

CENTRAL WESTERN BANKER

Omaha

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MEMBER FEDERAL RESERVE SYSTEM

CENTRAL WESTERN BANKER

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The Teller Tells the World

By C. W. FISHBAUGH

WHILE banks are required to publish statements of their condition, and are examined periodically so their depositors will be safe, no check-up of the bank's funds are made public if a bank goes into receivership. What I advocate is publishing every six months a statement of the receiver in charge showing the depositors how the funds are being used. The depositor has a right to know. Isn't he as much interested in the funds of the closed bank as he is the one that is open? Certainly, and perhaps more so.

MR. HARDFLINT the banker attended church, at least he did this time. The sermon was interesting and the preacher ended up his address with: "—and as you go forth into the world remember—the wages of sin is death." Mr. Hardflint sighed and spoke: "Thank heavens, we're sure of getting paid for something during this depression."

IT MIGHT interest all you counters of shekels where the term shekel came from. Here's how. It took its name from its weight, authorized by Antiochus in 176 B. C. This shekel bore on one side a triple lily with the inscription "The Redemption of Zion," on the other other side appeared a chalice. (If you run across any of those shekels drop me a line—I'd like to see a chalice.)

"TAKE care of your pennies and your heirs will blow in the dollars," suggested ad for your front window.

THE "CHEAPER DOLLAR" should be of interest to the Chinese. Their trouble's in the Chinese mint. Instead of making money it's costing money. The monthly upkeep is \$210,000 whereas it turns out less than \$100,000. At this rate of over two for one it won't take long to ruin the government. They have hope of recovery, though. They suspended the mint.

IT SEEMS two bankers were walking down the street bound for a restaurant. They walked three blocks without speaking a word. Then they looked at each other, and walked the rest of the distance still without saying a word. They found a table, sat down and ate their lunch still without saying a word. Finally when they had finished one of them looked at the other and heaved a deep sigh. The other looked back and heaved a deeper sigh, and said: "You're telling me?"

IT IS claimed that the depression will be over six months before we know it. It happened that way in the 1920-21 gloom-repression. Business reached its low point in April, 1921, while stocks did not reach their low point until August, 1921. From April business made a steady climb back to prosperity. And lo and behold we had ten years of our greatest prosperity.

THAT reminds me of the gentleman who was asked how business was. He replied: "Fine, I'm already 20 per cent ahead of next year."

ONE BANKER has compared banking to baseball. He says a good baseball game has "no runs, no hits, no errors," and that a good bank in these days has "no loans, no loss, no profits." I will add another likeness—all the fans are throwing pop bottles.

AS LONG as there is money there will be counterfeiters. Recently I read a very interesting story about one counterfeiter. It seems that from early youth he had been haunted with a desire to develop the perfect counterfeit. He devoted all his time in developing himself to that end; he studied chemistry, engraving and every book that might prove of the least use in his plan. He made many counterfeits, but none to his satisfaction. Finally he developed the final perfect counterfeit. It was a masterpiece. He was at last satisfied, but what to

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"I make bold to assert that the first step in the process of balancing the budget of practically every government in the country at this time should be in the direction of materially reduced governmental costs. A constantly rising tide of appropriations will, if unchecked, lead to inevitable disaster."

Why Uncle Sam Must Balance His Budget

By HON. SENNETT CONNER
Governor of Mississippi

A Sacred Obligation

WE FREQUENTLY hear the assertion that a return to normal business conditions awaits the balancing of the budgets of the national and state governments. There is more to support this view than the fully-developed tendency of citizens to lay the blame for their individual misfortunes at the door of their government and to demand paternalistic remedial palliatives. It cannot be denied that the prosperity of private business and the welfare of the people generally are directly influenced and affected by governmental policies and operations. Not only do the people mourn when the wicked rule, but they suffer when the foolish are in authority.

But many causes have contributed to our present financial discomfort. Public and private extravagances, abuses of governmental and private credit, an industrial system which permits uncontrolled production, competition and distribution, our capitalistic system, untrue standards of valuation, and innumerable other factors have conspired to bring distress to our people. Likewise many forces must unite to perform the work of relief and permanent reconstruction. No governmental caldron can produce legislative nostrums that will act as panaceas for all our ills, as many citizens appear to believe. But governments can lead the way to recovery by the application of sound and practical businesslike principles to their financial problems. It must be conceded that just, efficient, and economical government is essential to healthy business conditions. Modern commercial life cannot flourish without credit, and credit cannot exist without faith. Faith in governmental credit must underlie and support confidence in private credit, and therefore private credit can never rise higher than public credit.

Those to whom keeping governmental credit is intrusted should hold the duty of safeguarding it as a sacred obligation, the full discharge of which is the highest form of public service. It would be much better for all concerned if the legislative body made only limited provision for the general need, or made no provision at all, than for it to fall into the dangerous practice of failing to make adequate provision for the obligations which it assumes. There is but one means whereby a government's credit may be properly protected and its obligations to all citizens properly discharged. That is through the legislative provision of sufficient revenue to meet legislative appropriations and standing commitments of whatever character. The short phrase for this operation is, "Balancing the budget."

This apparently simple operation of balancing the budget has become a very real and somewhat complex problem with governments throughout the world. With the advance of society and the increase of population, as well as the intensive and extensive development of economic systems, governmental ministrations and functions have been broadened and increased to deal with the new problems presented and in response to the demands of the people. As a natural result governmental costs have mounted higher and higher, and oftentimes these costs have increased at a much greater rate than the ability of the people, as measured by their earnings, to pay the resulting taxes and without any relation to such ability.

Expenses Increase

It is estimated that governmental expenditures in this country have increased from 6.1 per cent of the total income of

our people in 1912 to 22 per cent of our total income in 1931. When current revenues have proved insufficient to meet current expenditures, funds have been provided by the sale of securities. Maturing interest and principal payments resulting from these bonded obligations have in turn further increased current appropriations. In one American state, with whose affairs I am somewhat acquainted, current receipts have equaled or exceeded current expenses in only six of the last thirty years. In America, governments, particularly local governments, have issued hundreds of millions of dollars of bonds for highways, for school and other institutional buildings, and for all manner of public improvements. Governmental costs have been increased thereby not only to provide for the interest and retirement of such bonds, but for the maintenance and operation of such improvements and institutions.

While governmental costs were thus increasing, the problem has been further complicated and rendered more difficult of solution by a decline in revenues derived from usual sources. Dependent as they are upon their citizens for financial support and maintenance, governments now find themselves in financial distress along with their citizens in these times of depression. Individuals as well as governments have cultivated and developed their requirements and activities, and made expenditures and contracted obligations without regard to their incomes. The result is that today the total public and private debt of this country probably exceeds \$200,000,000,000, and the weight of it constitutes a major obstacle to the return of normal business conditions. Governments are being threatened and their officials are being repudiated by the people because the same extravagance and indiscriminate debt-making that have characterized the affairs of the average citizen in recent

years have also attached to governmental expenditures and operations.

I make bold to assert that the first step in the process of balancing the budget of practically every government in this country at this time should be in the direction of materially reduced governmental costs. A wise control of expenditures is absolutely essential to the financial well-being of every government. A constantly rising tide of appropriations will, if unchecked, lead to inevitable disaster.

Meeting the Problem

But meeting the problem is much less simple than stating it. Intelligence and courage on the part of public officials, and unselfish and sympathetic understanding and cooperation on the part of the citizenry must be present to secure a reduction of governmental costs. The cost of government in our so-called self-governing democracies is in the last analysis neither more nor less than what the people will that it should be.

It is difficult materially to reduce governmental costs because such action means the abandonment or curtailment of some services being rendered by the government, and a reduction of political patronage. These costs have been increased because governmental functions and services have been extended and elaborated in response to the wishes of citizens in general, or more frequently, in obedience to the demands of organized blocs and sustained propaganda. Herein lies the difficulty. A former secretary of the United States Treasury has pointed out that, while business is conducted primarily for the profit that legitimately results, the ultimate end of government is not profit, but power. He said, "In politics, everything reasonable and honest is made to serve the ends of politics, exactly as in business everything reasonable and honest is made to contribute to profit." Profit requires efficiency. Politics will not require efficiency unless the people demand and exact it. The American people recently have become painfully tax-conscious, and hope is inspired by the belief that they will realize that the problem presented by expansions of governmental activities must in the last analysis be reduced to the same terms as that presented by increased individual expenses, and that is, paying the bill.

If budget balancing requires an increase of revenues, then in most jurisdictions the first effort should be toward

modernizing and rendering more equitable and efficient the existing tax systems. Less progress has been made with this than with any other governmental problem. It may be safely asserted that every state is faced with the problem of securing a more equitable distribution of the tax burdens. Every government should recognize the necessity for constant and intelligent study of this problem, and should conduct thorough and scientific surveys for the compilation of accurate and complete data and information upon which constructive legislative action may be based.

The People Pay

If additional taxes must be levied, they should be imposed with due regard to the income-producing condition of the people who must pay the taxes. They should not be pyramided upon the relatively small portion of the population who now directly contribute to governmental support. The widest possible tax base should be secured, as the steadiest revenue comes from the system with the broadest base, and stability that guarantees a reasonably constant income is one of the first requirements of a sound revenue system. Good citizenship will be promoted and governmental economy and efficiency encouraged, while paternalistic doles and subsidies will be discouraged, by requiring every citizen to

contribute by direct taxation to the support of his government. By a scientifically balanced system imposing taxes on possessions, net incomes, privileges, and consumption, universality of taxpaying can be secured with due regard to the taxpayer's ability to pay and his capacity and opportunity for enjoyment of the benefits of government.

