standard Oil (Indiana), (Standard Oil (New Jersey), Texas Corporation, Union Carbide, Union Pacific, United Gas Improvement, U. S. Steel, Westinghouse, Woolworth."

"Backbone" and a "stiff upper lip" bring success, when utilized through proper channels.—James E. Newburn.

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## GMAC NOTES

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## GOBBLED UP BY THE TAX-EATERS

(Continued from Page 5)

very heavily in the transportation business, thereby directly competing with the transportation industry or through the process of subsidies.

### Vast Extravagance

There has been vast waste and extravagance in the expenditure of public monies. Canals have been built running into millions and millions of dollars which have scarcely been used since completed. Highways have been constructed far beyond the ability of the people to pay for them, and in many cases with little regard to the actual traffic density thereover. The president of the National Association of State Auditors, Comptrollers and Treasurers some time ago said in a public address:

"My long years of experience and contacts with governments convince me that at least 40 cents of every dollar collected in the United States is wasted."

Not only have governments in each passing year more and more indulged in reckless extravagance expenditures, but there seems to be an urgent tendency for such participation to increase rather than to diminish. In part, this is due to the agitation of certain organized minorities which have their own ideas to serve. In part, it is due to the lack of general knowledge of economic facts. In part, too, it is due to the inertia of a huge machine which has started to move to a certain direction—and "all the king's horses" can't seem to stop it.

Governments going into private business and spending the taxpayers' money with reckless abandon threaten the security and prosperity of every individual, even the form of society under which we live. Governments, without balancing budgets, become weak and insecure; credits disappear, and with them goes the credit incident to all industry and private business.

### Is There No End?

Taxes today gobble up about 30 per cent of our national income. This means that every man, woman and child must pay from \$107 to \$110 per year in taxes. Of the enormous total of taxes now paid by the American taxpayers, the federal government taxes 34 per cent, state governments 16 per cent, and local governments 50 per cent. It is not only the amount of these taxes but the tendency they represent that is alarming. More and more functions given to government. More and more money required by government to perform them. We are

bound to ask, is there to be no end to the swinging of that pendulum?

We hear much about the old frontiers having passed forever and that there is now no new territory to develop such as rescued the country from previous panics. The truth is that we are standing on the verge of the greatest frontier of all—the frontier of inadequate comforts, conveniences and luxuries for the great masses of our people, and all this in the midst of plenty. What we need is to re-establish faith and courage and credit. One way to do this is to assure private capital and private industry and individuals everywhere that their

investments once made will not be jeopardized by government competition supported out of the public treasury, and that the rewards of thrift and industry, by some referred to as profits, will not all be swallowed up by taxeaters.

### Just Cautious

A man who had just opened a store in a strange town was interrogating one of his early customers on the purchasing power of the citizens.

"Now, there's Deacon Brown," he said. "He has the reputation of being wealthy. Would he be likely to spend much money in here?"



## Earning its keep in many a sales department

The telephone is helping to solve an acute problem of business today—how to reduce selling cost. In this is one more indication of the flexibility of telephone service to the public's needs. Facilities parallel, and usually anticipate, changing requirements in business and the home.

It is thus no fortunate accident that the use of the telephone has become an everyday, almost every minute, habit. This is due in large

measure to careful planning by telephone men, to analysis of what the public wants, to engineering and building a constantly improved plant, to providing a faster and better service.

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## BELL TELEPHONE SECURITIES CO. Inc.

195 Broadway, New York City



## REVENUE PRODUCERS FOR COUNTRY BANKS

(Continued from Page 9)

paid or returned. This charge may not seem important to the average bank from the standpoint of producing revenue, but if you will reflect for a moment to your checking accounts, you will find the necessity of paying or returning daily, from six to ten checks without sufficient funds, and an added income of from \$1.50 to \$2.50 per day is welcome to any country bank in these days.

### Business Accounts

We will now proceed into the matter of commercial account analysis,

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strictly speaking, the business accounts in which float and deposited items are an important factor. In this group you are dealing with the more intelligent class of bank clients, the merchants, the industrialist, and the business executives. These men better appreciate your problems, and are receptive to them if approached in the proper manner and impressed with the necessity of their business being profitable to the bank. It is a significant fact that the accounts in this group uncontrolled will create tremendous losses to the bank. While it is all important for a bank to make a cost analysis to arrive at per item costs for the purpose of placing you in a favorable position to discuss it intelligently with your customers, time does not permit a discussion of the various ways that this can be handled. If you find your costs are abnormally high, it will be necessary to shade them, on the theory that you cannot penalize your customers if your costs of operation and overhead are higher than that of your competitor. In proceeding with our account analysis, we first determined our actual costs, which we found it necessary to shade, after giving consideration to our excessive overhead by virtue of our large bank building and our relatively small volume of deposits. As a consequence, we established the following per item costs:

Clearing house items deposited.	1c ea.
Transit items deposited.	3c ea.
Checks drawn	4c ea.
Deposits	5c ea.

I would suggest the elimination of the charge for deposits for your consideration, as it is the only item in the analysis that is difficult to justify with the depositor. He fails to understand why it should cost him a nickel every time he comes into the bank with a deposit. This cost can be conveniently included in one of the other items.

To facilitate the handling of float in a small bank, such as ours, we chose to use an average float of four days instead of actual float, which works out pretty closely and has caused us no difficulty. We then designed an analysis sheet which was more or less in detail, and from which we could convey a complete picture of the account history for the month to the customer.

It is a fact that the introduction of a charge on commercial accounts must be handled diplomatically and slowly. We assure you that this was not accomplished in our bank in a period of thirty or sixty days. In the first place it requires personal contact with every account that carries a loss, and cannot be handled by an informal notice through the mail.

