

CENTRAL WESTERN BANKER

Omaha

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December

1932



"LOOK US UP"

Make the First National Bank of Omaha your headquarters when you come to Omaha . . . have your mail addressed here and get your telephone calls here.

We will be glad to see you, whether or not you are a customer of this bank.

Look us up the next time you come to Omaha . . . we can both learn from talking to each other.

First National Bank of Omaha

MEMBER FEDERAL RESERVE SYSTEM

CENTRAL WESTERN BANKER

410 ARTHUR BUILDING

OMAHA

CLIFFORD DEPUY, *Publisher*

H. H. HAYNES, *Editor*

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

R. W. MOORHEAD, *Associate Publisher*

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

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

FRANK S. LEWIS, 218 Essex Bldg., Minneapolis

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Welcome to Omaha!

In which Alvin E. Johnson, vice president of the Live Stock National Bank and president of the Omaha Clearing House Association, extended on behalf of Omaha bankers a right royal welcome.

A YEAR AGO we were graciously entertained by our banker friends in the capital city, in which city our very able president, Mr. Van Horne, is one of the outstanding bankers. The welcome in that city was most hearty and hospital-ity genuine.

It is our hope and desire that your stay here will be equally well enjoyed. We welcome you, our Nebraska bankers and friends, but equally so do we welcome those from our neighboring states and those who have come from afar to sit in with us during this convention. Especially do we welcome those who are with us on the various programs who will share with us their views and knowledge of the particular subject which they will discuss.

We are honored to have all of you fine men and women here during this convention and hope that you will sense our every effort to cause you to feel welcome and to enjoy your stay with us.

Billy Hughes usually leaves nothing undone, so if anything in the way of hospitality is lacking it will certainly be a mistake of the head and not of the heart.

A year ago we were having some pretty ticklish times. The National Credit Corporation with its half billion of resources was in the process of formation to take care of what was generally recognized as a very delicate banking situation.

This corporation filled a very great need and did a fine piece of work until it was supplanted by the Reconstruction Finance Corporation, which became operative during the December session of Congress. No one will ever know the thousands of banks throughout the country that today would not be in existence were it not

for the help rendered them by this gigantic enterprise. In our own state more than 100 banks have been given assistance and were it not for the timely help given not only would many of these banks have failed but others in the same towns and localities would not have been able to withstand the shock caused by these failures.

As an amendment to that piece of legislation, we have the Agricultural Credit Corporation and its twelve banks with their branches throughout the country, one of which has head-



ALVIN E. JOHNSON

quarters in Omaha, set up to make direct loans to feeders and stockmen.

There is one factor in our economic life to which too much emphasis cannot be given and that is our mounting tax burden. With one person out of every ten adults on a government payroll and one dollar out of three of our national income going for taxes, it behooves each of us to consider very

carefully the type of men we place in office, upon whom rests the responsibility of the spending of our tax money. Much can be done and I merely mention it to add further emphasis to an evil which every thinking man and woman knows exists.

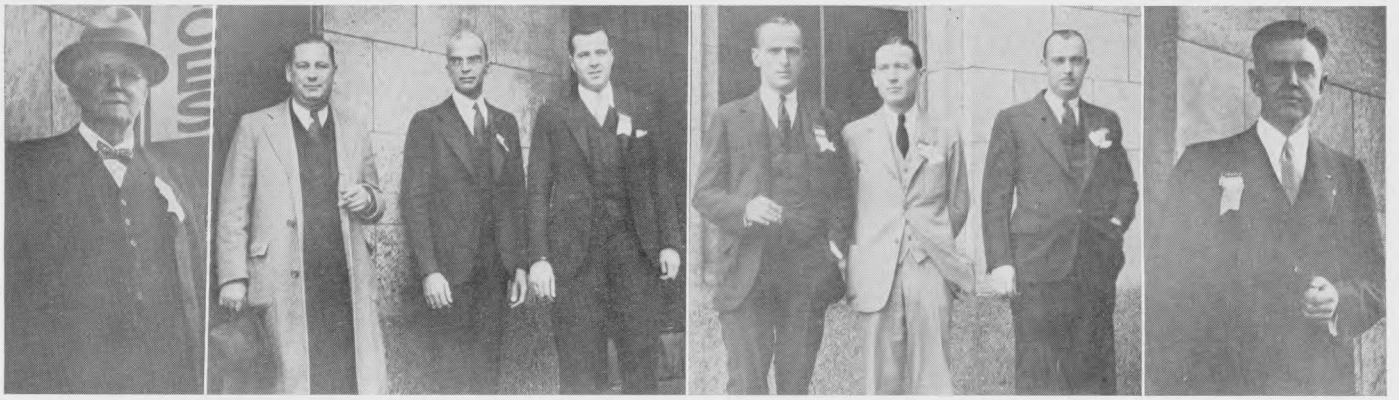
We, as bankers, have during the past three years witnessed one of the most disastrous storms in history. Let me say right here, though, that banking has proved itself stronger than almost any other element in our economic structure. Hardly more than one per cent of money on deposit in the country has been lost through bank failures. Compare this to the losses incurred in any other type of investment.

This crash that we have witnessed has taught us to adhere to the old fashioned commercial banking, and while many will probably not profit by the experience of the past few years, the prudent banker will see to it that he does not get caught napping again.

Confidence in banks is growing rapidly, as will be observed from the small number of bank failures, and it is our responsibility to merit the confidence of our depositors by adhering to the kind of banking practice that will make for better and stronger banks.

Much probably can be done by legislation, and this too must be watched carefully, but the real work is that done by the individual banker in following proper banking procedure.

You men operating banks today are to be congratulated on having successfully piloted your institutions through a most terrible storm and if we will but put our shoulders to the wheel, even though there may be difficulties ahead and much wreckage to clean up, I am certain that we will soon be on our road back to prosperity.



Bankers from other states met with those from Nebraska at the convention last month in Omaha. Reading from left to right, the above men are: M. V. Nicholson, president of the First National Bank of Valentine, Nebraska, and in the business for forty-six years; Carl Fredericksen, Live Stock National, Sioux City; Norman Shaffer, Continental, Chicago; C. Tweter, also of the Continental; Milton Tootle the Third, Tootle-Lacy National, St. Joseph, Missouri; R. L. Dunlap, Commerce Trust, Kansas City; R. E. Wales, Tootle-Lacy National; and H. C. Merrick, vice president of the First National Bank of Adams, Nebraska.

Seen and Heard at the Nebraska Convention

By H. H. HAYNES

Editor, Central Western Banker, Omaha

THE NEBRASKA BANKERS ASSOCIATION has concluded another successful year, and with the closing session on Friday, November 4, another successful convention. While the attendance was somewhat short of what it has been in former years, everything considered it was a pretty good turn-out. Close to 300 bankers were registered, and around 100 of their wives and sweethearts signed the ladies' blue card. To the association officers, and especially to Ed Van Horne, presiding officer, and Billy Hughes, efficient secretary, must go a great deal of credit for the smooth functioning of the entire convention.

ADDRESSES and discussions presented at the business sessions were admirably suited to a gathering of this kind. Every speaker had a real message for his listeners. In instances where the speeches were in typewritten form they are published elsewhere in this issue of the CENTRAL WESTERN BANKER, so that those who were unable to attend the Convention may read them. Many of the speakers, of course, talked from notes, and we regret we are not able to reproduce their remarks here.

A NUMBER of bankers from the larger financial centers outside of Nebraska were in attendance. Among them were Norman Shaffer and C. Tweter of the Continental, Chicago; Carl Fredericksen of the Live Stock National, Sioux City; Milton Tootle the Third and R. E. Wales of the Tootle-Lacy National of St. Joseph, and R. J. Dunlap of the Commerce Trust of Kansas City.

ANOTHER convention guest, a man who has put on many successful conventions in his own state, was Fred Bowman, secretary of the Kansas Bankers Association. Mr. Bowman expressed his happiness at being able to break bread with his neighbors to the north, and was accorded a hearty welcome.

A PICTURE of American business' "Tower of Babel" which collapsed under its own weight but left the lesson of the "superiority of solidity over bigness" was painted by Max B. Nahm, vice president of the Citizens National Bank of Bowling Green, Ky., at the Thursday session. "We loaned billions to foreign countries," he said. "Then we became world policemen in an attempt to protect our loans and the burden of the world war fell on America."

THE DINNER and dance on Thursday evening drew the largest Convention crowd, there being four hundred and ninety seated in the ballroom of the Paxton Hotel. Words are inadequate to express the gastronomic satisfaction of that dinner! Praises be to that Paxton chef, and to the Ak-Sar-Ben baby beeves for their contributions. After the dinner the guests were permitted, or forced, depending on the point of view, to listen to that mighty man of the world, Captain Irving O'Hay. The Captain has certainly been places and seen things, but it seems to us descriptions of some of the things he has done and seen would be better left to an army camp gathering rather than to a mixed after-dinner audience. But you're all right, Captain, even if you did get the wrong foot forward once in a while.

CONSIDERABLE interest was evidenced in a safety and protective device called the Cashier's Safety Cabinet, a small operating model of which was on display by H. D. Nelson, secretary of the company manufacturing such equipment in Denver. The cabinet seemed capable of fulfilling the claims made for it, and its moderate price should give it a distinct appeal to operators of medium and small sized banks.

New Officers

President

R. H. Barber Paxton

Chairman, Executive Council

H. A. Schneider . . . Plattsmouth

Treasurer

C. F. Brinkman Omaha

UNLESS immediate, effective methods are taken to lift the terrific tax burden and to curb public expenditures, municipal, state and national bankruptcy is inevitable, Colonel Robert R. McCormick, editor and publisher of the Chicago *Tribune*, told the bankers.

"The return to prosperity, the salvation of our country," he asserted, "depend upon tax reduction. The prospect is dark but it is not yet too late. The future is still within your control. The machines of the tax-eaters are not yet strong enough to overwhelm you."

"Money is being spent by public officials faster than it is being accumulated by private individuals and companies. No serious thought of retrenchment seems to have entered the heads of our office-holding tyrants."

He declared business men have been too busy heretofore to take any interest in government and "have left it to professional politicians who emulate the house of lords." That is one reason, he said, why the federal treasury is running behind 200 million dollars a month.

"The cost of local government, alone, is twice as much as it is possible to raise in local taxes," he said.

WOODS CONES, president of the Cones State Bank of Pierce, was a Convention attendant. Mr. Cones has been president of his bank for fifty years—the only banker in Nebraska having that distinction. Also, the Cones State Bank of which Woods Cones is president, is the oldest bank in Pierce County. It is our sincere wish that we may have the pleasure of greeting Mr. Cones at many more Nebraska Bankers Conventions.