When the budget appears to be in balance, there is always the danger that the balance may not be actual or that it may be destroyed by subsequent and unexpected happenings. Appropriation bills when enacted into laws are immediately translated into fixed liabilities of the state. Revenue acts at best are only the expression of legislative hope that they will at some future time bring into the treasury funds to meet the amounts removed by the appropriations. This fundamental difference between legislating money into the treasury and legislating it out, adds to the difficulty of securing a balanced budget. It makes all the more necessary the exercise of the greatest care and effort in providing an ample factor of safety in the raising of revenues. It should also emphasize the necessity of constant vigilance in the matter of proper control over appropriations. In the absence of constitutional or statutory limitations and restrictions, budgets are sometimes thrown out of balance and



It was a happy day for Alvin E. Johnson, vice president of the Live Stock National Bank of Omaha, when last month he celebrated the 25th anniversary of his connection with that institution. Appreciative employes presented him a gorgeous basket of flowers, from the Omaha Chamber of Commerce came a loving cup, and his many friends sent him various telegrams and letters of congratulation on his successful career.

deficits created by subordinate agencies who defeat the legislative desire by contracting debts and expending funds in excess of appropriations authorized by law.

Must Have System

As anomalous as it may appear, it is true that some states and many local governments have no budget system worthy of the name. A governmental budget can be balanced and kept in balance only with the aid of an effective budgeting system, embodying the formulation of the budget plan by the executive, through the budget officer, action upon the budget by the legislative body, and execution of the legislative plan. The system should provide for an executive budget that will furnish an analytical and comprehensive survey of the needs and resources of the governmental unit, an accounting and reporting of what has been done in the past, and the proposal of a complete financial program for the future. This makes it possible to apply public monies to the most urgent needs so as to assure the full measure of service to the taxpayers. Without the assistance and information furnished by such a system, the legislature gropes in darkness and cannot intelligently appropriate the public funds, and deficits are certain to occur.

The Institute for Government Research of the Brookings Institution, of Washington, D. C., has recently completed an extensive survey of the organization and administration of state and county government in Mississippi. The legislature has authorized the continuation of this research work, and has cre-

ated a recess committee charged with the duty of formulating and submitting to the next legislative session a plan for the complete reorganization of the administrative machinery of the state and local governments. Under the direction of the chairman of the State Tax Commission, whose department has been completely reorganized along scientific lines, we have undertaken an intensive business study of our state that will furnish a picture in minute detail of the basic facts of the state's entire tax structure. Through this department and the State Budget Commission, the next legislature will be furnished reliable and comprehensive data and information so necessary for intelligent and constructive action.

I cannot close without expressing the sincere hope, both as a public official and as an American citizen, that you and the other experienced and successful business men of the country may find time to cooperate with, and assist with your helpful counsel, those charged with the responsibility of administering governmental affairs during these perilous and trying times. There is real need for a greater accord and closer union between business and government for the promotion of the general welfare. While citizens may justly look to their government for protection and service, yet their government must look to them for support. It is unfortunate if a consideration of the duties of the government to the people is allowed to obscure a realization of the obligations of the people to the government. After all is said and done, in the words of William Penn, "Gov-

ernments, like clocks, go from the motion men give them; and, as governments are made and moved by men, so by men they are ruined, too. Therefore governments rather depend upon men, than men upon governments."

Secondary Roads Need Attention

"... It might be argued with good logic," says an editorial in the Country Gentleman, "that the country's 2,400,000 miles of secondary roads are just as essential to the nation at large, as necessary to the free flow of commerce, as the 650,000 mile primary highway system."

The farmers of the nation will say "amen" to that, and so will everybody else who has an inkling of the road problem. Main highways are of vast importance, and they are a national asset well worth their cost. But—and this should be remembered—these fine highways cannot be utilized to full advantage without a reasonably complete system of improved secondary roads to coordinate with them.

The secondary roads are the food roads of the nation. Over them come the nation's supplies, the basic necessities of life. On them depends, to a great extent, the prosperity of our millions of farmers. Every dollar we spend for them—so long as it is spent with true regard for conditions and not for political purposes—is a genuine investment, that will pay dividends.

The average city dweller sees few of these secondary roads, but they are important to him just the same. The nation's secondary road system must be perfected—hundreds of thousands of miles of such roads which now become a series of mudholes in the winter, should be improved as fast as we can, in the name of progress. Full-width, weather-proof, farm-to-market roads, surfaced with asphaltic or road oil mixtures, can be built for three, four or five thousand dollars a mile, depending on the type of country. They are the farmers' insurance for a progressive future.

Modesty

New Circus Actress: Well, boss, since you've given me a job in your circus, you had better tell me what to do to keep from making a mistake.

Manager: Well, don't ever undress before the bearded lady.

FACTS OF INTEREST

AMERICANS are drinking some 5,000,000 pounds more of tea per year. Black tea seems to be most popular. This comes chiefly from India and Ceylon.

TWO hundred and forty-seven retail stores reported a loss from fraudulent checks of \$49,453 for the first half of 1932. This was 0.02 per cent of the total sales, the same percentage as in the first six months of 1931.

AUTHORITIES in the oil industry estimate that the consumption of gasoline during the last quarter of 1932 will fall 10 per cent below the total for the corresponding period of 1931. Gasoline consumption in 1931 reached a new peak for all time and the figures for 1932 have shown a smaller decline from the peak than any other important basic industry.

INVENTORS were quite busy in the year ended June 30, for the United States Patent Office granted 52,572 patents, the largest number recorded in any year, and 18.6 per cent over the previous fiscal period.

How A Banker Views Our Export Trade

By A. N. GENTES

*Assistant Manager, Foreign Department
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TO THOSE of us who are closely identified with export trade and vitally interested in its continuance, the reduced volume of business presents a disturbing and somewhat discouraging picture. Disregarding the export figures of 1916 to 1920, inclusive, abnormally large because of conditions brought about by the world war, we find that our average exports for the period of 1921 to 1929, inclusive, were approximately \$4,600,000,000 as against \$3,800,000,000 in 1930, \$2,400,000,000 in 1931, and \$1,300,000,000 for the first ten months in 1932.

Reasons for Decline

Conceding, as we all do, the extreme importance of export trade in the economic welfare and prosperity of the United States, we may well question the reasons for the serious decline in the past three years and the possibilities of an increase in the future. In an analysis of our receding export business, the continuous decline in the price of raw commodities and manufactured goods since 1929 should not be overlooked, but apart from that fact, we have as important contributing factors, the almost complete cessation of loans to foreign countries, tariff barriers, depreciated exchanges, exchange restrictions, import quotas, frozen currency deposits, reduced purchasing power of foreign buyers, a substantial reduction of our own imports from foreign countries, revolutions and political unrest, and last, but not the least important, an extreme shortage of dollar exchange in many foreign countries.

Speaking in a general way, dollar exchange, the prime requisite of our foreign commerce, can be created in foreign countries in three ways—by loans from the United States, by shipments of gold to the United States, or by shipments of raw commodities or manufactured goods to the United States. The contemplation of loans by the United States to foreign countries is practically non-existent at this time, for reason with which we are all familiar. Except in isolated cases, shipments of gold for commercial purposes are quite unlikely. We must there-

fore face the fact that the buying power of practically all foreign countries will be limited for a time at least to the amount of exchange available through the export of their own products.

Increasing Tariffs

Unfortunately, the commercial policy in most countries throughout the world has been characterized by a uniform trend toward increasing tariffs. It is not my intention to enter into a discussion of that most complex and highly debatable subject, other than to remark in passing that certain judicious concessions on the part of our Government to foreign countries might well result in some very tangible benefits for export trade, or, at any rate, an amelioration of the unfavorable reaction engendered abroad by the passage of the Hawley-Smoot tariff act.

Cheap Money

Before passing on to the subject of exchange restrictions, mention should be made of the effect which depreciated currencies has had in reducing the volume of our export trade. When it is noted that sterling has depreciated from a par of \$4.8665 to approximately \$3.20, Japanese exchange from .4985c to about 20c, Australian exchange from \$4.8665 to about \$2.56, Spanish exchange from .1930c to about 8c and in South America, Argentine exchange from .4244 to .2580c, Chilean exchange from .1217c to an official rate of about 6c, and a "bootleg" rate of less than 2c, and Uruguayan exchange from \$1.03 to about 47c, it will be realized that foreign purchases must of necessity be drastically curtailed. To illustrate my point,

I might cite the case of an article valued at \$1.00 United States currency shipped from the United States to Japan. Before Japanese exchange depreciated, the cost of the article to the consumer in Japan would be approximately 2 yen. On the present depreciated exchange basis, the cost would be approximately 5 yen. Eventually the price abroad becomes so prohibitive that the consumer is forced either to forego the purchase entirely or substitute with a similar product manufactured locally. Some manufacturers, realizing the gravity of the situation and desiring to keep their products in the market, have assumed either part or all of the exchange depreciation, while in other cases all of the increased cost in local currency has been passed along to the ultimate consumer. No particular formula can be followed. Each manufacturer must make his own decision based on the facts at hand.

In respect to the reduced purchasing power of foreign buyers, it is interesting to note that South America has not lost its relative position as a supplier of raw materials and foodstuffs. A substantial volume is still exported but the dollar value has declined materially. A comparison of prices in October, 1932, with the average in 1926 indicates depreciations as follows:

Farm Products	53%
Foods	40%
Hides and Skins.....	50%
Raw material in general.....	46%

The question may arise as to whether foreign buyers, insofar as purchasing power is concerned, are not relatively as well off, by reason of the decline in the price of manufactured goods. When we find that all commodities, other than farm products and foods, have depreciat-

“Our attitude as to the future possibilities of our foreign trade is optimistic, and I do not feel we should be discouraged. The needs of the world constantly increase, the desire to buy still exists, many safe markets are still open to us, and it is only reasonable to expect an increased purchasing power and a resulting increase in our export trade.”

ed only 30 per cent, it will be seen that such is not the case. Buying power in those countries which continue to pay interest on foreign indebtedness is more seriously affected, as debt service remains constant in the face of smaller amounts of foreign exchange available from export.

