

# CENTRAL WESTERN BANKER

## *Omaha*

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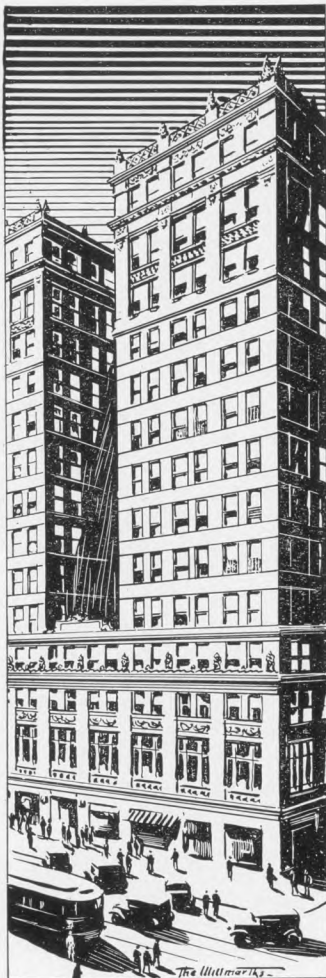
*May*

**1933**

# CONFIDENCE

BUILT ON

PROTECTION  
OF DEPOSITORS



Safeguarding the money which our depositors have entrusted to us has always been first care in the operation of this bank. In following this policy of protection to our depositors, two principles have been laid down — to buy the best securities — and to maintain a conservative policy in making loans. That our depositors approve of this conservative program is evident from the fact that many of them have been our customers for twenty, thirty, forty years — and some for fifty years.

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

FIRST NATIONAL  
BANK OF OMAHA

# CENTRAL WESTERN BANKER

410 ARTHUR BUILDING

OMAHA

CLIFFORD DEPUY, *Publisher*H. H. HAYNES, *Editor*H. E. O'CONNOR, *Field Representative*R. W. MOORHEAD, *Associate Publisher*WM. H. MAAS, *Vice-President*, 1221 First National Bank Bldg., ChicagoFRANK P. SYMS, *Vice-President*, 19 West 44th Street, New York

FRANK S. LEWIS, 218 Essex Bldg., Minneapolis

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## CONFERENCE GOES TO BAT FOR DUAL BANKING

**C**ALLED FOR the purpose of taking steps toward the preservation of the dual system of banking in the United States, representatives from fourteen middle-western states met in Des Moines on April 22. Attending the conference were state banking commissioners, and association presidents, vice presidents, secretaries and treasurers from Arkansas, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota and Wisconsin.

The conference included among other things reference to some of the deliberations that ensued during the recent meeting of the A.B.A. Executive Council at Augusta, and serious discussion with respect to the possible attitude of the Administration and Congress toward banking reform, especially regarding any possible attempt that would have for its end the obliteration of the State Banking Systems, or any part of them, and substitute other forms of banking. The meeting was historic, in a way, because it was dealing with a vitally important matter. Before the day was over, each representative of every State was given an opportunity to express himself upon the issue for which the conference was called.

### The Resolutions

The resolutions adopted at the conference, a copy of which went to President Roosevelt, Governors, Senators and Representatives of the respective States, are as follows:

(1) BE IT RESOLVED, THAT this conference of Banking Commissioners and Officials and representatives of the Banking Associations in the fourteen Mid-West States (Arkansas, Illinois, Indiana, Iowa, Kansas,

### Representatives From Fourteen States Meet to Discuss Ways and Means to Preserve the Dual Banking System of the United States

#### Banking Commissioners and State Association Officials Make Plans for The Defense of State Banking Systems

Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Wisconsin) held at Des Moines, Iowa, on Saturday, April 22, 1933, hereby commends to the serious consideration of the Federal administration under the outstanding leadership of President Roosevelt, so ably attacking the great economic and depression problems that beset farming and all other lines of business:

(a) (*Vested right of States also to establish own banking system*)—THAT full recognition be given to the right vested in each and every State, and as its own Legislature may prescribe, and to the right of the country as a whole as Congress may prescribe, to have and to maintain each its *own* respective Banking System; and

(b) (*States can also be entrusted to develop bank safety*)—THAT it can safely be entrusted to each State Legislature and to the Congress to develop, alter and to correct as it may at any time be found necessary their respective Banking system, having in mind at all times the proper safety of funds of depositors and the sound and adequate financing of all local farming and business and community needs; and that we urge Con-

gress, as well as the respective State Legislatures, to enact any fair and sound Legislation that shall strengthen Banking in general everywhere throughout the Nation, but likewise at any time that would in effect strangle or destroy any class or group of sound Banks in any State in our country; and

(c) (*Request States also to help protect National banking system*)—THAT we suggest that our respective States lend all constructive efforts to help to preserve the *National* banking system and likewise do we respectfully request and entreat a similar sympathetic and mutual consideration from Congress toward our *State* banking systems, in order that the Federal body in the future may always continue its past fair attitude of not at any time enacting Federal Banking Legislation that shall be in contravention to the will and to the wish of the people themselves of any Commonwealth as they may so express it through their *own* General Assemblies with respect to that form of Banking that they themselves prefer within their *own* State.

(2) BE IT FURTHER RESOLVED, That we, the Banking commissioners and officials and representatives of the said Banking Associations represented here today:

(a) (*Request Banking Associations to support all fair and sound banking reforms*)—Advocate with all our strength that our respective Banking Associations join in supporting every fair and practical reform looking toward the preservation of and the surrounding of each of the National and State Banking systems with all proper safeguards, and to that end we, as we may be able, in our official capacities, shall also bend our best efforts, and

(b) (*Recommend President to appoint National Commission*)—Recommend that a commission be appointed by the President of the United States that shall hold public hearings and give careful consideration to any proposed basic changes in our present dual system of Banking before that Federal Legislation is considered so that Congress may act with full information; we are fundamentally opposed to any Federal Legislation which will operate to the benefit of one bank at the expense of another; and

(c) (*Authorize a Committee with power to act*)—THAT the Chairman of this conference appoint at once a Committee of seven of which he shall be a member with power to act to carry out the full purposes and intent of this meeting, this to include among other things the authority to attend any conferences or hearings in Washington relating hereto, to enlist the support of any and all other Banking Commissioners and other Banking Associations' officials and their members and to counsel and advise with them, and to do all other proper things and to use all proper means at their command as and when the time may arise that shall effectuate the purposes and declarations of this Banking conference, and

(d) (*Send copies to:*)—THAT with respect to these resolutions (1) that a copy be personally delivered by the Hon. N. G. Kraschel, Lt. Governor of Iowa, advisory member of the foregoing mentioned Committee, to the President of the United States, (2) that copies be sent by the conferees here today to each Senator and Representative in Congress and Governors of our respective States, (3) and that copies also be sent by the Committee above referred to to Bank Commissioners and Banking Association officials throughout the United States expressing the hope to the latter that the contents of these resolutions be brought to the attention of their individual member banks and in turn their support to the same obtained.

(Signed)

RESOLUTIONS COMMITTEE:

H. W. KOENEKE, Topeka, *Chairman*  
*Kansas Bank Commissioner*  
 J. N. PEYTON, St. Paul  
*Minnesota Bank Commissioner*  
 G. W. WOODS, Lincoln  
*Nebraska Bank Commissioner*  
 O. H. MOBERLY, Jefferson City  
*Missouri Bank Commissioner*  
 ROBERT E. WAIT, Little Rock  
*Secretary Arkansas Bankers Assn.*  
 W. H. HUGHES, Omaha  
*Secretary Nebraska Bankers Assn.*  
 WALL G. COAPMAN, Milwaukee  
*Secretary Wisconsin Bankers Assn.*  
 EUGENE GUM, Oklahoma City  
*Secretary Oklahoma Bankers Assn.*  
 CLIFFORD DE PUY, Des Moines  
*Publisher Northwestern Banker*  
 FRANK WARNER, Des Moines  
*Secretary Iowa Bankers Association*

THE FOLLOWING letter, together with a copy of the Resolutions, was dispatched to President Roosevelt:

My dear Mr. President:

In considering the subject matter of the attached resolution, it is our pleasure to say that the Banking Commissioners and Banking Association officials expressed again and again throughout today's conference that they had every confidence in you as our national leader, and the Administration in general would see to it that fairness will always be given, looking toward the mutual preservation of our National and State banking systems. For your considerate attention during these busy hours that press you from all sides, we gratefully extend herewith the thanks of today's conference of the representatives from the fourteen Mid-west States.

Respectfully submitted,

FRANK WARNER

Secretary.

In attendance at the conference were:

*Arkansas*—Robert E. Wait, Secy., A. B.A., Little Rock; Will G. Akers, Att. A.B.A., Little Rock.

*Illinois*—Thomas F. Ford, Rep. St. Bank Dept., Springfield; Harry C. Hausman, Rep. Ill. B.A., Chicago.

*Indiana*—W. A. Collings, Pres. Ind. B.A., Crawfordsville; Fred A. Weickling, Chief Ass't. Att. Gen'l, Indianapolis.

*Iowa*—N. G. Kraschel, Lt. Gov. of Iowa, Des Moines; L. A. Andrew, Supt. Banking, Des Moines; D. W. Bates, Incoming Supt. Banking, Des Moines; O. P. Bennett, State Senator, Des Moines; Fred J. Figge, President, I.B. A., Ossian; Robert W. Turner, Vice Pres., I.B.A., Council Bluffs; B. D. Hel-scher, Treasurer, I.B.A., Sigourney; Ivan O. Hasbrouck, Retiring Pres., I.B. A., Jefferson; Frank Warner, Secretary, I.B.A., Des Moines; A. S. Andresen, Banker, Ossian; Reginald B. Figge, Banker, Calmer; Clifford De Puy, Publisher, Northwestern Banker, Des Moines; R. W. Moorhead, Associate Publisher, Northwestern Banker, Des Moines.

*Kansas*—H. W. Koeneke, Bank Commissioner, Topeka; W. A. Hayes, Pres., K.B.A., La Crosse; Fred M. Bowman, Sec. K.B.A., Topeka; M. A. Lunbocher, Chrmn. Leg. Com. K.B.A., Topeka; Geo. W. Snyder, Banker, Topeka.