DECISION to abandon the \$2,000 reward for dead bank robbers was announced at the Thursday afternoon session when Carl Weil of Lincoln, treasurer, and Secretary William B. Hughes said they had been able to build up a fund of only \$1,613.

The move, they explained, was made to protect the financial safety of the association in case several rewards should be claimed next year. Money paid to the fund will be prorated to the contributing banks.

WHILE the bouquets are being passed for efficient Convention management, hand a large one to E. F. Folda, who seemingly performed that impossible task of being everywhere at once. Mr. Folda was chairman of the railroad transportation committee, and also had charge of the

registration. Those two were enough to keep him more than busy, but on top of that if somebody was lost, or looking for someone else whom they thought was lost, Mr. Folda took up the search and always got his man.

TWO SPEAKERS who talked on subjects heretofore more or less misunderstood, were William M. Wilson, manager of the Omaha office of the Reconstruction Finance Corporation, and Charles C. Kuning, manager

of the Omaha branch of the Regional Agricultural Credit Corporation. Mr. Wilson told his listeners what the Reconstruction Finance had accomplished to date, percentages relating to the distribution of funds, and what it was hoped to accomplish in the future. Mr. Kuning explained in detail the operations of the Regional Agricultural Credit Corporation with respect to feeder loans, and left his hearers with a much clearer understanding of how such loans could be obtained.

Greetings!

From R. H. Barber,
New President of the
Nebraska Bankers Association

"THERE have been many items of good news for us recently.

"Nebraska state banks have won the Guaranty Fund fight. What a victory, and what a relief! The Bankers Association, which costs us a few dollars a year, has again saved us thousands of dollars.

"Election is over and a big majority is pleased to have its way. They will feel better and help make times better, and we can all settle down to business.

"Every graph in the November Federal Reserve Bulletin shows a recent move in the right direction, including employment, factory production, car loadings, gold stock, and member bank reserve balances.

"It has been a long and unpleasant journey down, but it is more pleasant to be at the bottom and just starting up. It is always lots more fun going up. We will have plenty of obstructions, but we can overcome them. Good bankers always help to smooth out the peaks of both inflation and depression. It is time to be constructive now. Let's get our own houses in order, using our guaranty fund reserves, and other funds where necessary, to clean up remaining questionable assets, then do our part in reconstruction, extending reasonable credit where fully justified and amply secured. As leaders in our respective communities, is it for us to wait for conditions to turn the corner, or to help move them around the corner? Let's help



R. H. BARBER

to make Nebraska a bright spot; to restore confidence in ourselves; and to win back for all the banks of Nebraska, a proper respect and good name. In so doing we will give evidence that banking as now carried on in the Central West, under both National and State systems, without further legislation, can be, and is, sound.

"Now let me express my deep appreciation of the great honor and pleasant surprise you have given me by making me president of the Nebraska Bankers Association. I regard this more highly than I can say, and I beg of you each and all your every co-operation."

WOMEN at the convention attended a luncheon at the Fontenelle hotel Thursday. During the luncheon they saw a style show and afterwards visited Joslyn Memorial where they listened to an address by Director Paul H. Grummann.

Women attended a tea at 4 P.M. Friday at the home of Mr. and Mrs. W. B. Millard, Jr., 432 South 39th St., and delegates visited the Ak-Sar-Ben horse show and rodeo at 7 P.M.

R. H. BARBER, vice-president of the Bank of Paxton, Neb., was chosen president of the association to succeed Edwin N. Van Horne of Lincoln. Mr. Barber also is president of the bank of Keystone and vice-president of the Fort Kearney State Bank of Kearney.

THE FOLLOWING members of the executive council were elected for three years: H. A. Schneider, president Plattsmouth State Bank; Robert Larson, cashier Farmers' National Bank of Pilger; J. G. Lowe, president Farmers' State Bank of Kearney; C. J. Abbott, president Guardian State Bank of Alliance, and A. L. Coad, vice-president Packers' National Bank of Omaha.

AT A MEETING of the executive council following the convention, Mr. Schneider was named chairman for the coming year. William B. Hughes of Omaha was re-elected secretary of the association. He has served since 1905. C. F. Brinkman, assistant vice-president of the United States National Bank of Omaha, was elected treasurer.

L. C. CHURCHILL, president of the Frenchman Valley Bank of Palisade, was named Nebraska vice-president for the American Bankers' Association. Other Nebraska appointments for the A.B.A. include: E. C. Davenport, president of the Nebraska State Bank of Valentine, member of nominating committee; H. C. Merrick, vice-president of the First National Bank of Adams, state vice-president for the national bank division; R. O. Brownell, cashier of the Schuyler State Bank, state vice-president of the savings division; C. L. Contryman, president of the Citizens Bank of Ogallala, state vice-president of the state bank division; S. C. Waugh, vice-president of the First Trust company of Lincoln, state vice-president of trust division, and Mr. Van Horne, Nebraska member of the executive council.

A Plan to Raise the Price on Farm Products

By C. R. ANDERSON

Cashier, Farmers State Bank

Saronville, Nebraska

The discussion presented here is a part of an address given by Mr. Anderson before the recent Convention of the Nebraska Bankers Association, in Omaha.

Farm Products

WE, THE PEOPLE of the Middle West, have seen the tragedy of nearly one million farmers losing their farms and savings of a lifetime during the last two years. If these ruinous prices for farm products continue another year there will be two million more farmers that will lose their farms. Most of these farmers are over 50 years old and have families depending on them for support. It is not likely that these men will ever again own their own farms as they usually use up all the resources they have, even their life insurance, before they give up the farm. The gap between the prices of farm products and the products of industry must be closed. I do not advocate that industrial prices shall come down to the level of agricultural prices but instead, I demand in behalf of the farmer that the prices of his products be raised to the level of industrial products.

I propose two allotment plans, one for industry and one for agriculture. A working man has a moral right to his job and it is not justice for a manufacturer to throw out some men when business is slack and keep others on full time. The manufacturer should be compelled by law to divide the work available among all his men as far as possible. Some manufacturers are doing that now but that is only a few. If such a policy were adopted and enforced there would be very few unemployed men today.

To bring farm product prices to the proper level I propose an allotment plan with a minimum price fixed by law, on farm products that are on an export basis. The products that need attention first are, Wheat, Hogs and Cotton. I will outline a plan for wheat that can be varied to fit the need of other products.

First, how shall we arrive at a fair price? Shall we use the 42c tariff and add to present market prices? This raises the question why is there a 42c tariff on wheat and I confess I do not know. I want a better basis than that and I want a price that has been established in the world's market in normal times. We might take the average price of wheat for the five-year period from 1909-1914 and that is 86c per bushel to the farmer. However, we want a price that will not be too high and yet guarantee the farmer cost of production at least. I have taken a period of 40 years from 1874 to 1914 as price basis. This period shows the greatest material progress of any like period of time in the history of mankind. During this time

the wheat production of the United States increased from 292,000,000 bu. to 891,000,000 bushels. Also during this time Canada, Australia and the Argentine became producers of hundreds of millions of bushels of wheat and a strong competitor in the world's market.

An average price established by the world market during this time should be a fair price. I find that 25 per cent of the United States wheat was sold for export during this period, and brought the farmer an average price of 78c per bushel which is equal to about \$1.10 basis Chicago. The average price of corn was 44c. It is not practical to set a minimum price on corn or other feed grains. But, converting this into hog values it is equal to six dollars a hundred.

The cotton farmer received an average price of nine cents per pound for cotton during this period, and he sold for export 65 per cent of his production. We consume about 600,000,000 bushels of wheat in the United States annually and I propose that this amount be allotted to the farmers

(Continued on Page 16)

Edwin N. Van Horne, president of the Continental National Bank of Lincoln and presiding officer at the 1932 Convention of the Nebraska Bankers Association, makes his annual report to the members.

The President Says:

THE WORK and accomplishments of the Nebraska Bankers Association rate favorably with those of other states, and I am pleased to report progress during the year on several important matters pertinent to our welfare which have a wholesome effect on our banking structure.

The regular work carried on by William Hughes and his able staff has been up to its usual high standard of efficiency and the multitudinous duties of his office have been met and handled expeditiously.

Our group meetings last spring were well arranged and the addresses and subjects under discussion were interesting and helpful.

County organizations and regional clearing house associations have met regularly, although, we have not stressed new development work due to prevailing conditions. A recent survey of our membership showed the one per cent service charge on public funds was almost universal throughout the state. Eighty-one counties are in line and nine of these counties allow an additional float and activity charge on their active accounts. Just why banks in the remaining counties have not gotten together and taken advantage of this important saving is hard to comprehend; especially so, since the earning value of securities covering such deposits are continually lower, and the cost of surety bonds increasingly higher.

Legislation

While this has not been a legislative year in Nebraska, we have kept in close touch with affairs in Washington and cooperated with other state associations in resisting the proposed increase of postal savings accounts. Much time and energy was devoted to this particular work which may have to be repeated during the next session of Congress. Another bill which we have vigorously opposed with other state associations was the tax on checks which has proven a cumbersome and costly way of raising our overhead and has reduced bank activity and resulted in the loss of thousands of accounts and many potential customers. We are now joining forces with other associations in an effort to repeal the tax on checks at the approaching short session of Congress.

Real concern should be given to the proposal in Washington to amend Section 5219 which has been under consideration for many months. We understand that such an amendment will be resumed as soon as Congress convenes, and it is up to each and every banker to oppose it with every force in their power. The purpose of the amendment is to make possible, in every state having an intangible tax law, the assessment and taxation of banks at approximately four times the present rate of bank taxation.

During the year, we have encouraged several organizations that have been working toward a reduction of public expenditure which is the only sane and permanent way of reducing the rate of taxation and lifting the burden of over-organization in public affairs. I wish to urge every banker in the state to make a study of his local situation and assume real leader-



EDWIN N. VAN HORNE

ship toward reducing unnecessary public expenses.

The approaching legislative session in Lincoln is already demanding the attention of your legislative committee. They will undoubtedly vigorously oppose any unjust legislation affecting banks and I am sure they will endeavor to have repealed the compulsory fidelity bond law for officers and employes. The comprehensive study and work of our legislative committee is of very great importance to every bank in Nebraska. Members of the committee are frequently called for conferences and spend many days and nights working for your interests. We can best show our appreciation of their efforts by continued cooperation whenever they call upon us for assistance.