Exchange Restrictions

Exchange restrictions of one kind or another in some thirty countries throughout the world have probably caused exporters more real concern in the past two or three years than any other one factor in export trade. One country after another has adopted emergency measures in the form of exchange restrictions, varying in detail and severity. Undoubtedly it was believed that such action was necessary as a protection against the flight of capital, extreme exchange

depreciation, depletion of gold reserves, and, in order to preserve international credit, to provide for a fair and orderly allotment of available exchange and to assure foreign exchange for highly essential imports. Generally speaking, exchange restrictions follow the same basic form in all countries, through the control of all available foreign exchange by the Central Bank, the National Bank, or by an Exchange Control Commission. Quite logically, the details vary in accordance with the severity of the exchange stringency and in that respect I might refer to the periodic publications of the Department of Commerce or to our own circular letter on exchange restrictions published every two or three months.

An examination of the decrees of the different countries will indicate the fol-

lowing restrictions, requirements and limitations:

- Moratoria on commercial debts incurred without the country.
- Complete control of the allocation of foreign exchange to importers.
- Complete control of foreign exchange arising through export.
- The establishment of quota bases for allotting exchange.
- The establishment of import quotas for various classes of merchandise.
- Preference for raw materials, articles of prime necessity and merchandise necessary for the economic development of the country.
- Prohibition of luxury articles.
- Issuance of bonds in settlement of backed-up commercial indebtedness.
- Documentary evidence of importation.
- Allocation of exchange for part payments.
- Postponement of payments at maturity.
- Withholding of foreign exchange for maturities prior to certain dates, etc.

Lifted Gradually

Needless to say, the exporter should have full knowledge, in advance of the actual shipment, of the exchange restrictions imposed and the delays which may be expected.

There is no doubt but that exchange restrictions have had a very unfavorable effect on the volume of our export trade but I do not feel that their complete or hasty elimination at this time, were that possible, would be to our general advantage. Complete elimination of the restrictions can come only with a marked improvement in economic conditions throughout the world. In my opinion, the restrictions will be lifted gradually as economic conditions improve and as commodity prices advance.

The importance of our export business never before has been more keenly appreciated. Never before have we had such uniformity of thought on the problems which confront us and, in respect to its restoration, this indeed is a most hopeful sign. Plans for the mitigation of exchange restrictions and the restoration of our foreign trade are being energetically prosecuted by various agencies. The United States is a very substantial purchaser of raw commodities, particularly from countries in South America and it would seem that much could be accomplished through the intelligent and forceful application of the principles of reciprocity.

Trade Trends

Reviewed by the

CONTINENTAL NATIONAL BANK, FORT WORTH

WITH the election now out of the way, business seems inclined to settle down and adjust itself to current conditions. One of the most encouraging after-election developments has been the prompt disappearance of partisan bitterness and acrimony and an apparent "pull-together" spirit on the part of national leaders, which augurs well for economic rehabilitation.

There are still many complex problems to be solved and one of the most pressing of these has already come to a head in the form of requests from European nations for the readjustment of the American war debts. While there seems to be no likelihood of any outright cancellation of these debts, the request for a discussion by the United States and its debtors was a logical consequence of the Lausanne conference early in 1932. That meeting resulted in an important reduction in Germany's reparations and had a profoundly constructive influence upon confidence everywhere.

During the past three months employment conditions in this country have shown some improvement and it is estimated that fully 1,000,000 people have returned to jobs. A very large number of people continue to be unemployed, however, and the present winter presents a relief problem of great magnitude.

While there has been no important advance in business activities, there has been a steady improvement, particularly in lines producing consumers' goods such as textiles. The steel industry has also improved to some extent and coal production has advanced sharply on the whole. The year ended with financial conditions greatly improved, with business giving some evidence of having started along the first lap of recovery and with the election uncertainty out of the way. There still remain many problems to solve, but in the main there is apparent a feeling of increasing hopefulness concerning the outlook.

An interesting recent report is that from the automobile industry indicating larger production as makers get new models under way. Reflecting this trend is the report of the National Association of Flat Rolled Steel Manufacturers showing a substantial improvement in orders of steel by the motor car factories during October.

The financial situation has changed but little in the past month. The rapid improvement evident from June to mid-October has slowed down. Excess reserves of member banks remain at unparalleled levels, but bank credit, other than in Government securities, continue to contract. Deposits, however, both demand and time, continue to expand.

What Is Happening To The Farmer

AGRICULTURE is undergoing a drastic readjustment as the result of two sets of economic forces, one internal, and the other from without, either of which alone would have brought violent disturbances," according to Nils A. Olsen, Chief of the Bureau of Agricultural Economics, in his report on the 1932 work of the bureau. "First there were revolutionary developments such as the change from horses to motors, large scale machinery, and a new pattern of production and trade, and on top of this came the worldwide depression and collapse of prices. The present result is a farm community bewildered, hit by low prices and contracting markets, burdened with heavy taxes, debts, and costs."

"The bureau's activities represent a public service to aid farmers in this ever-growing struggle to adjust their industry to these rapidly changing conditions," says Mr. Olsen. "The work of gathering the facts on production, markets, foreign conditions, and basic problems are services which the times have gradually forced agriculture to acquire. These activities are essential to effective planning of adjustments by farmers, distributors and consumers, whether working individually or collectively, and by the Government itself. Not only is our work directed toward helping in the present acute situation; it is a program rounded out in response to modern requirements for a continuing economic service which will help agriculture to reach and maintain a profitable basis.

Sound Planning Needed

"New national policies," says Mr. Olsen, "are being evolved in farm organization and management, credit, taxation, land utilization, standardization, and marketing. Farmers, distributors, consumers, and public officials are calling for more dependable facts to be used as a basis for sound planning.

"The low prices and changed conditions of competition have made new requirements for successful farm management. The problems of farm reorganization are illustrated by a study which showed that with wheat at one dollar a bushel a man with a large farm and motor power made a return more than double that realized by others using horse power on smaller farms, but when

the price of wheat was reduced to sixty cents the advantage of the large, mechanized farm was mostly lost. When wheat is down to forty cents a bushel the large farm loses more than the small farm. Many problems of this character require careful study to help farmers in reorganization.

"The effective utilization of the land resources of the country as a whole is of utmost importance," says Mr. Olsen. "Under the land policy which the United States has pursued, lands have been brought into use without due consideration of their fitness for specific uses. The result is that farmers in many areas are operating under serious physical and economic handicaps that could have been avoided under a better land policy."

How Land Is Used

Surveys have been made of several areas during the year, says the report, to show the present use of land in communities where the level of farm income is relatively low and farms require drastic reorganization. "Some persons," says Mr. Olsen, "have suggested evacuating such areas and permitting the land to revert to forests. The solution will differ from community to commun-

"Lands have been brought into use without due consideration of their fitness for specific uses. The result is that farmers in many areas are operating under serious physical and economic handicaps that could have been avoided under a better land policy."

ity. The facts must first be ascertained through local land use surveys. A beginning has been made in various parts of the country.

"The back-to-the-land movement has its dangers. Many persons erroneously assume that much good land is available for settlement, but such investigations as have been made by the bureau indicate that the opportunities are, after all, relatively limited. The depression has reinforced the non-profit considerations in farming. Subsistence farming has become more prevalent, and farming as a

means of achieving greater security than obtains in many lines of urban employment is commanding attention in many quarters."

With the collapse of the rural credit structure in many sections of the country, says the report, research in this field has assumed great importance. The relation of credit costs and taxes to income, it is concluded, must be determined as a basis for relief measures. The bureau's current reports have been extended to cover these subjects.

World Reports

The world depression has demonstrated how vitally American agriculture is influenced by production and market conditions abroad, the report says. The bureau now has outposts in eight important agricultural sections of the world reporting regularly on conditions in competing countries. Estimates of production are obtained in advance of those by official agencies in these countries. Market specialists on grain, fruits, and tobacco are reporting regularly upon the European markets for American products, sending information that aids American exporters to better meet the requirements of foreign purchasers.

When prices are very low it is increasingly important that farmers receive returns according to the quality of their products, says Mr. Olsen. "The grading and inspection of farm products," he says, "now covers a very large proportion of the food products of the country. About 30 per cent of the year's carlot shipments of fruits and vegetables were inspected in about 350 receiving markets and shipping points. The grading and stamping of meats was applied to over 184,000,000 pounds of meat. More than 190,000,000 pounds of butter was sold with a certificate of quality showing inspection at point of manufacture. The tobacco grading service, only two years old, covered 134,000,000 pounds. In many other ways the quality of food products was checked by the standardization service in addition to the grading done under the United States Grain Standards and Cotton Futures Acts."

Must Have Information

Discussing other activities of the bureau, Mr. Olsen declares that producers, distributors, and consumers must have current, unbiased estimates of crop and

livestock production, in order to be informed adequately on prospective supplies and their probable bearing upon income. "They must have comprehensive and timely market reports in order to have the day-to-day information required for the best distribution of supplies. They must have production and marketing information from the major compet-

ing and consuming countries of the world, so as to have an adequate conception of the competition that American agriculture must meet, and of the opportunities for marketing American products abroad. Such information must be collected currently, otherwise it is lost and not available for comparing conditions of today with those of the past."

Important Check Tax Rulings

THREE important rulings have recently been announced by the Tax Department with respect to the tax on checks. The following is a digest of them prepared by J. S. Seidman, tax expert of Seidman & Seidman, certified public accountants.

1. Checks issued by church treasurers or other church officers in settlement of church obligations are taxable.

2. A transfer of funds by a depositor from one bank to another is subject to the tax if the transfer is evidenced by an instrument in the nature of a check, draft, or order for the payment of money. However, a mere bookkeeping entry transferring funds from one account to another, in the same bank, effected without such instrument, is not taxable.

3. A stock broker acquires the status of a bank where the broker maintains facilities for marginal trading for clients, permits them to draw drafts against their accounts or on credit balances on deposit with the broker, and such drafts are paid at the cashier's window on presentation. The drafts are therefore subject to the tax.

"Another current ruling that will be of interest to banks," Mr. Seidman said, "has to do with the 3 per cent tax on electricity. It is held that insolvent banks are not required to pay this tax where the payment would diminish the funds necessary for the full payment of depositors. This is by reason of the general tax exemption granted in the Act of March 1, 1879.