*Michigan*—Kenneth M. Burns, Exec. Mgr., M.B.A., Detroit.

*Minnesota*—J. N. Peyton, Bank Com., St. Paul; O. W. Lundsten, Chrmn. Leg. Comm., M.B.A.; M. F. Ernst, Pres., M.B.A., St. Paul.

*Missouri*—O. H. Moberly, Bank Comm., Jefferson City.

*Nebraska*—Geo. W. Woods, Bank Comm., Lincoln; H. A. Schneider, Chrmn. Ex. Council, Plattsmouth; R.H. Barber, Pres., N.B.A., Paxton; Wm. B. Hughes, Sec. N.B.A., Omaha.

*North Dakota*—A. L. Peterson, Com. Ex. Council, Buffalo; C. C. Wattam, Sec., N.B.A., Fargo.

*Ohio*—Bedford P. Atkinson, Ass't. Sec. O.B.A., Columbus.

*Oklahoma*—Eugene P. Gum, Sec. O. B.A., Oklahoma City.

*South Dakota*—J. C. Vandagriff, Mem. St. Bkg. Com., Sioux Falls; T. M. Brisbine, Pres. S.D.B.A., Woonsocket; Geo. A. Starring, Exec. Mgr., S.D.B.A., Huron.

*Wisconsin*—Geo. F. Poundstone, Rep. Banking Dept., Madison; R. B. Wood, V.P., W.B.A., Adams; W. G. Coapman, Sec., W.B.A., Milwaukee.

Dick: Say, Matt, if you had five bucks in your pocket, what would you do?

Matt: Check up to find out whose pants I had on.

Amos: You says anything to me, big boy, an' Ah'll make ya eat yo' words.

Andy: Fried chicken, watermelon and hot biscuits.

# How The R. A. C. C. HELPS THE COUNTRY BANK

**"The states have discovered the full breath of its activity and unhampered by curious, but legal, clauses they have been able to act quickly to save their solvent, but credit-bereft, farmers"**

**W**E HAVE a new agency, the product of a collapse of optimism, that efficiently does two things to aid country banks:

1. Provides borrowers whose natural credit sources have disappeared with a means to carry on.
2. Provides banks with a means of transferring good paper to an outside source without liability.

This credit source is the Regional Agricultural Credit Corporation, and for our purposes, it is the branch of the corporation at Omaha which is managed by Charles C. Kuning.

#### Small Beginning

Whatever the distinguishing marks of branches in other cities, no consideration of this one is complete unless we turn an eye to this man. He came to Omaha five months ago with a secretary and a few lean papers. From this small beginning the corporation has become a swiftly moving being, turning out an average of a hundred and twenty-five loans a day; an average daily outgo of a hundred and forty thousand dollars. Seventy inspectors roam through the states served: Iowa, Nebraska, South Dakota, and Wyoming. There are a hundred and forty employees in the Omaha office, including a day and night shift of stenographers. Most of the men in the organization have long worked mornings, noons, and nights. Together they have completed loans of more than ten millions in four and a half months and half again that amount has been approved.

The work of the management has made Omaha the largest branch in the country in point of numbers of loans completed, and the branch has the largest total loaned and approved. That is accomplishment and leadership of deep meaning to this territory for it has allowed many farmers to keep their stock

By CHARLES A. CLARK

*Council Bluffs*

and avoid forced sales and it has been a godsend to banks in need of liquidating a part of their note case. Wherever farmers have found their credit barred by the hysteria of their neighbors; wherever banks have held or known of chattel loans whose transfer would release credit to a community, there the R.A.C.C. has measurably served. In many localities, over entire sections of a state, cattle, horses and mules have shown a reasonable increase in price.

#### Failed to Take Advantage

All this is true, and yet many banks and other important agencies have failed

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**IN WHICH the author explains in detail the efficient operation of the Omaha office of the Regional Agricultural Credit Corporation, under the capable management of Charles C. Kuning**

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to take advantage of the Corporation's existence. After all, it takes but a trial or two at making out the necessary papers and the rest will run smoothly through the mill. This is a mail order business possessed of one face to face contact with the borrower through its inspector, and it is no more than meet and natural that there are a few more papers than would be true in the bank's own instance. However, these are simple; the demands not unjust.

Nebraska for instance, has taken to the corporation like a duck to water. Territory considered, this has also been true of South Dakota and Wyoming. On the other hand, Iowa has both been slow

and handicapped in getting its share. Of course, Iowa farmers are probably less used to giving chattel mortgages than are farmers in many other states and this may account for some slowness in making use of the Corporation. There is, however, a definite handicap to a great body of Iowa farmers. The difficulty lies in the fact that many of its real estate mortgages carry a chattel clause expressly providing that it cover the crops to be grown on the land therein described until the mortgaged debt is paid. Where this mortgage is recorded and indexed as a chattel mortgage, it is, in legal effect, a chattel mortgage and is a lien on the crops raised or to be raised on the land until the mortgage debt is paid.

#### Lien on Feed

Where a mortgage is so filed and indexed it is necessary to get a certified copy of the mortgage to be submitted to the Corporation's attorney. If the mortgage is found to constitute a present lien on crops, a sub-ordination agreement is necessary by which the mortgage holder agrees to allow the corporation a first lien on feed. The Corporation is thus enabled to extend the life giving flow of credit a little further.

Unfortunately, incorporated holders of mortgages bearing this type of clause have in most instances dammed the flow of credit to both farmers and liquidating banks by refusing to allow the Government to have security, preferring rather to allow the farmer to sit on the door sill of his debts and watch the sustaining flow of credit run past his land to the hills and valleys owned by farmers living in states adjoining Iowa. Thus, in many instances, a tenant farmer has a better chance of getting a loan through than a land owner, because invariably the landlord is interested in the success

of his tenant and waives his chattel right as a matter of good business.

Once responsible organizations agree to waive this mortgage clause, which is not effective in other states in the territory, the value of the corporation to Iowa will be measurably increased.

The Corporation makes chattel loans. The Corporation cannot, by the terms of its creation, loan on land or land equities. The prime securities are cattle, sheep, mules and horses. Secondary, but necessary, the feed for the animals. Additional, brood sows, farm machinery. Left out for running expenses: poultry and very often hogs. If feed is held in large quantities, a part of it is left available to the farmer for sale.

#### How It Works

A check through a sample file and a little study of the Corporation may be of considerable help.

1. The first sheet is the application which carries an outline of the applicant's personal history, his feed, livestock and real estate, plus a condensed financial statement and a declaration as to the truth.
2. The second sheet is the abstract of chattel mortgages with provision for listing chattels, taxes, judgments and suits. This first chattel abstract is superseded near the loan's close by a chattel abstract showing necessary liens cleared and priority of the R.A.C.C.'s lien on the required collateral.
3. The recommendations come next: copies of letters to and letters from the applicant's references.
4. The Inspector's report.
5. Note and Chattel Mortgage.
6. Landlord's Waiver or Mortgage Subordination Agreement.

Outside the R.A.C.C. office these papers are handled in the following way:

- A—The Applicant, or the banker and the applicant make out the application.
- B—The Court House tends to the two chattel abstracts.
- C—The recommendations are the work of the applicant's references. (And do the bankers write good ones on dead horses.)
- D—The Inspector's Report is handled entirely by the R.A.C.C.'s field man.
- E—The note and mortgage are made out by the Inspector, the Applicant, his Banker or Attorney.
- F—The Landlord's Waiver goes to the applicant for forwarding to the landlord, who is expected to sign and return it to the corporation.

(Continued on page 13)

# Economy Policy Commission Report of the A. B. A.

1. A REVISED Glass bill should be enacted now, and the Federal Administration should create a commission to recommend after mature deliberation the further changes that should be made in our banking system, in our Federal Reserve System, and in our monetary system.

2. In order that banks generally may become members of the Federal Reserve System the provisions of the Reserve Act should be so broadened as to allow for admission to membership of numerous state chartered commercial and mutual savings banks not now within the System.

3. Provision should be devised against the independent proclamations of banking holidays by governors of states.

4. Branch banking privileges should be uniform within states for all banks whether holding national charters or state charters.

5. Reasonable limitations should be devised to control the sudden shifting of large commercial deposits.

6. Restraint on real estate speculation would probably prove to be a safeguard to American banking comparable to that which would result from a restriction of speculation in commodities or securities.

Has been presented to the executive council of that body by Leonard P. Ayres, vice president of the Cleveland Trust Company, and approved. A summary of the report is given here

7. A Federal Commission on banking legislation should consider regulation of interest payments on all classes of deposits, and of requirements that depositors should give notification of intention to withdraw time deposits.

8. Federal legislation should provide for the careful and rigorous regulation of the granting of loans by banks to their own officers and directors.

9. As the general banking system is strengthened the postal savings system should be progressively restricted.

10. Deposits of public funds in banks

should have the same status as private deposits, and should not be accorded special and additional security.