Banking Structure

Our present banking picture in Nebraska comprises six hundred six banks as of June 30, 1932, represented by four hundred fifty state and one hundred fifty-six national institutions. Of this number, two hundred ninety have less than \$150,000 deposits, one hundred eighty-three less than \$100,000 deposits and fifty-eight of these less than \$50,000 deposits.

Your executive council has appointed a reorganization and consolidation committee to make a survey of our banking structure and to cooperate with both national and state authorities in an endeavor to strengthen our banking resources. To assist in reorganizing banks in communities that offer a sufficient volume of business to profitably support a bank. To resist if necessary needless reorganizations in towns that still have one bank or more.

To offer constructive suggestions and a workable plan of consolidation where needed and where it is very apparent that an over-banked condition exists. No miracles are expected of this committee, but if they can be helpful in averting ultimate failures in even two or three towns, in addition to preventing unwise reorganizations because of local pressure or political expediency, their work will be very much worth while.

Protective Committee

Within the last thirty days, one of our larger member banks was robbed and the bandits succeeded in eluding capture as they have in other previous robberies that have taken place within the last few years. It is apparently a very easy matter for organized gangs from other states to operate in Nebraska. Our police system is antiquated and reverts back to horse and buggy days. If we are fortunate in passing the new highway patrol system, it will place well trained and properly equipped officers in all strategic points where they can be quickly mustered and set in motion to run down the bandits with an excellent chance of catching them. If bank banditry continues to increase within our state, it will be only a question of time until insurance companies will of necessity withdraw their protection or the rates will be absolutely prohibitive. I hope every banker present and every member of this association will get out and work for this measure and encourage your friends to vote for it.

As bankers, we attempt to direct and guide the financial interests and welfare of our communities. The protection of life and property should come within the scope of our endeavor.

Agriculture

Some years ago, I heard the definition of agriculturist as compared to that of farmer. An agriculturist is a man who makes his money in town and spends it on the farm, while a farmer is one who makes his money on the farm and spends it in town. Neither statement is applicable under present conditions, because those of us who live in town are almost wholly dependent upon agriculture for our support and, any profit to that important industry representing thirty million people is wholly impossible with their products selling at less than cost.

Your committee on agriculture held only one official meeting during the year and concluded at that session the impracticability of trying to deal with

a problem of such magnitude, realizing that any effort on our part would be both feeble and futile. We did, however, recommend a "Live at home" campaign to encourage farmers to live on their own products and thereby save from two to four hundred dollars annually now being spent by the average farm family for food-stuffs.

The plight of the farmer and the rapid trend from home owner to tenancy concerns us more than any other problem. Many plans and schemes have been suggested but time does not permit me to go into detail regarding them. The plan evolved by Louis Clarke of the Kloke Investment Company recommending the purchase and holding of marginal farm lands has much merit and is worthy of study. The Domestic Allotment Plan to be presented at this convention is gaining much headway and you will be favorably and greatly impressed with its possibilities.

I am firmly convinced that the economic rehabilitation of our nation must start at the grass roots—production must in some way be balanced to consumption before the purchasing power of the farmer can be felt in villages, towns and cities where industry and re-employment are awaiting his recovery.

Bank Commissioner

The state banking system of our state is fortunate in having a commissioner who thoroughly understands the banking business, a man with vision, foresight and tolerance, who is constantly striving to improve banking practices and is doing a remarkable job of it under very trying conditions. The duties we assume in managing our own institutions are circumscribed by our communities whereas he assumes and shoulders the responsibilities of all our troubles. His record is one of real achievement and I take pleasure in publicly expressing appreciation for his splendid service.

Conclusion

In concluding, let me repeat again words of encouragement for the future. Surely there are many signs of hope in the rehabilitation and reconstruction of our financial picture. The people of Nebraska are industrious, frugal and honest. We have produced a good crop in most sections of the state. Our customers are not only willing but desirous of meeting their obligations, and are constantly reducing their debts with but meager incomes. Governmental agencies, such as the Reconstruction Finance Corporation and the Regional Agricultural Credit Corporation are proving of real assistance to individuals and some financial institutions.

Less than seventy years ago, the first homestead in the United States was entered in Nebraska and since that time we have gone steadily forward, our economic situation has been shaken temporarily, but our potential is as great as ever.

I am indebted to the members of the Executive Council and the various committees for their assistance in guiding affairs of the association throughout the year. I can never praise our genial and able secretary too highly for his efficiency.

It has been a real privilege to serve as your president—I appreciate the honor bestowed upon me and will always respect it.

Teacher: What is the interest on \$500 for one year at two per cent? **Moses,** pay attention.

Moses: For two per cent I'm not interested.

Victory for Nebraska Banks

A RECENT Supreme court decision has put a final and definite end to Nebraska Guaranty Fund and Settlement Fund. The decree declares the Guaranty Fund repealed, and the Settlement Fund unconstitutional. Apparently the final chapter has been written with the result of a complete victory for Nebraska banks.

The Supreme court reverses the action of District Judge E. B. Chappell in this case and grants the banks an injunction to prevent collection of five assessments for the old guaranty fund. These assessments which had been levied, but never collected date back to December 15, 1928, and total approximately \$2,560,000.

The court also holds that the guaranty fund act has been repealed and also finds that the depositors final settlement fund is unconstitutional. When it became evident that the guaranty fund was insolvent a special session of the legislature was called in 1930 and at that time the final settlement fund was established. It was to include the assets of the old guaranty fund and the proceeds of a new levy to be made on the banks for a period of ten years, which would have created a fund of approximately \$3,000,000.

The decision, written by Judge L. B. Day of Omaha, and from which no dissent has been filed, affects differently, three separate groups of depositors and banks:

1. Existing state banks and their depositors benefit by the banks being relieved of the necessity of paying the assessments. About \$1,350,000 which had been set aside by these banks to meet the assessments becomes an asset to the banks instead of a liability and the financial condition of the banks will be strengthened to this extent.

2. The sum of \$906,446 will be available immediately for distribution to depositors of 157 banks which failed since the final settlement fund became effective March 18, 1930. This is the amount which receivers of these banks had set aside to pay assessment. Depositors in some of these banks will receive about a 5 per cent dividend.

5. Depositors of banks which failed prior to March 18, 1930, lose all hope of receiving any additional money from the guaranty fund of final settlement fund. However, under the Superior bank case decision, only depositors in a few of the banks could have benefitted in any event.

The decision is no bar to any future attempt to guaranty bank deposits in a similar manner, but since it provides for outright repeal of the guaranty act, it prevents depositors coming in at a later date and asking restoration of the assessments on the ground that they would no longer be confiscatory. The validity of the principle of guaranty legislation, as long as the levies are not confiscatory, is upheld.

The Report of the Resolutions Committee

BE IT RESOLVED, that we extend our thanks and appreciation to those who have appeared on the program for their entertaining and helpful participation.

Officers

BE IT FURTHER RESOLVED, that we commend the efforts of President Edwin N. Van Horne and other officers who have so ably carried on the work of the Association during the past year.

Banking Department

BE IT FURTHER RESOLVED, that we further express our appreciation and pledge our support and confidence in the capable and efficient supervision of banks in Nebraska by Hon. George W. Woods, Bank Commissioner, and Hon. E. H. Luikart, Secretary of the Department of Trade and Commerce, and to the Comptroller of the Currency through the Chief Examiner for this District, for their co-operation and helpful advice in these trying times.

Bankers

BE IT FURTHER RESOLVED, that we commend the untiring efforts of all Nebraska bankers to keep their banks on a high plane of efficiency and solvency, and service to the general public, and we urge that all Nebraska bankers continue their efforts in these directions in order that they may merit the continued confidence and support of the people of Nebraska.

Tax on Checks

BE IT FURTHER RESOLVED, that the Nebraska Bankers Association realizes the necessity of balancing the Federal budget through taxation and they have no disposition to shift the burden from their shoulders to those of others, yet the great objective at this time is the maintenance of confidence of the general public toward the banks and the entire elimination of any forces that might break the free intercourse between the public and banking institutions.

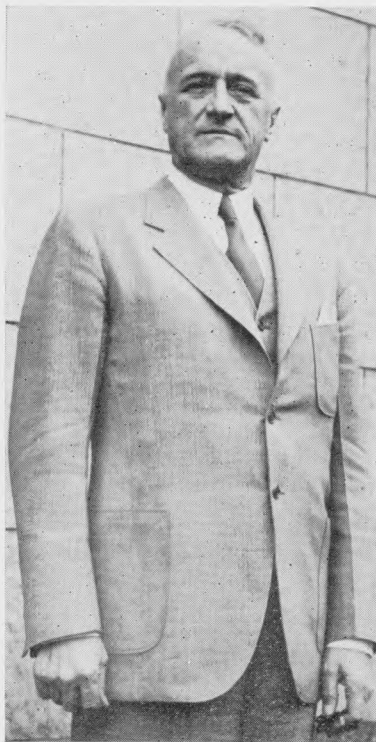
Now, therefore, the Nebraska Bankers Association protests against the bank check Federal tax which has in its operation produced unforeseen and undesirable results.

First, it tends to undermine the confidence of the public in banking institutions by giving them an excuse to withhold their money from banks because of said tax.

Second, individuals who would otherwise be depositors and customers of banks, do not put their money on deposit because of the expense of drawing it out, caused by the imposition of the tax.

Third, there are many who instead of using the service of the banks in a normal way, now withdraw money from the banks more frequently than necessary in order to pay their bills without the expense of the tax on checks, which has resulted in a very noticeable decrease in bank deposits.

Furthermore, the burden of expense to the banks of complying with the Federal law in the collection of this tax is unjust, involving additional la-



WILLIAM B. HUGHES
Secretary, Nebraska Bankers Association

bor at a time when all banks are endeavoring to reduce their overhead to the lowest practical limit.

Government Activities and Expenditures

BE IT FURTHER RESOLVED, whereas the National Economy League is organized:

1. "To revive and restore the American principle that our Government shall be a Government truly for the benefit of the whole people . . .

2. "To secure, as a general objective, the reduction of all wasteful and unnecessary Governmental expenditures, Federal, State, and Local, which have arisen to the point where they threaten the public credit and sap the resources of the people, and thus compel the reduction of the taxes which these rising expenditures ultimately exact from all the people. To this end to co-operate with other nonpartisan citizens' organizations concerned with the reduction of Governmental expense and taxes.

3. "To provide a national organization through which the unorganized majority—all the men and women entitled to vote—may unite for effective action to achieve these objects."

BE IT FURTHER RESOLVED, that we endorse the National Economy League in its efforts to reduce Federal taxation and to prevent increases thereof and in the achievement of its purposes offer the co-operation of the Nebraska Bankers Association.