"There are two income tax decisions from the Board of Tax Appeals that will likewise be of interest to banks," Mr. Seidman added. "One has to do with the treatment, for income tax purposes, of rights to subscribe to convertible bonds of the issuing company. It will be recalled that in 1929 American Telephone & Telegraph Company and Missouri Pacific Railroad Company, among several others, issued such rights.

The Income Tax Department uniformly

held the value of those rights to be income. The Board, however, has (in the case of T. D. Powel) just declared that they are not income, but instead are to be treated in the same way as stock rights. As a result, many taxpayers will probably become entitled to income tax refunds for 1929.

"The other decision, too, departs from the previous holdings of the Treasury Department. It has to do with the basis for determining gain or loss on the sale of property by a remainderman under a testamentary trust. The Department has held that the remainderman figures the property as costing him whatever it was worth at the time it was turned over to the trustee by the executors. The Board, however, has recently ruled that the correct date for valuation is when the trustee turns the property over to the remainderman, and not when the trustee acquired it from the executors."

There Is a Bottom to The U. S. Treasury

Inflation of credit or the currency to finance either a redoubled program of public works or cash payment of the soldier's bonus "would actually result in curtailment of business operations, decrease in payrolls and more, not less, unemployment," declared John J. O'Connor, of Washington, D. C., in an address before the American Life Convention. Mr. O'Connor is manager of the Finance Department of the Chamber of Commerce of the United States.

"Five billion dollars of federal bond issues, or the issuance of five billions of fiat currency—the sum centered upon by many advocates—are impracticable, a positive menace to improvement, and, if undertaken, will defeat the very ends they seek to promote," O'Connor said.

He declared that it would be virtually impossible to find a market for such a volume of new issues, pointing out that

"except for the war years 1917-1919 and the past year of emergency, the federal government has never marketed in any one year issues requiring new investment money to a volume of even one billion dollars." Furthermore, he indicated, the principal and interest charges resulting from such an issue of bonds would "require an enormous increase in annual taxes, at a time when income should be left with the people to produce more income, rather than give to the government to spend.

"There is a bottom to the United States Treasury, a limit to government credit, and an exhaustible taxpayer's purpose. Control of expenditures is the road to improvement of all, whereas inflation is a slippery toboggan to disaster."

With reference to the reduction of public expenditures in order to balance the budget and buttress confidence in United States Government securities, Mr. O'Connor declared that "\$800,000,000 of reduction next year for the ordinary purposes of the federal government is not too much to demand.

At least \$400,000,000 could and should be cut from appropriations for veterans' benefits alone, while doing full justice to all veterans and their dependents on account of disabilities directly attributable to the war.

"It is encouraging that by presidential order we are in prospect of having reports from executive departments and independent establishments indicating not alone how \$500,000,000 might be saved as against their current appropriation but also ear-marking for consideration of Congress definite activities which could be dispensed with.

"Nor is it going too far to say that there is not a state that could not dispense with more than half the units of governments now existing with powers to tax and to spend. Our spending units over the United States now number perhaps 500,000. There must be vast improvement in our statutory and administrative controls of state and local budgets, especially the latter. Debt structures in many of our counties and cities are weird."

O'Connor urged that business, insurance and financial interests create facilities for "counsel and assistance to local communities upon debt policies and budget practices," declaring that the experience of the National Chamber during the past four years with 1,000 communities has demonstrated the practical possibilities of obtaining marked improvement of fiscal affairs.



BONDS AND INVESTMENTS

The Investor Returns to First Principles

By W. W. HORNER

*Assistant Vice President
The Cleveland Trust Company*

FROM a financial and economic viewpoint, the average investor may be justified in picturing himself in much the same position as the Kansas farmer just after he has felt the force of one of those cyclones for which his state is famous. He probably would slowly be picking himself up from the ground, feeling himself over gingerly, taking inventory of his cuts and bruises and looking about to see whether his farm buildings remain on their foundations. Naturally, unless he has had extraordinary luck or foresight in preparing for such a calamity, he is more or less damaged personally, his farmyard is filled with wreckage and debris. The old familiar landmarks have been considerably altered. In all probability little above the foundations has remained in place and intact.

It does not place too great a strain on Mr. Average Investor's imagination to put himself, financially and economically speaking, in the place of that Kansas farmer. Certainly, he had just passed through an economic "twister" of the first magnitude. Scarcely anyone saw the storm coming in time to retire safely to a financial cyclone cellar and thus escape its effects. Most everybody therefore, is taking stock of the damage suffered, attempting to appraise the changes that have taken place and laying plans for the future.

Naturally, the question uppermost in mind is how to rebuild—how to recoup losses—how to restore personal affairs to where they were before the storm broke.

No Royal Road

First, for the average individual, there apparently is no royal road to wealth. It seems clear that wealth, as well as learning, must be acquired laboriously and slowly with the expenditure of much effort. It did look as though, in the "New Era" days of 1927, '28 and '29, the key had been found to easy acquisition of

wealth. One then had only to purchase common stock with as much credit as could be drawn from apparently exhaustless reservoirs and hold on until the "natural increment" got to working. Unfortunately, in 1930, '31 and '32, something or other happened which destroyed that dream. The discovery of the royal road to wealth seems to be left to the same period in the future as the discovery of the principles of perpetual motion.

In the "New Era" days, inquiry invariably was for something that "has a kick in it" or for a security which has high income. Safety of principal was a remote consideration and there was no comprehension of the fact that, if high income and price-appreciation are desired, then safety of principal is necessarily relegated to the background. By no means is principal enhancement completely forgotten now, but this has become a minor thought and security and certainty of income paramount.

Foundation the Same

This leads us to the second guide post left intact by the storm, namely, that the old foundation principles of careful investment remain unchanged. Sound underlying securities have been relatively

little touched by the depression, while high income bearing securities have felt the brunt of the whirlwind and the superstructures reared on top of underlying securities have come tumbling down. The newspapers daily carry stories illustrative of this fact. There is one holding company purporting to own stock in foreign operating and holding companies whose obligations are selling "over the counter" at about \$80 per \$1,000 bond. The notes of two others which hold primarily stocks of closely related mid-west public utility companies were sold at one time at \$30 per one thousand dollar note in one case and, in the other, at but two dollars per one thousand dollar note.

Hold Steady

On the other hand, underlying, well-secured mortgage bonds have generally held steady within a price range of a few points. This contrast has been strikingly shown by a well-known financial and statistical service whose bond index is composed of four groups of bonds ranging from the most conservative to medium grade. The index is expressed in terms of yield which, of course, varies conversely to the price; the higher the price, the lower the yield, and vice versa. The fluctuation in the most conservative

"We now face a rebuilding period — a period which will require calmness, reason and sanity if we are to undertake the reconstruction along sound, lasting lines. Let us face this period resolutely and with no delusions as to which principles and standards are likely to endure and which are likely to lead again to troublous times."

bonds, as shown in this index, was limited to one per cent in yield while the medium grade bonds declined in price to such an extent that the yield rose from about five and three-quarters per cent to well over twelve per cent. This index does not take in groups of bonds of the more speculative types whose price movements were even more accentuated than those indicated above. As for common stocks, a well-known and nationally used price index of representative active stocks registered a decline from the highest levels in September, 1929, to the low-

est in June-July, 1932, of just under ninety per cent.

Buy Outright

Let us assume that someone in 1928 found himself in the possession of one hundred thousand dollars and then set about investing it with the utmost conservatism. Safety of principal was to be the paramount consideration with desire for reasonable income distinctly secondary. What would have been the standards he established and what principles would he observe? First of all, he

would have bought his securities outright, paid for them in cash and placed them in his safe-deposit box or in trust in a reputable bank. Then, he would have insisted on reasonable marketability and thorough diversification. He might have chosen as many as twenty issues and placed about \$5,000 in each. There would have been first of all United States Government bonds in his list, some of which would be of early maturity, to supply cash should need or investment opportunity arise. Secondly some municipal obligations of the better American cities would be included. Then, turning to corporation bonds, the best of the underlying public utility, rail and industrial issues would have been chosen. If the funds had been placed in trust, he would also have included some bank-administered first mortgages on real estate or a comparable security.

First Mortgage Security

In studying his corporation bonds, he would have demanded first mortgage security, or the approximate equivalent, with the issue in question reasonable in amount in relation to the property account and with additional bonds issuable only under conservative restrictions. A simple corporate structure would have influenced him greatly. A satisfactory financial condition ample enough to take care of emergency, is next in line for checking, and then earnings over several years sufficient to pay interest charges, with a comfortable margin to spare, after deduction of adequate charges for depreciation of plant and equipment and depletion of raw materials. He next would have satisfied himself as to the essential nature of the industry, the excellence of the product and efficiency of the company under scrutiny. Finally, if our friend were as thorough as he should have been, he would have sat down and written to a good bank to inquire as to the reputation of the management.

Now, here are two points that should be emphasized. First, had our investor actually wished such a list of prime securities, there would have been no insuperable obstacles whatever to finding them. Second, he would today probably find his principal intact after having passed through severe depression and financial panic, with no defaults whatever in income. There might have been times when the total value of his fund would have had some small degree of depreciation, but of what concern is that to one who is interested primarily in the long term picture?



SALMON P. CHASE - Secretary of the Treasury under LINCOLN

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of the City of New York

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CHARLES S. McCAIN
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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.

Principal Intact

It is further fair to say that such a list can be chosen today; a list where the present risk is remote, where there is a high degree of certainty that the principal will remain intact and where the income will probably be maintained through as many years as one can reasonably predict. It does not often occur to one that *it is a distinct achievement, under present conditions at least, to maintain his principal fund at its par value*, to say nothing of accomplishing an increase. The reason why so many currently find their principal funds decreased is that at some time during the Golden Age they were carried away by the speculative spirit of the times and lost sight of sound, simple, fundamental investment principles.

A Rebuilding Period

Times of stress and strain and strong cross currents appear to come periodically. It seems too much to hope that the cure of our present ills will be so perfect and permanent, and human nature remain so chastened, that economic maladjustments will no longer occur. During such times, we appear to lose perspective and permit what should be secondary considerations to assume primary importance.