11. A more effective coordination of the activities of the Federal Reserve Banks is needed.

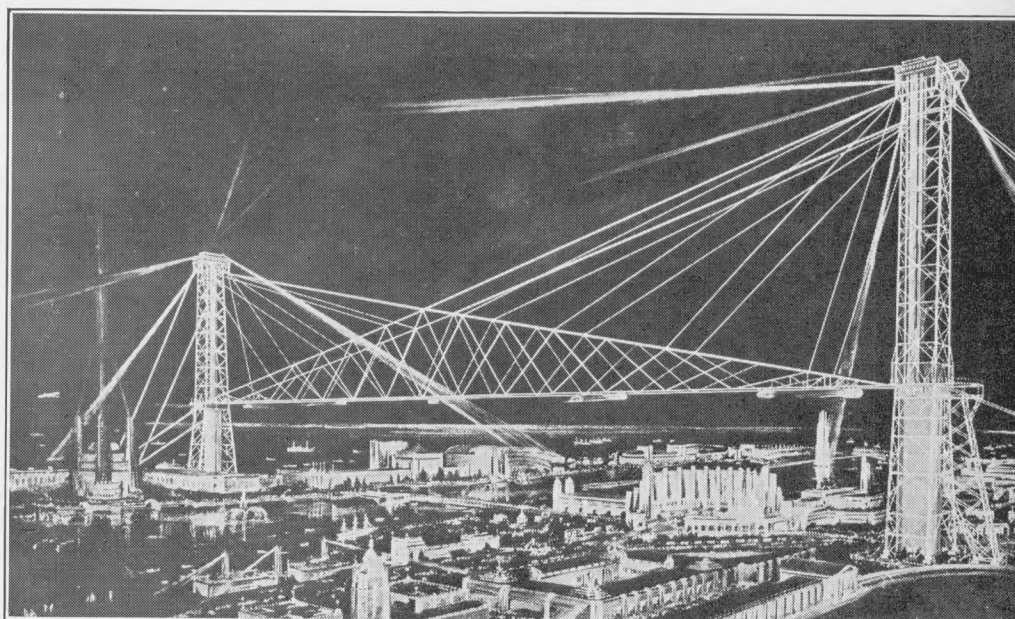
12. The present emergency provisions with respect to member bank borrowing from the Federal Reserve Banks should be retained as permanent provisions.

13. Consideration should be given to a possible modification of the Federal Reserve Act by which the System would be given power to change the amounts of member bank reserves required, for this power would afford control over any threat of dangerous credit inflation.

14. Consideration should be given to a change in our Federal Reserve Act by which a minimum required relationship would be established between our stock of monetary gold and the combined total of our Reserve Notes and our bank deposits. This would nullify most of the dangers inherent in the hoarding of currency.

15. Expansion of business activity is our most pressing national need. It should be fostered by the National Administration, by the Federal Reserve Banks, by all commercial banks, and by business men generally.

Drawing of the "Sky Ride" which will be one of the spectacular features of Chicago's 1933 World's Fair—A Century of Progress Exposition. Two steel towers 625 feet high and 1,850 feet apart will be connected by cables at the 200 foot level, over which rocket cars will carry passengers. At the tops of the towers will be observation platforms from which visitors will be able to see Chicago and its surrounding area for miles in all directions. High speed elevators will carry visitors aloft to the rocket cars and to the observation platforms.



**I**N THESE hectic days comes a refreshing note. A note that rings not so much of confidence as it does of a stubborn determination to do business and keep men at work in spite of all obstacles.

Seldom, if ever in the past, have large industrial units found themselves in a position where they would listen to a proposition to gamble with their money and materials. Such companies, with impregnable positions in the business world, would, and did, frown on any proposal where the financial results were not amply secured. Yet today, we have a change.

Look you at a site on the grounds of A Century of Progress Exposition where the lofty twin towers of the Sky Ride are rearing their majestic heads into the clouds, and you find attached thereto a placard bearing the names of the builders and sponsors: The Otis Elevator company, the John A. Roebling's Sons Co., the Great Lakes Dredge and Dock Co., the Mississippi Valley Structural Steel Co., and the Inland Steel company.

#### A Big Job

As you read these names keep these facts carefully in mind: The completed structure will cost \$1,200,000; it will be a thrill ride; these companies are putting up the money to build it; they have no guarantee of any sort they will ever get their money back; if they do get their money back it will have to be within 153 days, the duration of the Fair. Sizable proposition, isn't it?

The unusual spectacle of such companies stepping out of character and banding together to finance and build an amusement for a world's fair gives pause for a moment to consider motives.

The inevitable question to arise is, why in these times should such companies

## Taking A Chance With \$1,200,000

A "Thrill Ride" which must return that amount  
in 153 Days to break even

assume needless risks with their cash and materials? The answer is thoroughly convincing.

Sky Ride is not the result of whim or caprice. Its majestic twin towers are rising now as the spectacular culmination of more than a year of careful planning.

Representatives of each company first made a careful study of the Exposition's financing and found it sound. They studied the possibilities of the Exposition's success and found them excellent. Then, and only then, was work on a design begun.

#### Drew the Plans

World famous suspension bridge designers, Robinson and Steinman of New York, were called in, told of the idea and commissioned to draw the plans. They kept their heads bent over drawing boards for three months and brought back detailed plans for the Sky Ride; the construction of twin towers placed 2,000 feet apart, one on the mainland south of Soldiers Field and the other on man-made Northerly Island, the towers to stretch 628 feet into the sky and topped by observation platforms, when completed to be higher than the Washington Monument or any Chicago building; elevators to be installed to whisk passengers sixty stories aloft—from which height would be possible to see four

states—while below, like a vast animated map would be the colorful Exposition grounds, Lake Michigan and Chicago; at the 200 foot level the towers to be connected by stout steel cables from which fascinating rocket cars would be suspended, traveling back and forth across the World's Fair lagoons; the span between the towers to be greater than most of the huge suspension bridges of the country—the span of the Brooklyn bridge is 1,595 feet, the Williamsburg bridge is 1,500 feet and the Manhattan bridge 1,470 feet; Sky Ride to have a maximum capacity of 4,800 persons per hour, each passenger occupying an individual seat, affording an excellent opportunity for a bird's-eye view of the grounds; the cars to have the appearance of a rocket with a tapering nose at the front and exhaust tubes projecting from the stern; the whole design to be ultra-modern.

This, then, is the giant amusement feature on which these companies are wagering engineering skill and money. It is the only structure of its kind in the world.

Its erection is a striking illustration of the confidence big business has in Chicago and its works. With such support, the Fair will sweep to success on a tidal wave of popularity never before witnessed.

# What Uncle Sam Hopes To Accomplish Through Useful Work in the Forests

By R. Y. STUART

*Chief Forester*

ON THE last day of March, President Roosevelt signed the bill enacted by Congress which authorized the vast program for unemployment relief through the performance of useful work in the forests.

Under this authorization, some 250 thousand men from all walks of life—men who are now traveling the streets and highways in quest of jobs, men who are subsisting upon charity but would rather gain their subsistence by honest work—some 250 thousand of these men will be given healthful outdoor employment in the forests. The effect will undoubtedly be felt all the way up and down the line; there will be 250,000 fewer men competing for available jobs in private industry and for local relief through charity. There will be increased business for local markets through the business of providing wholesome food and necessary equipment for these thousands of forest workers.

## Building for Future

At the same time we shall be accomplishing some enormously important public work—work much needed for the protection and improvement of our forests. We shall be developing and safeguarding a vital national resource, building for future national wealth. While the purpose of this big forest work program is primarily unemployment relief, it by no means calls for "made work," intended merely to keep men busy. The labor performed in the forests will render a great public service by helping to put the forests of the country in a productive condition which would have taken decades to attain under ordinary circumstances. It will help to check the huge losses we now sustain each year from fires and from floods. It is work that should eventually yield direct and indirect benefits to the Nation far beyond its present cost.

It is also significant that the work to

be carried on under this program is largely work which does not supplant any other employed labor. It will throw no other men out of jobs, and its products will not replace those of any other industry. The men who enlist for work in the forest camps, therefore, will in no sense be living on the bounty of their Government. They will be performing useful work of a high public service nature. As we see it, the camps will provide the opportunity to thousands of men to get away from a state of idleness, malnutri-

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**"AS WE envision the project, it will give thousands of men a chance to face the world with a clearer eye and a renewed purpose, at the same time that it builds for future national wealth"**

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tion, discomfort and discouragement, and through their useful labors attain an earned measure of comfort, self-respect, and hopefulness for themselves and their families.

## Men Working

We are working hard these days to put the program into operation in the shortest possible time. We expect to be ready to have some men actually at work by May first. Four departments of the Government are working together on the project—the Departments of Labor, War, Interior, and Agriculture. A director has been appointed by the President to head up the whole program. Men who apply for admission to the camps are being enrolled by the Department of Labor. Thousands of men have been enrolled by the Department of Labor, working in cooperation with Federal

and State employment services and with welfare agencies in the cities selected. The War Department is beginning to convey these men from the places of selection to nearby conditioning camps. The Departments of Interior and Agriculture will lay out and supervise the work of the organized crews on the national forests, the national parks, the forests on Indian reservations, and on other federally owned lands. Much of the work will be done on our national forests, under the jurisdiction of the Forest Service of the Department of Agriculture. The national forests with a total area of more than 161 million acres, and located in 30 states, offer unlimited opportunities for useful work. I have already assembled here in Washington the Regional Foresters from the nine national forest regions of the country and they are now engaged at mapping out plans for starting the work immediately. All of this work on the national forests will be in line with an established, long-term improvement program. It will include the reduction of fire hazards on areas where the greatest danger of fire exists. It will include the improvement of timber stands by thinning and other cultural practices that make for better, faster growing trees. It will bring about better fire suppression through the construction of fire breaks, telephone lines, lookout stations, fire protection roads and trails, and emergency landing fields. It will include work to eradicate insect pests and diseases of the forest trees. It will also include the planting of trees on burned-over and denuded areas, but the amount of tree planting that can be done is of course limited by the amount of available nursery stock for planting. It should perhaps be made clear that, while the forest work program has been spoken of frequently as a reforestation program, reforestation, in the narrow sense of tree planting, is only one of the many lines of work that can be undertaken with a



view to the conservation and development of our national forest resources and the improvement of the national forest facilities for the benefit of the public.

#### Protect Resources

All this work on our national forests will be in line with existing long-term plans for the development and protection of the forest resources. The plan will mean a vast speeding-up of an established national forest improvement program. The decentralized and flexible organization of the Forest Service will aid it in putting the program into effect on the national forests in a systematic way, and in minimum time. The Forest Service's facilities for adapting itself suddenly to demands of fire and other emergency jobs requiring quick organization and supervision of large bodies of men have been highly developed over a period of years. In fact, we are proud of our organization; we feel confident that we can meet this emergency call for undertaking a huge program of work on our national forests promptly, efficiently, and effectively.