To begin with we analyzed about a dozen accounts which we continued for a period of three months to thoroughly familiarize ourselves with its mechanics and be prepared to go into it in a convincing manner with the customer. Then, as the occasion conveniently presented itself, we would call in the individual customer, or drop in to see him at his office and sit across the desk with him and present our findings. We told him that what we wanted to discuss with him would be more or less a radical departure from anything he had ever heard before. We then went into the subject of decreased bank earnings and increased operating costs, along the line discussed with you previously. We told him that the commercial department of all banks were showing tremendous losses and that we were establishing means of correcting the difficulty. We explained to him the cost analysis we had made, and that we were now applying these costs to each department and account in our bank. We suggested that it may be of interest to him to know just how we go about this and the results that have reflected themselves when applied to his particular account. We then went through the analysis of his account in detail and answered any question that came up. From this experience, we have found that this method of approach is conducive to an absolute spirit of co-operation from the client. The first reaction will usually be that the entire matter is a decided revelation to him and it had never occurred to him how a bank made its money and frequently will indicate his wonderment at how they were able to make money at all. He will then usually ask you to suggest a remedy as to how his account may be placed on a more favorable basis. We suggest, of course, that an effort be made to increase his balance and advise him about what increase is necessary to place his account on a profitable basis. In cases where this is not possible, we suggest the reasonableness of the bank charging the loss to his account until such time as his balance can be increased to its proper size. We have found that he is perfectly satisfied to have us do this.

Should you proceed to analyze your commercial accounts, it will be a revelation to you to find that some of your pet accounts are costing you money, whereas your less respected accounts have been showing you a profit. We have accounts in our bank reflecting average daily balances of from \$4,000 to \$5,000 that are showing a loss of from \$10 to \$35 a month. We have two such accounts that are paying us regularly about \$30 a month each.



# INSURANCE

*Its Application to the Banking Fraternity*

## Insurance Has Weathered

### the STORM

By THOMAS HUGHES  
*General Agent, Equitable of Iowa*

THE SUSTAINING power of life insurance has been brought into high light in the present financial upheaval, particularly by reason of the failure of other kinds of property to function in the emergency. As one writer has observed, there are only two sources of money: men at work, and dollars at work. When personal earnings are cut off, men look to their investments for income, and may properly expect in such emergencies to draw upon their investments to sustain them through such a crisis. Events of the past few months have clearly demonstrated that all securities based on property values, as well as real estate itself, have been unable, generally speaking, to satisfy the need of the nation in this respect. Many stocks have discontinued dividends after having paid them throughout a long lifetime; many bonds and mortgages, ordinarily thought of as high-grade, are disappointing their holders by defaulting in interest; and much real estate, usually rented, is now vacant and practically unsalable. But, through all this, life insurance stands firm. Life insurance companies are fulfilling their contracts, and even exceeding their contractual necessity by paying non-guaranteed dividends. Thus we find that life insurance is the only institution in the field of investment which has a consistent and guaranteed sustaining power through emergencies.

In 1931 American policyholders and their beneficiaries received from the life insurance companies nearly two and three-quarter billions of dollars, a figure in excess of the 1930 distribution by something like three hundred and fifty millions. The increase in this figure is significant as indicating the urgent need of the recipients for these funds. Even under more normal economic conditions, the annual distribution of life insurance funds does much to sustain the nation, for these payments are almost always made in emergencies.

Upon the death of the family provider, life insurance payments to the widow and children enable them to keep the family together, with at least a semblance of normal living conditions. The maturity of an endowment policy is frequently the means of placing a family on a substantial basis of

home ownership or enabling them to meet oppressive obligations.

Heretofore, the sustaining power of life insurance in circumstances other than the death of the insured, has been regarded largely as an emerg-

**"During recent months many policy loans have been executed for corporations which have drawn on their life insurance equities, not only to meet maturing obligations, but even to defray their running expenses and meet current bills."**

ency or secondary value. But, during recent months, the uses of life insurance in preserving family bonds, maintaining health, and literally sustaining life, have become a living reality of such tremendous social and economic significance, as to make them appear, if not the primary function of life insurance, certainly the equal in importance of any other. While some have viewed with alarm the increasing use of the loan privilege, nevertheless all underwriters have witnessed the wonderful service of the policy loan to worthy individuals and families caught in the storm of economic upheaval through which we are now passing. The value of life insurance in this crisis has been far beyond any cost it may have entailed. It has met the emergency in truly magnificent fashion.

There is a spiritual value in life insurance in such a crisis as this, for the man who has exhausted all other resources will find in his life insurance a means of sustaining his courage and hope, and keeping alive that morale which is essential to life. The values in his life insurance policies will provide the means for him to carry on, and the knowledge that his family is protected against the hazard of his death, will be a satisfaction and

comfort obtainable in no other way.

Underwriters have frequently urged business men to carry life insurance for the benefit of their business enterprises, pointing out as an incidental advantage the cash and loan values for use in emergencies. But, it has taken the experience of the past year to impress this use of life insurance indelibly on the consciousness of underwriters and business men alike. During recent months many policy loans have been executed for corporations which have drawn on their life insurance equities, not only to meet maturing obligations, but even to defray their running expenses and meet current bills. Without their life insurance, many such corporations would have been in receivership or bankruptcy. It is enabling them to weather the storm in which their life insurance looms as a welcome haven of security.

Life insurance is an invaluable aid in maintaining the intended value of an estate which has shrunk due to the decrease in the sale price of the property items in the estate. When market quotations of stocks and bonds have declined nearly to the vanishing point, when real estate suffers from greatly depressed prices in a stagnant market, and when mortgages, through many defaults in interest, are salable only at usurious discounts, then in such circumstances the estate made up of such property items can be maintained at par only through the balancing effect of life insurance. On this account, many persons of substantial means have recently increased their life insurance holdings.