We now face a rebuilding period—a period which will require calmness, reason and sanity if we are to undertake reconstruction along sound, lasting lines. Let us face this period resolutely with no delusions as to which principles and standards are likely to endure and which are likely to lead again to troublous times. The rebuilding of personal possessions should be carefully and surely undertaken from the ground up so that the next disturbance, even though it be of cyclonic force, may dissipate its force about the sound structure that has been built and then pass on, leaving it sound and intact.—*Reprinted from The Cleveland Trust "Magazine."*

The Teller Tells the World

(Continued from page 3)

do now. He wouldn't think of passing the "queer" himself, so he called in a gangster he had heard of and offered to sell his plates and all apparatus for \$50,000. The gangster knew a bargain when he saw one and agreed. The next day he brought the money and closed the deal. Two days later the inventor was arrested

for passing counterfeit money. The \$50,000 was all counterfeit and a very poor job at that!

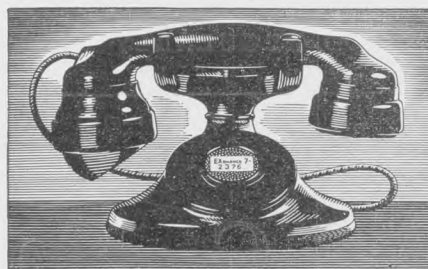


SOME papers in Iowa are still advocating the guarantee bank law. Why any paper should advocate this is more than I can understand. We saw it tried in Nebraska and fail. It is about as reasonable that all papers be responsible for anything published in any other paper. Then suppose *The Daily Gazette* published an article and is sued for

liable—all other papers must chip in to pay the damages. I imagine the editor of the newspapers would object to "Guaranteed Press Statements." But, what's the difference.



OSCAR, the hired man, was cashing a check for a fair young school teacher. He was paying in old bills slightly the worse for wear. "I hope you're not afraid of microbes," he apologized. "Not a bit," replied the fair one.



Making the telephone MORE VALUABLE to more people

The constant purpose of the Bell System is to make the telephone worth more and more to all who use it. To that end eight helpful ways to increase the usefulness of the telephone in your home or office are listed below. . . . Some of these you may know. Others may come as a welcome surprise—as something you often have wished for without knowing it is so readily available.

Extension Telephones. A great convenience in bedroom, kitchen and living-room. Make stair climbing unnecessary. Improve business efficiency in the office. Save many steps every day.

Hand Telephones. Modern. Distinctive in appearance. An attractive addition to any room. Leave one hand free to take notes while telephoning.

Portable Telephones. Plug in the wall like a lamp. May be moved from one room to another as needed.

Individual Lines. Cost little more than party line service. Assure additional

privacy. Your line is "busy" only when you use it.

Intercommunicating Facilities. Provide for making calls from one part of the home or office to another or transferring of incoming calls without the aid of the central office operator. Save time and steps and lead to a quiet, smooth-running establishment.

Additional Bell Signals. For use in noisy locations or where it is necessary to summon people from a distance to answer the telephone.

Additional Directory Listings. Enable friends to locate you even though the telephone is in the name of husband, brother or sister, or another relative. In addition to the firm's name, your own can be shown. Direct business to you. The cost is small.

Telephone Planning. The telephone company in your city will gladly assist you in planning the most convenient telephone facilities for your home or office. The services of telephone experts are at your disposal.



Call the Business Office of your Bell Telephone Company for full information about any of the services listed above

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

"No microbe could live on my salary." (Oscar says that goes for him and her both.)



IN CANTON, Illinois, a second hand dealer has learned his lesson: "It doesn't pay to hoard." The dealer had \$85 and was afraid of robbers so he put it in an old laundry stove. Then he sold the stove forgetting the money. When he did remember he hurried to the buyer, but all that was left was a few coins. A fire had been started and the rest was ashes. I suppose he'll use an ice box after this.

TAKE a penny out of your pocket and look at the Indian's picture depicted thereon. Looks like a genuine India's head doesn't it? But it isn't. The model for the coin was Sarah Longacre, a relative of the designer of the coin. So in "Pennyology" it's referred to as "she."



IF FIVE-DOLLAR gold pieces were piled one on the other it would take a stack eleven thousand times the height of the highest building in the world to equal the 1932 tax bill (if the gold didn't tumble over). And if we used twenty dollar gold pieces you can figure

that out yourself. And if offered all the gold in the U. S. and all the paper money in circulation to pay the same tax bill, we would still owe that much again, and some more, too. With such a condition as this existing there is no wonder our air-castles of '29 fell. Taxes must come down to a sensible level.



TWO MEN met on their local Fifth Avenue. The one said: "What's the matter Bill? You look way low down." "I feel that way, Bob, I'm insolvent." "Oh, come now, how much have you made over to the wife?" "Nothing." "How much have you invested abroad?" "Not one red cent." Bob gasped, threw up his hands, and shouted: "Man alive! You're not insolvent—you're ruined."



NOW HEAVE a big sigh of relief. It's all settled. What? Why the eagle on the Washington Bicentennial quarter. Soon after the quarters were issued, some adventurous person made the statement that the eagle depicted thereon was not the bald eagle, but the golden eagle, seldom seen in the United States, but common in Canada and Europe. But it's all settled now that a famous painter of wild life, after examining the new coin under a microscope, declares that the bird is a bald eagle after all. Our motto is now: "American Eagles for American Coins."

OUR OFFERING LIST

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GMAC NOTES

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

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Trust Conference

The fourteenth annual mid-winter trust conference of the Trust Division, American Bankers Association, will be held February 14, 15 and 16, 1933, at the Waldorf-Astoria Hotel, New York City, it is announced by R. M. Sims, president of the division, vice president, American Trust Company, San Francisco. The annual banquet will bring the conference to a close the evening of February 16.

"The most substantial service a trustee renders its beneficiaries is the conservation of estates and this subject will be the keynote of the mid-winter trust conference this year," Mr. Sims says in his announcement. "To this end a program is being prepared which will give special attention to the administration of trust funds and to investment problems from the standpoint of the trust officer."

About 1,000 trust men and bankers from all sections of the country are expected to attend the conference.

INSURANCE

Its Application to the Banking Fraternity

During these days the amount of cash in a bank should be held to the very minimum, and then a very small portion of that cash should be kept in the tellers' cages.

All reserve cash and negotiable securities should be under daytime time-lock protection at all times while the bank is open for business, and the time-lock should not be set to open until all the members of the working force have arrived in the morning

Daytime Time-Lock Protection

BANK robbery has assumed proportions in this country which make it inevitable that a fundamental and sweeping change in the attitude of banks toward the exposure of cash and securities while open for business must take place.

This is the view freely expressed by the leading insurance underwriters of the nation.

Never in the history of this country have so many banks been robbed or such large amounts of cash been taken by the bandits as during the past twelve months.

Unless something is done to reduce the frequency and amount of these losses rates for insurance higher than are now even thought of must inevitably result. Indeed it is intimated that if losses are not reduced in some manner it will result in banks being required to sustain first a certain amount of the loss before the companies are called upon. In other words the banks will become primary insurers and the insurance companies will be required to pay only the amount in excess of the deductible amount within the policy limits.

Too Much Cash

There is no question but what some banks have an exposure of cash in an amount larger than their actual necessary requirements.

During these days the amount of cash in a bank should be held to the very minimum and then a very small portion of that cash should be kept in the tellers' cages. All reserve cash and negotiable securities should be under daytime time-lock protection at all times while the bank is open for business, and the time-

lock should not be sent to open until all members of the working force of the bank have arrived in the morning.

It is reliably stated that steps are being taken by the insurance underwriters to require daytime time-lock protection on reserve cash and securities. Several companies have made preliminary investigations which have resulted in unmistakable evidence of the fact that almost without exception banks are in position to give daytime time-lock protection to reserve cash and securities without the installation of additional equipment and have indicated almost a universal willingness to so protect their reserve cash and securities.

A Standard Practice

It is freely predicted in insurance circles that it is only a question of a very short time until daytime time-lock protection will be recognized nationwide as standard banking practice and that time-lock protection in the daytime will become just as general and just as universally observed by all banks as time-lock protection during the night-time and this night-time protection has been universal among banks for over half a century.

In the light of the rapid development of daylight robbery due to fast automobiles and good roads it is wholly inconsistent for the banks generally to spend thousands of dollars for vault and safe protection including time-lock protection in the night-time and then during the day, when 90 per cent of the crimes against banks are committed, to leave reserve cash and negotiable securities wide open to be preyed upon at will by bank bandits.

Are You Insured?

During 1931 fire destroyed approximately 10,000 lives.

Nearly one-third of these were children under ten years of age.

Two-thirds of the total were burned to death in homes.

The total economic loss for \$464,633,265.

In order to visualize these facts, compare them with the following:

The annual fire bill is about equal to 75 per cent of the interest on our national debt.

The new excise and miscellaneous taxes recently imposed on us will produce, in a year, very little more than the annual fire bill.

Over 80 per cent of all fires are easily preventable.

Fire is the great destroyer—not only of lives and property, but of employment, business opportunities, community and industrial progress. Of every hundred industrial establishments burned in the last five years, 43 were not rebuilt. The waste was complete and absolute.

The conquest of fire is simply the conquest of public ignorance, laxness and indifference. Each of us owes the community a duty—to eliminate the hazards on our property. We cannot afford the "luxury" of fire.

Free of Charge

"So Miss Ethel is your oldest sister? Who comes after her?"

Small Brother: "Nobody ain't come yet, but pa says the first fellow that comes can have her."

Ten Year Building Gain Is Forty-two Percent

THE SLOW, but steady movement away from frame construction to brick, cement and stone, in the larger cities of the nation, is plainly indicated by data gathered by the Continental Insurance Co., in connection with the insurance of buildings and their contents against fire and other dangers.