The act of Congress which authorized the forest work plan provided also for extension of the work to State-owned and private forest lands under cooperative agreements. The Secretary of Agriculture has sent telegrams to the Gov-

ernors of the 48 States, inviting them to send representatives to a conference in Washington for the purpose of making plans for the execution of the program on State and private lands.

#### For Public Benefit

Congress made the provision in the Act for the extension of the work to private lands in order that a larger share of the work might be carried on in the States east of the Mississippi, where only selectively small areas of Federal and State forest lands exist. Perhaps it is not thoroughly understood that work under this program on privately owned lands will involve only such types of projects as are primarily of public benefit, rather than chiefly of benefit to the owner of the land. By this, I mean such kinds of work as the prevention and control of forest fires, the eradication of insect pests and tree diseases, the control of floods and checking of soil erosion, all of which work is of direct public interest, and the value of which extends far beyond the boundaries of a given tract of land. The Federal Government is already authorized by Congress to cooperate with the States and private land owners in carrying on work of this kind.

So the Nation's forest resources are being called upon as a means of prompt, effective, large-scale relief for unemploy-

ment. Our forests time and again have contributed to the solution of important national economic problems. They were the first and greatest natural resource to be drawn upon when the American colonies were established. They contributed to the rapid development of the pioneer West, and their wealth went into the building of cities, railroads, and farmsteads. Timber from America's forests played no small part in winning the World War. Now the forests are being called upon to help meet a national peace time emergency. It is our job to bring the work and the workers together in a systematic way, to give them the opportunity for respectable, healthful, and useful work.

We do not see this project as a permanent cure for the depression: it will not take care of all of our unemployed, nor will it start all the wheels of idle industry. But we do believe that it will be a real help—a help to men in distress, and at the same time a vast forward step in the great task of rehewing, protecting, and upbuilding vital public resources. While the relief may be temporary, it may mean life itself to thousands of our citizens. As we envision the project, it will give thousands of men a chance to face the world with a clearer eye and a renewed purpose, at the same time that it builds for future national wealth.

## Gold Coin Comes Out of Hiding

WHEN President Roosevelt issued an executive order setting May 1 as the deadline for the return of all gold coin and gold certificates to the Government, it was the climax of a patriotic appeal which up to April 15 has resulted in the return of more than \$630,000,000 and has brought to light many unusual coins as well as incidents connected with the history of coinage.

To the amazement of many persons, the coins for which patriotic Americans dug down into safe deposit boxes and trinket caches frequently were not the conventional eagles, half eagles and double eagles of circulation. Sometimes they were such rarities as gold \$3 pieces, gold dollars and gold 25 cent pieces.

Sometimes they were worth more than the amount stamped on the face. The value of a California quarter dollar which came to light was estimated at \$25. The "California slug," an octagon

shaped \$50 piece, has sold for as much as \$1,000. It is recorded that a collector at one time offered \$75,000 for the double eagle of 1849 of which only a single specimen was made in gold. At the same time, an example of very early coinage may bring practically no premium. Values are mysteriously arrived at by the numismatist and a price brought for a particular coin is no guide for a amateur since it may reveal only the whim of the collector.

#### Private Coinage

It is a curious fact that not all of the gold returned to the banks was of Government coinage—that part of it was pri-

vately coined. Georgia, California, North Carolina and Utah, for instance, all had private gold coinage.

"Uncle Sam slipped," is the way Lawrence W. Schmidt puts it after making a study of gold coinage for Administrative and Research Corporation. Individuals for years were permitted to issue gold coins although Federal laws expressly forbade any state to issue any coins bearing a state stamp. The issuance of such coins by individuals was not prohibited until an act of Congress dated June 4, 1864.

Numerous private coins differ from coins issued by the Government only in minor details likely to escape the attention of the casual observer. Usually the name of the issuing firm was substituted for the word "Liberty." Undoubtedly some private gold coins still are passing from hand to hand as millions of dollars worth were made.

**ANTI-HOARDING Order brings to light many unusual coins, as well as incidents connected with the history of coinage**

### Coins Regulated

Mr. Schmidt pointed out that the law establishing a mint and regulating the coins of the United States was signed by the President, April 2, 1792. The act provided for an eagle, a half eagle and a quarter eagle, all of the fineness of 22 carats or .917. The first deposit of gold bullion for coinage was at the United States mint February 12, 1795, and the first return of gold coins July 31, 1795. These new coins were half eagles. On the obverse they bore a Liberty head, 15 stars, the word "Liberty" and the date "1795." On the reverse was an eagle with a laurel crown in his beak and a palm branch in his talons. Surrounding the bird were the words "United States of America."

Coins issued in 1796 had sixteen stars, evidence that another state had been admitted to the Union. But fortunately for the temper of the mint workers the idea of increasing the number of stars with the number of states was abandoned soon afterward.

It was not until 1807 that coins were marked with their value. Fortunately

they are marked today because the average individual sees so few of them that he would have a hard time guessing value.

### Gold Dollars Discontinued

The smallness of gold dollars always made them nuisance pieces and their coinage finally was abandoned. But the nuisance of the gold dollar was as nothing compared with the nuisance of the gold half eagle. Unfortunately it is just about the size of a five-cent piece. More than one hurried commuter groping in his pocket for a nickel to make a telephone call has seized upon a half eagle by mistake and dropped it down the slot. Telephone companies, upon request, retrieve half eagles for customers when they are notified of such mistakes but if the loser has made several calls during the day he is up against it.

Quarter eagles had the queer faculty of disappearing. Each year banks would put in great stocks of them for men and women who wished to give gold for Christmas—gold in minimum quantity. Bright young nephews and nieces with shining faces would receive them with

thanks. And that would be the end of the quarter eagles. The bands would never get them back. Where they went, no one knows. Disappearing quarter eagles is one of the minor mysteries of American economics.

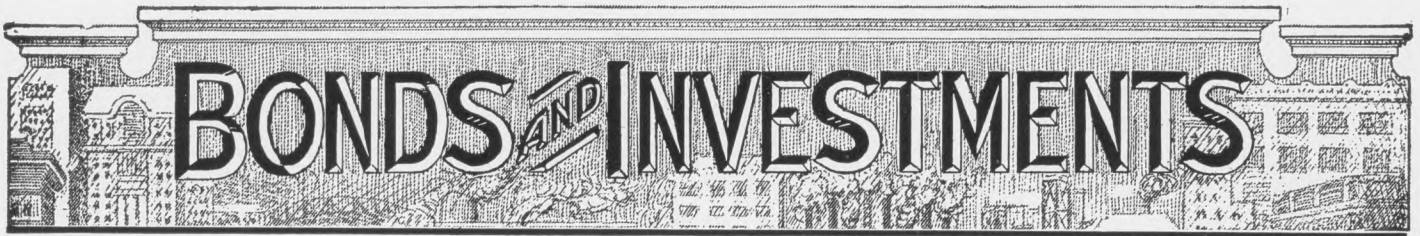
In 1929 the mint quit coining quarter eagles. The coinage of the \$3 piece was discontinued in 1889 and the coinage of the gold dollar was discontinued in the same year.

### Motto Restored

Few episodes in President Theodore Roosevelt's administration caused more furore than the elimination of "In God We Trust" from the eagle and double eagle of a new design issued in 1907. This motto first appeared on a 2-cent piece dated 1864 and owed its appearance to the increased religious sentiment growing out of the Civil War. On November 30, 1860, Secretary of the Treasury Chase addressed a letter to the director of the mint at Philadelphia saying, "No nation can be strong except in the strength of God or safe except in his defense. The trust of our people in God should be declared on our national coins."

CONTINENTAL ILLINOIS NATIONAL  
BANK AND TRUST COMPANY  
*of* CHICAGO

*Commercial Banking*



# BONDS AND INVESTMENTS

## Six Reasons Why THE OUTLOOK For Real Estate Is Good

SIX REASONS occur to me which justify my belief that the outlook for real estate is good:

1. Real estate is the fundamental and most important form of wealth.
2. History and past performance seem to indicate that by natural laws a revival of real estate activity is about to begin.
3. The public went wild over other forms of investment—and it is now natural that people should turn again to the most essential, enduring and useful form of wealth.
4. The deflation has occurred and real estate can now be bought at its economic value.
5. The influences and excesses that made the deflation of real estate necessary, have been largely corrected or are being studied and will be corrected.
6. Experience has demonstrated that real estate securities, conservatively and wisely selected and issued, have stood up and continued to yield income better than did other forms of investment.

### Fundamental Wealth

As to real estate being the fundamental form of wealth the following facts are significant:

The wealth of our nation in 1929, estimated by U. S. Department of Commerce, totaled \$320,804,000,000 of which 58 per cent or \$176,415,000,000 was real estate.

The wealth of Ohio in 1929 was estimated to be \$21,281,000,000 of which 64 per cent or \$13,619,840,000 was real estate.

By A. A. McCASLIN  
Vice President  
The Cleveland Trust Company

The wealth of Ohio (in real estate) has increased as follows:

Tax value 1915 . . .	\$4,725,344,000
Tax value 1929 . . .	9,524,729,000

a 100 per cent increase.

According to B. C. Forbes, "real estate has made more millionaires than any other line of business." Other authorities have said on this subject:

Marshall Field: "Buying real estate is not only the best way, the quickest way

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**"I BELIEVE this is a good year to buy residence property," states Mr. McCaslin in a recent issue of the Cleveland Trust Magazine, and he proceeds to tell why he thinks as he does**

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and the safest way, but the *only* way to become wealthy."

Andrew Carnegie: "Ninety per cent of all millionaires become wealthy through owning real estate. More money has been made in real estate than in all industrial investments combined."

Russell Sage: "Real estate is an imperishable asset ever increasing in value. It is the most solid security that human ingenuity has devised. It is the basis of all security, and about the only indestructible security."

Franklin D. Roosevelt: "Real estate is different from other investments in that

it cannot be lost or stolen nor can it be carried away."

### Study of Rentals

Confucius is credited with having said nearly 3,000 years ago: "If you would forecast the future, study the past." And history tells us that rentals—the true evidence of values—follow commodity prices.