State Highway Patrol

BE IT FURTHER RESOLVED, whereas many crimes, including that of bank robbery, are made easier by good roads and fast automobiles, and

WHEREAS, the advantage given criminals by these two factors will be greater each succeeding year as both roads and automobiles are further improved, and,

WHEREAS, this may result in a serious increase in those offenses in which the criminals depend upon automobiles for their escape, therefore

BE IT RESOLVED, by this convention, that we endorse the proposal being advanced by the Attorney General of Nebraska for a State Highway Patrol and urge the member banks of this association to actively support the plan.

Government Loaning Agencies

RESOLVED FURTHER, that we the bankers of Nebraska greatly appreciate and by this means pledge our support of the work of the Reconstruction Finance Corporation and the Regional Agricultural Credit Corporation, and to their office forces in Omaha, where the splendid co-operation and relief made available to the banks and their customers in the granting of agricultural and livestock credits.

(The report was adopted unanimously by the convention).

Quoting a number of those sound bits of advice written and handed down by the first Comptroller of the Currency, Hugh McCulloch, Mr. Allendoerfer tells Nebraska bankers what constitutes the principle of . . .

Old Fashioned Banking

AN OLD SAYING has it that — "Experience is the best teacher, but a dear one." As pupils at her school we should have learned many things in the last three years. In the twelve months just ended we have been on special assignments somewhat outside the regular curriculum and have been solving problems of hysteria and panic. Now, as a new term is beginning, perhaps it is well to review some of the lessons we have been over, so as to apply them best to our new studies.

It is not the purpose of this paper to discuss general economics, banking or currency systems, or the emergency ventures by government into the fields of loaning credit; rather, is it the intent to consider what has been added to our knowledge of how to manage wisely the affairs of individual banks having both checking and savings deposits.

Same Old Lessons

We bankers find our lessons at this 1932 fall term of school much as they have been many times before. Among the headings we must copy over and over are still some of those bits of sound advice written by the First Comptroller of the Currency, Hugh McCulloch —

"Do nothing to foster and encourage speculation."

"Give facilities only to legitimate and prudent transactions."

"Distribute your loans rather than concentrate them in a few hands."

"Pursue a straightforward, upright, legitimate banking business."

"Treat your customers liberally, bearing in mind that the bank prospers as its customers prosper."

In your neighbor's bank, or in your own, have the serious troubles been found to any great extent in cases where the old rules were followed?

Speculation

Speculation—what a hard time we have to agree on the meaning of that word! It is part of the spirit of progress to take risks in expectation of profit. Conversely, nearly every productive activity carries its risk of loss of goods or labor. At what point does the taking of a risk become improper? For each of us individually the answer is as we may determine, but for

By C. W. ALLENDOERFER

*Vice President, First National Bank
Kansas City, Missouri*

all of us as bankers I believe that point is where the possible maximum loss exceeds the ability of the borrower to restore promptly and may cause stockholders or depositors to suffer. Our judgment of the size of the possible maximum loss in a transaction has been developed greatly during the last three years of school and how well we estimate the risk hereafter will show whether or not we retain lessons once learned.

Because prices are high, shall we refuse loans to farmers on live stock? Or to those who store food products or other commodities? Or to those who buy securities in the hope of profit? Our histories teach us that prices do not steadily climb to higher and higher levels. Only a superman could be sure the pinnacle had been reached and we no longer believe in supermen. But we do know that the higher the cost per unit the greater the possibility of loss and the fewer the units on which any borrower's capacity will cover the risk. If we loan him too much of anything at too high a price we "foster and encourage speculation," and we ourselves "speculate" for larger profits through increased volume. We are bowing to the Gods of the Marketplace.

Liberality

How is this warning reconciled with the admonition to "treat your customers liberally?" If a banker is not frightened because of losses had on loans made in high markets, he will not force liquidation or withhold credit when the borrower's ability to pay is sufficient to cover the risk in a less dangerous situation. There may be a few bankers now who have the money and need the earnings who are refusing to "give facilities to legitimate and prudent transactions" because they do not realize the change since 1929 in the probabilities of inventory or price losses. Loans at lower levels are not nearly so dangerous as those at high ones.

"Pursue a straightforward, upright, legitimate banking business." To do this means that the mystery about

banking will grow less and the confidence of the people firmer because they understand better. They should learn that a bank cannot pay high rates of interest for money and loan it at low rates and make profits, and that the only safe bank is one which does make profits. We have no one but ourselves to blame for the astonishing amount of free services which we offered the public, yes, almost thrust upon them, in the years of plenty. The lean years have forced us to ask the customer to pay at least cost for the services he uses and, since he is also watching the corners, he demands that we show him why. A straightforward, upright, legitimate explanation is due him and there should be no trickery. The campaign which has carried the analysis of accounts to the customer has many good results in addition to stopping losses to the bank. The depositor has respect for the institution which shows him that justice is done. Let us keep faith with him.

A transaction which offers the bank an unusual profit is not likely to be legitimate banking. Somewhere in it there probably lies a factor of deceit and we have seen numerous exhibits recently of the sad results of participation by banks in such doubtful undertakings as mortgage bond underwriting.

Savings Accounts

Savings accounts, for example, have proven to have little of that stability on which we had counted. Is not the practice of paying interest on savings based on the theory that the money so received by the bank is essentially investment funds and not liable to abrupt downward fluctuation? And because they were stable these deposits could be employed at a greater return per thousand than could demand deposits. Required reserves were lower and, also, investments were justified in longer maturities, and less liquid securities. Thus a higher earning value of this class of deposits justified the payment of interest to the customers. Serious proposals have been made in recent bills in Congress to require the segregation of the assets into which savings funds are placed, from other assets of the bank. Whether or not required by law some sort of seg-

(Continued on Page 17)

A Sound Solution of the Farm Problem

By W. R. RONALD

Editor, *The Evening Republican*
Mitchell, S. D.

AGRICULTURE in the United States could not have fallen to its present low estate without very definite causes.

Without question, the influence of the World War in stimulating production has had far-reaching effects. For example, the wheat acreage of the principal exporting countries, the United States, Canada, Argentina, Australia, and Russia, grew from 150 million acres average in the five pre-war years, to over 200 million acres in 1931, an increase of one-third.

Costs Increased

Costs of distribution have correspondingly increased, as may be illustrated by this fact that, whereas the pre-war live hog bringing the producer \$8.00 per hundred weight, cost the consumer \$14.00 odd, in the post-war period, a live hog bringing the producer the same price has cost the consumer \$25.00 odd. In other words, the producer's share of the price paid by the consumer decreased from 57 per cent pre-war to 32 per cent post-war. You can readily understand that under such a widening of the spread

An address before the Convention of the Nebraska Bankers Association, in which Mr. Ronald explains the details of the "Voluntary Domestic Allotment Plan."

between producer and consumer it has been much more difficult to maintain a fair price for the producer.

In the pre-war years 1910-14, wheat sold at an average of \$1.06 per bushel. (I am using Department of Agriculture figures). In the ten year 1921-30, including an era of prosperity for other industries, wheat sold at an average of \$1.05 per bushel. In those same ten years non-agricultural prices averaged 154 per cent of their pre-war. In order to retain the pre-war

exchange value of wheat, in those ten years, 1921 to 1930, the farmer should have received \$1.63 per bushel. He actually got \$1.05. Therefore, he was short 58 cents per bushel from its pre-war exchange value. In other words, it took 16 bushels of wheat to buy as much in these ten years as 10 bushels of wheat produced in the pre-war years.

In those ten years a total of 8,330 million bushels of wheat were produced in the United States. The loss of 58 cents per bushel in exchange value in those ten years, therefore, deprived the farmers of no less than four billion, eight hundred million dollars in purchasing power.

Commodity Losses

At the pre-war exchange value, hogs in the years 1921 to 1930 should have sold at an average of \$11.81 per hundred; they actually brought \$9.56. This meant a loss to the hog producers of two billion, seven hundred million dollars in purchasing power.

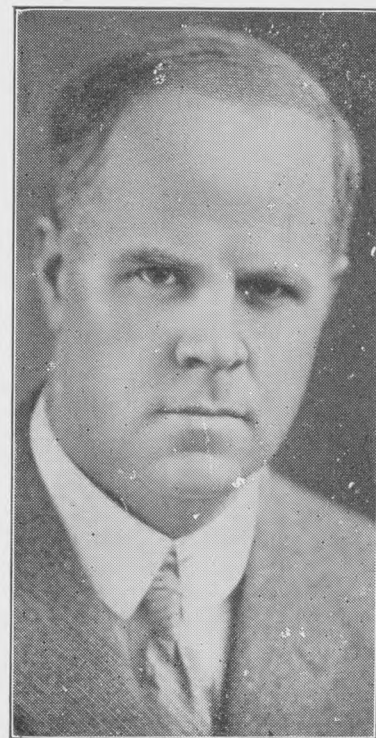
Cotton should have sold in those years at 16.3c per pound; it averaged 14.9c per pound; causing a loss of 900 million dollars in purchasing power by the cotton farmers.

Thus, on these three commodities alone, in what was supposed to be a period of great prosperity, no less than eight billion, four hundred million dollars were deducted from the purchasing power of the producers of these three commodities alone, in a prosperous decade.

The "Plan"

The Voluntary Domestic Allotment Plan is simple enough to be stated in three sentences:

If 60 per cent of the producers of any farm product of which there is an exportable surplus (wheat, cotton, hogs, tobacco, or rice), agree to participate, an excise tax in the amount of the tariff on each shall be levied on all domestic consumption of the product, this tax to be paid into the treasury of the United States by the processors.



W. R. RONALD

The amount of this tariff benefit (less cost of administration), shall be allotted and paid to producers in proportion to their average production in the last five years.

As a condition, producers must agree to limit production, in acreage sown or pounds of hogs marketed, by any percentage applied horizontally to all participants.

The tax would be levied on all of the product domestically consumed, whether produced in this country or imported, so the domestic processor is abundantly protected. In the case of cotton, a similar tax would be levied on rayon and silk, the returns from which would not be paid out again. Evasions of the tax would bring a fine up to \$10,000 and, or, two years in prison.

The present duties on the five products to which alone this plan is applicable are 42 cents per bushel on wheat, 2 cents per pound on hogs, five cents per pound on tobacco, and a half cent per pound on rice; and a duty of 5 cents per pound would be established on cotton, and in each case this would be the rate of the excise tax on domestic consumption.

