

CENTRAL WESTERN BANKER

Omaha

How To Take Care
of Office Machines

Page 4

What Trust Service Offers
to The Public

Page 5

The Voluntary Allotment Plan
of Farm Relief

Page 9

Public Utilities
for Trust Investment

Page 11

March

1933

CONFIDENCE

BUILT ON A CONSERVATIVE BANKING POLICY



The First National Bank of Omaha, which was nationalized in 1863, seventy years ago, has steadfastly held to its policy of conservative banking. Our constant adherence to such a policy has gained and held the confidence of the people of this territory in our institution. The faith and trust displayed by our patrons are shown in the fact that many have been our customers for twenty, thirty, and forty years—some for more than fifty years.

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When you are in Omaha, please
make our bank your Omaha
headquarters.

FIRST NATIONAL BANK OF OMAHA

CENTRAL WESTERN BANKER

410 ARTHUR BUILDING

OMAHA

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The Teller Tells the World

By C. W. FISHBAUGH

AT SOME time you may hear the expression about the Old Lady of Threadneedle Street. Well, just act calm and light a cigaret. The Old Lady is just a humorous appellation given to the Bank of England. It was formerly located on Three Needle Street; with a slight change it easily became Threadneedle Street. Now the favorite expression seems to be: "The Old Punk down on Main Street."



THEY tell me a young newsboy put the bee on a few bankers at a convention. The newsboy came down the street loudly shouting: "Wuxtra, all about the big swindle, 278 people swindled, Wuxtra." News is news and bankers want the latest, so one of a group of bankers hailed the newsboy. The banker after searching all his pockets for a nickel without success, finally borrowed one and bought a paper. He hastily scanned the sheet. There was nothing about a swindle that he could see. He blurted: "Say, there's nothing about a swindle in this." The newsboy winked and went merrily down the street shouting: "Wuxtra, all about the big swindle, 279 people swindled, Wuxtra."



IF YOU want to relax a little and attend a good movie with a little banking mixed in the plot you'll certainly like the following: "Prosperity," "American Madness," and "Silver Dollar." One thing is common in all the pictures—they each show part of a bank run. "Silver Dollar's" bank run is way back when President McKinley stood by the gold standard and silver's value sank and sank.



RECENTLY there has been much publicity about different ones naming the ten most beautiful words. Now here is my selection; you can correct me if I'm wrong: "Money, gold, silver, greenbacks, dough, currency, legal tender, cash, and coin of the realm."

RUMORS, false statements and gossip has caused much trouble in the banking world. J. G. Holland makes an excellent statement about this evil: "Gossip is always a personal confession either of malice or inbecility, and the young should not only shun it, but by the most thorough culture relieve themselves from all temptation to indulge in it. It is a low, frivolous, and too often a dirty business. There are country neighborhoods in which it rages like a pest. Churches are split in pieces by it. Neighbors are made enemies by it for life. In many persons it degenerates into a chronic disease, which is practically incurable. Let the young cure it while they may."



ABOUT two years ago some large city banks opened a new kind of account for customers; a checking-saving account. A certain balance was kept in each account. When the checking account went down too low, an amount was transferred from the savings account. Evidently it has not worked out very well, as I see that several of the banks plan to discontinue the dual account.



THE NEXT time someone uses the term "The Almighty Dollar" just fool them. Speak right up and say: "Do you know who first used that expression? No? Well, then I'll tell you. Washington Irving first used that term in 'A Creole Village,' published in 1837." Yep, a few cracks like that used at the right time and you'll be the life of the party.



WHEN Britain paid its war debt payment in December it was a simple task. The Bank of England officials unlocked the safe in which the key to the gold stock vault was kept. The porters of the bank opened the vault and removed \$95,550,000 in bar gold from one section of the vault to another and labeled it: "Property of the United States." The vault was then locked and the key returned to the safe. That was that.

The average bank has considerable money invested in Mechanical Equipment. Carelessness and neglect can run into high-priced repairs. It will pay you to know

How To Take Care of OFFICE MACHINES

By WALTER REGENHARDT

*Chief Inspector
Cleveland Trust Company*

A VERY high percentage of difficulties with office machines can be traced to one factor—neglect. Most of us have learned, in this machine age, to give a little first aid to the mechanical appliances used in our homes. We put a few drops of oil on our vacuum cleaners. We give the grease cups on our washing machines a turn now and then. We give our automobile a cleaning when it needs it; we put it under cover at night. Most of us do these things and have found that it pays to do so. Not only does it prolong the lives of these mechanical servants, but as a result they give us better service.

The same kind of care given to office machines, gives the same results.

Adding machines, typewriters, book-keeping machines, check writers, coin counters and all the other mechanical aids at our service during our daily business activity will give us better service and last longer if given a little care.

This does not mean an attempt at making repairmen out of machine operators, but simply the acquiring of a few habits that require little time but mean so much in the life and usefulness of a machine.

Neglecting the ordinary dusting and covering of machines when they are not in use, causes much serious trouble. On an adding machine for example, the accumulated dust gradually works its way into the mechanism, mixes with the oil inside and becomes a gummy substance that prevents the free movement of the parts. As a result the machine does not add correctly. The work must be done over again. Often the time lost in checking delays many others who must use the same figures. A call for a mechanic is sometimes necessary. Dust mixed with oil becomes an abrasive. If no immediate difficulty is experienced, ultimately this abrasive mixture slowly grinds the life out of the bearings.

On a typewriter, dust accumulating on the segment causes the typebars to

stick at the point of contact with the platen. This condition is not only an annoyance, but again usually requires the services of a mechanic to eliminate.

Dust and particles of paper not brushed out of the die on a check writer obliterate the word written and leaves only a smudge on the check. Dust jammed in the coin slide of a teller's change machine, causes the slide to stick back and coins are bounced on the counter or roll on the floor. Dust in the coin tray may cause a teller to short-change a customer unknowingly—should he fail to check the change.

FIVE RULES

**for getting the most service out of
Mechanical Equipment:**

1. Cover machines when not in use.
2. Keep machines dusted.
3. Keep type clean.
4. Keep rolls or platens clean.
5. Learn where and when to oil machines.

Dust and excessive ink on a numbering machine gums up the whole works—poor English but a positive fact. All dust contains a very high percentage of fine grit, similar in effect to fine emery cloth.

These conditions are easily avoided by proper care, frequent dusting and a regular use of the cover for its intended purpose. The time and effort required to take proper care of any machine is insignificant. The expense that can often be saved is, in total, very considerable.

Office machines require oiling, just as do any other machines. A drop of oil in the right place on a machine often trans-

forms a sluggish, squeaky mechanism into a smooth-operating machine. The only important point to learn is where to oil and where not to oil a machine. Any repairman will gladly instruct an operator in oiling his or her machine. Indiscriminate oiling defeats its own purpose and will cause trouble instead of improving operation.

For instance, oil on rubber will cause it to rot and swell, making replacement necessary. The danger of over-oiling is so great that some mechanics hesitate to encourage oiling by operators.

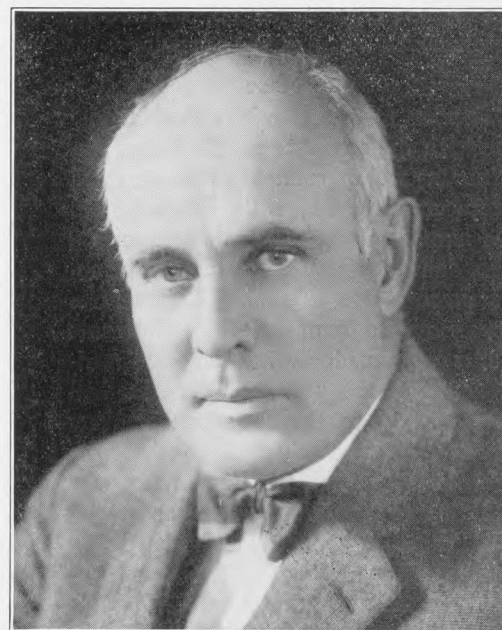
Many machine operators have found that cleaning the platens or rubber rolls on their machines eliminates the slipping of paper. A liquid for this purpose is carried in the stock room. Usually the slipping of paper is caused by the glazed surface of the platen. By removing this glaze with frequent cleaning, the original surface is restored.

An analysis of reports made out by repairmen, shows how much can be done by operators to eliminate trouble through proper care of their machines. A well-kept machine has fewer repair calls. *If a workman is known by his tools, what shall we say of an operator who neglects his machine?*

The total investment in all kinds of machines used in our bank exceeds a million dollars. Maintenance costs are considerable. It is within the power of each operator to raise or lower these costs. Proper care lowers costs. Neglect raises costs. A neglected machine soon becomes an abused machine. An abused machine is well on the way toward the junkyard.

Operators are urged to become more familiar with the machines they operate. With a thorough understanding of all the features on a machine, and with proper care, a saving in time and expense is realized.

WHAT TRUST SERVICE OFFERS TO THE PUBLIC



FRANCIS H. SISSON
President, American Bankers Association

This address by Francis H. Sisson was given before the Mid-Winter Trust Conference held recently in New York under the auspices of the American Bankers Association. Mr. Sisson is vice-president of The Guaranty Company, of New York

IT IS my purpose to discuss briefly some of the principles and problems involved in presenting to the public what a trust institution has to offer in the field of personal trust service. In other words, my approach to the subject assigned to me will be that of business development rather than that of trust administration.

The modern trust institution is a logical product of our times, developed in response to the need of our people for a type of corporate organization to perform adequately the services of an executor and trustee, in an age of complex organization in every field of business and finance.

Highly Specialized

It is only when we clearly understand the industrial growth of the country from simple beginnings to the present complex system that we see the trust company as a highly specialized form of corporate organization adapted to meet present day needs. Estates of today have the same character as our variegated industrial pattern.