Life insurance is used for three general purposes: to provide an estate if one dies prematurely, to provide a guaranteed estate for the years after retirement, to set up reserve equities useful in emergencies. In the accomplishment of these ends, life insurance stands today preeminent in the field of investment. It has magnificently stood the test of the recent trying experiences which have upset our normal economic life. Thus, in saving individuals and families, and business enterprises throughout good seasons and in adversity, it proves itself to be the greatest sustainer of all. The man who has it owns an asset of great value which will never be found wanting.

# Plan Nebraska State Convention

UNDER the supervision of the officers of the State Association, plans are rapidly going forward for the annual state convention of the Nebraska Bankers Association, to be held November 3rd and 4th at Omaha. These dates were selected to permit the use of the Stock Show, Horse Show and Rodeo, as the entertainment for one evening of the convention. The Paxton Hotel has been selected as convention headquarters.

In announcing the probable speakers, Secretary William B. Hughes, makes this comment:

"C. W. Allendoerfer, vice-president of the First National Bank, Kansas City, who will be a speaker at the American Bankers Association convention in Los Angeles just prior to our meeting. He is one of the very best known and best liked bankers in this section of the country, and we feel very fortunate in having him on our program.

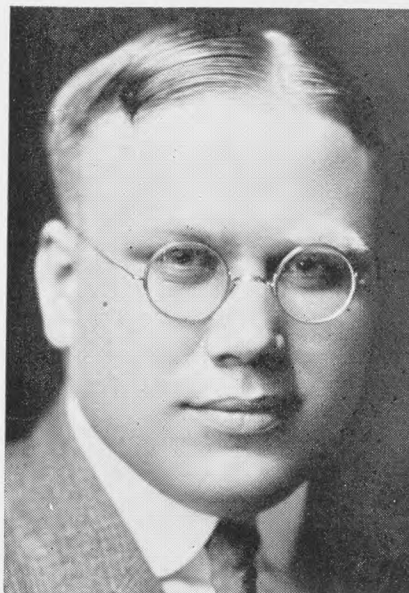
"Colonel Robert R. McCormick, publisher of the *Chicago Tribune*. Colonel McCormick has been delivering broadsides verbally, and through the columns of his powerful newspaper, against the tax spenders of the nation, states, and smaller public subdivisions, declaring that unless their course is turned it will mean disaster for this country. We think every member of our association should hear him.

"Max B. Nahm, vice-president of the Citizens National Bank, Bowling Green, Kentucky. Mr. Nahm is very prominent in American Bankers Association circles, and has a real banking message to deliver."

In preparation for the annual convention, President Alvin E. Johnson, of the Omaha Clearing House Association, has made the following committee appointments:

General Committee on Arrange-

ments—F. W. Thomas, chairman, vice president, First National Bank, Omaha; W. R. Roberts, president, First National Company, Omaha; R. R. Ridge, vice president, Omaha National Bank; C. W. Mead, vice president, Omaha National Company; G. H. Yates, president, United States National Bank, Omaha; H. M. Bushnell, president, United States National Company, Omaha; James B. Owen, vice president, Stock Yards National



ALVIN E. JOHNSON

President, Omaha Clearing House Association

Bank, Omaha; A. L. Coad, vice president, Packers National Bank, Omaha; Alvin E. Johnson, vice president, Live Stock National Bank, Omaha; Frank C. Horacek Sr., president, Union State Bank, Omaha; G. A. Gregory, cashier, Federal Reserve Bank, Omaha; John Carmody, vice president, Federal Land Bank, Omaha.

Reception Committee—J. R. Cain, Jr., chairman, vice president, Omaha National Bank; C. D. Saunders, vice president, First National Bank, Omaha; Lawrence Brinker, vice president, First National Company, Omaha; A. L. Loomis, Omaha National Company; P. B. Hendricks, vice president, United States National Bank, Omaha; M. V. Raynor, assistant secretary, United States National Company, Omaha; C. L. Owen, assistant cashier, Stock Yards National Bank, Omaha; F. J. McCauley, cashier, Packers National Bank, Omaha; H. O. Wilson, cashier, Live Stock National Bank, Omaha; Frank C. Horacek, Sr., president, Union State Bank, Omaha; O. C. Cordill, assistant cashier, Federal Reserve Bank, Omaha; D. P. Hogan, president, Federal Land Bank, Omaha.

Entertainment Committee—J. F. Coad, chairman, president, Packers National Bank, Omaha; J. T. Stewart, III, cashier, First National Bank, Omaha; Lawrence M. McCague, First National Company, Omaha; O. T. Alvison, vice president, Omaha National Bank, Omaha; S. R. Kirkpatrick, vice president, Omaha National Company, Omaha; V. B. Caldwell, assistant vice president, United States National Bank, Omaha; Ellsworth Moser, vice president, United States National Company, Omaha; W. H. Dressler, cashier, Stock Yards National Bank, Omaha; R. H. Kroeger, assistant cashier, Live Stock National Bank, Omaha; Ernest J. Horacek, assistant cashier, Union State Bank, Omaha; William Phillips, assistant cashier, Federal Reserve Bank, Omaha; A. Kopperud, vice president, Federal Land Bank, Omaha.

Committee on Local Women—Mrs. C. W. Mead, chairman; Miss Frances Stem, Mrs. W. B. Millard, Jr., Mrs. C. F. Brinkman, Mrs. Ellsworth Moser, Mrs. James B. Owen, Mrs. A. L. Coad, Mrs. Alvin E. Johnson, Mrs. E. J. Horacek, Mrs. L. H. Earhart, Mrs. D. P. Hogan.

Stock Show, Horse Show and Rodeo Committee—J. C. McClure, chairman, vice president, United States National Bank, Omaha; W. B. Millard, Jr., vice president, Omaha National Bank; W. H. Dressler, cashier, Stock Yards National Bank, Omaha.