Income from even these comparatively low rates would yield from 600 to 800 million dollars annually in tariff benefits to producers, increasing their purchasing power by that amount. To the individual farmer the return would be at the rate of \$250 per 1,000 bushels of past production

(Continued on Page 18)

Unimportant Decisions of Important Consequences

By C. PETRUS PETERSON

General Counsel, Nebraska Bankers Association, Lincoln

IN PERIODS OF adversity those in the community who are charged with responsibility for the maintenance of the integrity of institutions find one of their supreme difficulties to exist in combating erroneous thinking. Popular fallacies become nightmares in much the same way as an epidemic sweeps over the community. The mind of the people becomes infected with thought processes of a destructive character. Where these thought epidemics are of minor consequence and soon pass over, the harm done may be negligent, but where they take root and tend to become a part of the social order, they begin to eat away the vital tissues of life.

Under a popular government, where in the last analysis a sustained public opinion becomes law either by legislative enactment, judicial decisions or constitutional amendments, the study of what processes tend to create or to influence that public opinion is of supreme importance. Every student of government recognizes that in times of crises it not infrequently happens that popular decisions are made with but limited consideration of major factors and with undue emphasis on matters of minor importance and often these exert a substantial influence upon the broad sweep of historical progress.

Ultimately our destinies as a people are determined not by the months or even the years, but by the decades and the centuries, but the course of progress is none the less influenced by the temporary episodes.

Unity of Plan

In our enthusiasm as Americans we have been accustomed to regard the entire American form of government as something new on the face of the earth. Actually our nation has contributed only one element to the science of government but that one element is of supreme importance.

When viewed philosophically there is a remarkable unity in this world of which we are a part. The laws of nature have a way of reaching beyond the scope of our understanding but whatever area we are able to compre-

hend gives evidence of unity of plan. One law of nature appears to be the constant struggle between contending forces. In the universe of planets, stars and constellations we have come to learn of two forces, one pulling out and one pulling in. Between these two forces a harmony has been achieved which keeps the planets in their orbits and produces order out of otherwise what would be chaos. Similar contending forces are at work in the social order, one pulling in the direction of authority and one pulling in the direction of disintegration; one in the direction of tyranny and one in the direction of the mob.

The founders of the republic conceived it to be possible to establish out of these contending forces a harmony based upon constitutional government and the contribution which our country has made to the science of government is the constitution by which we seek to maintain that harmony by means of judicial enforcement of constitutional guaranties. For a century and a half this agency has been functioning with substantial promise of permanent effectiveness.

Not Perpetual

The dream of a nation with perpetual existence is as pleasing as the hope of immortal life for the individual man, but governments are temporal and history gives no illustration of nations with endless duration.

In the field of government, equilibrium between the contending forces has never long been sustained. Governments have thus far either developed toward centralization until despotic power has become intolerable and an enraged public has driven the tyrant from his throne or governments, by an unreasoning yielding to popular clamor, have degenerated into mobs until they deserve no man's respect. It is the hope of the present that we have found and shall be able to maintain an equilibrium between these two forces on a basis of the supremacy of law. Two factors are indispensable of the lasting realization of that hope, namely, an independent judiciary and a sound public opinion.

Throughout the centuries the struggle of the supremacy of law in the affairs of men has centered about the judiciary and the struggle has been both persistent and intense.

Legal Conflicts

History tells us of conflicts in colonial days between the legislatures of the colonies and colonial judges. Having disposed of the concept of sovereignty as reposed in a king, the representatives of the people, in legislative assembly, assumed the prerogative of final arbiters of the law; assumed that the judges were servants of the new sovereign, to-wit, the legislature; that what the legislature saw fit to do, through these servants the judges, it could do itself, and that to challenge the final authority of the legislature was to assert that the legislature was under the law, as distinguished from the law-giver, to assert which was treason.

Carrying our new ideas to their conclusion, we concluded that sovereignty, in the last analysis, reposes in the citizen and not in his representative in the legislature. No sooner had this concept become definitely established than this new sovereign again emu-

"The unimportant decisions of important consequences are the decisions of the American citizen which become important as they approach or exceed the stage of majority and become the effective instrumentality for experimentation in the fields of government."

lated the example of King James I of England and began summoning the judges to answer for having sought to interfere with the royal prerogative of the people, and we have witnessed the movements for recall of judges and the less dramatic but equally destructive proposal for recall of judicial decisions.

These movements having spent their energy, we have observed proposals, from time to time, vesting in the legislative assembly, whether state or national, the power of revision of judicial decree.

Law Is Supreme

We have come to accept the supremacy of law as axiomatic and its maintenance as beyond controversy. The president of the United States, as commander-in-chief of the army

and navy, has at his command the armed forces of the republic. The congress, as the final dispenser of appropriations, has at its command the economic resources of the nation. The court, without either armed force or financial resources, merely announces the limitation of power sought to be exercised by the executive or by congress and its mandates are accepted and obeyed.

This is a symbol, and what a beautiful symbol it is of the supremacy of law which we are disposed to accept as unvarying in character and eternal in duration.

Perhaps one reason for the continuance of this concept has been the care with which the court of last resort has interfered with the processes of the other agencies of government. The ultimate foundation of all institutions is the reasoned opinion and judgment of those who live under those institutions from generation to generation. Accepting as we do the final authority of the courts, we must recognize that experimentation in economics is given a very wide scope within the limits set by judicial decree. Within those limits set by judicial decree the Non-Partisan League in North Dakota was permitted to transform the state government into a business agency and the people of that state had to learn from bitter experience the underlying fallacies in their experimentation. Within the same limits the people of Nebraska and other of our sister states were permitted to experiment with a compulsory mutual insurance plan where the insurance carrier was given no power to reject undesirable risks which we have called the Bank Guaranty Law. Within those same limits other states and municipalities have been and are permitted to engage in municipal merchandising and it is only just to say that within the limits of those judicial decrees it is quite within the power of the people of a given state to approach the basis of a socialistic or communistic organization without interference by the courts of last resort.

Landmarks

A few landmarks have been established. One such landmark was established by the United States Supreme Court in a case arising at Topeka, Kansas, where taxes were imposed in order to make a donation to a private business enterprise seeking to locate in that community. The court laid down the principle that this constituted the taking of the property of one citizen by governmental power and giving it to another; that such a procedure was at variance with constitutional government in that it con-

stituted the taking of the property of the individual without due process of law.

Another landmark has been established in the rate cases to the effect that denying the right of the owner of property to a reasonable return thereon is the equivalent of taking the property itself without due process. We are invoking both of these principles in the litigation now pending in behalf of the state banks in this state.

The important thing, however, to remember is that we shall prosper as a people only in the degree that we are able to maintain a rational, sound pub-

lic opinion, which, from time to time, finds expression in legislative decision. There is no decision made by any citizen of the commonwealth which does not have an importance consequence, since that decision is apt to be followed by like decisions on the part of others until majorities are achieved.

Public Opinion

The point which I should like to stress at this meeting is that the members of this group are not in position to perform the full function of their obligations as citizens and as business

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G M A C NOTES

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men, by having representation at legislative assemblies in the form of legislative committees. A tremendous amount of work has been done by those committees in the past, to a limited extent that they can aid in supplying accurate information to guide legislators in their work more efficient and effective. They never have been able nor will they be able to deal with public opinion which has its origin in the various communities of the state unless we recognize the responsibility of the individual citizen living in that community to aid in the maintenance of a sound public opinion by his fellowmen.

This is of utmost importance in periods of stress. When political quackery has its best opportunities and where people suffering under adversity are willing to listen to the promises glibly made and were not intended as promises to be fulfilled or, if so intended, destined to failure because of the utter impossibility of performance. The unimportant decisions of important consequences are the decisions of the American citizen which become important as they approach or exceed the stage of majority and become the effective instrumentality for experimentation in the fields of government.

Facts About Meat

These statements about meat, prepared by the Institute of American Meat Packers, have been approved by the Committee on Foods of the American Medical Association:

1. Meat is an excellent source of high quality protein.
2. Lean meat, kidney, liver, heart and tongue are among the richest sources of food iron.
3. Lean meats supply most minerals required in nutrition in good quantity except calcium.
4. Lean meats are rich in phosphorus.
5. Lean meats are good source of vitamin G (B2).
6. The fat of beef animals is a good source of vitamin A, while oleo oil and oleomargarine made from it are rich in vitamin A and contain vitamin D.
7. While lean meats furnish but modest quantities of calories, the fatter meats supply liberal amounts, and bacon and salt pork are among the richest food sources of calories.
8. Edible specialties, such as liver, kidney, heart and tongue are good sources of vitamins A, B and G.
9. Meat is one of the most digestible of foods, its protein being almost entirely digestible.
10. The body fats of beef, pork and lamb, as well as prepared shortening such as lard or oleomargarine, are almost completely digestible (96-97 per cent).



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 (Sept. 30, 1932) . . . 1,420,000,000

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.

Patrick H. Joyce, president Chicago Great Western Railroad, stated that because of the improvement in carloadings which has been taking place each week, he feels business is definitely on the upgrade, and has such confidence in the future that the company will purchase 300 box cars and 200 gondolas, with the possibility of buying 10 passenger locomotives. He said advantage might be taken of the opportunity to finance the purchase through the Railway Equipment Finance Corporation.

Mr. Joyce stated Great Western carloadings for September, as compared with last year, were 8 per cent better than in August.

The total deposits of the Northern Trust Company, Chicago, have increased 60 per cent since September 30 of last year and they have increased \$21,000,000 since the last bank call. In a year's time savings deposits have increased 82 per cent, growing from \$18,000,000 to \$33,000,000. In the last three months savings have increased almost \$6,000,000.



**R. H. BARBER, President
Nebraska Bankers Association**

Nebraska News



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

Celebrates

F. S. Stegge, vice-president and managing officer of the First National Bank of Randolph, celebrated recently the 27th anniversary of his arrival in Randolph and he has been there all these years with the same bank in which he began his career.

This 27th anniversary was mentioned at the Lions' luncheon and Mr. Stegge in a short talk recalled the night of his arrival at the old Short Line station some two blocks west of the present Burlington depot. There was a decrepit old "hack" or bus, the driver carrying a lantern, and he rode in state to the old Hotel Boughn. There were kerosene lamps in the hotel and the town as he viewed it the next morning bore but slight resemblance to the present city.

Cass County Meeting

Reese H. Hastain, vice president of the Bank of Commerce, and H. B. Koop, cashier of the Home State Bank, Louisville, attended a meeting of the Cass County Bankers' Association held at Greenwood.

H. A. Schneider, of Plattsmouth, president of the organization, presided. Many prominent bankers of the state were present and spoke on questions of interest.