Figures issued by the United States Treasury Department, covering Federal estate tax returns filed during 1931,

show the assets of the estates to be divided as follows:

62.40%	in stocks and bonds
13.43%	in real estate
9.62%	in mortgages, cash, etc.
3.31%	in insurance
11.24%	in other assets

100.00%

This variety of assets may not seem, at first glance, to be of very complex nature, but consider the item of stocks and bonds alone for a moment, as met with in actual estate administration. A large Eastern trust company, as executor of estates recently in process of settlement, held securities issued by more than 1,300 different companies, diversified in many lines of business, including the following:

384	Manufacturing Companies
95	Railroads
164	Public Utilities
51	Merchandising Companies
69	Oil Companies
111	Mining Companies
106	Real Estate Companies
221	Governments and Municipalities
39	Banks
16	Insurance Companies
17	Investment Trusts

A single estate administered by the same company contained among its assets securities issued by 98 domestic corporations, 23 municipalities, and 14 foreign governments and corporations.

Securities Vary

The complexity of security holdings does not end with diversity by industry, for the types of security issues themselves vary greatly. The estates being administered by the previously-mentioned trust company at a recent date contained at least 68 different types of stocks and bonds. The preferred stocks, for example, included the following types: first preferred, junior preferred, preferred as to dividends and as to assets and dividends, participating, voting, non-voting, cumulative, non-cumulative, callable, non-callable, graduated dividend, convertible, carrying warrants.

Real estate, too, presents complexities undreamed of by the estate owner of 1800. To refer again to the estates administered by the trust company just referred to, the real property that it was called upon to handle as executor included apartment buildings, factory and loft buildings, office buildings, city and country residences, cooperative apartments,

farms, and vacant parcels, distributed throughout 25 States and Canada.

Increase

Reports to the American Bankers Association indicate that in 1927 trust institutions were appointed as trustees and executors in 29,814 wills. During 1928 the number of appointments rose to 44,375, and during 1929 the number of appointments was 60,036. These figures represent the number of appointments under wills made during the years mentioned. For the year 1930, the method of reporting to the American Bankers Association was changed so that the number of actual appointments under wills offered for probate was reported—for 1930 such appointments totaled 48,812 as compared with 36,193 appointments in 1929, an increase of 35 per cent in one year. This rate of increase is approximately the same as that of 1929

over 1928 in the number of appointments under wills made.

Living trusts to the aggregate value of \$1,013,769,436 were received by reporting trust institutions for 1930 as compared with \$603,926,218 in 1929, an increase of 67 per cent for 1930 over 1929.

Life insurance trusts created with trust institutions have also shown a remarkable growth. The amount of insurance under trust agreement reported for the entire period 1923-1926 was \$264,550,072. The amount of such insurance had increased, it is estimated, to more than \$4,000,000,000 by the end of 1930.

Shrinkage

There may be those who will say that during the difficult times of the last two years estates in the hands of trust institutions have declined in value. But where is the individual or corporation with any

substantial holding of securities or real estate that has not experienced some shrinkage of values. There may be those who insist that trust institutions should have had some miraculous power by which they could have foreseen clearly the unhappy chain of economic developments during recent years. But we candidly admit that we do not have, and do not claim to have, any super-human insight into the future that has been denied every other agency created and controlled by the hand of man.

We contend, however, that the trust institution is the most effective agency yet devised for the conservation of estates. The record of our trust institutions during the depression has been a proud one. The institution of trust service has held to its course of conservation.

It may be significant that, according to figures recently made public by the Bureau of Internal Revenue, income from fiduciaries in 1931 declined only 14 per cent from that in the preceding year; whereas income from interest and dividends decreased 24 per cent during that period. It is also interesting, if not as significant—because wages are included—to note that income from all sources declined 23 per cent in the same period.

Security Affiliates

In this connection it may be appropriate to say a word as to the misunderstanding, more or less general, that trust funds have been placed in securities sold by trustees themselves or by trustees' investment affiliates, or in securities in which such affiliates may have a financial interest.

Probably a majority of the larger banks and trust companies doing a trust business have security departments or security affiliates, yet whatever may be the objections to security affiliates by advocates of laws designed to control such affiliates, it has never been seriously urged that trust funds have been affected by these relationships. It is a general principle of law, and a matter of specific statutory prohibition in some states, that a trustee shall not deal with itself, and this applies to the individual as well as the corporation. State laws prescribing the type of securities that may be bought for trust investment, in the absence of directions from the testator or trustor, provided a limitation as to what securities may be selected for trust investment. But even where the creator of a trust gives the trustee full discretion in the selection of investments, the trustee will

"Barlow For Councilman"

WITH the possibility of the greater part of the six Middle Western states being without representation on the Executive Council of the American Institute of Banking, friends of Milton F. Barlow, of Omaha, are strong in their support of his candidacy for the office of Executive Councilman. The election will take place at the Annual Convention of the American Institute of Banking in Chicago, June 12 to 16.

The present incumbent, Maynard W. E. Park of Kansas City, goes off the Executive Council at the coming election, and unless every effort is made to place Mr. Barlow on the Council, the states of Nebraska, Iowa, Missouri, Oklahoma, Colorado and Kansas will be without representation in the governing body of their organization.

Milton F. Barlow is assistant cashier of the United States National Bank of Omaha. His educational background comprises a degree from Yale University, a degree from the Law School of the University of Omaha, and admission to the Nebraska Bar.

Mr. Barlow's record of American Institute of Banking service and accomplishments is one of which any member could be proud. He has been active in the Omaha Chapter for the past seven years—holds a graduate certificate—has capably filled the office of both vice-pres-



MILTON F. BARLOW

ident and president—and during his active administration enrollment was increased, and educational efforts placed and maintained on a higher level. It is men like Mr. Barlow, with executive ability and the willingness to work, who are the backbone of A.I.B. chapters today.

On the basis of his qualifications, of his excellent American Institute of Banking record, and of the great, rich territory which he will represent, the active support of every A.I.B. member is urged to elect Milton F. Barlow, of Omaha, to the Executive Council.

not purchase them from itself or an affiliate because of the ethics involved and the legal prohibition. Not only that, but trustees will not buy in the open market securities in which their affiliates may have an underwriting interest.

Remarkable Record

The sound management of such a volume and variety of assets as I have mentioned or referred to is a great responsibility, and the record of trust companies in discharging it has been a remarkable one. It has been reported that up to May, 1931, there has been no record of loss of a single dollar to the beneficiaries of estates and trusts through the misconduct or malfeasance of any trust institution in any state, nor, with one small exception has there been any loss to the beneficiaries of trust funds due to the failure of a trust institution as trustee.

Hand in hand with conservation of estates is the service to the individuals concerned with these estates that is rendered by the trust institution. These services may be performed for the creator of the trust, the beneficiaries under the trust or both. But from the time a trust becomes active until its ultimate purpose is accomplished a trust institution is rendering interested and sympathetic personal service.

This then is what we have to offer—conservation and personal service. Each of these foundations of our business branches out into the myriad and complex structure of the trust business. But both are the fundamentals of every function we undertake in the personal trust field. They are the principles—the first principles—to guide us in how we offer our services to the public.

Three Avenues

There are three great avenues by which we may offer our service to those who can make use of them, namely, by advertising, by personal representatives and through our relations with the public.

So far as advertising and personal representation are concerned, I will content myself with the observation that the principles that underlie their most effective use are those that are predicated upon an appreciation of the foundations of trust business, conservation and service. By this I mean that a sound advertising policy and a sound program of personal appeal must be built up from the fundamentals and must conform to the lines they prescribe.

There remains that other avenue by which trust service is offered—public relations. I have differentiated advertising and personal representation from public relations for the reason that the first two represent planned and supervised activities of trust institutions, whereas the third is a relationship that is born the moment a corporate fiduciary comes into existence. By its advertising and through its personal representatives, whether they be purely solicitors or administrative officers and employees, the trust institution offers its service in a way it considers the most advisable and effective.

Under the general head of public relations come the important group contacts such as those between trust institu-

tions and attorneys and underwriters. These are relationships of great importance. But these groups are also parts of the public at large and it is of the relationship between trust institutions and the general public that I want to speak.

Measuring Goodwill

It is by their public relations that the goodwill of trust institutions is measured. It is the general public, the average citizen, the man-in-the-street, if you will, that creates public opinion. He may not be the man to whom we address our advertisements but he will form an opinion of us just the same. Our problem is to see that his opinion shall be an informed opinion, that he have some understanding of what we do and why we do it.

Ten Commandments For Your Bank Customers

I. Never cash a check for a stranger.

II. See that your bank account is checked up by a thoroughly reliable person in your employ, or a certified public accountant. It may not always be practical to do it yourself.

III. Never sign a check in blank or make it out payable to currency, cash or bearer.

IV. Never leave a check book, voucher checks, or even cancelled checks where anyone can get hold of them for improper use.

V. Never accept a check because it looks business-like. Crooks are now counterfeiting checks of well known concerns.

VI. Never assume that a bank certification stamp makes a check safe. These certifications are being counterfeited by crooks.

VII. Never do what a stranger suggests, in order to identify him. He probably has an accomplice planted somewhere to give you the information he wants you to have.

VIII. Never give out a check to a stranger. This is not meant in the ordinary business transaction. Crooks make deals whereby they can get one of your checks and then proceed to alter it to meet their needs within their estimate of your bank account.

IX. Always write your checks carefully with ink, typewriter or checkwriter. Begin each line as far to the left hand side as possible, the amount as near the dollar sign and leave no open spaces between words, and never allow a check to go out with any erasures appearing.

X. Finally, after you have taken every precaution possible that you can think of, regularly employ a certified public accountant to insure against internal irregularities and provide forgery insurance for conditions over which you have no control.

Watch your step and lengthen your life. Watch your check and prolong your wealth.

Forgery insurance is the only protection that can be had for conditions over which you have no control, no matter how careful and cautious you may be.

For instance, does he know that the terms of the trust instrument absolutely govern the acts of the trustee? That certain securities or real property must be held in the trust regardless of market values because the creator of the trust ordered it so? That investments may be limited to a certain class of securities, the legals, regardless of yield because the trustor did not grant discretionary powers to his trustee?