Banquet Committee—J. T. Stewart, III, chairman, cashier, First National Bank, Omaha; John A. Changstrom,

(Continued on Page 22)

## Central Typewriter Exchange, Inc.

(EST. 1903)

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

# Nebraska News



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

### P. B. Hendricks

P. B. Hendricks, vice-president of the United States National Bank of Omaha, left last month with Mrs. Hendricks and their two children for a month in Minnesota.

### Fiftieth Anniversary

The First National Bank of Wahoo, Nebraska, recently celebrated the 50th anniversary of its founding. No business was transacted during the afternoon, and a steady stream of visitors and well wishers called to offer their congratulations. Punch and wafers, and cigars were presented to the visitors. The wives of the officers of the bank had charge of the serving.

Not only were the officers of the bank congratulated upon their successful termination of the fifty year period, but in addition thereto, they received a number of telegrams and letters from both banks and individuals, congratulating them upon the manner in which the institution had been conducted, and upon its stability, and wishing them many more years of service to the community.

Of particular interest was the telegram received from the president of the Omaha National Bank which read as follows:

Omaha, Neb., July 15, 1932.

"E. E. Placek, President  
First National Bank  
Wahoo, Nebraska

Congratulations on your institution having passed the half century mark. Reference to our ledger indicates that on July 20, 1882, an account was opened on our books in your name for \$20,000. This relationship has been continuous and most agreeable and satisfactory throughout the years. Under your capable direction and leadership we look forward to a happy association for many years to come. Best wishes.

W. DALE CLARK, *President,*  
The Omaha National Bank."

### On Southern Trip

"There is no place like Nebraska" would be his theme song if Edwin Van Horne, president of the Continental Bank of Lincoln, were to set the story of his recent trip to music. During extensive traveling the past month in Kansas, Oklahoma and Texas, all of the way to the gulf, Mr. Van Horne found no equal to the crop conditions in southeastern Nebraska.

Not only did the crops look good, but Mr. Van Horne observed more men at work and more other activity between Lincoln and Chester, than in all of his travels in both Oklahoma and Texas. Livestock south of the Nebraska border also failed to show in an even near favorable light compared with the animals in the Lincoln trade territory, according to Mr. Van Horne.

Despite spotty crop conditions in

the south, Mr. Van Horne was given an optimistic picture by the residents of those states. Better cotton prices and renewed activity in the oil industry have been highly cheering in that region.

Mr. Van Horne's son, Leonard, accompanied him on the trip, which was made by auto.

### Herman Bank Founder Dies

E. P. Hanson, 62, founder of the Herman State Bank in 1907 and its president since that time, died last month in an Omaha hospital after a long illness. His widow and one son, Howard, survive.

Born a short distance west of Herman, Mr. Hanson was educated at a Fremont normal school and farmed until he was 28. He then located in Omaha, working as a salesman for the Cudahy Packing company three years and then for the Standard Oil



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UNION STOCK YARDS OMAHA

company five years. Then he founded the Herman bank.

Mr. Hanson was a thirty-second degree Mason, a Shriner and a member of the Knights of the Maccabees.

### Thomson in Omaha

The movement among farmers in Nebraska and other farming states to hold for \$1 wheat was described as "the best thing that has happened" by J. Cameron Thomson, vice president and general manager of the Northwest Bancorporation, Minneapolis, who was in Omaha recently.

Mr. Thomson was making an inspection of outstate banks affiliated with his organization. He spent several days in Omaha inspecting the two Northwest Bancorporation banks, the United States National and Stockyards National. He was accompanied by W. D. Wyard and W. E. Brockman, Minneapolis, officers of the Bancorporation.

### Bank of Morse Bluff Reopens

Reopening of the Bank of Morse Bluffs was announced last month by State Bank Commissioner Woods. The bank resumed business after seven months' suspension having closed last January 4th. Its capital stock of \$30,000 has been fully resubscribed in cash, all bad and doubtful paper taken out, and the bank made fully solvent by the directors and stockholders. The undivided profits account is credited with \$1,170 in cash.

There are \$69,000 of deposits belonging to the old patrons, who have agreed to leave the money in for the present, but will be permitted to draw

it out gradually later on. Ultimate payment of the depositors in full is contemplated by this arrangement.

Richard McCluhan is president of the rejuvenated institution; Phillip Walla, Jr., vice president; Emil Wolf, cashier; and C. M. Skinner, assistant cashier. The last two were officers of the old bank, but the others are new to its management.

### Thirtieth Anniversary

The thirtieth anniversary of the opening of the National Bank of Commerce was quietly observed last month at Lincoln within the monthly meeting of the institution's board of directors.

Byron Dunn, employe of the bank for twenty-five years and now cashier, reviewed its history in a brief talk.

"The coming of our thirtieth anniversary at a time when Nebraska is slowly but surely returning to a true normalcy and every day sees a strengthening of confidence, is most appropriate," he declared. "It calls noteworthy attention to the precept of slow and steady and the ideal of sound practice in all human contacts and business relations.

"There has been planned no observation of the anniversary so it may be appropriate to suggest, within the limits of modesty, that there is a definite connection between the position the institution now occupies and the ideals upon which it rests."

### Succeeds Father as President

Directors of the Bank of Scotia, Nebraska, have elected Edward Kokes

as president of the bank to succeed his father, the late Vincent Kokes. Edward has been cashier for several years. The new cashier and vice president of the Scotia bank is Harry Grohosky.

### A. G. Evans Dead

Archibald G. Evans, 74, died last month at Lincoln Nebraska. Mr. Evans was a prominent insurance man in Nebraska prior to his retirement on account of ill health a year and a half ago. He had lived in Lincoln thirty-five years.

At the time of his retirement he was state agent and adjuster for the Columbia Fire Insurance Co. He had served in the same capacity with the Continental Fire Insurance Co., at Bowling Green, Ky., and at Nashville, Tenn.

He was born in Hancock county, Illinois. At the age of 14, he came to Nebraska with his parents, settling in York county. He was graduated from York college and then entered the banking business at Hampton, Neb., where he remained a number of years.