The election of officers resulted in the naming of the following: President, W. N. McLendon, of Elmwood; vice president, H. B. Koop, of Louisville; secretary-treasurer, Guy Clements, of Elmwood.

Service Charge

The Nebraska Mortgage Bankers Association, made up of practically every organization and firm in the state that has been negotiating farm and city loans in the state, put into effect November 1 a system of service charges in connection with the handling of collections of interest on loans made through them. This charge is one-fourth of 1 per cent of the unpaid

principal of loans in good standing or delinquent for less than sixty days, and one-half of 1 per cent on loans delinquent two months or more.

This will mean that the owner of a mortgage or mortgage bond for \$1,000 bearing 5.50 per cent interest will be charged \$2.50 for collecting the \$55 a year interest thereon if the payment is made within two months, and \$5 if collections are delayed beyond that time.

Bankers interested say that the schedule of charges put into effect is the result of long research entailing the study of costs, and that they believe them to be equitable and reasonable. Expenses of this sort were so heavy that they were an important factor in the decision of Lincoln Trust company stockholders after reorganization and scaling down of capital had been finished, not to attempt to continue in business. Several bankers expressed the opinion that these charges will not cover the expense as a whole.

R.F.C. Assistant

William M. Wilson, manager of the Omaha office of the Reconstruction Finance Corporation, announced the appointment of Alfred J. Eggers as assistant manager of the branch. Until recently, Mr. Eggers was with the Pacific Finance company in Los Angeles. He was formerly with the Live Stock National Bank of Omaha for five years, in the cattle loan division. Previously, he was in the banking business in Custer, S. D., and with War Finance Corporation in Washington.

Found Dead

Harvey S. Ringland, 58, cashier of the First National Bank of Wayne, was found dead in bed recently. He had been in the bank's employ since 1903. His wife, a son, Joe, of Omaha, and a daughter, Ruth of Denver, survive. He was past master of the

Wayne Masonic lodge and had been its treasurer many years.

Named Director

Charles P. Finegan, cashier of the Bank of Hyannis, has been appointed a director of the Omaha branch, regional agricultural corporation, according to word from Ford E. Hovey, chief of the agricultural section of the Reconstruction Corporation. Mr. Finegan will represent the sand hills area of Nebraska.

Want to Lend Cash

Officials of the Reconstruction Finance corporation say the demand for loans from live stock feeders "is not as large as we would like to see it."

Both Garner Cowles, Sr., a director, and Ford Hovey, chief of the agricultural section of the corporation, so expressed themselves.

"There is a very large corn crop," Hovey said, "with both cattle and sheep selling cheaply."

"Corn is probably the cheapest it has been, selling in some instances for as low as 8 or 9 cents a bushel.

"The Reconstruction Finance Corporation has money to finance sound feeder loans on cattle and sheep. . . . We are disappointed at not getting more applications."

"Feeders loans," Mr. Cowles said, "are regarded by the board as one of the best and quickest ways of giving relief."

The corporation is considering seed loans. With one of the largest corn crops in history, the question has been raised whether they would be advisable in view of the prospect of creating larger surpluses.

Christmas Savings

Omaha banks will pay out slightly more than one-half million dollars to Christmas savings club members, beginning November 15 at some banks and November 21 at others.

Nearly all banks reported only a

slight decrease in Christmas savings, compared with last year.

One of the big downtown banks estimated it will disburse about 230 thousand dollars. Another will pay out about 85 thousand dollars. The South Omaha banks will distribute in the neighborhood of 125 thousand dollars.

Not all this money will go for Christmas presents. It is used in a variety of ways—to pay bills and taxes, and for emergencies. And some of it finds its way back into savings accounts.

Too Much Gas

A small boy recently caused officers and all employes of the Nebraska National bank of Hastings to shed tears copiously.

Becoming nervous while waiting for his grandmother to finish her transaction at the bank, the little lad wandered around, investigating things. He pushed an innocent-looking button and in a few seconds the bank was entirely devoid of customers.

The button was the release for the full supply of tear gas the bank installed in case of a holdup. Equipped with gas masks, police and bank officers got into the bank and opened windows. Business was carried on with masked employes for some time.

Pioneer Dies

Henry E. Erickson, one of southwest Nebraska's most prominent bankers, died recently in Holdrege, after a paralytic stroke.

Erickson, about 60 years old, was president of the Phelps County Bank, chairman of the Phelps county board of supervisors and was a farmer county treasurer. He was a pioneer in the county.

Bank Moves

With the approval and co-operation of leading citizens of both places, the Max State bank has moved from Max to Benkelman. The name of the bank has been changed to the State bank, Benkelman, capital stock increased to \$25,000 and surplus \$2,500, the state banking department announced. Benkelman has been without a bank for nearly a year. The officers of the relocated bank are as follows: F. G. Stilgeboure, president; L. C. Rudisill, vice president, and D. E. Galltin, cashier.

District Meeting

D. C. Hogan, president of the Federal Lank Bank of Omaha officers, said recently in McCook, "While the prevailing low prices of farm products are affecting the ability of some of our borrowers to meet their installment payments promptly, a good majority are making a very satisfactory record."

The Omaha official was in McCook presiding over the regional meeting of the secretary-treasurers of the bank system. Delegates from the entire section convened in a business session, which was one of a group of similar meetings held in the state from October 25 to November 4.

Other officers of the organization who acted in directing capacities were A. Kopperud, vice president of Traer; H. M. Johnson, general counsel; M. L. Bowman of the real estate department of Omaha, and G. W. Bunce, assistant collection manager, also of Omaha.

RAISE THE PRICE OF FARM PRODUCTS

(Continued from Page 6)

to market in 1933 at 78c per bushel for number 2 hard wheat or on a Chicago basis of \$1.10 per bushel.

Ten-Year Average

The allotment for each state should be made by the Agricultural Department at Washington based on the average production by each state during the last ten years. The State Agricultural Department of each state would then make allotment to each county on the same basis. The allotment to each farmer would then be figured on the basis of number of acres under cultivation in the county. The township assessor would give each farmer his allotment which would be a specified number of bushels for each 100 acres he had under cultivation. I would allot it this way as it would not be fair to penalize the farmer who has reduced his wheat area during the last two or three years. To take the farmers' five-year average of production would not be possible as very few farmers keep books and it would create too much trouble, while the total acreage under cultivation is easy to determine. It would be left to the farmers to determine how many acres he would plant to wheat and he would be free to raise all he wanted for feed or for the export market or to provide against crop failure. But he should keep his surplus on the farm.

To get in, under this plan, all the farmer would have to do would be to voluntarily register his allotment with the dealer where he would market his wheat and he would not be allowed to sell any wheat at any other place at the fixed price. The dealers and processors would be licensed and bonded and they would be allowed a reasonable handling charge. The farmer would be allowed to market one-twelfth of his wheat each month. I would limit the amount of wheat that any one farmer could sell at the fixed price to 3000 bushels. Any farmer would have the privilege to mill wheat for his own use if he did not come in under this plan. It would in no way interfere with his personal liberty.

I believe that the individual and the family man is the producer who should be protected so that he can



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maintain his present standard of living. The government should go out of the grain business and turn it over to the grain trade. The grain men are the most efficient business men that you can find in any business. A minimum fixed price would in no way interfere with their legitimate business as they would handle the distribution and determine the grades and premiums and discounts the same as at present.

Allotments

For a five-year period from 1925 to 1930 the international trade in wheat was 803 million bushels divided as follows:

Canada	307,000,000 bu.
United States	170,000,000 bu.
Argentine	159,000,000 bu.
Australia	83,000,000 bu.
Other countries	94,000,000 bu.

This could be made the allotments to each nation. If Russia would come into the agreement the allotments would be changed as follows:

Canada	245,000,000 bu.
Russia	157,000,000 bu.
United States	136,000,000 bu.
Argentine	127,000,000 bu.
Australia	67,000,000 bu.
Other countries	76,000,000 bu.

My plan for establishing reasonable price does not call for the appropriation of one cent of public money and it will not require any \$50,000 or \$75,000 per year men to put it in force and keep it going, as we now have all the set-up necessary. This plan is simple and effective and will restore the purchasing power of the farmer.

OLD FASHIONED BANKING

(Continued from Page 10)

regation, mental or on paper, is necessary in order to arrive at the conclusion that funds received in this department earn substantially more than the average return on all the bank's loanable funds. The clause in the pass-books that notice of withdrawal may be required, is not particularly precious to a commercial bank as a practical matter. I do not mean to discuss this subject in detail but only to point out that we may have learned that interest bearing deposits cannot be relied on as to stability to the extent we had thought, and this makes an essential difference in nearly every consideration of savings management.

Reserve

In fact, recent experiences inspire new inquiry as to what amount and character of reserve a bank should have. At present, that safety which lies in a portfolio of eligible paper is not generally to be attained. Eligible paper does not exist in volume. Depositors' funds must be made to do some work or banks cease to function.

What amount of these funds may be safely employed and at what return determine what interest banks can pay the depositors. Can we find the safe and remunerative employment so as to retain balances, which unless paid interest will drift out into unwise investments? The lesson I point to is, that while attracting deposits is the first difficult task, knowing the right thing to do with them is harder still.

Another thing we have learned, or relearned, is the importance of the short maturity in the bank's secondary reserve account. Last November those banks which had avoided many of the mistakes common in bond purchases and had choice, high grade securities due within six months found themselves with few purchasers for their bonds because the natural buyers were banks and all of the banks were on the same side of the market. For a short time, about the only liquidity was in maturity; sales could not be depended on but a steady volume of securities coming due each day or week proved its dependability in case of need.

Short Maturities

Another experience in short maturities has taught us something if we can tell just what it is. Surely the reversal in the position of railroad bonds, including even equipment trust notes, in less than two years again emphasizes the risk in long maturities and their lack of reliability as secondary reserves. Railroad bonds are far from being total losses, may even re-

cover fully marketwise. Utilities may or may not be subject to influences sufficiently similar to railroads to make the record of their securities run parallel. But there is the lesson for us, that big industries, which we think of as basic, may change almost suddenly.

And as for companies, utility or industrial, headed by a financial wizard, do we require further teaching to grind into our consciousness that the larger the enterprise and the more complex its structure the greater the need for constant, independent audits; no organization is too large or too successful to furnish its bank creditors full statements. We should then loan only on property values not too far removed from the securities to be reached readily and never against false market values created and maintained by the skill of a corporation juggler. This is an old lesson but one which does not have practical application many times in a lifetime. Opportunity for the full development of such a monstrous robbery seems to be present only at the first flowering of some national or international development which serves millions of customers.