A recent study in the St. Louis area covering the fluctuation in dwelling house rentals in that section from 1851 to 1932, makes a comparison with changes in commodity prices for the same period—82 years. It showed that rental income increases when commodity prices go up.

Another study shows the rise and fall of commodity prices during the twenty years affected by the Civil and World wars, respectively. About eighteen years after the beginning of the Civil War, commodity prices began to rise; incidentally it is now eighteen years since the World War began and again commodity prices show an upturn.

Is it not reasonable to assume that rental income will rise with commodity prices as heretofore?

### Marriage Rate

A study was also made in 1932 in St. Louis to determine the relationship between real estate activity and the marriage rate since 1881. This was interesting and important because it showed that as business improves, living quarters are needed by a lot of newly-married people.

It was stated that in St. Louis the marriage rate has been below normal since 1924 and that the accumulated

shortage of living quarters is nearly 17,000; also that their marriage rate varies in cycles which coincide almost exactly with cycles in construction, vacancy, foreclosures, rents, real estate activity and prices.

It is estimated that "doubling up" accounts for an equally large potential demand for homes. Economic recovery will release these factors and quickly absorb available homes.

The attitude of the public will change immediately. As a result, the downward trend will reverse itself and rents and

sales will go up as they did in 1900 and 1918.

#### Corrections

The influences and excesses that have to be corrected are: *Speculation, Extravagance, Confiscatory Taxation, Loss of Confidence and the Racketeer.*

It is hard to tell which of these evils has done the most harm.

As to taxation, we know that it has multiplied over six times in twenty years and real estate pays the greater part of it.

Loss of confidence has been a fearful

blight. Mr. Coolidge said, early in this depression, "Because of some decline in trade, we have set about finding fault with nearly everybody and everything. . . . The most casual consideration shows us that the whole structure could not turn sour over night. . . . It is time to begin sympathizing and helping."

The sale of tremendous quantities of unsound, so-called real estate securities, especially leasehold bonds and certificates of equitable interest, has done untold harm to individuals and society and has made people lose confidence.

Because investments in real estate and real estate securities are basically so sound, the mortgage racketeer and exploiters have taken advantage of this fact, and have used real estate as a vehicle for their nefarious practice. This has been made possible because of the general inadequacy of knowledge possessed by the average investor, and his apparent unwillingness to take proper counsel in matters of this sort.

So much for the blighting influences and excesses that made deflation inevitable.

#### Sound Mortgages

The strongest argument in favor of a bright future for real estate is the fact that *sound* mortgages and other real estate securities, have stood up.

The Penn Mutual Life Insurance Company publishes the fact that on December 31, 1932 it had in mortgages \$194,571,379 and that its real estate acquired through foreclosure represents 2.51 per cent of its ledger assets.

Oberlin College has had most satisfactory returns from investments in Cleveland mortgages.

George S. Van Schaick of New York, State Superintendent of Insurance, recently concluded a speech referring to real estate as the country's basic investment as follows: "Confidence in real estate as the fundamental security of the country continues to be held by our great financial institutions because it is the most permanent and useful of possessions."

I submit that real estate securities have been recognized as the best of all securities through the depression, and that therefore real estate is equally good if purchased at the right price.

I believe that this is a good year to buy residence property.

One person in every seven can drive a motor car. And he would drive it better if the other six would shut up.



SALMON P. CHASE - Secretary of the Treasury under LINCOLN

## THE CHASE NATIONAL BANK

*of the City of New York*

WINTHROP W. ALDRICH  
*Chairman Governing Board and President*

CHARLES S. McCAIN  
*Chairman  
Board of Directors*

JOHN McHUGH  
*Chairman  
Executive Committee*

The Chase is a commercial bank that since 1877 has offered every protection, facility and convenience known to banking.

## How the R. A. C. C. Helps The Country Banker

(Continued from page 6)

The Subordination agreement is sent to the mortgage holder if it is necessary for the completion of the loan. Now for the handling of the application in the hands of the R.A.C.C.

### In the Office

A loan will take from ten days to a month to complete. As the application and chattel mortgage abstract come in they are first checked for mechanical errors as: lack of signature, witnesses, addresses, etc. They are numbered, file cards are made and acknowledgment sent to the applicant. Copies are completed and the application is ready for the examiners.

These men are experienced in livestock, farming and the dissection of credit statements. No frightened depositors act as hazards to their capacity to judge a loan on its own merits.

After the examiners check the loans, the applicant's references are written, if the loan shows possibility of working out it is ordered for inspection. Notices are sent to the livestock and farm inspectors. A day or a day and a half in the mails going out and as much more in the applicant's hands, plus the time in getting back to the office, and three to four days are gone. On return of the inspection papers the loan is dissected and loan papers on the smaller loans are sent out and their completion requested. (Chattel mortgage, chattel releases and note.)

The completed papers go to the loan committee which rotates from week to week and which is made up of distinguished Iowans and Nebraskans who are closely familiar with the farms of the territory served. The organization is fortunate in that there are enough such persons to keep the corporation in committees for years. In the committee the borrower's condition is weighed, the examiner's opinion and the inspector's report considered. The picture offered the committee is quite complete; the farmer's own statement of his condition, the estimation in which he is held by his friends and business acquaintances, and the inspector's valuation of his property. Each application makes the round of the committee members to be judged and initialed.

### Papers Completed

Next, the records of the committee are written and notices sent to the applicant of approval and the amount for which the loan is approved. From there it goes to the Pay-Out Department. These men are the looseners of the purse strings and the tenders of the sluice gates of credit. Here papers are completed. Here loans must wait until the applicants have carried out and completed the loan papers. It should be remembered that loans are pressed as far along through the organization as is possible

in spite of any mechanical errors, occasional mistakes, or failures on the part of the applicant. The entire effort of the organization is bent on getting good loans through the mill and paid out. It is in the Pay-Out that all the final technical check-up must come for if it is not done right the loan will not go through Washington re-discounting and the flow of credit will be decreased by the loan's face.

At the loan's completion the checks go to the farmers or to those whose payment he has directed. Copies of essential



Your sales representatives cover more ground at less cost when they use Long Distance. (Philadelphia to New York, 50c).

Long Distance telephone service has proved itself a reliable business-getter. It has played an important part in sales campaigns for refrigerators, furniture, oranges, hats, coal, securities. (Cleveland to Pittsburgh, 70c).

Many of these campaigns have been conducted in accordance with plans developed by Bell System commercial men. Information about them, and suggestions for a plan applied to your Business, can be secured by calling the telephone Business Office. (Chicago to St. Louis, \$1.25).

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.



papers are then made, sent to Sioux City and Washington for re-discount, and the Omaha file made available to the collection department which must keep track of cattle deaths, sales, illegal conveyances and so carry the loan through to its conclusion in re-payment.

The procedure is simple, direct, and generally rapid when consideration is given to the time consumed in the mails. Those who use the corporation's facilities have quickly grasped the technique and once the drawback mentioned in the fore part of this outline has been overcome, Iowa can use the corporation to much greater extent. This is evidenced by the fact that adjacent states have discovered the full breadth of its activity and unhampered by curious but legal clauses they have been able to act quickly to save their solvent but credit bereft farmers.

No time is wasted by Kuning's organization; no energy is spared to keep a broad river of credit flowing out to the distant reaches of the territory.

## Chase National Statement

A statement of The Chase National Bank as of March 31st shows total resources of \$1,777,727,000, as compared with \$1,856,290,000 on December 31, 1932. Cash in the bank's vaults and on deposit with the Federal Reserve Bank and other banks amounted to \$289,489,-

000 as compared with \$391,297,000; investments in United States Government securities, \$179,904,000 as compared with \$214,996,000; securities maturing within two years, \$134,113,000 as compared with \$116,305,000; other bonds and securities including stock in the Federal Reserve Bank, \$123,598,000 as compared with \$115,400,000; loans and discounts, \$905,532,000 as compared with \$887,187,000. Total deposits were \$1,306,745,000 as compared with \$1,236,000,000 on March 3rd before the banking holiday and with \$1,466,000,000 on December 31, 1932.

Earnings of the bank for the first quarter exceeded dividend requirements by more than two million dollars, which amount was added to undivided profits, making the March 31 figure \$13,199,000 as compared with \$11,130,000 on December 31st, 1932.

## Low Rates

The railroads of the entire country, according to a formal announcement made by C. L. Hunter, chairman, Passenger Department, Trunk Line Association, have adopted a new low-rate plan for the convenience of visitors to Chicago's Century of Progress Exposition, whereby prospective visitors may purchase in advance and before leaving home hotel accommodations in Chicago; transfer from the railroad station to

hotel and back again; tickets of admission to the Exposition, and a sightseeing tour of the city. Everything but meals is included in this new plan, which combines the several advantages of lower prices to the visitors, of relieving them of any inconvenience in securing hotel accommodations, and of enabling them to know, before they leave home, just what the trip will cost.

These "visits" to the Century of Progress will be sold at every railroad station in the United States. They will allow stays in Chicago from one day up to five days or more. The prospective visitors will have a choice of 27 first-class hotels in Chicago from which to select accommodations.

## Confidence Restored

The sharp decline of the dollar in terms of foreign currencies, which occurred previous to and during the first part of the moratorium period, has been superseded by a return of confidence on the part of foreign nations in the soundness of our currency, according to Moody's Investors Service.

This return of confidence was reflected in a sharp gain in dollar quotations to about the levels of last October, shortly after the banks were reopened. Since the middle of March the dollar has been relatively stable at levels well above the gold export point.

From February 10 to March 4, Moody's index of 4 foreign gold standard exchanges, expressed as percentages of parity, and which indicates the position of the dollar, rose from 99.90 per cent of par to 101.04 per cent of par, well above the gold export point. Since then, however, the rise in the dollar has forced these quotations down to levels around 100.31 per cent of par, and gold exports would be unprofitable at present levels.

## Pays Usual Dividend

Alvin E. Johnson, vice president of the Live Stock National Bank of Omaha, announces that his institution has declared the usual quarterly dividend of 1½ per cent, payable on March 31 to stockholders of record March 28. An uninterrupted dividend record, especially in times through which we have just passed, speaks well for the management of this well-known institution.