Does he know that trust institutions have lessened appreciably the rigors of the depression? That every beneficiary receiving a living income from a trust is one less recruit for the army of the unemployed? That every going concern in trust and kept going by a trust institution is a direct contribution to the employment situation?

Does he realize that the trust institu-

tions of the country stand ready to speed its economic recovery? That trust funds must be invested, cannot be used for speculation, and that reviving business and industry can look to trust institutions for a bulwark of financial support?

He must learn that any type of organization that competently performs a needed service, will attract to itself increasing amounts of business. This has been true of the trust institution. It is our hope and expectation that this trend will continue and that the field of usefulness of the trust institution will be an ever-widening one. There need not be the slightest concern, however, that the placing of a large amount of money and property in the hands of trust institutions as trustees will lead to any sort of control over a considerable portion of the country's wealth, or over its invest-

ments. This is not possible from a practicable standpoint, and it is certainly the last thing the trust institutions themselves desire.

The concern over the matter may arise from a misconception of figures as to trust assets. A trust institution, as trustee under a bond issue, has no control whatever over the money involved, yet the total amount of the issue might erroneously be represented as a trust asset. The trust institution will at no time have any control over such funds, for even in a reorganization, the trust company will simply be acting for and under direction of bondholders. Other funds, sometimes improperly called trust funds, are held simply in custody or as agent, subject solely to the directions of the owner. Furthermore, when it is consid-

(Continued on Page 12)

Restore Confidence With A Balanced Budget

BALANCING the Federal budget would "not only reestablish our own confidence in ourselves, but it would reestablish the world's confidence in our financial situation," Lawrence H. Sloane, vice president Standard Statistics Company, told his audience at the recent mid-winter trust conference meeting held in New York.

"I can well understand the strains and perplexities which the current economic situation lays upon those in your capacity—charged with a sacred trust, responsible for the conservative and intelligent employment of other people's money," Mr. Sloane said in part. "With business as yet showing scant signs of actual recovery, with the farm mortgage situation having been catapulted into a stage of acute crisis by the open break-down in the debt structure, with the urban real estate debt structure more vulnerable as a result of the agricultural debacle, with the corridors of the nation echoing with an increasingly violent demand for currency debasement, with the implications all of these developments have so far as the value of fixed income bearing securities are concerned, your problem becomes well nigh titanic in its proportions.

"The answer, whatever it may be, must come from the banks of the Potomac. The United States government is

now, and for months past has been, virtually the only important source of our new supply of high grade bonds. If we can balance the Federal budget, thereby throttling this source of new bonds, the market for high grade municipal and corporate issues could readily move much higher. Balancing the Federal budget would not only reestablish our own confidence in ourselves, but it would

Recovery is within our grasp. Let us not fumble it through sheer lack of understanding

reestablish the world's confidence in our financial situation.

"The greatest stock-market boom in history, far surpassing the Coolidge boom, might immediately follow the passage of the Voluntary Allotment Plan into law.

"Whether or not the plan would work, whether or not difficulties previously undisclosed, which lurk in every such large project, could be overcome, all that could be seen by the speculative-

ly minded, which includes nearly everybody, would be that agricultural income would be increased 4.2 billion dollars, and they would hasten to take advantage of the prospect of speculative profits.

"If we can achieve this most important of all economic fact of budget balancing, if we can expose the farce in the thus far hypocritical gesture toward reducing governmental and municipal expenditures, if we can scale down and definitely settle the foreign debt, thereby leveling off numerous barriers to international trade, if we can revise our antiquated bankruptcy procedure, and if we can, by wise remedial measures, stabilize our extremely difficult agricultural debt situation before it completely blows up in our faces, then currency debasement—or 'inflation' as it is politely called—will be neither necessary or desirable. If we take these necessary fundamental steps without undue further delay, the beginning of business recovery will be at hand.

"The strange thing is that what needs to be done is so clear and so relatively simple. The crowning tragedy of this whole depression would be to have recovery within our grasp, as it is at the moment, and then to fumble it through sheer lack of understanding, through sheer inertia in crystalizing the public will."

Another Thought On The Voluntary Allotment Plan Of Farm Relief

CITY dwellers would be asked to assume a \$35 per capita annual increase in their cost of living as part of the voluntary allotment plan of farm relief urged by Dr. Edward S. Mead, professor of finance at the University of Pennsylvania, and Bernhard Ostrolenk, former director of the National Farm School.

The plan, revealed in detail by its advocates in a book on the subject which is published by the University of Pennsylvania Press, calls for an increase of more than four billion dollars in the farmers' purchasing power through restoration of the prices of farm products to the levels of 1929.

Revival of Trade

With this tremendous increase in the farmers' purchasing power there would follow naturally, in the opinion of the advocates of the plan, a general revival of trade whose benefits would be extended to the city dweller and would compensate him in some measure for his annual \$35 contribution to farm relief.

Assuming that the solution of the agricultural problem lies in controlled production under conditions that will not violate personal and property rights, the advocates of the voluntary allotment plan would induce rather than force farmers to restrict their output.

Therefore they propose that excise taxes be levied on farm products and that farmers subscribing to the voluntary allotment plan be given part of the proceeds of these excise taxes in addition to whatever sum they receive for the actual sale of their products. Farmers failing to cooperate would not receive a share of the tax proceeds.

Select Commodities

As the first step in the voluntary allotment plan the commodities to be affected by the plan would be selected. These are (1) agricultural staples which, on their way to the consumer, pass through some form of manufacturing transfor-

mation, such as wheat, rye, cotton, wool, livestock, or tobacco; or (2) commodities on which a tax can be levied in transportation or merchandising, such as fruit, potatoes and rice.

Following selection of the products to be affected a computation would be made of the extent to which the present prices of these products would have to be increased in order to insure the desired blanket increase of 4.2 billions in the total farm income.

Federal Board

A federal board is to be created to deal with each commodity. These boards, acting through state and local officials in the farm counties and through the county agents, and having before them all the available information concerning the present and prospective market factors operating upon the different commodities, would determine first what price would be sufficient to give a reasonable return to the farmer.

Next the boards would estimate the visible supply of the commodities, taking into account any surplus on hand; the consumption requirements of the United

Acreage Determined

By this time, it is assumed, the amount of acreage devoted to producing each commodity would have been determined by the agents of the boards through county organizations, and each county would have been assigned its pro rata share of the new production desired.

The final step would then be taken through the county agent who would inform each farmer in his county of the acreage which would be assigned to him if he subscribed to the plan, the estimated season's price his products would command, and the extra compensation from allotment certificates which he would receive from the government as his share of the excise tax proceeds.

The probability that further adjustment upward in the tariff of farm products might be necessary in order to make the plan complete is recognized by Dr. Mead and Mr. Ostrolenk, but they express the belief that "if Congress is sufficiently under the domination of agricultural interests to enact the voluntary allotment plan, it will not boggle over further increases in the duties on farm products."

THE ADVOCATES of the plan explained here feel that prices of all commodities would advance sharply under the lift of speculative buying. The stock market would "leap upward", bonds would rapidly advance, especially those issues of companies who sell their product to farmers. "The greatest stock market boom in history might follow the passage of the Plan into law"

States would be determined and, on the basis of experience, an estimate would be made of the amount of each product which the market would absorb at a given price.

There would then be extended to American farmers an invitation to cooperate with the boards by producing only that amount which the domestic market could absorb at a given price, plus the amount received from the excise tax.

City Dweller Pays

They also recognize the possibility that the entire increase in farm prices may be shifted to the consumer. Applying this increase to the entire population they estimate that city dwellers would be asked to assume an increase of \$35 per capita annually in their cost of living in order to rehabilitate agriculture.

Solace is offered to the city dweller, however, in the authors' conception of

the sequence of events to follow the passage of the voluntary allotment plan with its anticipated addition of 4.2 billions of dollars to the purchasing power of farmers.

"As soon as the bill was signed by the President, without waiting for its acceptance by its initial beneficiaries, as soon, in fact, as a Congressional majority and the Presidential signature were assured, the commodity markets would show immediate improvement," they write.

Prices of wheat, corn, pork, beef, and cotton would sharply advance under the lift of speculative buying. Stock quotations in the various industries affected

would immediately leap upward.

"Agricultural machinery stocks, railway securities, fertilizer and chemical-company stocks, lumber, oil, cement, coal producers, mail-order houses, in fact, the securities of every company which sells largely to farmers would show rapid advances.

Securities Advance

"The bonds of those companies which have issued bonds would also rapidly advance, and new issues which are now held back awaiting a market would be released. It is, of course, impossible for any such general shift in security values not to spread throughout the entire business structure.

"Next would come an active revival in these industries whose managers would speculate, just as the textile industry speculated in the summer of 1932, upon the prospective revival of demand. Workmen would be recalled and factories would be set to work producing the goods the farmer is expected to buy with his increased revenue.

"With reviving industry, increased wage payments, large profits, the tax revenues—local, state, and Federal—would largely increase. Deficits would disappear. Municipal bonds could again be sold. The ruthless cutting of salaries and the wholesale abolition of positions of public employees would stop."

Distributors Group and Allied General Merge

PHYSICAL consolidation of two of the largest factors in the securities distribution field was consummated recently at a meeting of the board of directors of Distributors Group, Inc., when the major executives of Allied General Corporation were elected to executive positions in Distributors Group, Inc.

At the meeting, Chase Donaldson, president of Allied General Corporation, was elected president of Distributors Group, Inc.; John Sherman Myers, who succeeded Hugh W. Long as president of Distributors Group, Inc., a short time ago, was made chairman of the board. Kenneth S. Gaston, executive vice president of Allied General, became executive vice president, and W. Franklyn Best, treasurer of Allied General, became Comptroller. T. F. Chalker remains as secretary and treasurer of Distributors Group. At the same time the following were elected to the board of directors: Chase Donaldson, Kenneth S. Gaston and Edward B. Twombly of Putney, Twombly & Hall.