Diversification

One more specific item of which we have been reminded—diversification. Never do we realize its importance so keenly as when we look through our loans and investments to see where we can hope for liquidation and find that while some lines will not be ready to pay for ninety days, another line will be due and collected; this security may be sold and that bond matures.



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We have to do some planning to have these things happen as we want them.

What do we mean by old fashioned banking? To go back to the old days when adding machines and typewriters were unknown and all record work was done with a pen? When the customers took a day off when they drove to town in the farm wagon, did their trading and story swapping and then went to the bank just before or after closing hour? When the banker personally stood at the window, saw just the nature of every deposit made, and most of the checks paid against the account? He was pretty sure he knew the character of the customer, and whether he owed money other than to the bank. He knew what sort of horses a borrower had and something about his other live stock. Loans were made for pretty definite purposes and with a plan of payment at a certain season. Usually the wife joined in making the paper for she knew all of the financial problems of the family and assumed her full share of the burden of debt paying. To be old fashioned is not to return to those days. But the principle persists that the banker must know the borrower's habits of life, his ability and industry, his assets and his real liabilities. He should know something of his family life and above all he should know the purpose of the borrowing and the plan for paying it. True, advancing land values did save some earlier day situations which threatened to turn out badly, but who can say that present land values will not increase and that the olden day banker's record was

good only because of the times in which he lived and not because of his own sound judgment. The principles which he followed are the same today as thirty years or more ago.

It seems to me that the disposition to handle only those loan transactions which he understands and can form judgment on, which will probably be paid at a definite time not too far distant, which are to borrowers of good reputation, which do not carry an extra profit for an extra risk, which are likely to build up the borrower's worth, which can be reported fully and frankly to the directors and examining authorities, which the funds of the bank permit being put out for the contemplated period; this disposition of the man behind the counter, constitutes, in principle, Old Fashioned Banking. And with a well advised investment policy, it makes good management.

A SOLUTION OF THE FARM PROBLEM

(Continued from Page 11)

of wheat; \$180 per 10,000 pounds of hogs as an average past production; and \$100 per five bales of cotton.

The tariff benefits should be much greater, because, as I have shown you, the farmer was short nearly 60 cents per bushel in the 1921-30 period, as compared with pre-war exchange value. And right now he should be getting \$1.22 per bushel for wheat, \$8.80 for hogs, and 12.2c for cotton to receive pre-war exchange prices. He is down about 90 cents per bushel

on wheat and \$5.00 per hundred on hogs, and 5c per pound on cotton; therefore, a tariff benefit of 42 cents, which, when received on only the domestic consumption, decreases to 25 cents and 1 or 2 cents per pound on hogs, would make up only about 40 per cent of the producer's present shortage in pre-war exchange value. But an added 600 to 800 million dollars a year would help.

Allotments

Allotments of the domestic consumption of each product would be simply made, first, between the states in proportion to 10 years' production; next between counties on the same basis, and then within the counties between the farmers on the basis of five years' past production. All allotments, therefore, would be self-made, by the records. Since each allotment would be made at the outset of the year and the tariff benefit on it would be paid regardless of the amount of the crop produced in the same year, it would be crop insurance. It should be borne in mind at all times that this plan has nothing to do with marketing—the farmer would continue to sell on the open market when and as he pleases. His allotment would come to him at the end of the year regardless. Moreover, participation in the plan must be voluntary; it would not be constitutional otherwise. Any farmer who desires to do so may pass up his allotment and produce all he wishes; but even so, he would be increasing his production with the purpose of later on signing up, on a larger past production record. Allotments would be transferable, permitting variations in individual farm planning.

Limitation on acreage in wheat or cotton would be for the purpose of preventing surpluses that would so break the market as to offset the tariff benefits. To what extent world prices of wheat and cotton could be elevated by such control in this country cannot be wholly foreseen, but they would at least be shielded from wanton over-production.

Price Stabilized

In the case of hogs, the allotment would be in pounds of hogs that could be marketed and it would be necessary from time to time, with due notice, to require the farmer to increase or decrease his allotment by any percentage necessary to maintain a desired price level. Since the price of this perishable product is directly determined by the relation of supply and demand, it is admitted that by such control of marketings the price of hogs could be stabilized approximately at pre-war exchange value, a result

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beneficent not only to producers but to packers as well.

The pre-war exchange value is set up as a maximum for price elevation; hence the utmost that the consumer would be affected would be to pay in the same proportion as he did before the World War, when he made no complaint. As a matter of fact the present tariff rates if made operative on domestic consumption would increase the cost of a loaf of bread not more than a fourth of a cent and pork not more than ten per cent.

It has been proposed that the plan be worked out with the state as the unit of co-operation, much as is done in federal aid to highways. That would still further de-centralize administration, as the federal authority would then have only two functions; first to allot once a year between the states the amount of domestic consumption; and secondly, with such approval by producers as may finally be determined, to announce horizontal limits on production. Only one remittance a year on each commodity to each state would then be necessary and would be made upon an affirmative showing by the state that it had carried out the provisions of the law, much as is now done with the highways. Total cost of administration deducted from the amount allotted would be limited to two and one-half per cent of the fund.

It Will Work

There can be no question that this plan would work, because, first, there would be no doubt of the collection of the tax by the internal revenue department; nor would there be any question about the payment of the allotment, because all allotments would be made automatically on the basis of past production. It is one of the few proposed farm measures that would be constitutional, because both the excise tax and subsidies have long been used by our government. It would be economically sound because, through a self-financing process, it would elevate prices and at the same time control production. It would accord with the established policy of the United States, in that it would provide tariff benefits, at the expense of the consumer, just as is done in so many other industries for which the tariff elevates prices.

Secretary Mills on Reconstruction

In his address before the annual convention of the American Bankers' Association in Los Angeles, Secretary Mills undertook the task of defending the most creditable performance of the Hoover Administration, the organization and successful operation of the

Reconstruction Finance Corporation. Mr. Mills acquitted himself of this task effectively. He pointed out that one bank out of four has received some aid from the Reconstruction Corporation, and that failure to help these would have brought about so rapid a deterioration of the general financial and business situation that the entire economic structure of the country would have been dangerously undermined.

Secretary Mills' description of the excellent work done by the Reconstruction Finance Corporation does raise the question of why it was not organized and made to function sooner. However, if the trend of economic events should ever create a similar crisis in the future, the experience of the recent panic should permit the more timely application of an effective remedy.

When the Secretary of the Treasury turns to the broader question of the control of future violent business and financial fluctuations his arguments are less convincing. Here he insists upon committing himself not at all. He holds that "any man who attempts to speak dogmatically or with finality deals with these problems, either from a wholly theoretical standpoint or with the valor of ignorance."

It is common to attacks others for definite opinions on a subject which the individual himself has not thought through to a conclusion. Mr. Mills shows a tendency in this direction. He hopes that a day may come when dangerous inflationary periods in business such as that which lasted from 1924 to 1929 may be controlled, but

he insists that the time has not yet arrived. However, any thinking person now perceives that while a succession of business upturns and recessions would doubtless have occurred during the postwar period in any event, it was the inflation of bank credit, installment credit, foreign loans and other forms of debt-creation which, superimposed upon the normal business cycles of a period of technological change, caused a great inflationary boom with the inevitable subsequent collapse. In view of the powerful role played by the Federal Reserve System in regulating and controlling the nation's credit structure, that system must learn to exercise a restraining as well as an encouraging hand. Mr. Mills himself refers with praise to the policy of maintaining large excess reserves which characterize Reserve bank policy at the present time. Perhaps it is only a modest aversion to criticism of his predecessors in office which prevents him from attacking the failure of the Reserve system to check the speculative expansion during the days of the Coolidge and Hoover bull markets, which is the necessary converse of the present policy during a period of inflation.—*New York Journal of Commerce.*

All the Corn Will Be Needed

A bumper crop in the great Corn Belt this year and record breaking low prices on the market have revived discussion of the use of this grain for fuel. Much of it will undoubtedly go into stove and furnace in place of wood and coal but it might be wise to figure a little on relative costs.

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On the basis of present prices of coal and corn in many parts of the Corn Belt it is estimated by B. W. Snow, the crop statistician, there would be a probable saving of nearly \$2 a ton in the burning of corn. Mr. Snow adds, however, that other sections of the country do not have burdensome supplies of corn this year.

"New England and New York, with their dairy feed requirements, have a corn crop this year 10 per cent smaller than they raised in 1931. The Central Atlantic states, New Jersey to Maryland, have produced only 73,000,000 bushels, against 95,000,000 last year. The eastern cotton states and Tennessee, Kentucky and West Virginia have a crop of only 370,000,000 bushels, against 408,000,000 last year, suggesting an increased demand upon the stocks of the strictly corn states of the central valleys.

"Another feature of the corn distribution is the fact that the crop in Ohio and Indiana totals 287,000,000 bushels this year, against 330,000,000 last year, largely minimizing the ability of these states to furnish the supplies needed by the seaboard states.

"In view of this calculation, the big corn states including Iowa, Illinois, Nebraska and Missouri, may find a better outlet than the furnace for their surplus corn."—*Omaha Journal-Stockman*.

The Last Laugh

A man entered a hotel, placed his umbrella in the stand and tied a card to it on which was written:

"This umbrella belongs to a champion prize fighter. Back in ten minutes."

When he returned the umbrella was gone. The card, however, was still there. "Umbrella was taken by a champion long-distance runner. Won't be back at all."

True to Facts

Teacher: "Willie, what is an adult?"

Willie: "One that has stopped growing except in the middle."—*Grinnell Malteaser*.

I Stole This Wisecrack

"Where is Calvin Coolidge these days?"

"Oh, up in North Hampton, resting on his morals."—*Notre Dame Juggler*.

Her Chief Concern

College Senior: "I would give five dollars for just one kiss from a nice little girl like you."

Innocent Co-ed: "Oh, how terrible!"

College Senior: "Did I offend you?"

Co-ed: "No, I was just thinking about the fortune I gave away last night."

Let Them Eat Caviar

"Say, mister, can you tell me how to get to 789 Soandso St.?"

"Sure. You walk two blocks down till you get to the breadline. Then you walk two breadlines east, three south and then turn again till you see the line by the Thirty-second National. It's only one breadline from there."—*C. C. N. Y. Mercury*.

Colorado News

Christmas Savings

Santa Claus is planning his annual visit to Denver.

Depression howlers may wail and the stock market may behave as it pleases, but Denver's thrifty residents will receive their golden shower of Christmas savings as usual.