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## GMAC SHORT TERM NOTES

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*available in limited amounts  
upon request*

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## GENERAL MOTORS ACCEPTANCE CORPORATION

Executive Office -- BROADWAY at 57TH STREET -- New York, N. Y.

OFFICES IN PRINCIPAL CITIES

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# INSURANCE

## *Its Application to the Banking Fraternity*

"Every dollar placed in Life Insurance brings an individual and his family nearer to financial independence than any plan of which we know"

# FINANCIAL INDEPENDENCE Through Life Insurance

I WAS sitting with a group of business men the other day at luncheon and I asked each one of them what was the main thing they wanted to know concerning their life insurance, and all of them answered with the question, "Are the companies in which I now carry my insurance financially sound?"

The American Public has a right to know the exact condition of Life Insurance Companies in this country, and especially so when you realize that over one-half of the population of the United States or 65 million individuals are policyholders in companies which have 108 billion dollars of insurance in force.

The question which these gentlemen asked me at luncheon is a natural one growing out of the economic turmoil through which we have been passing.

I want to discuss with you for a few minutes, two subjects:

1. The Stability of Life Insurance
2. How to Gain Financial Independence Through Life Insurance

With a decrease in the value of securities of all kinds, including railroad bonds, industrial bonds, and real estate mortgages, how does it happen that insurance companies which have many of these bonds and mortgages in their portfolios, show a gain in assets in the past three years of approximately 3 billion dollars or one billion dollars for each of the three most trying years in recent times.

Putting it very simply, it is because the insurance companies do not carry all

By CLIFFORD DE PUY  
Publisher, The Central Western Banker  
Omaha

of their eggs in one basket and have their investments diversified as to *kinds* of investments, as to *maturity* dates, and as to their *geographical* location.

This plan has greatly increased the stability of life insurance.

Let's look for a moment at these investment baskets which contain \$21,000,000,000 of assets and see how these various eggs are distributed.

I have heard, as you have, about the difficulties Life Insurance Companies

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**THE LIFE Insurance Facts given here were broadcast by Mr. DePuy over stations WHO, DES MOINES, and WOC, DAVENPORT, on April 18, in connection with the general observance of Financial Independence Week**

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must be having on account of their investments in farm mortgages, but it may interest you to know that less than 9 per cent of their assets come under the classification of first mortgages on farm properties.

#### Other Assets

We also hear a good deal about first mortgages on city property, but these amount to only 27 per cent of the total assets of insurance companies.

And of course there is never a group gathers around the bridge table or in the smoking room of a pullman, that doesn't discuss railroad bonds and what effect these will have on insurance companies, yet I find that the total railroad bonds held by all insurance companies in the United States are only 15 per cent of their investment fund.

Then there are policy loans about which you hear so much, but these only comprise 18 per cent of the total assets.

The other investment eggs are carried in baskets which are divided as follows:

Nine per cent invested in first mortgage public utility bonds; 2 per cent in first mortgage industrial bonds; 8 per cent in government bonds; 3 per cent in stocks; 4 per cent in real estate; and 5 per cent in cash and other admitted assets.

This diversification of the *kinds* of investments has added to the stability of life insurance.

You have also observed that all these securities represent first mortgages or first liens as insurance company funds are only placed in investments of this character.

#### Time and Place

Life insurance assets are also *diversified geographically* throughout the entire United States, with approximately 38 per cent of life insurance funds placed along the Atlantic coast from Maine to Florida, and about 46 per cent throughout the Ohio, Missouri and Mississippi basin, and about 10 per cent in the Paci-

fic coast region, and 6 per cent in Canada and the territories of the United States.

This geographical diversification of assets is another reason why insurance companies have shown so much stability.

Life insurance companies are not primarily interested in the day to day market value of their securities as they buy to hold and not to sell and they arrange the maturities of their securities so that they never all come due at the same time.

This diversification as to the maturity of assets also increases the stability of life insurance.

You have noticed therefore that the stability of life insurance funds is maintained in 3 ways.

- 1st. Stability through diversification as to the *kinds* of investments.
- 2nd. Stability through *geographical* diversification.
- 3rd. Stability through diversification as to *maturity* dates.

And now I want to give you one more reason why life insurance has made such a remarkable record for stability and it is this—

#### Income Exceeds Expense

The total income of life insurance companies has been far greater than their total expenditures even in these days. Here are the figures for 1929-1930-1931, the last 3 years for which figures are available and which show that the premiums paid by policyholders and interest income from investments received by insurance companies amounted to \$13,700,000,000 and was enough to pay all expenditures and leave over \$4,000,000,000 to be added to the assets for the protection of policyholders.

Such a record is certainly additional proof of the stability of life insurance.

One more question may be in your mind about the stability of life insurance companies and it is this, "Have all life insurance companies met all their maturing obligations during this trying period?"

The answer is emphatically *yes* as is proven by the fact that every death claim, every endowment policy, every annuity payment and every other maturing contract between policyholders and beneficiaries has been paid by the life insurance companies.

This is the record of life insurance companies up to the first of this year, and what a marvelous record it is! Unequaled in any other branch of American business!

During the year 1932, just as a little frosting on the life insurance cake, living policyholders received over \$2,175,000,000 in cash on paid-up life insurance policies.

#### Your Future

If what I have presented to you so far convinces you of the *stability* of the institution of life insurance as a whole, then let us look for a moment at the second division of this subject:

"How to gain financial independence through life insurance?"

There are primarily just two ways for you to gain financial independence through life insurance and they are these:

- 1st. By creating an estate through the purchase of life insurance which will take care of your family if anything happens to you, and thus make them financially independent.
- 2nd. By creating an estate for yourself by the purchase of life insurance, the cash value of which will pay you a monthly income when you are ready to retire from business.

So, I suggest that you give real thought to your life insurance program remembering that while only 3 per cent of the income dollar is invested in life insurance, that in spite of this small percentage, 85 per cent of the solvent estates are composed of life insurance funds.

Certainly no stronger evidence could be presented than this, that every dollar placed in life insurance brings an individual and his family nearer to financial independence than any plan of which we know.

Another reason why the premium dollar which you invest in life insurance, buys so much, is because in building a general estate, you have to produce the principal before you secure the interest, but through life insurance, by depositing the interest, you can create the principal.

#### The Business Peak

The course of business in the last three years reminds me of a mountain range with its peaks and its valleys.

If you have been in Switzerland, you have seen the beautiful Alps and have noticed that Mount Blanc rises snow-capped above all the other peaks of the range.

If you have viewed the Andes in

South America or the Rocky Mountains in this country, you have noticed that from whatever point of vantage you may look at these gorgeous exhibitions of nature, there is always one peak that still rises above the clouds and lifts its shaft of stone and granite towards the sun.

In the business and financial world, these high peaks, from whatever place you may wish to look at them, are represented by the institution known as life insurance.

These peaks rest on the solid and substantial foundation of a sound investment policy, backed by a diversification of collateral, plus a record for careful and conservative management which has been unparalleled in our economic life up to now.

So, in conclusion, I hope I have given you some evidence of the stability and solidarity of this great institution known as life insurance and, second, that if you want to be assured of financial independence, both for yourself and for your loved ones, remember that every premium dollar you invest in life insurance brings you nearer that goal.

## Much Improved

The industrial picture is mixed. However, it is much improved over what it was a few months ago, even disregarding the favorable consequences of the legalization of beer. Retail trade is improving. Electric power production made the most favorable comparison with 1932 for some time.

During the last few days of March and early April a definite sales upturn in the automobile industry was registered. The industry sees this as an indication of a normal month during April now that banking difficulties are settling and financing can continue unimpaired. Increased requirements have already reflected in substantial gains in steel ingot production.

On the back side is the gradual shutting down of American copper mines—indeed, when this is read there may not be a single one in production. Producers are simply unable to operate at present price levels. It is believed that a temporary complete shutdown would improve the picture.

The railroads' net profit is appreciably below the 1932 level, which was extremely low. Much hope is placed in the working out of the Administration's railroad program.





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

# Nebraska News



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

## Banks Consolidated

The Farmers State Bank of Shubert has been consolidated with the Richardson County Bank at Falls City, the deposits being moved to the county seat and depositors paid in full without restrictions. The Farmers Bank was established in 1895. Guy Hutchins was president and W. L. Evans cashier. Shubert now has but one bank.

## Pioneer Dies

Ed Wilkinson, pioneer of Dixon county and former banker of Newcastle, died at the age of 79, after a short illness with influenza. He was an early settler of Daily township, and moved to Newcastle thirty-two years ago to become president of the Farmers State Bank, an office he held for twenty years. During the past twelve years he was in the grain business.

## Miss Blanchard Passes

Miss Anna Laura Blanchard, 59, business woman active in investment banking, died recently in an Omaha hospital following an appendectomy. She headed the Farm Land company, formerly was manager of Stull Bros., and at one time managed the farm mortgage division of the former Omaha Trust company.

A resident of Omaha about 25 years, she had been a member of the Omaha Woman's club. Her charity work was extensive, but it was known only to her most intimate friends.

## New President

R. Emerson is the new president of the Dawson County State Bank, succeeding S. B. Cole, who resigned.

## Approve Loans

Another step in reconstruction of the banking system was taken last month at the Omaha office of the Reconstruction Finance corporation, when authorization

was received for purchase of stock in national banks and for loans to permit such purchase.

Local officials expect that a number of Nebraska banks—none in Omaha—will take advantage of this to strengthen their capital structures.

The act was intended to encourage communities to assist in the reorganization of national banks. The banks could issue preferred stock, not subject to double liability; and this could be bought either by local persons with funds lent by the R.F.C., or by the R.F.C. itself.

An open bank which is to continue business, a closed bank about to reorganize, or a bank to be newly formed are eligible to apply for the loans.

## Given Ovation

The people of Taylor and vicinity met recently and tendered Robert Rusho of the Bank of Taylor an ovation in recognition of the capable manner in which he has handled the bank situation during the past trying months. The affair was a complete surprise to Mr. Rusho, but none the less gratifying.