Stockholders of Allied General Corporation at a special meeting approved the sale of the corporation's wholesale security distributing and trading business to Distributors Group, Inc. Allied General Corporation, however, will continue to manage its portfolio as a general management investment trust.

The consolidation of the executive personnel and dealer affiliates of Distributors Group, Inc., and Allied General Corporation brings under one management a security distributing and trad-

MERGER represents one of the largest dealer service organizations and outlets for securities in the United States

ing organization with 2,500 affiliated investment houses throughout the United States, Canada and Continental Europe, with representation in nearly every town in the country with 20,000 or more population. The organization will have more than 50 direct wire connections to prominent Stock Exchange firms, trading houses and investment trust groups in important financial centers throughout the country.

Allied-Distributors, Inc., a subsidiary organized some months ago by Distributors Group and Allied General to consolidate the trading departments of the two organizations, now becomes a wholly-owned subsidiary of the former company and will carry on the general market security distributing operations hitherto sponsored by Allied General Corporation. Distributors Group, Inc., with Allied-Distributors, Inc., represents one of the largest dealer service organizations and outlets for securities in the United States.

Insurance Taxes

Two important points have recently been decided by the United States Board of Tax Appeals of interest to insurance companies. They both came up in the

case of Lafayette Life Insurance Company. The following is a digest of the decision prepared by Seidman & Seidman, certified public accountants:

1. A life insurance company cannot claim a deduction for interest expense where it issues a deferred dividend policy, and at the end of the tontine period voluntarily pays to the assured, in addition to the deferred dividends, amounts equal to 3½ per cent interest on the dividends compounded over the period. The reasoning upon which this conclusion was reached is that as there is no agreement or statutory requirement to pay interest, and the deferred dividends are not loans made by the policyholders to the insurance company, or a debt of the insurance company, the payments are not in fact interest.

2. Where a life insurance company is conducted through two departments—one of investments and the other of under-writing—it may deduct in its income tax return depreciation upon furniture and fixtures used in both departments, even though it is taxable on the income of only one department. The Government contended that since the taxable income of the company is confined to receipts of interest, dividends and rents, depreciation should be allowed only with respect to property used in the production of such income, but this contention was overruled.

He heard the toot, but tried to scoot
And beat the engine to it.
The poor galoot now twangs a lute.
Take heed and don't you do it.



PUBLIC UTILITIES FOR TRUST INVESTMENT

Only a few Securities can show a Better Record

OUTLINING the record of the bonds of operating electric and gas utilities during the past few years, Bernard W. Ford of Blyth & Company, San Francisco, in an address on investments for trust funds at a conference of trust men from all parts of the United States meeting in New York, declared that the credit of this class of corporation in many of the principal cities of the country is valued more highly than the general tax obligations there. The conference was held under the auspices of the Trust Division, American Bankers Association.

"For several years we have been experiencing an economic cycle which has severely tested investments of all classes," Mr. Ford said. "Corporate and individual earning power has fallen to unprecedented low levels. The foundations which support the debt structure have so shrunk as to render much of the structure insecure. Have well-selected public utility bonds proved themselves solid against the financial storm? I direct your attention to the record.

Only One Per Cent

"So far as I can learn, the total mortgaged debt of operating public utilities rendering principally gas and electric service now in default is less than \$75,000,000. That is about 1 per cent of approximately \$6,000,000,000 of such securities now outstanding. Is there any other class of investments, including municipal bonds, with a better record, save only state and United States Government obligations? These figures include the worst with the best so that I may not be accused of bias in presenting the

record of the kind of utility bonds which you would select for trust fund investment.

"It is customary in studying classes of securities to set up high grade and second grade groups, etc. Bonds in the high grade group generally show interest earned better than three times, whereas in the second grade group earnings of about two times is required as a qualification. The investments which you would select would fall in one or the other of these groups, or in between. Hence we are speaking of the best quality and the poorest quality of the securities which you would select.

"COMPARING 1926 values with the values of today, the average price of high utilities is approximately 5% higher than 1926 average prices"

Utility Earnings

"Adopting one of the common groupings of high grade utility bonds, we find that in 1926, which was approximately a normal year, interest was earned on an average 3.4 times. Now, after nearly three years of grinding depression, industrial stagnation, and decreased purchasing power on the part of the public at large, we find the earnings of these companies have declined to 3.3. times interest requirements.

"Selecting entirely the poorest grade of utility bonds which would be eligible for your purposes, in 1926 interest was

earned on an average 2.2. times, the margin of coverage being only one-third that of the high grade group. In 1932 earnings for this class had declined to a point of 1.8 times interest requirements, in one of the periods of lowest corporate earnings in the modern history of finance.

Market Value

"It sometimes becomes necessary to sell investments, and generally the need to realize is greater as adversity grows. Market values, therefore, must be taken into account. Comparing 1926 values with the values of today, the average price of high grade utility bond is approximately 5 per cent higher than 1926 average prices. Practically speaking, high grade public utility bonds purchased at any time during the past fifteen years would today be worth as much, or more, than the purchase price. Also, let it be observed that the credit of the utility companies operating in many of the principal cities of the United States today, is valued more highly than is the general tax obligations of those municipalities.

"The record of second grades is naturally not so good. The fact, however, that average prices today are 15 per cent to 20 per cent under 1926 quotations certainly calls for no apology, as even in this class the decline in dollar value has been considerably less than the offsetting increase in purchasing power of the dollar.

"There is the record. I invite you to scan the entire field of investments for comparison. I submit to you that your experience as trust officers must prove the stability of operating public utility

bonds for trust fund investments, and on the basis of sound investment principles I ask for your continued confidence and support."

What Trust Service Offers

(Continued from Page 8)

ered that there are more than four thousand institutions actively engaged in trust service, the chances of concentra-

tion are seen to be remote. The trust institutions outnumber greatly the life insurance companies, and the question of investment concentration is not seriously mentioned in connection with those organizations.

Funds Not Permanent

Another misconception is that funds held as executor on any given date are permanent funds. Such is not the case, as most of such monies are distributed outright as soon as the estates can be settled. The smaller portion that goes

into trusts is retained on the average for only a comparatively few years—ten years being one estimate by competent authorities.

Trust institutions themselves do not encourage—in fact they discourage—the making of any kind of trust, particularly the long-term trust, unless a very defi-

"THE TRUST institution is the most effective agency yet devised for the conservation of estates--its record during the depression has been a proud one--trust service has held to its course of conservation"

nite need for it is apparent. It has often enough been demonstrated that inelastic provisions and the desire to tie up property for too long a period have proved unwise. On the other hand, there is ample evidence as to the great benefits and protective advantages of trusts wisely planned and efficiently administered. Those who desire to protect such members of their families as need protection—wives, daughters, children, the aged—will continue to create trusts and continue to place them in the hands of institutions qualified to administer them properly, and the question of concentration of investments will take care of itself.

A Misconception

This leads into the matter of the human qualities of the service of the trust institutions. In this day of the universality of corporate organization we do not hear so much of the charge that the corporation is "soulless." Yet one of the reasons why some individuals hesitate to appoint a trust company or bank is that they feel the handling of their estates will be of a routine nature and their relationships with their beneficiaries cold and impersonal. This is a misconception. It is odd that some who criticize the banks and trust companies charge them with being merely human and hence capable of error; while on the other hand, they will not give the institutions credit for human qualities in dealing with clients. The fact is that the trust institution is nothing more nor less than an aggregation of individuals, and these individuals, to my personal knowledge, give of themselves unsparingly and sym-



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THE CHASE NATIONAL BANK

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CHARLES S. McCAIN
*Chairman
Board of Directors*

JOHN McHUGH
*Chairman
Executive Committee*

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

pathetically in caring for the interests of clients. I could mention many cases that, for reasons of preserving confidential relations never find their way into publicity, in which really extraordinary personal efforts have been put into the service of estates—some of these estates being so small that the fees to the trust institutions have been absolutely negligible in comparison with the work done and the service rendered.

Economy

It is essential that we inform the public how in another very important respect trust institutions render a valuable service to estates—that of economy of administration. Because of the experience of personnel, completeness of equipment, and organization for the work, trust institutions proceed in the administration of estates and trusts without waste motion, and with adequate knowledge of the many and varied steps that must be taken in estate administration, including: probate and immediate protective measures, collection of assets, determination of claims, adjustments, tax proceedings, management of investments and realty during administration, temporary management or liquidation of business interests, distribution and account. We should strive to impress upon the public that the trust institution service is not interrupted by absence, illness, or

"WE MUST see to it that the public sufficiently understands the trust business to appreciate it. We must maintain unalterably our faith in our high purposes and in our ability to fulfill them"

other reasons that in the case of an individual might cause lapse of attention.

To make the public conscious of all these facts is a vital part of a sound public relations policy on the part of trust institutions.

We must stand upon our solid foundations of conservation and service.

We must see to it that the public sufficiently understands the trust business to appreciate it.

We must maintain unalterably our faith in our high purposes and in our ability to fulfill them.

Exports

Commonplace articles produced in this country, most of them well known in the average American home and associated more or less with the everyday pursuits of American citizens, continued to form an important part of the export trade of the United States during 1932 despite the destructive effects of the world-wide depression and innumerable barriers set up in various foreign markets, according to F. M. Feiker, director of the Bureau of Foreign and Domestic

Commerce of the Commerce Department.

Paper bags, shoe polishes, tooth brushes, razor blades, electric fans, sewing machines, hosiery, hats and caps, false teeth, and a wide range of similar products were shipped abroad last year in appreciable quantities to the advantage of the contributing trades and industries.

Paper bag exports were valued at \$488,158; shoe polishes and cleaners, \$257,915; tooth brushes, \$340,293; razor blades, \$1,254,617; electric fans,



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Long Distance rates are low—for example, only 90c from New York to Baltimore, 60c from Detroit to Cleveland, \$1.25 from Chicago to St. Louis. For helpful information about telephone selling plans, just call your telephone Business Office.