### Files as Delaware Company

Papers incorporating the million-dollar Nebraska Discount corporation under the laws of Delaware have been sent to Delaware, William B. Hughes, secretary of the Nebraska Bankers association, announced recently.

Working with the Reconstruction Finance corporation, the group expects to make nearly 10 million dollars additional credit available to agriculture. Headquarters will be in Omaha.

### "Ask Nebraska"

"Somehow," says the Shenandoah *Sentinel*, "we cannot get the idea out of our system that the government should guarantee deposits put in a bank for safe keeping."

Well, Brother Marvin, you had better abandon the idea for the time being and investigate the functioning of the bank deposit guarantee idea in Nebraska, Oklahoma and a few other states that tried it.

Nebraskans would like to talk to you about how it didn't work here in spite of promises of the proponents that it would. They would like to tell you how many millions they are "out" because law failed to protect depositors against incompetence and dishonesty. The bank guaranty law in that respect is just like the laws against robbery, rapine and murder. They presume to put fear into the hearts of criminals, but they do not.

The Nebraska guaranty law worked for a while. Then came the boom.

## WE GET THINGS DONE . . .

YOU'D ENJOY having us act as your correspondent bank in Lincoln, Nebraska.

*Because:* We have an intimate and thorough knowledge of Lincoln and the whole state of Nebraska;

*Because:* We handle your transactions with speed and efficiency;

*Because:* Our staff co-operates with your staff throughout our relationship.

Do these strike you as sound reasons? We'd welcome an opportunity to convince you.



**Continental National Bank**  
LINCOLN, NEBRASKA

*Affiliated with* NORTHWEST BANCORPORATION



Banks were started in every cross-roads hamlet, although there was no room for them. Some villages of 800 had three banks. "Perfectly safe," said the people, "because the State guarantees our deposits." The State never did any such thing—the whole thing was a "gentlemen's agreement" among bankers. Eventually, as the crash of failing institutions reverberated across the state, the honest and competent bankers withdrew from the fund or nationalized themselves. Nobody knows how many millions were lost; nobody will ever know the cost in community disintegration, broken faith, destroyed confidence and ruined lives.

The government of the United States can no more guarantee honesty and ability in a banker than it can guarantee perfection in administration—and that has been tried for decades. Your money is safe in the bank, despite man-made laws, when the banker is a safe man himself. That is your best guarantee. No law can improve a fool; no law can remake a crook into an honest man.—*Nebraska City News-Press.*

### Bankers Fight Anthrax

Dr. H. L. Feistner, Nebraska state veterinarian, brought back encouraging reports of co-operation of farmers, bankers and veterinarians in northern Nebraska to combat the spread of anthrax and its heavy death toll to livestock.

At the same time, the total number of farms under quarantine in the anthrax district, passed the 100 mark with more than 4,000 head of stock under quarantine. The total stock loss to date is now estimated at 583.

Dr. Feistner talked with bankers at Center, Niobrara and Spencer in the heart of the anthrax district. They all have been allowing additional loans to farmers of mortgaged stock where they think they will have an equity. Dr. Feistner was told they would continue to follow this policy. The same procedure is being followed by officers of the Boyd County Agricultural Credit association which is obtaining stock loans from the Federal Intermediate Credit Bank at Omaha, to provide funds for vaccination against anthrax.

Bankers told him that much of the stock in the area is not under mortgage and loans easily may be procured on such animals to permit vaccination to check the anthrax. Although farmers are discouraged at the spread of the infection, Dr. Feistner said they were giving fine co-operation to state veterinarians in disposing of carcasses of dead animals.

## News of the Omaha Stock Yards

### Ak-Sar-Ben Stock Show

Premiums totaling \$36,000 are being offered to exhibitors of various classes of live stock in the fifth annual Ak-Sar-Ben Stock Show, to be held in connection with a horse show and rodeo October 29 to November 4 in Omaha.

Premium lists are just off the press and according to W. H. Schellberg, chairman of the Stock Show executive committee, they are now ready for distribution.

As in former years, beef cattle will get the major share of the prize money, a total of \$21,342 having been set aside for this purpose. Total amounts offered in the various other classes are as follows: Dairy cattle, \$4,745; Swine, \$1,659; Sheep, \$2,927; Horses, \$2,545; 4-H clubs, \$2,550; Herdsmen, \$150.

Between the attractiveness of the prize list and the honor attached to the winning of an Ak-Sar-Ben ribbon entries are expected to be even larger than last year when breeders and feeders from the following 20 states were represented: Colorado, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Montana, Nebraska, North Dakota, Ohio, Oklahoma, Pennsylvania, South Dakota,

Tennessee, Texas, Washington, Wisconsin and Wyoming.

No changes in the general plan of the show are anticipated. The carlot show will be held at the Union Stock Yards in pens handy to the Exchange buildings while all other exhibits will be housed, judged and sold at the Ak-Sar-Ben Coliseum which boasts one of the largest and finest show rings to be found anywhere in the Middle West.

### Valuations Cut

Reductions of 17 per cent in assessed valuations of lands, 15 per cent for town lots and improvements and 23 per cent in personal property were announced recently by the state board of equalization.

The cuts in assessed valuations apply to each of the 93 counties of Nebraska.

The total reduction in assessed valuations of property in the state this year, as a result of the action of county boards and the state board was \$524,387,134.

Lands were reduced \$301,153,484; lots, \$91,440,864; personal property, \$99,984,647, and railroads, \$31,844,139. Franchises are yet to be computed in the totals.

## Increased Popularity

THE COMPLETENESS of the service rendered by the FIRST NATIONAL BANK and the FIRST TRUST COMPANY, and the courtesy and general efficiency of its officers and employes are responsible for the increased popularity which these institutions are enjoying among their numerous correspondent customers.