## Hidden Wealth

Secretary Luikhart of the Nebraska department of trade and commerce estimated that the cream of \$20,000,000 in hidden wealth is finding its way into the country banks of Nebraska.

Previous reports indicated that national banks received large new deposits of gold and bills soon after the reopening. Luikart made known the fact the state banks had not been forgotten by the depositors.

"The amount of money deposited has been astounding," he said. "In some places the percentage of new deposits is unbelievable. None of the banks has reported to me that it failed to receive more money than was withdrawn."

## Heads Stock Yards Bank

James B. Owen, vice-president of the Stock Yards National Bank, was elected to succeed Ford Hovey as president of the bank at the annual meeting of stockholders. Mr. Hovey was elected chairman of the board of directors.

The change was made, it was announced, because Mr. Hovey's duties as chief of the agricultural division of the Reconstruction Finance corporation are expected to keep him in Washington most of the time.

Mr. Owen began his banking career 34 years ago as a clerk for the South Omaha National Bank. In 1911, when that bank was merged with the Union Stock Yards National to form the present bank, he was made an assistant cashier.

W. A. Sawtell, for the past 13 years with the Stock Yards National of St. Paul, now an affiliate with the Northwest Bancorporation, has just resigned a vice-presidency there, and was elected executive vice-president of the Omaha bank.

Other officers re-elected are: Vice-president, F. J. Enerson; assistant to the president, L. K. Moore; cashier, W. H. Dressler; assistant cashiers, H. C. Miller, C. L. Owen and H. A. Hovey; auditor, T. G. Boggs.

Directors will be the same as before, with the addition of Mr. Sawtell.

Ford E. Hovey, chairman of the board of the Stock Yards National Bank, is one of those mentioned as successor to Gardner Cowles of Iowa on the Reconstruction Finance corporation board at Washington.

Resignation of Mr. Cowles, owner and publisher of the Des Moines *Register-Tribune*, took place recently.

Mr. Hovey has been in Washington for a number of months and it is said his work as organizer and head of the

Regional Agricultural Credit corporation, R.F.C. affiliate, has attracted much favorable attention.

### New Bank

The stockholders of the Farmers' State Bank and the First State Bank of Tecumseh have decided upon a merger of the two institutions, to be known as the "Johnson County Bank." This plan has been under consideration by the bank officials for some time, and, after a decision to go ahead with the plan, application was made to the department of trade and commerce of the state of Nebraska, financial arrangements were perfected under supervision of that department, and license was granted for the merger and to open the new bank immediately.

The officers of the Johnson County Bank will be as follows: Frank Dafoe, president; J. V. Johnson, executive vice president; Al. N. Dafoe, vice president; H. W. Schepman, cashier. The directors will be Dr. A. P. Fitzsimmons, Frank Dafoe, J. V. Johnson, Al. N. Dafoe, C. E. Stewart and Charles A. Dafoe.

### Dies in McCook

Fayette M. Harwick, Moorefield banker, 45 years of age, died at McCook recently. He had suffered for many months from an anemic condition.

Mr. Harwick was associated with the Bank of Moorefield for 18 years and was one of the most active and promi-

ent men in the community and well known throughout Frontier county. Expressions of regret at the passing of Mr. Harwick and sympathy for the bereaved family have been commonly made in Curtis and other communities as well as in Moorefield.

### Merge at Thayer

The Thayer Bank, formed by the consolidation of the Bank of Thayer and the Farmers State Bank of Thayer, opened recently under a new charter. The merger was agreed to by all stockholders of the two institutions.

The new bank has capital stock of \$15,000 and a surplus of \$1,500. C. A. McCloud is president; A. A. Price, vice president; and Paul Mueller, cashier.

The Bank of Thayer was organized in 1882 with G. W. Post as president. McCloud became president in 1912. The Farmers State bank was started 15 years ago with Price as president and Mueller as cashier.

### Heads Bank

Waldo Hancock, president of the Hancock Implement company of Herman, with branch houses in Tekamah and Blair, has been elected president of the Burt County State Bank of Tecumseh, succeeding his brother, Warren D. Hancock, who retires from the business on account of impaired health. Roy Hancock, in charge of the implement company's business at Tekamah, becomes a

director of the bank. Another brother, R. K. Hancock, cashier of the bank, remains in that position.

### Elected President

Edwin J. Wolbach, prominent in the business and civic affairs of Grand Island and Hall county since 1899, was elected president of the First National bank, at a meeting of its board of directors. Mr. Wolbach is a son of one of its founders and its first president, the late S. N. Wolbach, and succeeds his brother, Emil Wolbach, the second president of the bank, who met death several weeks ago in an airplane accident. The bank was organized in 1871.

I. R. Alter, as executive vice-president, will continue in active charge of the business of the bank. F. J. Cleary is vice-president, P. R. Birk, cashier, and T. R. Murray, assistant cashier, while the board of directors, for the time being at least, will be composed of the six members of the board elected at the last annual meeting, E. J. Wolbach, I. R. Alter, F. J. and J. L. Cleary, V. E. Evans and Oscar Reimers.

### Easy Money

Nebraska's loss to bank robbers in one week stood at approximately \$163,000, after the \$10,480 obtained by two gunmen from the Central City National bank was added in.

The last of the three holdups came five minutes before closing time at the Central City bank. Practically all the loot was in currency and a perfunctory check showed no bonds missing. No one was hurt. The robbers apparently escaped.

### Cashier Resigns

H. S. Kirkbride has resigned his position as cashier of the Franklin County Bank. Mr. and Mrs. Kirkbride plan to continue to make their home in Hildreth where Mr. Kirkbride will represent the Bankers Life Insurance Company. Earl VanSteenberg will be promoted to Mr. Kirkbride's position as cashier and Miss Tena Straatman will be assistant cashier.

### Dies in North Platte

E. F. Seeberger, 73, until two years ago chairman of the board of directors of the First National bank of North Platte, and at one time president of the bank, died at his home recently. He had been in ill health for a year.

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### Business Booming

Deposits of the Douglas County bank of Omaha in Benson have increased to the "verge of \$200,000," an increase of more than \$30,000 since December 31, Clement L. Waldron, president, declared recently. He said depositors are "flocking to the new institution," and that this was an indication "business is booming" in Benson.

"There isn't a vacant store in Benson," Mr. Waldron said. "Every business in Benson is improving rapidly."

### Wins First

Dale E. G. Scott, of the Stock Yards National bank, won first honors recently, in an oratorical contest of the Omaha chapter of the American Institute of Banking. The subject was "Strengthening Public Confidence in Banks."

### Consolidated

Tenseness owing to the unstable local banking condition has been relieved in Cozad by the merging of the Cozad State bank and the Stockmen's State bank.

The new institution has taken over the charter of the Cozad State, with a capital of \$35,000, and the total deposits of the two banks amounting to more than \$250,000.

C. T. "Cliff" Young, well known live stock man and farmer, is president of the new institution; Roy F. Stuckey, vice president; G. E. Stuckey, cashier.

Former presidents of the two banking houses, S. D. Ralston of the Stockmen's bank and C. P. Hord of the Cozad State, have retired.

### McBride Dies

Edward J. McBride, 80, a resident of Bluehill since 1892, died there recently.

Born in Lake county, Iowa, Mr. McBride came in the employ of the Bluehill cooperative. He was said to have originated the now world famous Bluehill butter and cheese.

In 1905 he organized the Commercial bank and remained as president of the institution until his death.

### Dale Clark Honored

W. T. Kemper, chairman of the Commerce Trust company, Kansas City, was elected the tenth district member of the federal advisory council in Washington to succeed W. S. McLucas, who recently became president of the newly formed National bank at Detroit. The tenth dis-

trict elected W. Dale Clark a director of the Omaha branch to succeed the late Robert O. Marnell of Nebraska City, Neb.

## Colorado News

### Return Money

The anti-hoarding dictum is producing results in Pueblo, according to reports made by local banks. The banks report that considerable hoarded money has found its way from safe deposit boxes and domestic hiding places back into the banks' vaults.

No unusually large amounts have been reported with most of the deposits being for smaller amounts. It was reported, however, that several deposits ranging from \$3,000 to \$10,000 have been made.

### Unrestricted

Sixty-one of Colorado's 102 state banks not federal reserve members on April 7 were operating on an unrestricted basis, Grant McFerson, state banking commissioner, announced.

This number compares with 36 on the Monday following the end of the national banking holiday.

Additional applications to be placed on the unrestricted list are being received daily, McFerson said, and several are now awaiting action.

### Larger Clearings

Denver's total bank clearings for March, which will go down in history as the month of the bank holiday, gave Denver businessmen a pleasant surprise when announced.

Although banks were open only nineteen days in March as compared with twenty-three days in February, clearings in March were more than \$1,700,000 greater than in February.

### Satisfied

Satisfaction in the condition of the First National Bank of Eads was expressed at a meeting of 35 stockholders in the institution last month.

President F. L. Pyles of the depository presided at the meeting and answered all questions regarding the condition of the bank and gave a report on the assets and liabilities of the institution. He reported that enough actual cash was on hand to pay 50 per cent of the bank's deposits.

### Normal Business

The Citizens State Bank of Ouray has opened for the transaction of normal banking business. This action was taken after a meeting of directors of the bank and a committee of representative citizens.

It showed the bank was in a very liquid state, that its paper was good, that it could liquidate under a plan approved by



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the state banking department and pay out its deposits in a short time and have money left over for the stockholders.

### Home Loan Funds

Between 2 and one-half and 3 million dollars worth of new credit will become available for Colorado home owners through the federal home loan banking system, O. A. King, Denver member of the board of directors of the Federal Home Loan bank of Topeka, Kan., announced.

King said four Colorado building and loan associations have been accepted for membership in the bank and that favorable action on the applications of ten other associations in the state is expected.

"The fourteen associations combined expect to bring more than half a million dollars into the state for immediate use and will have a total credit rating with the bank of nearly 3 million dollars," he declared.

## Kansas News

### Merged

Merger of the Farmers and Merchants State bank and the Effingham State bank as the Farmers and Merchants State bank of Effingham, was announced recently. W. C. Roche is president of the new bank. Both are pioneer banking houses.