Charges listed above are for station to station, daytime calls. Evening and night rates are considerably lower. Where the charge is 50c or more a federal tax applies as follows: 50c to 99c, tax 10c; \$1.00 to \$1.99, tax 15c; \$2.00 or more, tax 20c.

\$222,839; sewing machines for household use, \$1,621,487; hosiery, \$1,527,010; hats and caps, \$765,548; false teeth, \$1,080,631.

Overissue and old newspapers valued at \$1,472,722 were sold abroad during the year.

Exports of American pencil slats amounted to \$565,296; files and rasps, \$990,294; barbed wire, \$791,283; horse-shoe nails, \$157,722; hand and machine needles, \$429,373; freight and passenger elevators, \$356,638.

Cash registers, \$1,450,028; hand and power lawn mowers, \$141,817; corn plasters, \$295,200; household insecticides and exterminators, \$827,103.

Air Traffic Records Broken

While aviation doesn't make the claim of being depression-proof, one air transport company in the United States last year scored an outstanding record by carrying 107 per cent more passengers than were transported during the previous year.

A total of 89,000 passengers flew over the New York-Chicago-Pacific coast and other mail, passenger and express airways of United Air Lines, while 43,000 passengers traveled via United planes in 1931. An increase in mileage flown was also recorded during the past year by the air transport system, whose planes flew nearly 2,000,000 miles more than the 1931 total of 11,115,000 miles.

A feature of United Air Lines' activities during the year was establishing the record of 50,000,000 miles of day and night flying, more than any other air line the world has flown. Of this total, 23,000,000 miles were recorded at night over United's illuminated airways.

Not only did the company make substantial expenditures during 1932 for airport hangar-depots, radio telephone and other communications, addition of flying equipment and increased payroll, but it also placed an order for sixty new-type Boeing 10-passenger high-speed transport planes powered with two supercharged Wasp engines.

Reduction of air express rates during 1932 has brought sharply increased volume of plane express packages to United Air Lines planes, and the year marked air express as a definitely established phase of scheduled air transportation in this country.

Diverting Highway Funds

"Economic recovery of the United States will be seriously retarded unless immediate halt is called to the indefensible practice of motor fund diversion," warns J. Borton Weeks, president of the American Motorists' Association, in urging the country's motor vehicle owners to unite in opposition to diversion of such funds to other than highway purposes.

"Unless united and determined action

is taken," said Mr. Weeks, "the country will be strewn with the wreckage of highway programs, countless workers will take their place in dejected bread lines and important industries will be forced to curtail output or close down altogether.

"In nearly all parts of the country 'diversion hysteria' appears to have lawmakers in its grasp. Highway funds, contributed by motor vehicle owners through registration fees and gas taxes, are pounced upon like manna from heaven and distributed with a lavish hand to the unemployed, although in the process hundreds of thousands of gainfully employed workers are thrown out of work, causing an ever-widening circle of those looking to the state for food and shelter."

Start Economic Planning

A starting point for the economic planning called for in the newly published report of the President's Research Committee on Social Trends is found in the Federal Home Loan Bank System. This is the opinion of I. Friedlander, Houston, Texas, vice president of the United States Building and Loan League. In the new credit system, says the building and loan official, lies the opportunity to start economic planning at the foundation of the social system, the family, particularly the family in the home.

A fundamental contribution of the Home Loan Bank System to a reformed and planned economy for the home-owning and future home-owning group is the distinct blow which the institution deals to the idea of financing long-time purchases with short time credit, one of the confusions of present-day practice, he says. The fact that the System is a permanent institution will give it influence which could not be exerted by an emergency structure, it was emphasized.

"For the first time the home-owning family and the entire phase of our business life which lies in the production and utilization of homes find themselves the center of attention of a national body with powers to dig into the facts and make them effective for the entire nation," Mr. Friedlander points out. "Through the Home Loan Banks we can start economic planning by the family and for the family, at least as far as its fundamental need of shelter is concerned."

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INSURANCE

Its Application to the Banking Fraternity

Selling Business Insurance to the Young Business Man

AN AGENT was trying to sell a 22-year-old who knew all the answers on the idea of reinstating a \$1,000 endowment policy he had lapsed. "Listen, Mr. Green," the Wise One told him, "I'm just not interested. And that's that."

The agent went back a few days later. "Mr. Lambert," he said, "I've been thinking a good deal about you. The fact is, I've checked up with one or two business men I know who happen to know you. I thought you might like to hear what they had to say, and what I've decided after talking to them."

Not Interested

"If it's about life insurance, Green," the ex-policyholder replied, "I'm not interested. I told you the other day that I don't need any life insurance, and that goes now."

"Say, give me a little credit, won't you? I've been in this business long enough to know when I strike a man who means what he says!" Green assured him. "To tell you the truth, I'm half inclined to believe you're right about not needing that endowment policy."

"I know I'm right," Lambert admitted, modestly. "And I don't need any other kind of a policy, either. My folks are well fixed, and I'm not thinking of getting married. So you'd better save your time."

"All right, I will," Green told him with a laugh. "But I meant what I said a minute ago. I call on a lot of men your age, and I don't need to tell you that most of them aren't very hard to figure. They're working because they have to—not because they see something ahead of them. Something you told me made me think that you might be worth cultivating as a future prospect—for a real policy. I don't think anybody'll ever 'sell' you any life insurance, but I'm all wrong about your business future if you don't

Business Insurance can be sold to Ambitious Young Men. This article explains how it was done.

'buy' a whale of a lot of it, some of these days.

Cards on the Table

"Now I'm going to put my cards right out on the table, Mr. Lambert. You know I'm in this business to sell life insurance—and I'm laying my plans for big stuff, not thousand dollar endowments. The only way I can build up good sized accounts is to pick the fellow who's going places in the business world—and pick him while he's making his start, not after he's landed and made all his connections.

"All right, now here's the way I've figured you, Mr. Lambert. I think you're sensible enough so that I can be

shoes of the banker you'll go to. Suppose you've gone into the specialty manufacturing business. You know your stuff, you've got a good bunch of salesmen handling your output, and you're making some money. Of course, it's all going back into the business.

"Another concern in your field goes haywire. Let's say they've got a pretty good patented pants-creaser as a leader—an item your organization could handle like hot dogs at a world series game. This concern loaded up with too much inventory, didn't know how to manufacture economically in the first place, and are weak on sales. You've got a chance to buy 'em out, patents, inventory, the whole works, for 30 cents on the dollar. You need \$10,000 to swing the deal, and, the way it looks to you, you can put on a drive and get your whole investment out again in less than six months—with plenty left for a swell profit during the last half of the year.

"You go to the bank and tell your story. The banker says, 'I believe you've got something, Mr. Lambert. We'll be glad to loan you the money. Of course we'll want you to start reducing the note at the end of 60 days, and we'll expect you to clean it all up in six months.'

Covering the Loan

"He gets a note for you to sign, and you're sitting on top of the world. 'By the way, Mr. Lambert' (this comes just before he passes the note across the desk) 'naturally you will want to assign enough life insurance to the bank to cover this loan?'

"'Why certainly,' you tell him, 'I will if you have to have it—but it is

A YOUNG MAN may not be interested in Life Insurance, as he understands it. But when he finds what an important part it can play in his future, he sees it is something he cannot possibly postpone buying.

absolutely frank with you, and I'm going to ask you to be just as frank with me, if I've got you figured wrong. The way I see it, you're working here for *experience*. I don't get any picture of you spending the rest of your life making money for the other fellow. Five or six years from now, maybe sooner than that, you'll be in business for yourself.

"When that happens, you're going to need regular, commercial bank credit; and you'll get it. But put yourself in the

just a short-time loan, and every nickel of it's going into a mighty valuable inventory. I didn't suppose you would want life insurance on a deal of this kind.'

"'Mr. Lambert,' he cuts in, 'it's on deals of this kind that we particularly *do* want life insurance. We're making this loan on two kinds of collateral: your business is one, and you are the other. Frankly, your business isn't security for more than a fifth of the loan we are talking about. We don't know anything about manufacturing and selling patented specialties—and, without you on the job, we'd have to go into that business to get our money out, or else the business would have to be sold for whatever it would bring. But we know you, we believe in you, and we are satisfied that you can continue to build your business and operate it at a profit. As long as you're on the job, and continue the way you're going, we want to help you and do business with you. That's what we're here for. *But we've got to have some assurance that you're going to continue on the job.* There's only one thing we are afraid of, and that's premature death.'

"'All right,' you tell him, 'I see your point. I'll give Harry Green an order for \$10,000 today.'

"That's where I come in, Mr. Lambert—only I figure those orders are going to average a lot more than \$10,000. I'll be very much surprised if you're not on my books for over a hundred thousand before either of us is 10 years older! Now frankly, do you think I've got you figured out about right?"

"I've got to give you credit, Mr. Green," Lambert conceded. "I can see you've got me figured just about the way I'd have done it myself."

"Thanks, Mr. Lambert, I didn't think I was wrong about you," Green continued. "Now there's just one more point that I want to go over with you today—and I'm pretty sure that you'll agree with me when I say it's important.

Foresight

"Let's go back to that bank situation a minute. One of the biggest bankers in the middle west told our vice-president that he rated *foresight* as the most valuable quality any business man could possess. Suppose, when your banker tells you that he is going to need life insurance as collateral, you are in a position to say: 'Yes, I looked ahead to that several years ago. I took on as much business insurance as I figured I could pay

for. I knew I'd want bank credit one of these days, and I wanted to be sure I'd have the insurance when it was needed. Also, I got it at a much lower rate than I'd have to pay now—and I've got it to a point where the policy will be carried in force for several years, without any more premiums, if things shape up so I have to use all of my money in the business.'

"If you were in a position to tell him that, don't you think that banker would *have* to sit up and take notice?"

"Well, I don't know. . . ." Lambert hesitated a bit at committing himself.

"Don't misunderstand me," Green interrupted, "I'm not suggesting that you take on a *lot* of life insurance right now. It isn't necessary. All you need is *enough to show that you were looking ahead and had confidence in yourself.* If I were you, I wouldn't load myself down with twenty-five or fifty thousand. But I *would* get about ten thousand of the kind of life insurance that big business buys, and I'd hang onto it like a leech!"