Managers of the savings departments of 11 Denver banks estimated that a total of \$1,125,000 will be mailed on December 1 to depositors in Christmas savings clubs.

Estimates by the 11 banks follow:

Colorado National	\$260,000
U. S. National	200,000
First National	190,000
American National	110,000
Denver National	100,000
International Trust Co.	95,000
Central Savings	80,000
Stockyards National	35,000
South Broadway National	24,000
National City	15,000
Colorado State	15,000

Assistant Cashier

H. N. Bales was elevated an assistant cashier of the Poudre Valley National bank at a recent meeting of the directors.

Mr. Bales is an additional officer. He has been an employe of the Poudre Valley National bank for 14 years. Prior to that he was employed by the old Poudre Valley Gas company. He was a member of Fort Collins High School class of 1916, taking a business course after graduation.

Colorado Springs Figures

New building in Colorado Springs in September was \$11,889 over the same month in 1931, according to a monthly review of the Federal Reserve Bank of Kansas City for the tenth district, September, 1932, estimated cost was \$62,860, as compared to \$50,571 in September a year ago, the report shows.

Debts to individual accounts in Colorado Springs banks for the five weeks ending October 5, decreased from \$16,626,000 to \$11,531,000 on a basis of comparison with the same period in 1931, according to the review.

An Expensive Election

Election day cost the First State bank of Erie \$22,650.

Citizens of Erie, a small mining town about 15 miles north of Denver, rigged up a bandit-alarm system a few years ago. William Whiles, cashier, was to press a button beneath the counter. A buzzer would ring in the

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nearby bakery shop of Lester Coyle, and Coyle would spread the word that the bank was being robbed.

Just before closing time two bandits, dressed as miners, entered the bank and threatened Whiles with a revolver. Whiles pressed the button. No response.

Coyle, along with a majority of Erie residents, was at the drug store across the street discussing the forthcoming election. The bandits escaped with \$22,650.

Business Upturn

An unmistakable reflection of the business upturn in recent months was seen when the total amount of bank clearings in Denver during October was announced and proved to be the largest of any month since April.

The clearings of the clearing house association banks were \$83,076,299.92.

That was nearly 10 million dollars more than the clearings during September, \$74,451,484.74.

While Denver business men have been unanimous in recent weeks in declaring that trade was picking up, the 10-million-dollar jump in clearings in a single month came as a pleasant surprise.

An even better month during November is being confidently predicted and Christmas buying is expected to push December into first place for 1932 on the basis of clearings and business transacted.

Clearings during October, 1931, were more than 114 million dollars.

At that time, however, clearings were showing a steady downward trend, while the present curve is well upward.

B & L Meeting

As a first step toward putting the new Federal Home Loan Bank act into operation in Colorado, a meeting of Colorado building and loan association officials was held on November 19 at Denver.

At the meeting, the workings of the act were interpreted by Otis A. King, one of the Colorado directors of the Topeka branch of the federal home loan bank. Efforts were made to have as many of the association officials as possible take out memberships in the bank.

We'll Bite!

A Negro went fishing. He hooked a big catfish which pulled him overboard. As he crawled back into the boat, he said philosophically:

"What I wanta know is dis—is dis nigger fishing' or is dis fish nigger-in'?"

Kansas News

Elected Vice-President

At the last meeting of the board of directors of the Baxter State Bank, John I. Cooper was elected vice president to fill the vacancy caused by the death of T. Connor.

Mr. Cooper has been a member of the board of directors for many years.

Consolidated

Consolidation of the Carbondale State bank, Carbondale, with the Topeka State bank has been announced by George W. Snyder, president of the Topeka State bank.

Decreased deposits in the Carbondale bank and consequent decrease in earnings, brought about the consolidation, President Snyder said.

Capital of the Carbondale bank was \$20,000; surplus, \$9,000; undivided profits, \$3,000; deposits, \$93,000; loans, \$99,000; bonds and cash, \$18,000.

Meet in Oswego

The regular quarterly banquet and business meeting of the Labette County Bankers association was held in the dining room of the Hotel Burgess at Oswego. The hosts on this occasion were The First National bank, The American State bank, C. A. Wilkin & Co., and The Deming Investment company, all local institutions. Officers of the Labette County Bankers association are Ray Wilson, of Parsons, president; W. W. Barnard, Oswego, vice president, and W. S. Phillips, Parsons, secretary-treasurer. President Wilson presided at the meeting.

Thirty Years

The Kansas State bank, of Newton, celebrated its thirtieth birthday anniversary last month.

It was organized and ready for business thirty years ago with B. War-

kentin, president; C. F. Claassen, vice president; Charles W. Goss, cashier, and A. L. Snoberger, bookkeeper. Directors were B. Warkentin, C. F. Claassen, Charles Goss, S. A. Hanlin, S. M. Swartz, J. H. McNair and Jacob Linn of Halstead, J. A. Randall and Tom Sheridan.

Of the officers, only C. F. Claassen remains and he is still at his desk every day doing active work in the organization as president. Of the directors only S. A. Hanlin, C. F. Claassen and Tom Sheridan remain.

New Safety Feature

A tear gas bomb, released electrically by the touch of an electric button, will make things miserable should robbers attempt a holdup of the Luray First National bank. This new safety apparatus was installed by the bank, and is a new forward step in this institution's endeavor to keep abreast of the times. A loud report accompanies the releasing of the tear gas bomb, and the gas itself is guaranteed to reach every corner of the building within seven seconds after its release. Tear gas has been found very effective in controlling persons who are set on misbehaving themselves.

Anniversary

The Cuba Farmers State bank has just celebrated its thirtieth birthday. Victor Veroda is the president. The financial worth of its stockholders is roughly estimated at \$700,000.

Will Wayman Dead

Will Wayman, 82, pioneer Lyon County cattleman and banker, died at his home in Emporia as a result of heart attack. Mr. Wayman had prepared for a bath and entered the bathroom. When he did not come out, the room was entered and his body was found in the bathtub.

He was the organizer of three Lyon county banks, was active in Emporia banking circles until the time of his death, and was one of the most sought after speakers on the subject of coun-

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try banking at bankers' conventions. He was always a foe of branch banking, believing in the individuality and the personal spirit expressed in the locally owned institutions. He handled deftly a dual role as a farmer and banker and knew more about stock-raising, farming and rural conditions than anyone on the townsite, combining as he did, his extensive farming with his banking business.

Group Meetings

The Doniphan County Bankers association was host recently to one of the biggest conventions ever held in Troy, when Group One, including Doniphan, Brown, Nemaha, Marshall, Wyandotte, Pottawatomie, Jackson, Jefferson, Atchison and Leavenworth counties, held its convention. Over three hundred visiting bankers discussed their various problems, drank the sweet cider and sampled Doniphan county apples.

The Jewell County Bankers association was host to Group Four of the Kansas Bankers association. The meetings were held at the city auditorium at Mankato. L. H. Stafford is chairman of the Jewell County association and R. S. Drake the secretary. Speakers before the gathering included H. W. Koeneke, bank commissioner; W. A. Hayes, president Kansas Bankers association; I. N. Platt, county attorney of Geary county; W. D. Womer, Manhattan; D. F. Stanley, Mankato; C. R. Cravens, Salina; J. R. Geis, vice president Kansas Bankers association, and Dr. F. D. Farrell, of Manhattan. Luncheon, tea, buffet supper, musical numbers and short periods of entertainment had places on the day's program.

Ellsworth was chosen without opposition as the place for the 1933 convention of Group Four.

More than 300 persons were registered for the Group Seven meeting of the Kansas Bankers association in

Great Bend in the district court room at the court house. They came from Ness, Rush, Rice, Hodgeman, Barton, Pawnee, Edwards, Stafford, Reno, Kiowa, Pratt and Comanche counties, which comprises the group.

W. A. Hayes, president of the Kansas Bankers association, talked on the general conditions of banking, the workings of the association and on the public relations of the country bank.

Fifty-one banks and three building and loan associations were represented at the meeting of Group Eight, of the Kansas Bankers association at St. Francis.

Towns represented by the members of Group Eight were Hoxie, Levant, Beardsley, Grinnell, Rexford, McDonald, Brewster, Page, Monument, Sharon Springs, Oakley, Dresden, Kanorado, Colby, Oberlin, Norcatour, Selden, Goodland, Herndon, Atwood, Ludell, Jennings, Bird City, and St. Francis. Banks represented from a distance were New York City, Topeka, Kansas City, St. Louis, St. Joseph, La Crosse, Ellis and Hays.

Wyoming News

New Position

Robert B. MacKenzie, for the past five and one-half years cashier of the Hulett State bank, has accepted a position with the Stockmen's Bank of Gillette. He takes the place of Mrs. Ben Powell, who resigned her position.

Mr. and Mrs. MacKenzie, with their son and daughter and Mrs. MacKenzie's mother, Mrs. Jessie Hurlbut, have arrived to make their home. Another son is in school in Portland, Ore. The Hulett State bank, of which Mr. MacKenzie was cashier, was recently merged with the Sundance State bank.

Deposit Ruling

A commercial deposit may not be legally set off against a loan to the owner of the deposit in the savings department of an insolvent state bank, the attorney general's office ruled in an opinion submitted to Wyoming Examiner William Reeves, Jr.

The opinion cited a state statute which the attorney general's office held separate transactions in the savings department from transactions in the commercial department.

The law provides as follows: " * * * that all investments relating to the savings department shall be kept entirely separate and apart from other business of the bank, that such portion of said savings deposits as are on hand unloaned or deposited with other banks and the investments made with the funds deposited by savings depositors shall be held solely by such bank or trust company for payment of depositors of said funds."

It is also related in the opinion that the Supreme Court of the United States had held that a depositor in a savings bank may not equitably set off his deposit in payment of his debt to the bank.

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H. H. Haynes, Editor.
Sworn to and subscribed before me this 30th day of September, 1932.

Earl S. Linn, Notary Public.
(Seal) (My commission expires July 4, 1933)

Form 3526-Ed 1924

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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

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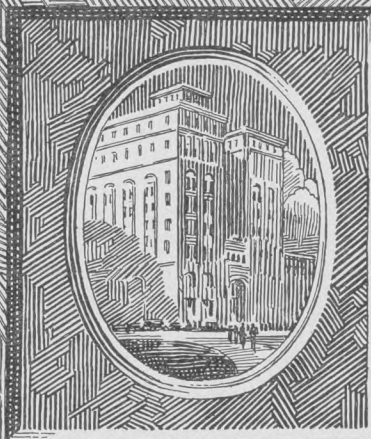
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