The records show that in more than 30 important centers, which at the beginning of 1922 had 2,389,918 buildings of all types, the number of non-frame structures had increased since 1921, on the average, about 11 per cent more than the number of frame operations. The average increase in the total of all buildings in 37 cities was 42 per cent, and the average gain in the frame class, in 32 cities, was 31 per cent.

The company states that in Washington, D. C., the number of wood buildings actually decreased 10 per cent during the ten years, while the non-frame total increased to the extent of 39 per cent.

It is interesting to note, the report comments, that while in Brooklyn and Queens boroughs, the 468,407 buildings on the tax rolls at the start of the past year represented an increase of 181,378 or 63 per cent, during the decade

in Manhattan, Bronx, and Richmond boroughs, jointly, the gain in the number of structures was only 20 per cent. Information regarding the total of frame buildings in the metropolis was not available.

The compilation reveals a surprisingly large amount of structural activity in some cities, and marked inactivity in others. In Findlay, Ohio, for example, the number of buildings of all kinds increased over the ten years 138 per cent; in Bloomington, Ill., the advance was 134 per cent. In Cedar Rapids, Iowa, where there was a considerable growth in population, (16.6 per cent) during the period the increase in all buildings was 100 per cent. Other high records were the 92 per cent of Portland, Me., and the 80 per cent of Berkeley, Calif.

Building inactivity was extreme in Hoboken, N. J., where the increase in all types of structures was only 4 per cent, in Wilkes-Barre, Pa., where it was but 5 per cent, and in St. Joseph, Mo., where it was 9 per cent. In Charleston, S. C., the gain was 11 per cent and in Lowell, Mass., it was 12 per cent.

Leading the cities where there were considerable gains in the numbers of frame buildings was Cedar Rapids, Ia.,

with 127 per cent. Next came Findlay, Ohio, with 120 per cent, Berkeley, with 76 per cent and Jamestown, N. Y., with 61 per cent.

The growth in the number of non-frame buildings has been reflected in the average fire insurance premium which stood at 73 cents a hundred dollars of property insured in 1931, according to the National Board of Compilation as against 96.9 cents in 1921.

Savings Conference

The annual eastern regional savings conference, sponsored by the Savings Division, American Bankers Association, will be held at the Waldorf-Astoria Hotel, New York City, January 26 and 27. On the evening of the first day the annual banquet will be held.

"The theme selected for the conference, 'How to Strengthen Municipal and State Credit,' is of particular importance because the portfolios of many banks contain bonds issued by states and municipalities," W. Espey Albig, who is in charge of the Savings Division, said. "The weakening of the credit structure in any city or state is reflected in the lower price of their securities."

Henry R. Kinsey, vice president, Williamsburg Savings Bank, Brooklyn, New York, president of the Savings Banks Association of the state of New York, is chairman of the conference committee and Henry Bruere, president, Bowery Savings Bank, New York City, of the banquet committee, it was announced. The president of the division is Gilbert L. Daane, president, Grand Rapids Savings Bank, Grand Rapids, Michigan.

The conference area comprises the states of Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia and West Virginia.

Class A Director

John G. Lonsdale, president of the Mercantile-Commerce Bank and Trust Company of St. Louis and co-receiver of the Frisco Railroad, has been re-elected as a Class A Director of the Federal Reserve Board of St. Louis for a term of three years. Mr. Lonsdale already has served twelve years in this capacity, having first become a director on January 1, 1921.



It's never quiet on THIS WESTERN FRONT

How could it be — in the world's second largest livestock center? The officers of this bank are never quiet either. They're right in the thick of things — getting up-to-the-minute facts about the industry, studying its problems, learning its particular banking requirements.

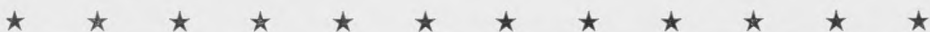
Our contact with the livestock industry is undoubtedly one of the reasons why banks prefer to have us handle their transactions here. As your correspondent in Omaha, that same advantage is yours.



STOCK YARDS NATIONAL BANK

SOUTH OMAHA, NEBRASKA

Affiliated with **NORTHWEST BANCORPORATION**





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

Nebraska News



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

Collect More Tax

Collections of inheritance tax by the state during 1932 aggregate \$57,520.26, being almost \$7,000 more than in 1931 and more than two and a half times as much as all that was paid into the state treasury under such levies prior to that year.

For the like period of 1931 the state's revenue from inheritance tax was \$50,764.45. From the time the inheritance tax law was passed and took effect in 1929 up to December 1, 1930, approximately a year and a half, the receipts aggregated \$21,857.23. This makes a grand total of \$130,192 that the law has brought into the coffers of Nebraska up to this time.

Close at Noon

Both of the Arcadia banks have decided to close during the noon hour. Most of the recent bank robberies have been staged at this time of day.

Similar action has been taken in most towns.

The City National Bank of Greeley has followed this course. It has been exceptionally punctual in the opening and closing of its doors. And this is done to thwart a possible visit of holdup men.

No Loans for Chicks

Although the Omaha office of the Agricultural Credit corporation has received more than a hundred inquiries for loans to finance the hatching and raising of baby chicks, the government has made no provision for such loans, it is explained.

Back-to-Land Trend

There is an indication of a back-to-the-farm movement in this federal land bank district, D. P. Hogan, president of the Federal Land Bank of Omaha, told

the Chamber of Commerce agricultural committee. Mr. Hogan is vice-chairman of the committee.

Now is the time, if ever, Mr. Hogan said, that farmers should do everything possible to hold on to their land.

Carlton B. Noyes, extensive Douglas county farmer, told the committee that, for the first time in 35 years, the crop revenue is not sufficient to pay operating expenses of his farm near Waterloo.

Heads Chest Drive

Gwyer H. Yates, president of the United States National Bank of Omaha, as chairman of the 1932 Omaha Community Chest drive led his workers on to another successful campaign. Every minute of the ten-day drive found him in the thick of the battle, cheering his helpers on, and doing plenty of hard work himself. The fund raised was more than \$600,000. Last year 78.25 per cent of the money raised was spent on actual relief, a high average compared to community relief work in other cities.

25th Anniversary

On December 9, 1932, the Live Stock National Bank, of Omaha, celebrated its 25th birthday—a quarter of a century of service to banks and individuals in Omaha and surrounding territory. Starting with a capital of \$100,000, on November 27th, 1908, the bank had deposits of \$402,927.37. By September 30, 1932, the Live Stock National had increased its capital to \$450,000, had deposits of \$4,546,719.19, and surplus and undivided profits of \$159,826.69.

Two of the men who were with the bank when it started are still there in an official capacity. W. B. Adkins, now president, has been a director of the institution since its inception. Alvin Johnson began as a messenger in the new

bank twenty-five years ago, and is now vice-president.

L. M. Lord was the founder of the Live Stock National Bank, and the several presidents, in the order in which they held office, are as follows: C. M. Schindel, T. F. McGrew, L. M. Lord, A. W. Pratt, R. L. Van Zandt, and W. B. Adkins, the present president.

Asks Tax Change

The Bankers Life Insurance Company of Nebraska, with headquarters at Lincoln, recently filed a petition with the United States board of tax appeals, requesting reconsideration of its income tax assessment for 1930. The amount of tax in controversy is \$4,597. C. Petrus Peterson filed the company's petition.

Another Hold-Up

A tall gunman, described by his victims as a "hard guy," held up the First National Bank of Minden and escaped with between five and six thousand dollars.

He was six feet tall, wore goggles and had a mustache. He escaped in an automobile which carried California license plates.

Parking his car in front of the bank at 1 P.M., the robber walked in, pointed a revolver at Rob Nichol, assistant cashier, and Miss Mabel Lundstrom, bookkeeper, and ordered them to lie on the floor. They were alone.

During the robbery, Charles Nelson, a customer, entered and also was forced to lie on the floor.

C. S. Rogers, president of the bank, said the loss was covered by insurance.

Clearinghouse Meeting

At a meeting of the Fourth Nebraska Regional Clearing House Association held at Steinauer recently the following officers were elected. President, L. C.

Farwell, DuBois; vice-president, R. A. Kovanda, Elk Creek; secretary-treasurer, William H. Hynek, Humboldt.

Members of the executive committee elected were: L. P. Wirth, Falls City, representing Richardson county; Frank M. Steinauer, Steinauer, representing Pawnee county; Otto H. Stuve, Sterling, representing Johnson county; and E. C. Yont, Brock, representing Nemaha county.

With R.A.C.C.

J. Guy Edloff, assistant cashier of the Stephens National Bank, is taking an extended leave of absence from his duties with the Fremont banking institution and will accept a position in the office of the regional agricultural credit corporation in Omaha.

Mr. Edloff has been employed in the Stephens National Bank 10 years and has been assistant cashier eight years. He entered the employ of the bank upon his graduation from Midland college. At that time the bank was a state bank.

Dies in Roseland

Edward Hall, Sr., 72, prominent banker and business man of Roseland for 28 years, died there recently.

Mr. Hall came to Nebraska 63 years ago and headed the Roseland State Bank for over 27 years. He retired from the banking business in October, 1931, when the bank was reorganized.

He served as president of Group 4 of the Nebraska Bankers' Association in 1926.

Crop Report

Insufficient moisture and high winds has put wheat in very poor condition in western Nebraska say the bankers in their report to State and Federal Divisions of Agricultural Statistics. Corn husking is ahead of last year. About 16 per cent of the corn is of poor quality. The supply of hogs is smaller than a year ago. Prices of some farm commodities are lower than a month earlier and others have advanced slightly.

Winter wheat is reported at 85 per cent of normal. In western districts it is reported from 63 per cent to 68 per cent of normal. Conditions are exceptionally bad in parts of the Panhandle district due to continued drouth and high winds. In places bankers report that a considerable portion of the wheat has already died out. Wheat conditions are reported unfavorable in southwestern Nebraska. Elsewhere the crop is generally making good progress.

88 Years Old

James L. Slocum, president of the Richardson County Bank, Falls City, celebrated his 88th birthday anniversary recently.