"What would that cost me?" Lambert wanted to know.

Ten thousand ordinary life was issued; five of it was placed and paid for. —Continental Assurance Company.

Farm Mortgage Situation

Frederick H. Ecker, president of the Metropolitan Life Insurance Company, made the following statement recently:

"I have read in the press various statements as to action on the part of life insurance companies concerning the farm mortgage situation. On the part of the Metropolitan, it has been our consistent policy for the past two years to work out with our borrowers methods satisfactory to them and fair to the policyholders represented by the Company, to the end that earnest farmers, desirous of keeping their homes and working out their problems, shall have the fullest consideration and cooperation from us. This policy on our part is well-known in the farming communities and has met with many favorable comments from the farmers themselves. There are cases where we are obliged to foreclose but they are practically limited to cases where the farmer is unwilling to carry on or to try to do his part toward working out his problem or, in certain instances, where we are practically forced to foreclose by reason of the action of

second mortgagees, holders of chattel mortgages, or crop mortgages who undertake to enforce their subsequent liens. In such cases the owner of the first mortgage has no alternative but to foreclose to protect his rights. We are not changing our policy or undertaking to do anything new or different.

"We believe the best interests of farm borrowers will be served by close cooperation with lending institutions rather than by seeking legislation to unduly restrict by compulsion of law free action on the part of the borrower and lender. In fact we have received letters from borrowers expressing this thought as their views."

Meets in Omaha

Policyholders in the Guarantee Mutual Life company of Omaha, meeting recently, re-elected R. E. Langdon, secretary, to the directorate.

J. C. Buffington, president, who started the company more than 32 years ago, in his annual report said the company had increased its assets by more than 300 thousand dollars, and said that more than half the company's funds were in desirable city, county and state bonds. The present dividend schedule is being continued without reduction, he said.

Group Insurance

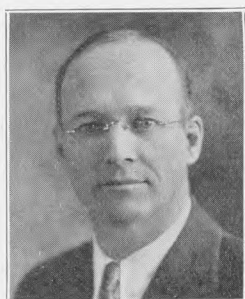
"Most wage earners are inadequately insured and the group insurance plan enables them to become insured easily, safely and very economically," Henry B. Ramsey, manager for Nebraska and South Dakota, with headquarters in Omaha, for the Prudential Insurance company of America, said recently.

"With the employer's co-operation and in no other way, may the employees enjoy the advantages of the group arrangement.

"This plan prevents distress and removes the need for 'passing the hat.' The firms who give their employees the privilege of a group policy are more than repaid for their expense by reduction in turnover and increased loyalty to the organization.

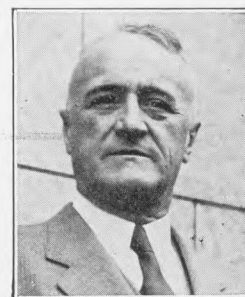
"An estimate of the benefits under this plan during 1932 shows 51 thousand families in the United States received 89 million dollars in claims.

"Group insurance also enables individuals who are physically impaired to obtain life insurance.



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

Nebraska News



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

The New Bank Act

NEBRASKA'S new bank act became law recently when signed by Governor Bryan.

Permitting limited operation of weak banks under the supervision of the state trade and commerce department, it was written early in the session by legislative leaders, department officials and the attorney general to tide the banks and their debtors over periods of stress when necessary. The senate and house passed it with little opposition.

Secretary E. H. Liukart of the department started at once to make it effective and predicted incidentally that higher prices would bring better times within six months.

Before the law can affect any specific bank, at least 85 per cent of its depositors must agree to abide by it. Liukart said however that his department would insist on early 100 per cent co-operation from the depositors.

The old deposits and old debts are set aside for gradual liquidation and adjustment, while the bank continues to accept deposits and cash checks for the convenience of the community but using a new set of books.

The plan is that eventually the slow paper of the banks will be worked out and the institutions placed on a normal basis again.

Mr. Liukart said his prediction of higher prices within six months was based on the belief some sort of inflation would occur within that time. He favors it as a means of helping the farmers pay their debts.

He did not estimate the number of banks interested in the new law and said he might not make their names public on

taking them under the supervision of the department.

Should Be Killed

The Dworak bill to bar Omaha bankers from selling insurance had smooth sailing in the Nebraska senate until Senator Stewart (dem.) of Clay Center proposed its provisions be extended to all cities of 1,200 or more population.

His proposal was killed, however, and the bill was referred back to the committee on insurance.

Dies in York

Frank L. Borden, 65, vice president of the City National bank of York for 11 years, died recently following a long illness. Mr. Borden came to York 30 years ago as manager of the Blackburn department store. He later purchased the Blackburn interests and operated the store until a few years ago, when he became actively engaged in the banking business. He is survived by his mother, Mrs. Elizabeth Borden, also of York.

Forty-Seven Years

R. O. "Bob" Marnell, cashier of the Merchants National bank of Nebraska City and a director of the Omaha branch, Federal Reserve bank of Kansas City, recently completed 47 years as a banker. Mr. Marnell, who is well known among Omaha bankers and business men, started with the Nebraska City bank as a messenger boy.

Ship Ahoy!

Carl Weil, Lincoln banker, one of the countless admirals in former Lieutenant Governor Metcalfe's "great navy

of Nebraska," found his commission useful recently in a visit to Galveston, Texas.

Mr. Weil was at Galveston when he met Ed Van Horne, who had his small son with him. Strolling on the waterfront, they asked to go on board a coast guard cutter tied up there. They were told no visitors were permitted.

Mr. Weil took out the card containing his admiral's commission and sent it aboard to the captain. The captain escorted Weil and his companions aboard and showed them the ship.

As they were leaving he picked up the card, studied it again, and asked: "What sort of a commission is this, anyway? Is this really connected with the navy, in the reserve or something?"

Elect in Neligh

Five directors were re-elected at the annual meeting of the stockholders of the National Bank of Neligh. They are L. E. Jackson, Fred Penn, C. H. Ray, Dr. U. S. Harrison and J. W. Spirk.

The directors elected C. H. Ray cashier. Mr. Ray has been acting in that capacity since R. B. Genoways resigned some time ago, and will continue to devote his full time to the bank.

L. E. Jackson was elected president of the bank and will act as chairman of the board of directors. Fred Penn was chosen vice president, O. E. Krohn, assistant cashier, and George W. Krumm, assistant cashier.

Haskell Dies

William Greenleaf Haskell, 61, for 23 years president of the Harlan County bank of Alma, died in Omaha recently after a two months illness. A nephew of the late District Judge William Gaslin, Haskell was president of the Harlan County Banking association. He was a

leader in community affairs at Alma as well as a prominent Mason and member of the Lincoln Shrine temple. Surviving him, besides his widow are three sons, one daughter and three sisters.

Annual Meeting

The annual meeting of stockholders of the Dalton State bank resulted in election of the same board of directors with the exception of Fred Borges, who passed away recently. His post was filled by election of Andrew Hansen. Other directors are A. W. Friede, Henry Vick, J. A. Walford and R. F. Buchanan. Mr. Borges was one of the heavy stockholders in the bank, but the policies of the institution will not be changed by his death as the Borges family will continue behind the stock.

Re-elected

At the annual meeting of the First National Bank of Wymore, all officers were re-elected, as follows: President, J. A. Reuling; vice president, William A. Stahl; cashier, J. S. Jones; and assistant cashier, L. Boyd Rist.

A Record

The re-election of the officers of the Farmers Bank of Merna for the 25th consecutive year establishes a unique record. In 1909, when the Farmers Bank was organized, the following were elected as the officers: B. F. Cox, president; E. B. Daley, vice-president; F. L. Beals, cashier—and these same men have served since then.

Elected President

J. P. Mann has been elected to the presidency of the First National Bank of O'Neill to fill the vacancy caused by the death of J. F. Gallagher. Mrs. E. F. Gallagher has been elected to fill the vacancy existing on the board of directors.

Mr. Mann has been a director and stockholder of the bank for forty years. He has recently returned from Chicago to O'Neill to make his permanent home.

"Strongest Ever"

Omaha and Lincoln banks have not availed themselves of the opportunity to obtain federal funds from the Reconstruction Finance corporation because they have "the strongest reserves they have ever had in their banking history."

This was the statement of Fred W. Thomas, vice-president of the First National bank and member of the R.F.C. board for that district, in a talk before the Chamber of Commerce women's division. In his discussion of the R.F.C., Mr. Thomas also mentioned the work of its subsidiary, the Regional Agricultural Credit corporation, which now employs 150 persons in its Omaha office.

Other Omaha bankers who were guests included Alvin E. Johnson of the Live Stock National and counsellor for the chamber women's division; Ellsworth Moser of the United States National, Otis T. Alvison of the Omaha National, and J. B. Owen of the Stock Yards National.

The dinner was sponsored by the banking and financial group.

Fire Damage

The explosion of an oil burner in the basement of a building in Alma was blamed for the \$9,000 damage done by fire to the Bank of Alma, the Oscar Anderson general merchandise store and the T. L. Porter law office. The building is a two-story brick structure and damage to it was estimated at \$1,500. The losses are partially covered by insurance.

Banker Dies

W. H. Faling, 85, prominent banker and merchant, died in Cambridge recently. Mr. Faling settled there in 1880, coming from Illinois. He established a general merchandise store and later entered the banking field, finally establishing an investment banking business of his own.

Bank Clearings

Thirty-ninth in population, Omaha ranked twentieth among all cities of the country in bank clearings for 1932, according to the Chamber of Commerce industrial bureau. Omaha's total clearings for 1932 were \$1,102,437,000.

During the past decade, Omaha and Seattle, a much larger city, have been "neck and neck" for nineteenth place.

Other cities (all larger than Omaha) which Omaha surpasses consistently in clearings are Houston, Tex.; Providence, R. I.; Newark, N. J. Rochester, N. Y.; Washington, D. C.; Milwaukee, Wis.; Louisville, Ky.; Indianapolis, Ind.; St. Paul, Minn.; Denver, Colo., and Portland, Ore.