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

"Since 1871"

The state board warned that lower taxes will not necessarily follow the reductions in valuations unless they are followed by decreased expenditures by counties.

"The movement for lower valuations was prompted by the belief that it would force lower expenditures," the board said today. "Perhaps the agitation has borne fruit, since many subdivisions of the state have reported their budgets have been reduced."

### The Final Test

[Sioux City Live Stock Record]

In the midst of it all these farmers, who are going on strike to stop selling wheat until the price has gone up to a dollar per bushel, will have to meet the laws of nature. The consumer must have the price or he can't consume, and how's he going to get the price if the wheels of industry are stopped? It would seem that the whole country has but recently had one horrible example of price pegging without reference to supply and demand. We had the humanity stager of the Farm Board going into the price pegging game—and the country has lost money by the hundred millions, all of which comes out of the tax payer.

### More Credit for Feeders

More funds than usual for live stock feeder loans will be made available this fall by the United States National Bank of Omaha, affiliated with the Northwest Bancorporation, according to Gwyer H. Yates, president.

With continued improvement in live stock prices, a heavier demand for feeder credit is anticipated. Considerable corn will be fed to live stock if grain prices do not improve materially, and Nebraska promises to have a bumper corn crop this year, said Mr. Yates.

### State Hail Insurance

No more applications for state hail insurance can be taken after August 21, and it isn't likely that anybody will try to take out a policy now, as only about 50 farm owners and tenants in Nebraska have done so since the hail season opened on April 1. The season ends September 15.

But nine loss claims have been filed with the state insurance bureau so far. Unless there should be widespread hail damage in the next three weeks, the state fund will have few payments to make in the fall, totaling not to exceed \$1,000.

The volume of business has been so insignificant this year that it is not deemed worth while for the state to continue writing hail insurance policies, as the field is amply covered by a number of private companies. Repeal of the law will probably be recommended by State Insurance Commissioner Herdman.

### Same Thing

Mr. Dollar (arriving at a dinner party with family): "Please announce Mr. and Mrs. Dollar and daughter."

New Butler (announcing in loud voice): "Three bucks."—*S. C. Wampus.*

## Wyoming News

### Wyoming Woman President

The only woman bank president in the state of Wyoming recently became a reality, when Mrs. Ida Franklin was elected president of the state Bank of Green River, Wyo. She succeeds Hugo F. Gaensslen, who died December 19.

Mrs. Franklin has served as a director of the bank since the death of her husband, Henry Franklin, six years ago. She has also served as director and vice-president of the First National Bank of Green River for the past six years; has been a member of the board of directors of the Green River Mercantile Co., and is prominently known in various business and community activities.

The State Bank of Green River was established in 1883, and is the oldest bank in Sweetwater county.

### Wants Feeder Loans

Senator R. D. Carey of Wyoming, who was in Omaha recently conferring with Omaha livestock men and bankers, said he feared unfavorable reaction in the livestock market would result unless federal feeder loans are made available in the near future.

"The market has been straightening out in fine shape lately, but in a week or ten days the big rush of grass cattle will start. If there is no place to sell them but to the packers the market is bound to tumble," he declared.

### State Convention

Arrangements are now complete for the twenty-fourth annual convention of the Wyoming Bankers' association, which will be held in Rawlins, September 2 and 3.

George Bible, cashier of the First National Bank; Homer France, cashier of the Rawlins National Bank, and Miss Kathleen Snyder compose the arrangements committee.

Between 100 and 150 bankers and their wives are expected for the sessions.

### Resigns at Powell

Harry Barrows has resigned his position as cashier of the First National Bank at Powell, Wyoming, to look after real estate interests in and about Powell. He had been connected with the bank for the past 12 years.

A sale half made will be finished—by a competitor.—Art Metal Service (Art Metal Construction Company).

## WHAT WOULD YOU LIKE TO KNOW about the livestock industry?

CHANCES ARE we could give you a pretty good answer. True, this is not really our business, but our officers have lived so close to the yards for such a long time that they have acquired a pretty good knowledge of livestock.

We find it's very helpful — this thorough understanding of the industry's banking requirements. As your correspondent in South Omaha, we can show you exactly what we mean.



## STOCK YARDS NATIONAL BANK

SOUTH OMAHA, NEBRASKA

Affiliated with NORTHWEST BANCORPORATION



# New Mexico News

## No Bank Failures

New Mexico banks are holding up favorably despite present conditions, State Bank Examiner John Bingham reported last month.

"New Mexico is the only state beside Vermont that has not had a bank failure in the last 18 months," he said. "It is an excellent record. I believe business is getting a little better now, and the increased livestock prices helping ranchers and farmers who have made loans from banks should help the banks also. The outlook for banks should continue favorable for some time."

## Controls Durango Trust

Announcement was made last month that John J. Emmons of the First National Bank of Gallup, New Mexico, has purchased control of the Durango Trust and Savings Bank.

Mr. Emmons will try to give his entire time to the Durango bank, leaving the Gallup bank under the capable management of his brother, Glen Emmons.

## Leases New Offices

Leasing of the big corner room of the Occidental Life Insurance company building at Third street and Gold avenue, Albuquerque, New Mexico, by the New Mexico Loan and Mortgage Company, was announced last month.

The room has been remodeled to suit the needs of its new tenants. The loan and mortgage company now is located at 514 West Central avenue.

## How They Stand

In a recent New York Clearing House statement there were twelve of the members with net deposits of one hundred million dollars. Following is their numerical order of average net deposits for the week preceding August 8, 1932:

Chase National	.....\$1,136,766,000
National City	..... 1,087,370,000
Guaranty Trust	..... 828,020,000
Central Hanover B & T	477,908,000
Bankers Trust	..... 469,632,000
Manufacturers Trust	.. 321,923,000
Irving Trust	..... 321,528,000
First National	..... 308,205,000
Bk. of Man. Tr. Co.	... 245,993,000
Chem. Bk. & Trust Co.	236,274,000
Corn Ex. Bk. Trust Co.	188,494,000
New York Trust	..... 188,457,000

## Montana Banks

Aggregate resources of the 98 state banks of Montana as of June 30, 1932, were \$52,828,454, according to a compilation by Superintendent G. M. Robertson. Loans and discounts were \$2,274,989; bonds, warrants, etc., \$17,663,977, and cash and due from banks, \$7,925,031.