Spaulding Banker Dies

John H. Sullivan, 83, president of the Spaulding City Bank since its organization, died recently at his home of a heart attack. The bank was founded in 1902.

County Meeting

Craig entertained the annual meeting of the Burt County Bankers' Association at a banquet given recently, when thirty-six bankers and employees of the county were seated.

The following officers were elected for the coming year: W. H. Harding, of the Oakland First National Bank, president; M. D. Pond, Lyons First National Bank, vice-president; A. A. Anderson, Oakland Farmers and Merchants National Bank, secretary-treasurer.

With Lincoln Bank

W. J. Boomer has taken a position with the Lincoln Joint Stock Land Bank as field man in northeastern Nebraska territory. He took up his duties December 1 and he will probably continue until spring, making loans and settlements.

Remodeling

The First State Bank of Kenesaw is making some new improvements in its interior arrangements. In order to get a better and more convenient office room, the space in front on the north of the entrance door has been inclosed and will be fitted up for that purpose. More room and better lighting will be the result, and the room now used as the office will afford additional space and more convenient arrangements in the rear.

Named Depositories

Four Omaha banks, the First National, United States National, the Livestock National and the Omaha National, have asked the city council to name them as depositories for city funds. The request was referred to the finance department.

Counties Meet

The Keith, Perkins and Arthur County Bankers' Association held a meeting at Ogallala, recently. They met at the Farmers State Bank and went to the Scott Cafe where a turkey dinner was served.

After dinner they again assembled at the Farmers State Bank where a business meeting was held. R. H. Barber, recently elected president of the State Association, made a talk outlining problems that confront the bankers at the present time and discussed legislation that might come up at the next session of the Nebraska legislature.



*We Extend Our Hearty Wishes
For a
Prosperous New Year*

LIVE STOCK NATIONAL BANK
Union Stock Yards
OMAHA

Heads C. of C.

J. A. Stockwell, cashier of the First National Bank of Bayard, was elected president of the Associated Chambers of Commerce of the North Platte valley at the regular monthly meeting of the organization held recently. He succeeds F. S. McCaffree of Scottsbluff.

Helping Borrowers

D. P. Hogan, president of the Federal Land Bank of Omaha, in a recent statement, declared that the bank is doing everything in its power to help its borrowers preserve their homes, and that, despite criticism to the contrary, foreclosures are not being instituted where there is any other way to meet the situation.

He expressed confidence that the great majority of the bank's borrowers would come safely through the present crisis and would save their farms.

"The biggest problem under present conditions," Hogan said, "is to keep the farmer encouraged to make the supreme effort necessary to carry on. Loose talk and agitation have done much to make him believe that he should deal at arm's length with the mortgagee. The truth is that the difficulty can be solved only when the borrower and the mortgagee work together on a common program.

"Where a borrower is willing to give his fullest co-operation, he may be sure that the bank, in turn, will do everything humanly possible on its part; and, where outside indebtedness does not make the matter hopeless, we believe that, in the great majority of cases, by working together, the situation can be saved."

**Service Life
Reduces Rates
On All Loans**

At a recent meeting of the Board of Directors of the Service Life Insurance Company, Lincoln, it was decided to reduce the interest rate on all loans one per cent if the interest is paid on or before its due date.

The company also decided to notify all makers of mortgages that a discount of two per cent will be allowed on all payments before maturity on the principal note with the understanding that the company has reserved the right to revoke the above discount at any time.

In view of the fact that the average interest rate which the company is charg-

ing is five and one-half per cent, this represents approximately a reduction of twenty per cent which is being taken by the stockholders and not the policyholders, in view of the fact that this is a stock company.

In addition to this fine cooperation with its borrowers, the Service Life Insurance Company is continuing to pay the same dividend schedule to its policyholders.

The officers of this progressive company are: President, C. R. Bays; vice president and general counsel, T. S. Allen; secretary-treasurer, John L. Oeschger; actuary, W. W. Goggins.

Kansas News

Consolidated

The American State Bank, of Great Bend, organized in 1910, and the First National Bank, organized in 1885, recently announced their consolidation. The merged institution will be known as the American State Bank.

Its officers are E. C. Davis, president; E. C. Cole, vice president, and Clarence Aldrich, cashier. The directors are Davis, Aldrich, Cole, Earl Moss, Frank Wells, Nic Smith and Fred Moore. The business will be conducted in the First National Bank building.

Group Meeting

Approximately 170 persons attended Group No. 3 meeting of the Kansas

Bankers' Association, in Columbus.

W. W. Patterson of Fort Scott, president of the Bourbon County Bankers' Association, was elected president of Group No. 3 to succeed Mr. VanZandt.

The morning and afternoon sessions were held in the Central Junior high school building, and a banquet was held in the Cherokee County Community high school gymnasium at night.

Elected Cashier

At a meeting of the board of directors of the First National Bank of Delphos, George Woods was elected to the position of cashier to succeed the late F. B. Partridge. All other officers remain the same.

Mr. Woods came to the First National Bank six years ago from the State Bank at Glasco, where he had been eight years as assistant cashier. Previous to that, he had been associated with a bank at Tescott as president.

Annual Banquet

Officers and directors in banks of the Kansas City, Kansas, Clearing House Association had their annual banquet recently.

There were addresses by W. W. Bowman, executive vice president of the Kansas Bankers' Association, and S. J. Cantley, former finance commissioner for Missouri and now receive for the Joint Stock Land Bank at St. Louis. Their addresses were of a technical nature, being devoted almost entirely to banking work and problems.

May we help you have a

HAPPY NEW YEAR?

LET'S get together in 1933! As your correspondent in the capitol city of Nebraska we offer you these advantages:

- Speed in handling your transactions.
- Close co-operation of our staff with yours.
- Practical helps in matters pertaining to this territory.

Throughout the year we stand ready to serve.

Continental National Bank

LINCOLN, NEBRASKA

Affiliated with NORTHWEST BANCORPORATION



Lloyd M. Hutchison, president of the clearing house association, presided. About eighty were present.

Meet in Mankato

The Jewell County Bankers' Association held a dinner meeting in Mankato recently. Those present were: Wesley Green, Fritz Beeler, W. A. Matson, Homer Roach and Miss Irma Nixon, Jewell; Dallas Davis and P. H. O'Brien, Burr Oak; D. K. Balch and A. R. Kingsley, Formoso; Ralph Parsons, Randall; D. H. and L. H. Stafford and F. R. Fair, Mankato.

Mr. Fritz Beeler, president of the First National Bank, Jewell, is president of the County Bankers' Association.

Merged

Two of the oldest banks in Carter County were consolidated recently when the Wirt State Bank moved over to Healdton and consolidated with the Bank of Healdton, the business of both institutions to be operated under the name of the Bank of Healdton. Both Mr. and Mrs. George W. Smith of the Wirt State Bank will be active in the Bank of Healdton, Mr. Smith having been elected vice president.

County Meeting

The regular bi-monthly meeting of the Wilson County Bankers Association was held at Neodesha. There were about twenty-five members present. Dr. Reeves and Ed Thompson of Chicago, who are doing special work at the local Indiana refinery, and Sam Shipley were guests. Mr. Shipley, assisted by Miss Florence Bailey, led the group in a number of popular songs.

W. G. Fink, S. M. Newcomb and W. S. Pettit each gave an interesting talk.

Safety Meeting

Sixty members of the Dickinson County Bankers' Association and vigilantes met recently in Enterprise.

Following the dinner, County Attorney Thornton D. Scott gave a short talk outlining the duties and liabilities of peace officers in general and vigilantes in particular.

The meeting was then turned over to the discussion of a definite plan of action in case of bank robbery, either in this county or in case bandit cars should be reported passing through this section.

Gas Installations

The Exchange National Bank of Cottonwood Falls, has installed a tear gas gun in the bank as precautionary measure against bank robbers.

The tear gas gun can be discharged by the touch of buttons located in various parts of the bank. Even if the bank officials and clerks were put in the vault they could still discharge the gun by an electric switch.

Bank bandits who come to Abilene in the future should be armed with mourners' handkerchiefs, for before they are out of the banks they may shed a lot of tears. All four banks of Abilene have contracted for tear gas bombs as a further protection against robbers.

The Bank of Herington installed tear gas equipment recently as a protection against possible robbery. Two guns were installed, actuated by switches located in various parts of the bank. It is impossible for anyone to stay in the bank once the guns are set off.

Both Canton banks have installed gas guns as an added protection from bandits. Tear gas has been found quite effective in frightening bandits and assisting in their capture. In addition it offers the best protection for employees and customers who are in danger of being carried away as hostages.

The Dickinson County Bank, of En-

terprise, installed another tear gas gun recently. The bank is now protected with two guns located in the front and the rear of the building, actuated by switches located in various parts of the bank.

Colorado News

Take Over Bank

The affairs of the People's State Bank at Center, taken over several months ago by the state banking department, will be turned back to the directors January 1, 1933, and liquidation of the bank will be continued by them, organized as the Center Farm Loan Association.

The Center Farm Loan Association was organized primarily to take over the assets of the closed bank but it is the purpose of the directors to continue the operation of a farm loan company even after all the bank loans are closed out. R. A. Allison, cashier of the People's State Bank, will be manager of the loan company.

Cut Interest Rate

It is probable that the interest rate on savings deposits in the Denver area will be cut from 3 per cent to 2½ per cent after January 1. Eastern banks have been reducing their interest on savings, due to low money rates prevailing in the New York market. Chicago banks decided to make the change to 2½ per cent from 3. The Denver Clearing House Association, made up of the big Denver banks, discussed the reduction at their last meeting, it is understood, and while most of the bankers were said to favor the cut, official announcement probably will be withheld until later.

Christmas Savings

Residents of the Greeley vicinity received approximately \$30,000 in cash when three Greeley banks paid out the funds accumulated in the Christmas savings clubs. Though the amount is smaller than in past years, the thrifty members of the savings clubs found that their cash goes farther, allowing them to play Santa Claus in a big way.