Usual Dividend

At the annual meeting of the stockholders of the Geneva State bank the following directors were elected: Earl H. Wilkins, Charles H. Sloan, Carl E. Schneider, George E. Aldrich and Frank O. Edgecomb.

The board of directors elected Charles H. Sloan chairman of the board; Earl H. Wilkins, president; Grady Corbitt, vice president; Carl E. Schneider, cashier, and Melvin L. Ralston, assistant cashier. The usual dividend was declared.

Asks Report

A new move to obtain information on management and expenditures of the Nebraska banking department was begun in the house by republicans in the

The Facilities ♦ ♦ ♦ ♦ ♦

offered by this Bank to its correspondents and other depositors have been developed through years of experience in serving our banking customers.



Continental National Bank
LINCOLN, NEBRASKA

Affiliated with NORTHWEST BANCORPORATION

form of a resolution by Representative W. J. Williams (rep.) of Cedar Bluff.

The resolution seeks to have the house require E. H. Luikart, head of the state banking department, to submit a report within eight days showing collections from failed banks, funds distributed, employes and their salaries, amounts collected to defray the expenses of central receivership, the number of persons doing field work as assistant receivers, the maintenance expense of receivership and a separate detailed report on the handling of the State Bank of Omaha.

Representative W. H. O'Gara (dem.) of Laurel suggested the matter should be referred to the banking committee.

Confidence Needed

Lack of confidence in country banks has been responsible for much of the deflation in agricultural prices, in the opinion of J. F. McDermott, vice-president of the First National bank, Omaha. He spoke on the first of a series of public forum programs sponsored by the Chamber of Commerce publicity bureau.

"When country banks were forced to call their farmer loans to satisfy depositors who were withdrawing their funds, the farmers had to sell live stock and other products at a time when the market was glutted, forcing prices downward," the speaker asserted.

Pending revival of confidence, the Federal Agricultural Credit corporation is stabilizing conditions, in a measure, because it can lend money on the farmers' personal property for a period longer than a year.

Colorado News

Re-elected

All officers of the Rifle National bank were re-elected at the annual stockholders' meeting, namely: C. R. McCarthy, president; C. M. Donell, vice president; and T. H. Hill, cashier, with the addition of A. A. Swan, who was named assistant cashier. The following board of directors also holds over for another year: C. R. McCarthy, C. M. Donell, R. F. Magor, Sr., T. H. Hill and R. C. Reigan.

New Officers

A full list of the newly elected officers and directors of the First National bank of Glenwood Springs includes C. R.

McCarthy, president; William Schumm, vice president; J. F. Gregory, cashier; Irwin Cramp, assistant cashier. On the board of directors are J. F. Benedeck, Frank Zaitz, Jr., J. R. Weir, J. D. Allen, A. J. Sloss, McCarthy, Schumm and Gregory.

To Reduce Rates

Interest on savings accounts exceeding \$500 will be reduced April 1 by Denver's five largest banks. Smaller savings accounts will not be affected.

Under a new schedule announced by the First National bank, the Colorado National bank, the Denver National bank, the United States National bank and the International Trust Co., interest paid after April 1 will be 3 per cent a year on the first \$500 in every account and 2 per cent on all excess over \$500 in any account.

The present rate of 3 per cent will be paid on all savings accounts until April 1.

Noon Closing

Starting last month, the First National Bank of Meeker closes during the noon hour. The change comes as recommendation from the Colorado Bankers Association. There have been many bank hold-ups in the state during the past few years and most of them occur while the bank force is divided during the noon hour.

To Visit Denver

Frank M. Gordon of Chicago, president of the Investment Bankers Association of America, will visit Denver March 2, during a trip covering numerous Western cities, the Denver group of the association has been advised.

Gordon will be accompanied by Alden H. Little, executive vice president of the association.

Robbed Again

For the second time within three months, bank robbers raided the town of Erie, locked two girl clerks of the Erie State Bank in a deposit vault, threatened the cashier with death, and escaped with \$2,300 in loot.

News of the holdup which, like that of November 8, occurred shortly before noon spread rapidly throughout the district and peace officers from all sections surrounding the bank soon were on the trail of a small sedan carrying the four gunmen who participated on the robbery.

Near Ault, however, the peace officers lost the speeding machine.

Two of the thugs, brandishing pistols, entered the bank and ordered Edna and Elsie Pierson, sisters, into the safety deposit vault. One gunman remained outside in the car and the fourth covered the cashier, William Whiles, with a pistol.

They forced him to hand over \$2,300



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OMAHA ITEMS

LIVE STOCK NATIONAL BANK

OMAHA

in silver and currency, and stuffed it into a brown leather bag.

They overlooked a large amount of money in the cashier's cage, bank officials said.

County Meeting

Recently at Ft. Collins the County Bankers' Clearing House association held their regular meeting. The banks of Estes Park, Berthoud, Loveland and Fort Collins were represented, and luncheon enjoyed. "Shop talk" was indulged in by most members and the old officers were re-elected. It was discovered when someone asked who the old officials are, nobody seemed to know, but they were re-elected notwithstanding. Somebody has the record.

Savings Accounts

More than 1,400 Christmas savings accounts have been opened in the Southern Colorado bank, Pueblo, and the Pueblo Savings & Trust Co., officers announced. The number passes the expectations of bank officials and if carried until December 1 will return to depositors a total of more than \$75,000.

At the Pueblo Savings & Trust Co. 1,109 individual accounts have been started and 350 individual accounts have been opened at the Southern Colorado bank. The accounts average \$54.

Banker Dies

Fred Kohler, 63, widely known Boulder banker and stockman, died at his home recently.

Death was caused by complications that followed an appendix operation. Mr. Kohler had lived in Boulder all his life and in addition to operating a large cattle ranch, was president of the Boulder National bank.

The deceased is survived by his widow, one son, two daughters and one brother.

Kansas News

Heads Abilene National

A. P. Rogers was re-elected president of the Abilene National Bank at the annual stockholders' meeting. Other officers, all re-elected, are: Vice president, G. W. Rees; vice president, J. B. Case; cashier, Cecil Taylor; assistant cashier, R. G. Rogers.

The directors re-elected were: A. P. Rogers, G. W. Rees, J. B. Case, R. G. Rogers, H. L. Humphrey and C. M. Harger.

County Meeting

The Plainville State Bank entertained the Rooks County bankers and their ladies with a 7 o'clock dinner recently. The ladies attended the show while the men folks held a business session in the bank parlors. W. F. Hughes of the Stockton National was elected president of the Rooks county group and Mr. Snyder, secretary.

Next meeting will be held at Codell. Twenty-one were present.

Re-elects Officers

At the recent annual meeting of the stockholders of the Citizens State Bank, Cheney, all of the officers and directors were re-elected.

They are as follows: T. L. Northcutt, president; E. E. Wright, chairman of the board; Pauline Blakey and Mrs. Rowena Nelson, active vice presidents; Elmer Yoder, cashier. These with Roy Dewey and Mrs. Nora McIntosh compose the board of directors.

Buys Control

J. Earl Tanner, cashier of the Walnut Valley State Bank, has purchased the controlling interest in the Towanda National Bank, at Towanda, according

to an announcement. Mr. Tanner, however, will continue to make his home in El Dorado and fill his position with the Walnut Valley State Bank.

Mr. Tanner will be president of the Towanda bank.

Arkansas City

All officials of the Home National bank, Arkansas City, were re-elected at the annual meeting of the stockholders and directors of the bank. Officers are A. H. Denton, chairman of the board; Foss Farrar, president; A. H. Moore, vice-president; W. F. Shea, cashier; Forrest Livingston, John K. Peck and Ralph Burgett, assistant cashiers.

New Quarters

Hutchinson may have a new bank building within the next few months. It won't be exactly a new building but if the American National decides to move into its own home, the room now occupied by the Welch shoe store will be so altered it will be, in effect, a new building.

Pays to Be Cautious

By refusing the unusual request of night watchman John Barnes to "come out and talk business" at 1 o'clock in the morning, A. A. Holdeman of LaHarpe probably averted robbery of the LaHarpe bank of which he is cashier.

The banker decided it was hardly the time and place for any business discussion with the watchman, so declined the invitation, speaking through a locked door.

Later he learned that Barnes made his proposal at the insistence of six men armed with a submachine gun, rifles, revolvers and shotguns who had kidnaped him.

Meet in Girard

The Crawford County Bankers Association had a 7 o'clock dinner and meeting in Girard recently.

Those present were: W. E. Gregg, Edward Munday, Roy Hankins and E. Harley from McCune; J. T. Fowler and G. Martin from Arcadia; Philip Vavadini from Frontenac; Edgar Weber, C. O. Davis, Rex Crowley, R. L. Pate, James Fulton, and Mr. Hunt from Pittsburg; Henry Viets, W. B. Millington, J. T. Leonard, W. Colean, R. L. Sullivan, H. E. Sauer, J. M. Vincent, W. E. Schifferdecker, Charles Tinder and Ed C. Strickler from Girard.

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(EST. 1903)

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ALLEN-WALES

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ADDING MACHINE MADE

1912 Farnam St.

Omaha, Nebraska

Mr. Fowler is president of the association and Mr. Crowley is secretary-treasurer.

Elect in Holton

The directors of the Kansas State Bank, Holton, have re-elected the same staff of officers who have served the past year. They are W. T. Beck, president; M. A. Bender, vice president; J. H. Riley, cashier; Harry Bradley, first assistant cashier; Leon G. Abele, second assistant cashier; and Esther Hancuff and Anna Miller, tellers.

Succeeds Father

At a special meeting of the board of directors of the Southwest National Bank, Wichita, M. C. "Cliff" Naftzger was elected president of the institution to succeed his father, L. S. Naftzger, who died recently. Dr. J. L. Evans was elected vice president to succeed M. C. Naftzger. No other changes were made.