Capital stock totaled \$4,870,000; surplus, \$2,100,547; undivided profits, \$776,659; reserves, \$825,740; demand deposits, \$22,841,659; time deposits, \$8,219,510, and savings deposits, \$9,761,851.

## Sees Rosier Outlook

J. B. Madison of Charleston, W. Va., member of the federal board supervising joint stock and federal land banks, last month at Lincoln, Nebraska, said he had seen promising indications of a new era of agricultural prosperity.

He said improved farm sentiment has manifested itself in a strong demand and readier sale for farms. Most farmers are determined to stay on the land and work out of their debts and difficulties.

"While the farmer is not yet getting enough for some agricultural staples to cover cost of production, he is feeling encouraged by recent advances in the prices of cattle and hogs."

# Colorado News

## A Correction

In the August issue of the CENTRAL WESTERN BANKER, appeared a news item relative to the transaction whereby the new First National Bank of Loveland, Colorado, has acquired the interests of the old First National Bank of that city.

In the second paragraph of the August item, it was stated that—

"A. D. Calkins has been elected executive vice president of the new institution and had the cooperation, in effecting the new organization of W. E. Letford, well known banker of Johnstown and Longmont, now president of the Poudre Valley National Bank, of Fort Collins, an experienced bank examiner."

This paragraph should have read as follows:

"A. D. Calkins, who has been elected executive vice president of the new institution, was the moving spirit in the organization of the new bank and had the active cooperation of W. E. Letford, well known banker of Johnstown and Longmont, now president of the First National Bank in

the latter city; and C. L. Stout, vice president of the Poudre Valley National Bank, of Fort Collins, an experienced bank examiner."

The CENTRAL WESTERN BANKER is happy to make this correction.

## Fort Morgan, Colorado

Although the average American city has a bonded indebtedness of \$114 per capita, Fort Morgan, Colorado, has sufficient funds to remove its entire bonded debt, City Superintendent George Cox announced. During the past month the city has retired \$35,000 of a total bonded indebtedness of \$142,000 and has added \$12,000 to a \$102,000 sinking fund. With the debt reduced to \$17,000 and the sinking fund increased to \$114,000 the city is free of debt, Cox said. Instead of having a debt of \$9,006 for each person in the city, Fort Morgan has \$1.57 to the good for each of the 4,441 residents. The bonds do not come due until 1937, but the city was able to accumulate sufficient money to handle the bonds out of the earnings of the municipal water and power plant.

## Banker's Wife Dead

Mrs. Lucretia S. Ellett, wife of Emerson C. Ellett, vice president of the United States National Bank, of Denver, Colorado, died at her home, 1330 Gilpin street, last month, from an illness of six months.

Mrs. Ellett was born in Cleveland, Ohio, and came to Denver with her father, the late John Skinner, in 1893.

## Meet in Denver

Officials of all livestock and wool associations in Colorado, New Mexico, Oklahoma and Kansas, constituting the ninth federal land bank district and also the ninth intermediate credit bank district, assembled last month in Denver and formed an organization to obtain for Denver a credit corporation under the Reconstruction Finance corporation to finance stock producers and feeders to an amount of 30 million dollars maximum.

Charles E. Collins of Kit Carson, president of the American National Livestock association, was elected president of the new group.

In a brief speech before the assembly, Collins urged the need for prompt action, and pledged his associates to do all in their power to assist the stockmen and wool growers in the four states.

What a fortune is a mind! What a gift, what a blessing!—Haydon.

## Kansas News

### Blakemore Is New President

At the regular monthly meeting of the board of directors of the First National Bank of Liberal, Kansas, the following officers were elected: T. J. Blakemore, president; A. F. Gorman, vice president; C. W. Law, vice president; F. E. Imel, cashier.

Mr. Imel was also elected director.

### Addresses Sedgwick Bankers

Fred Bowman of Topeka, secretary of the Kansas Bankers Association, was speaker at a social meeting of the Sedgwick County Bankers Association, held last month at the Wichita Country Club. There were 57 at the dinner which was served in the club dining room.

In addition to Mr. Bowman there were the following guests: C. W. Starr, Topeka, chief examiner of the state banking department; A. E. Von Treba, Topeka, deputy bank commissioner; John R. Emery, Wichita, deputy bank commissioner; R. B. North, Wichita, national bank examiner; C. R. Anderson and H. J. Holm, the latter vice president of the First National Bank of Bartlesville, Okla.

During the afternoon, after banking hours, about 20 bankers played golf on the Country Club links.

C. J. Hemphill, of the Industrial State Bank, Wichita, president of the county association, presided at the meeting. Dale Ainsworth, manager of the Wichita Clearing House Association, is secretary of the county association.

### New Director

At a meeting of the officers and directors of the First National Bank of Sedan, Kansas, Delbert Severns was elected to membership on the board of directors. He fills the place

made vacant by the death of P. Looby.

The complete official personnel of the bank is: A. Casement, president; P. D. Briggs, vice-president; J. O. Bradley, cashier; V. N. Barton, assistant cashier. Directors: A. Casement, P. D. Briggs, J. O. Bradley, N. B. Wall, Arthur G. Denman, Lee C. Garrett, Fred Holroyd, Brother Woodworth, Delbert Severns, H. R. Harshbarger, F. Ackarman.

### Bank at Portis is Sold

The First State Bank of Portis, Kansas, has been sold to J. P. and Carl Thomas, it has been announced recently by J. R. Burrow, Jr., president of the Central National Bank, of Topeka, and head of the Burrow interests since the death of his father a few months ago.