Extend Moratorium

The moratorium on deposits, declared by the First State Bank of Hotchkiss last January, was voted to be extended for another year at a meeting of depositors. There were 250 in attendance at

Central Typewriter Exchange, Inc.

(EST. 1903)

TYPEWRITERS, ADDING MACHINES, CHECK WRITERS

LATEST MODELS AT BIG DISCOUNT

ASK TO SEE

ALLEN-WALES

THE FINEST "HEAVY DUTY"
ADDING MACHINE MADE

1912 Farnam St.

Omaha, Nebraska

the meeting, held at the high school auditorium.

The moratorium affects only the money deposited before the initial moratorium was declared last winter and money deposited since that time is not affected.

A report shows the condition of the bank to be good at the present time.

Dies at His Home

David Terrance Stone, a resident of Grand Junction since the early 80's and former president of the United States Bank and Trust Company, died at his home recently. Although he had been in failing health for a number of months, he was starting to dress when he fell to the floor before he could summon Mrs. Stone.

His banking connections began with his appointment as assistant cashier of the Mesa County Bank. He left that institution to organize the United States Bank and Trust Company in 1903. He assumed the duties of cashier in the newly formed bank, acting in that capacity until 1913 when he was made president. Following the merger of the bank with the Bank of Grand Junction he was made chairman of the board of directors, serving until his resignation, which took effect December 31, 1928.

Denver Savings

Checks for \$1,134,000 were mailed to depositors of Christmas savings clubs in Denver banks.

Eleven banks reported the following Christmas club savings:

Colorado National	\$260,000
U. S. National.....	200,000
First National	200,000
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

New Mexico News

No Extra Hour

Gallup banks will not remain open for an extra hour on railroad pay days, under a new rule adopted by both the First National and Merchants' banks.

Banking hours at both institutions will be from 9 A.M. to 3 P.M. on the first five week days. Saturday's hours will be 9 A.M. to 1 P.M.

Meet in Roswell

The bankers of southeastern New Mexico held a regular quarterly meeting of the regional clearing house No. 3, a division of the New Mexico Bankers Association, at Roswell recently. A banquet at the Nickson hotel preceded the regular business session, which was conducted by J. E. Robertson, of Artesia, president of the association.

Matters pertaining to the activities of the Regional Agricultural Credit Corporation were discussed and much information of great value was obtained by members present. The First National Bank of Roswell; Bank of Commerce, of Roswell; Carlsbad National Bank; Lea County State Bank of Lovington; First National Bank of Artesia and the First National Bank of Hagerman were represented.

Silver City Banker Dies

C. C. Metcalf, assistant cashier of the American National Bank at Silver City, died recently, at the William Beaumont hospital at Fort Bliss, Texas, where he had been ill for several months.

He was born and reared in Missouri

where he lived until the Spanish American war. He served as paymaster under General Goethals during the construction of the Panama canal. He moved to Silver City 22 years ago from the Panama canal zone.

He is survived by his widow, Mrs. Ethel Bailey Metcalf, and one son, Robert Metcalf of Silver City; his mother, a sister and three brothers, all of Missouri.

Group Five Meets

Recently Portales was honored with the meeting of the bankers of Group 5.

After the luncheon at the Chamber of Commerce the business session was held in the Woman's Club building.

Banks represented at this meeting were First National and American National banks of Tucumcari; Citizens State Bank of Vaughn; First National Bank of Melrose; Clovis National and Citizens banks of Clovis, and the First National Bank of Portales.

Two Meetings

Two meetings were held in Raton recently by units of the New Mexico Bankers Association, the executive committee and the clearing house association of district No. 2.

It was the annual session for the executive committee and the quarterly meeting for the clearing house.

Those who attended the executive meeting are Arthur S. Jones, Portales, president; J. B. Read, Taos, vice president, and L. C. Becker, Belen; A. L. Johnson, Raton; J. L. Lary, Clovis; Frank R. Coon, Deming; T. H. Rixey, Clayton, and W. P. B. McSain, Las Cruces.

The clearing house association includes the banks of Taos, Wagon Mound, Roy, Clayton, Springer, Las Vegas and Raton.

AUSTRALIA
BANK OF NEW SOUTH WALES

ESTABLISHED 1817

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

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

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

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

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

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

Come On . . .

Mrs. Beaver: Mr. Mud-Turtle

Mistress—"So your married life was very unhappy? What was the trouble? December wedded to May?"

Chloe Johnson—"Lan' sake, no, mum! It was Labor Day wedded to de Day of Rest!"

Dumb Carelessness

Mrs. Heigho—"Old Jonas Hard-scramble fell plumb off th' roof of his house while he wuz shingling it."

Mrs. Whyso—"Didn't his wife feel awful?"

"Awful is no name for it—he fell right into her bed of sweet peas."

And No Gum-Drops Left

"Yes," said the cheerful one, telling of a harrowing experience, "we had reached the place where we had eaten the last dog."

"It must have been terrible!" exclaimed the fair listener.

"It was," he said; "they didn't even have mustard to put on it, and it was at least twenty miles to the next stand."

Wife: "Is there any hope for my husband, doctor?"

Doctor: "I don't know. What are you hoping for?"

Optimistic Outlook

Her Father: "So you are in the Navy! What are your prospects of promotion?"

Plebe: "The best in the whole Navy, sir. My job is the lowest one we've got."

Prof. Knew

Wife (to absent-minded professor): "Your hat is on the wrong way, dear."

Prof.: "How do you know which way I'm going?"

The Right Party

"Got your driver's license?" asked the patrolman, who had just run the motorist over to the curb.

"Right there in the side pocket," directed the driver.

"Yeah," observed the cop, looking it over, "it's your wife's driving license, not yours."

"Well," said the motorist, "that's my wife in the back seat."

Rattle-Brained

Prof: "Why don't you answer me?"

Fresh: "I did, professor. I shook my head."

Prof.: "But you don't expect me to hear it rattle away up here, do you?"

Let's

Rocking the Baby

The other day I heard of one of these new pee-wee autos speeding fifty miles an hour on one of our main highways. And every fifty feet the little trinket would hop right up in the air about five feet. A motor cop finally overtook the midget-motor and brought it to a stop.

"What's the big idea of that car jumpin' that-a way?" asked the cop.

The driver answered:

"Why, officer, there's nothing wrong with the car. You see!—I've go—hic—the hiccoughs!"

Had Noticed the Loss

While wandering in a Florida swamp, a hunter saw an alligator snatch a small colored boy from the bank of a canal. Soon he came to a cabin with a number

of pickaninnies in the yard. He addressed their mother saying, "I hate to tell you, but I just saw a 'gator get one of your children over on the canal." The old lady turned back in the door and said to her husband, "Rastus, Ah done tol' y'all sumpin' wuz ketchin' our kids."

Force of Habit

A man from Kansas was looking into the depths of the Grand Canyon.

"Do you know," said the guide, "it took millions of years for this great abyss to be carved out?"

The man from Kansas was tremendously impressed. "You don't tell me," he commented. "Why, I didn't know this was a government job!"

Jersey Lightning and Then Some

"Did you ever taste moonshine whiskey?"

"Certainly not," replied Uncle Bill Bottletop. "Anybody who can't swallow fast enough to keep from tastin' it has no business tryin' to drink it."

Long, Long Trail

"What is your occupation?"

"It isn't an occupation, it's a pursuit. I'm a bill collector."

Running True to Form

Professor Kranz—"What did you find out about the salivary glands?"

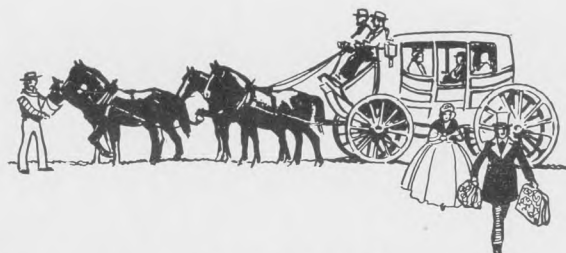
Stude—"I couldn't find out a thing, professor; they're too darn secretive."

Better Meet 'Em Halfway

"I see the jury acquitted the girl who killed her employer, on the ground of insanity."

"Yes, and quite right, too. Anybody who kills an employer these days is certainly crazy."

. . . . Have A Laugh



When the first stage stopped at Herndon House...



GOLD RUSHERS of 1858 used to pause for breath at the massive Herndon House at 9th and Farnum. It was built during 1856-7 about the same time the United States National set up business as Barrows, Millard & Company.

WE WERE ALREADY DOING BUSINESS!

WE KNEW OMAHA before she was born! Founded in 1856 as Barrows, Millard & Company, the United States National Bank actually began business a year before the incorporation of the city itself. Since then—for 76 years—we've played an active role in the dramatic development of this territory.

We can remember when the rattling stage coach was the only regular link between Omaha and civilization—with wolves and Indians in between. We were on hand when the first telegraphic con-

nection was made in 1860. And nine years later we breathed a grateful sigh of relief when the Union Pacific Railroad completed the laying of its rails.

Throughout these strenuous years and right up to the present time it has been our one aim to help the citizens of Omaha and Nebraska get ahead. Today, more than ever, we are in a strong position to accomplish this aim.

If we have had a part in the splendid growth which Omaha celebrates on her 75th birthday, we will consider our own 76 years well lived.

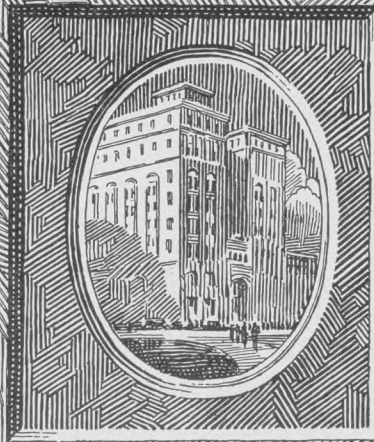
UNITED STATES NATIONAL BANK

OMAHA, NEBRASKA

Affiliated with NORTHWEST BANCORPORATION



The Omaha National Bank



ALWAYS
AT YOUR SERVICE