### Board Member

George E. McKinnis, president of the Fidelity Building and Loan association, returned to Shawnee recently after attending a meeting of directors of the federal home loan bank in Topeka.

McKinnis was reappointed as a board member from the tenth district at the Topeka meeting. The tenth district comprises Oklahoma, Kansas, Nebraska and Colorado.

Representatives from other states at the Topeka session were optimistic concerning present business conditions and noted a decided uptrend in general improvement, McKinnis said.

### Hanna Dies

As dramatically as he had lived, George W. Hanna, of Clay Center, 71 years old, died unexpectedly in the office of Governor Alf M. Landon at Topeka.

There apparently to interview the governor on political appointments affecting Clay county, Mr. Hanna was overcome while waiting to see Landon.

### New Bank

An enthusiastic crowd of more than a hundred persons met recently to consider the establishment of a new bank in Longford. It was explained that a plan was approved by the state banking commissioner.

After the explanation of the situation and remarks concerning the plan in mind for the organization, every person present was called on for opinions. There was no single instance of disapproval of the plan to organize a new financial institution.

### Renamed

Gov. Alf M. Landon announced recently the reappointment of three members of the state banking board. Those reappointed were W. A. Hayes of La-Crosse, Willard J. Breidenthal of Kansas City, and B. F. Boys of Independence.

### Re-opened

Re-opening of the Cheney State bank, which has been closed since the banking holiday, was announced recently by H. W. Koeneke, state bank commissioner. The Rose Hill State bank also has been re-opened.

### Deposits Increase

The board of directors of the Kansas State bank, of Newton, expressed themselves as well satisfied with the financial report at the regular quarterly directors' meeting.

The financial statement showed an increase of \$100,000 in deposits in the past month which was received by the board as indicative of the return of better times.

### Annual Meeting

The annual meeting of the Butler County Bankers' Association was held at Augusta recently. The meeting was scheduled to be held on March 8, but it was postponed.

The meeting was held at the Augusta Community Hall, with John T. Wilson, of Augusta, chairman of the program committee. The meeting was opened with a dinner at 6:30 o'clock. This was followed by a program and business meeting. The program was featured by an address by Judge J. D. Dickerson, of Wichita.

## Wyoming News

### No Service Charge

In order to encourage deposits, the Lusk State bank has temporarily suspended service charges on checks and limited deposits, Cashier C. W. Erwin announced.

### Paid Up

The First National Bank of Green River, which was robbed by two youthful bandits, received a draft for \$19,720, or the amount of cash and currency taken.

The draft was from the Fidelity and Deposit company of Baltimore, the bank's insurer.

The sheriff's office was following in turn an endless number of clues in the robbery but officers indicated their belief the robbers had effected a successful escape from the country.

### Apply for Charter

Informal application for a charter for the new Riverton National Bank has been sent in to Washington, signed by the local bank organization committee. This is the first step to be taken following which the Treasury Department will send an inspector or inspectors to the

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community to study local conditions and the possibility of assurance for the bank to be established and given sufficient support to prosper.

**Home Loan Credit**

Wyoming members of the Eleventh District Home Loan Bank have had credit lines amounting to \$125,000 extended to them, Charles H. Stewart, vice president and manager, announced. The bank is located in Portland, Ore.

The office has to date loaned \$175,000 to its members, he said. Two loans were made to building and loan associations in Montana, one in Washington and one in Oregon.

Stewart said lines of credit amounting to \$4,295,000 have been extended to 26 institution members in the six states comprising the eleventh district. Credit lines in Oklahoma amounted to \$1,160,000. This credit extension amounts to 12 times the stock subscriptions of member institutions.

**Membership**

The federal reserve board announced the Farmers' State bank of Worland, Wyo., had been admitted to membership.

**Named Depository**

The Stock Growers National Bank and the American National Bank, both of Cheyenne, were designated depositories for city funds by the city council. The designation is to be effective from April 1, 1933 to March 31, 1934.

**New Mexico News**

**Open in Gallup**

After 38 days without a bank, Gallup recently ended its banking holiday. The Merchants bank resumed normal business, subject only to Federal Reserve bank restrictions on gold withdrawals and hoarding.

The bank was opened under orders of State Bank Examiner John Bingham.

L. N. Cary, active vice president of the Merchants bank reported a business pickup under "entirely normal" conditions. Many new accounts were opened, deposits were mounting, and a large amount of business was finally transacted.

**In Las Cruces**

C. C. Ozment of Albuquerque, well known to Las Cruces citizens through his work as receiver of the old Bowman bank, has been selected to fill the position of the late W. P. B. McSain as active vice-president and manager of the First National bank of Las Cruces.

Mr. Ozment has had extensive experience in banking in both this and other states, as well as having had fifteen years' experience in receiverships of insolvent banks in various parts of the country. He comes to the First National bank with the highest of references, and as a well-known and highly regarded banking authority it is felt that he will be a big asset to the bank, as well as the community.

**Exempt**

Banks in New Mexico are exempt under the new income tax law because the state has no authority to impose new taxes on national banks. State banks are given the same treatment to avoid discrimination, according to a statement issued by Attorney J. O. Seth.

Mr. Seth says the federal government permits national banks to be taxed in any one of four ways, which are stipulated by law. Banks in the state are now taxed on their value, so no other tax can be imposed on the national institutions. The same exemption is allowed state banks to keep them all on the same footing.

**Estimates Increase**

Present estimates for 1933 highway construction expenditures in 10 Far Western states indicate an increase of \$21,000,000 over the 1932 aggregate total for this area, according to comment by the Bank of America, Pacific Coast Branch Banking institution. The estimated expenditure of \$96,000,000 for highway development in the Far West this year is hailed as a forerunner of employment throughout the remainder of the year.

California, already noted for its excellent highways, has a two-year program of \$61,700,000. Major work already recommended provides for improvement on 151 projects, involving a total of 867 miles. The budget also provides for maintenance of a system of highways totaling approximately 7,349 miles throughout the state.

Funds as reported from other states providing for 1933 construction are:

Washington, \$22,500,000; Colorado, \$6,014,000; New Mexico, \$5,075,000; Utah, \$4,200,000; Montana, \$2,500,000; Idaho, \$2,634,000; Nevada, \$2,022,000; Oregon, \$18,400,000; Wyoming, \$1,700,000.

**Corn Has Better Prospects**

United States corn will meet less active competition in world markets this year because of prospective short supplies



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of Argentine corn and the marked reduction in the South African crop, it is expected by the Bureau of Agricultural Economics.

The Argentine corn crop is forecast at 264,000,000 bushels against 293,000,000 bushels produced in 1932, and the record harvest of 420,000,000 bushels in 1931. Stocks of old crop corn are low with supplies for export estimated at approximately 8,000,000 bushels as of March 1, says the bureau. Shipments during March were about 7,600,000 bushels.

The bureau says that shipments during the next Argentine crop season beginning May 1 will have to be drawn principally from the new crop. The quality of the new crop is reported as satisfactory although rain interrupted harvesting in some areas.

Stocks of old corn are reported materially reduced in the Danubian countries, with available exports estimated at about 35,360,000 bushels as of April 1. Russia is offering small quantities of corn, but the United States is said to be the only important country which still has a relatively large surplus.

Supplies of corn in the United States are reported as being materially greater than a year ago, although farm consumption is reported as being heavy.

## How Good Times Can Start

The offices of America are radiating centers-of-contact wherein the spirit of business is created, says L. C. Walker, president of Shaw-Walker company. In effect, they are factories, manufacturing a product — Business Opinion — which spreads quickly to the homes of the country.

This product, Business Opinion, is almost chemical in its effect, with an amazingly prompt reaction for good or ill, depending on whether it is colored by confidence or gloom.

This is how it works: The office executive's secretary is going to need a new spring coat. She has \$35 saved up but is not quite sure she should spend it.

Her boss comes in, growls over the morning mail, grouses with his associates about the news in the morning papers, dictates some pessimistic letters, and refuses to O. K. a requisition for 500 new letterheads.

Is she likely to buy that spring coat?

She is not! She decides to get along with her two-seasons-old coat.

But it does not end there. The office grapevine telegraph picks up the gloom news, carries it through all departments — sales, production, service. Spreads it even to distant plants and branch offices or stores. Everybody connected ever so remotely with the enterprise goes home and spreads the gloom. Inside of 24 hours that \$35 lost sale has been multiplied literally by hundreds.

Such is the product that so many of our offices are turning out today—Business Opinion that is poisoning the stream of public thought and making recovery doubly difficult.

Just as surely as the sun rises in the East the return to "good times" must start in the offices of America.

Mark Sullivan, thoughtful student of affairs, writes:

"The end of a depression, the beginning of prosperity, comes unnoticed. And it comes solely because of recuperative forces which are within the world of business itself. Government action can do little to help. The speeches of politicians, especially those running for office, help

not at all. Cure comes solely through the aggregate of the working and planning of individuals."

Which gets us right back to the office—where the working and planning originate. It is the nerve center of American business life.

## Great Payroll Industry

*The Railway Age*, in a special issue, recently published a vital message, addressed to legislators, to regulatory authorities and to the public.

It points out what followers of the railroad problem have long known—that prosperity *cannot* be achieved until the rails are on a sound earning and financial basis.

This is easily proven. As *The Railway Age* shows, the railroads are our largest industry, excepting agriculture.

Their condition influences the welfare of every American citizen.

Eighteen billion dollars of the savings of our people are in railroad securities—five billions of it being held by savings banks and insurance companies.

In normal times 1,700,000 families depend on the railroads directly for their livelihood—and millions depend on them indirectly.

In normal times the railroads disburse annually \$6,000,000,000—and every industry gets a share.

Government—national, state and local—taxes the rails \$1,000,000 a day.

Is it any wonder, with this great industry subject to the most unfair kind of competition and the most stringent kind of regulation, we are finding the work of recovery difficult? And it will continue to be difficult until our basic industries are given new life—and the railroad is one of the most vital.

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