Annual Meeting

At the annual meeting of the Russell County Building and Loan Association held in Russell, the retiring director, J. W. Blair, was re-elected. The board then elected officers for 1933 as follows: J. W. Blair, president; H. A. Dawson, vice president; Ruth Fliesbach, secretary-treasurer; Oscar Ostrum, attorney; J. H. Bruney, appraiser; and S. S. Miller, director.

New President

In recognition of long and faithful service, having been with the institution twenty years in various responsible positions, M. H. Hill was elected at a recent meeting of the board of directors to the position of president of the First National Bank of Smith Center. For some time Mr. Hill has been active vice-president in full charge of the bank, and the action of the directors merely places him officially in the position the duties of which he had previously performed.

Marion Meetings

The three banks of Marion held their annual meetings and the following officers and directors were chosen:

Farmers and Drovers National Bank—T. W. Spachek, president; J. W. Gardner, vice-president; E. F. Nelson, cashier; J. J. Klenda, R. B. Harris, Bertha Hanus and B. V. Higgins, directors.

State Bank of Commerce—Josiah Good, president; J. E. Good, cashier;

Jacob H. Siebert, vice-president; Dr. G. J. Goodsheller and Mrs. Catherine Messner, directors.

Marion National Bank—J. F. Whalley, president; C. C. Brooker, vice-president; Earl Kreuter, cashier, Walter Siebert, assistant cashier; C. F. Pantle, Lola Kreuter and George Stenzel, directors.

Heads County Bankers

Warren J. Musch, cashier of the Hartford State bank, was elected president of the Lyon County Bankers association at the annual meeting in Emporia. Francis H. Arnold, vice president of the Commercial National Bank and Trust company, of Emporia, was chosen as vice president and Chester V. Morris, assistant vice president of the Citizens National bank, of Emporia, was elected secretary-treasurer.

Dies in Belleville

A. R. Moss, 59, Belleville banker since 1915, died suddenly from a heart attack. He was former deputy district governor of Lions clubs, and served in many public capacities for civic improvement and welfare. He was widely known because of his activities in projects of public interest.

Wyoming News

Signs Bank Measure

Governor Leslie A. Miller of Wyoming has placed his signature on Senate File 41, by Senator Thomas A. Thain, (Rep.) of Buffalo, which will permit state banks to borrow from the Reconstruction Finance Corporation on bills payable.

Buys Stock

Kent Snyder, who for almost twenty years has been cashier and a director of the Stock Growers Bank of Wheatland, will this month sever his connections with the banking house and be succeeded by J. E. Foreman, at present an assistant state bank examiner, residing in Cheyenne, and who at one time was a resident of Guernsey, where he was affiliated with a bank.

Negotiations for the purchase and transfer of the interests in the bank belonging to Mr. Snyder to Mr. Foreman has been completed and arrangements made for the new cashier to assume charge on March 1st.

Named President

Roblin H. Davis, old-time pioneer of Rawlins and Carbon County, Wyoming, has been named president of the Denver National Bank.

Mr. Davis was born in Rawlins and attended school there until he was 15 years old. His father was one of the main stockholders of the old J. B. Hugus & Company store, which is now the Ferguson Mercantile Company.

Since moving to Denver many years ago Roblin Davis has continued to be identified with local enterprises for he has been a stockholder in the Kindt Sheep Company, which company is now managed by one of the stockholders, I. Bolten.



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400 Rooms with Bath from \$2.50

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

Luxurious Accommodations
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OPERATED BY EPPLEY HOTELS COMPANY

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HOTEL CAPITAL**

ALSO IN OMAHA . . .

HOTEL LOGAN

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

Elect Directors

The three Evanston banks, at their annual meetings held recently, elected the old directors and officers. One exception was the election of Harold Kelly as a director of the Stockgrowers, taking the place of A. Crawford, deceased. Mr. Kelly is also assistant cashier of the bank and a young man who has a very promising future in banking and business circles.

Banking Bill

In a brief afternoon session the Wyoming senate passed by 20 affirmative votes, none opposed, a bill permitting state banks to borrow on bills receivable and permitting the rediscount of certain classes of negotiable instruments with the federal reserve bank.

The senate indefinitely postponed two bills, one referring to the affidavits of an absentee voter, the other relating to elections.

Both of the latter measures were house bills.

New Mexico News

Open for Business

The new Otero County State Bank has opened for business in the quarters formerly occupied by the State Bank of Alamogordo. The new bank, formerly the State Bank of Tularosa, with amended charter and all legal matters compiled with requisite to change of name and location, was moved into the building prepared for its reception.

R. D. Champion, president, states that he feels pleased and encouraged by the cordial reception received from the peo-

ple of Alamogordo, and that depositors began coming in with the opening and have been continuing to do so ever since.

Becomes Cashier

R. H. Carter, Raton, who has held the post of deputy state bank examiner the last two years, has been elected a member of the Bank of Commerce at Clovis, and at the same time was made cashier of the same institution.

Immediately after his election to the bank position, Mr. Carter announced his resignation as deputy bank examiner.

The new bank head has had many years of business experience in New Mexico, as well as other connections with public affairs. Some years ago he was democratic state chairman and later he held the office of state comptroller.

Deposits Increase

For the first time since June 30, 1930, New Mexico's state banks, in their reports which were called last December 31, showed an increase in deposits, State Bank Examiner John Bingham announced.

The deposits of record in the state banks on the last day of December, Bingham said, were \$263,078 more than on the date of the last previous call, September 30, 1932.

"It is a most encouraging thing," Bingham commented, "and is a concrete indication that the confidence in banks is growing and that the people now have more money to place in deposit than during the previous two and one-half years, the period between the present and the economic debacle which began with the stock market crash in 1929."

Pay No Taxes

It was brought out at the hearing on bank legislation that some banks were

paying no taxes at all, Democratic Floor Leader Coe Howard announced in the house recently. He suggested remedial legislation, which, he understood, would be acceptable to these banks.

Charged With Bribery

Charges that money is being spent to influence legislation have been made in a form letter being sent to the bankers of New Mexico.

House members are up in arms over the allegation that they are being bought, and are threatening to call witnesses in an investigation designed to go into charges in a letter being mailed under the caption, "New Mexico Bankers' Association."

The letter which caused the furor was sent to bankers all over the state, but leaders of the house say they are convinced that officers of the bankers association know nothing about it.

The letter is headed, New Mexico Bankers' Association, La Fonda, Santa Fe, Bulletin 22." One paragraph in it said:

"They are spending money in every way, including buying of votes, just as they did last session, in an effort to defeat this bill."

The New Mexico Bankers' Association did not sanction a statement by its secretary which alleged legislative votes were being purchased to defeat bank legislation, Arthur F. Jones, association president, said.

"The bankers' association has every confidence in the intergity and the ability of the members of the state senate, the house of representatives and the governor. We feel that we are all deeply interested in the welfare of the state and we only wish to be of service and to cooperate in any legislation tending to that end," said Mr. Jones.

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

CONSOLIDATED STATEMENT

of NORTHWEST BANCORPORATION

and Affiliated Institutions

December 31, 1932



ASSETS

Cash and Due from Banks	\$ 70,511,392.65
United States Government Securities.....	44,536,078.35
Other Bonds and Securities.....	72,292,297.29
Loans and Discounts.....	147,552,249.92
Overdrafts.....	61,902.46
Customers' Liability on Acceptances.....	184,842.29
Bank Premises and Real Estate.....	12,364,388.10
Redemption Fund.....	522,425.00
Other Assets.....	3,612,980.93
Assets of Union Investment Company, (less Reserves, and ex- clusive of Investments and Deposits in Affiliated Banks)...	931,918.58
Assets of Northwest Bancorporation, (exclusive of Investments and Deposits in Banks and Other Affiliated Companies and Other Inter-Company Accounts).....	293,692.05
TOTAL.....	\$352,864,167.62

LIABILITIES

Demand Deposits.....	\$161,221,194.88
Time Deposits.....	128,989,311.14
TOTAL DEPOSITS.....	290,210,506.02
Bills Payable and Rediscounts.....	3,087,855.50
Circulation.....	10,437,170.00
Letters of Credit and Acceptances.....	197,767.29
Dividends Payable January 3, 1933.....	242,069.85
Other Liabilities.....	1,257,529.87
Reserves for Interest, Taxes, and Expenses.....	1,600,617.90
Reserves for Losses and Depreciation.....	1,198,523.42
Minority Interest in Capital Stock and Surplus of Constituent Banks and Other Affiliated Companies.....	2,340,946.35
Reserve for Contingencies.....	13,032,620.53
Capital Stock and Surplus:	
Capital Stock (Authorized 2,000,000 Shares Without Par Value):	
<i>Shares</i>	
Issued..... 1,679,501	Stated Value.... \$ 25,000,000.00
Deduct..... 65,702	Held in Treasury 977,998.82
Outstanding 1,613,799 \$ 24,022,001.18
Surplus.....	5,236,559.71
TOTAL.....	29,258,560.89
TOTAL.....	\$352,864,167.62

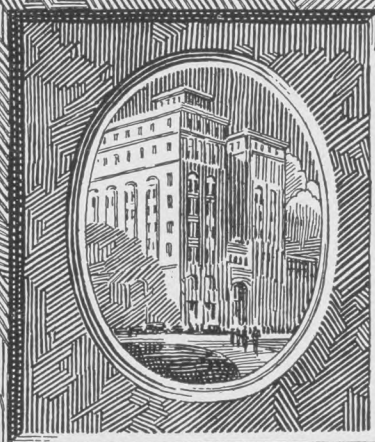
NOTE: There have been eliminated in the foregoing statement, all inter-Company accounts including deposits of \$22,652,932.36 amount carried by affiliated banks in the ordinary course of business with key banks in the group. Before such elimination, the combined Balance Sheet showed total deposits, \$312,863,438.38 and total resources, \$378,142,294.93.

NORTHWEST BANCORPORATION

MINNEAPOLIS, MINNESOTA



The Omaha National Bank



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