This institution was organized twenty-eight years ago, and has been successful. J. P. Thomas has been in charge of the bank since it was started.

### Becomes President

E. P. Bradley, for the past 17 years cashier of the American National Bank of Hutchinson, Kansas, has been elected president of the bank by the board of directors.

He succeeds V. M. Wiley, who retires from the bank to devote his time to the newly organized Wiley Dry Goods Co.

William M. Ruddick, assistant cashier for eight years past, is promoted to be cashier of the bank.

Other officers and directors of the bank:

E. T. Guymon, chairman of the board; A. C. Malloy, vice president; C. E. Fair, vice president; M. E. Smith, assistant cashier, and A. H. Schlaudt, C. H. Humphreys, J. A. Davis, J. C. Petro and V. M. Wiley, directors.

### Special Train

The bankers' association of Kansas and Missouri have arranged for a

joint special train to the fifty-eighth annual convention of the American Bankers Association which will be held in Los Angeles, California, from October 3 to October 6. A committee representing the associations selected the Wabash Railroad as the official route from St. Louis to Kansas City, and the Santa Fe from Kansas City to Los Angeles. The special will leave St. Louis 11:45 p.m. September 29 and arrive in Kansas City at 7:15 the following morning. The special will leave Kansas City at 8:45 the same morning and will arrive in Los Angeles at 8:15 a.m. October 2.

### Plan Nebraska State Convention

(Continued from Page 16)

vice president, Omaha National Bank; J. F. Ringland, assistant cashier, United States National Bank, Omaha.

Golf Committee—S. R. Kirkpatrick, chairman, vice president, Omaha National Company; T. F. Murphy, vice president, United States National Bank, Omaha; G. A. Gregory, cashier, Federal Reserve Bank, Omaha; F. J. McCauley, cashier, Packers National Bank, Omaha.

Automobile Committee—C. L. Owens, chairman, assistant cashier, Stock Yards National Bank, Omaha.

Committee on Railroad Transportation—E. F. Folda, chairman, Stock Yards National Bank, Omaha; R. H. Kroeger, assistant cashier, Live Stock National Bank, Omaha; E. J. Horacek, assistant cashier, Union State Bank, Omaha.

### Cut Obligations \$33,500,000

The obligations of the Associated Gas & Electric Company and subsidiaries that were due this year and which aggregated \$35,203,000 on February 25 have been reduced to \$1,638,000. They totaled \$18,556,000 on July 11 and \$6,044,000 on July 22, marking the stages in the company's program.

## 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

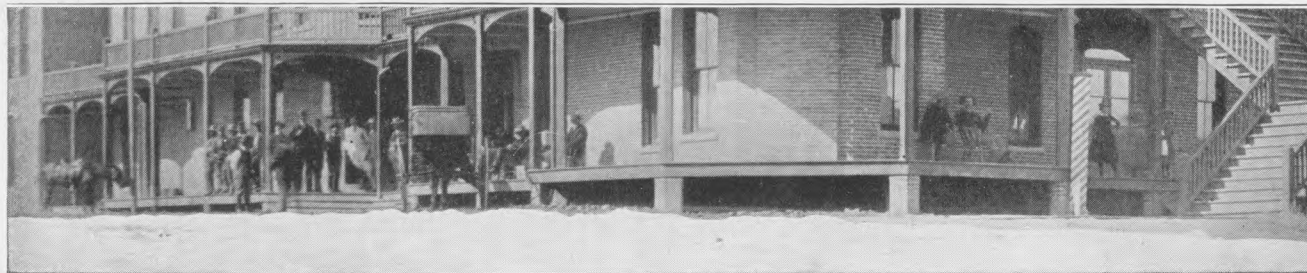
694 Branches and Agencies in All Australian States, Federal Territory,  
New Zealand, Fiji, Papua, Mandated Territory of New Guinea and London



*When the* **FIRST**  
**CATTLE SHIPMENT**  
*arrived at*  
**UNION STOCKYARDS**



**We were 28 years old!**



ONE OF THE FIRST stock exchange buildings of the Central West . . . erected in the early 30's by the Union Stock Yards Company in Omaha's South Side. It was destroyed in 1926.

**T**ODAY the United States National Bank is 76 years old. Omaha is the world's second largest livestock center.

Perhaps this tells nothing except that we have been citizens of Omaha for a long, long time. But we also like to believe that our stay here has contributed to the tremendous expansion of our livestock industry. We like to remember that when the old Union Stock Yards Company proudly received its first carload of cattle on August 13, 1884, we had already been doing business in Omaha for 28 years! We like people



to know that we have literally grown up with the yards since this early beginning almost half a century ago.

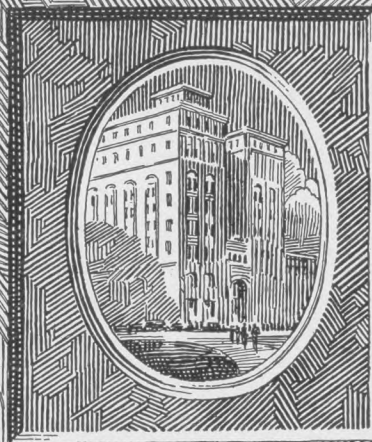
The United States National was founded in 1856—a year before the incorporation of Omaha—as Barrows, Millard & Company. That was 76 years ago. Today the United States National is the oldest bank in the state of Nebraska.

We are proud of our three quarters of a century of service to this city and state. It continues to be our pleasure to give a helping hand to those worthy industries that insist on reaching the top.

**UNITED STATES NATIONAL BANK**  
**OMAHA, NEBRASKA**

*Affiliated with* **NORTHWEST BANCORPORATION**

# The Omaha National Bank



ALWAYS  
AT YOUR SERVICE