

CENTRAL WESTERN BANKER

Omaha

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Public Confidence in Banks

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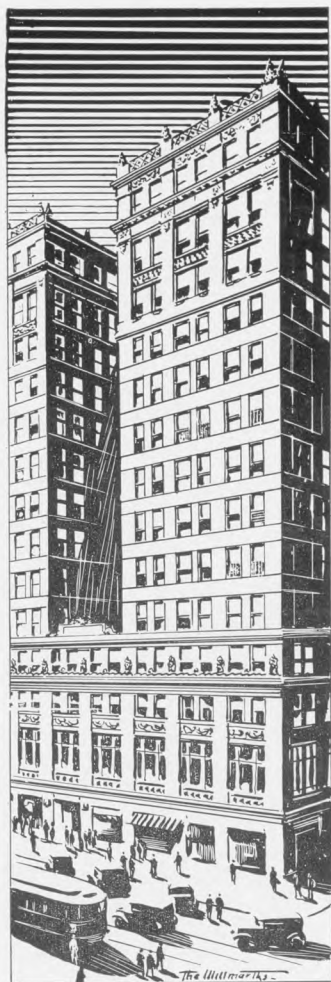
September

1933

CONFIDENCE

BASED ON

THE NRA



We believe that the next few months promise much for America . . . that the fulfillment of this promise lies principally in the successful operation of the NRA.

As a token of our cooperation with and confidence in this unique crusade for prosperity, the First National Bank of Omaha is glad to fly the NRA Eagle and say, "We do our part."



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

FIRST NATIONAL BANK OF OMAHA

CENTRAL WESTERN BANKER

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OMAHA

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The Teller Tells the World

By C. W. FISHBAUGH

RECENTLY a lawyer called up to ask about a certain chattel mortgage we have. He asked for a summary of what the chattel covered. I read it to him, but when I came to 2,000 bushel of corn, I accidently read it as 2,000 barrels of corn. Now the lawyer can't be convinced that we haven't plenty of security.

IF YOU have a nickel in your possession, it's the devil's own money. For in German the word nickel means devil. Page Mr. Hitler!

IT SEEMS to me that city banks are sending out older men as contact men in the country banking field. At the Iowa convention recently practically all of the city bank representatives were passed the "young man" stage. And for that matter there were more gray haired and bald heads among the country bankers themselves. Maybe the last two years have made young men look old!

THIS story might apply to anyone trying to be a "bull" on the market: A city fellow out on a hunting trip was crossing a large field. "Say," he shouted to a farmer, in an adjoining field, "is that bull safe?" The farmer took a chew on his tobacco and remarked, "Well, I reckon he's a lot safer than you are just now."

JUNE has always been a great month for bankers. It has the longest day in the year. In 1932 the check tax was put into operation on June 21st. This year the Glass Banking bill was finally passed in June. They call August "dog days" after mad puppies, so let's call June "bank days" after mad bankies.

THE WAR debt problem of the U. S. will long be a bone of contention in this country. It is claimed that the foreign governments pay us 2.135 per cent interest (yep, even worse than "three dot two") and on that same debt the U. S. taxpayer pays 4 per cent. To one country alone we pay \$81,680,000 yearly while that country pays us back only \$2,552,500 interest and \$12,200,000 principal. And this year even this is in default. When Uncle Sam makes loans like this, why should we cry over a \$50 bad loan to John Doe? We don't need a Federal Guarantee of Bank Deposits half as

much as we need a Federal Guarantee of no more loans to foreign countries.

WHAT bankers are in search of: Bankers need loans that are exactly like a darky with a bottle of gin—self-liquidating.

NOW WE have new rulings on holdup insurance: The new insurance ruling limits coverage of exposed money on assured's premises, that is, not in vaults, safes, chests, or similar receptacles locked by timelock including delayed controls timelock to 15 per cent of policy. In other words you can't keep over 15 per cent of the money covered by your policy for ready use. This brings up the question, what would happen if a holdup occurred at the exact moment the timelock went off on your safe. It could very easily happen like that. Would the banker be expected to tell the gunmen to wait while he reset the lock? Or would the insurance company decide they owed their policyholder for such a coincidence?

IT IS interesting to note these figures on the bank holdup game. In twelve mid-western states (including Nebraska and Iowa) for the years of 1930 and 1931 the holdup losses were \$5,784,456, while the premium available for losses was only \$3,180,216. In cold facts, the underwriting loss amounted to \$2,604,240. So, there is no doubt left that something has to be done to stop holdups. And the insurance companies are trying the right way, that of making the bank share the risk, and not saying: "Oh, well, let 'em stick up this bank, our insurance company will pay." I don't like the idea of delayed cash, but I've got to admit they have every reason for asking it.

NOW YOU'LL have to watch your pennies. A 1 cent counterfeit U. S. coin recently made its appearance in Boston. It was so perfect in workmanship that an examination with a magnifying glass almost failed to detect any irregularity. It was only when the coin was dropped that the counterfeit was noticeable. However, the "Feds" did not believe it was the work of a real con man, but that someone made a duplicate penny at a cost much greater than a cent. Imagine a crook counterfeiting pennies when there's still a chance to rob blind men!

**"Confidence is the keystone in the arch of banking.
When it is weakened, the structure must fall"**

Strengthening Public Confidence In the Banks

AN ADDRESS by Erwin V. Holton, American Trust Company, San Rafael, California, before the 1933 convention of the American Institute of Banking. Mr. Holton was awarded the first prize in the annual National Public Speaking Contest

IF YOU were in an airplane ready to take off and while you still had time to get out, you learned that your pilot was reckless, would you stay with the ship?

If you were standing in a hospital corridor watching the white gurney being wheeled down the hallway into the operating room, and on it lay someone very dear to you, and you learned that the surgeon was on the verge of a collapse and that many cases upon which he had recently operated, had been lost, how would you feel?

If you had placed your life's savings, the financial future of your wife and children in a bank and you learned that the bank was incapably managed, what would you do?

No airplane is safer than its pilot.

No hospital is more dependable than its surgeons.

No bank is stronger than its management.

When the man in the street places his funds in a bank, he does so because he believes that bank to be safe. When he believes differently, it is urgent that his banker shall promptly do something to restore confidence in his institution.

Confidence

Confidence is the keystone of the arch of banking. When it is weakened, the structure must fall.

If we bankers cannot or will not work together to correct our weaknesses, and to strengthen public confidence, the Government must whip us into line, for the consequences of neglect are too serious to be ignored.

But laws alone will not make banks safe in the public mind and skill alone will not build that which must first be founded upon integrity. The bitterness of it is that laws are being sought to correct what honor and vision could have

prevented and to erase the blot from the name of American banking put there by those bankers who placed greed above duty.

And today, as a consequence, American banking desperately needs some legislated relief.

We must have unified banking and it will come in one or more of the following forms:

Through the nationalization of all banks.

Through the coordination of State laws.

Through compulsory Federal Reserve membership.

Through nationwide branch banking.

But it must be rigidly supervised to be effective.

For Public Good

Never again should banks be chartered except for public good and then only when adequately capitalized and when everyone connected with banking, from stockholders down, shall know and shall be ready to meet his liability to depositors.

A means must be found to make stock market speculation in bank stocks an impossibility.

Security affiliates must be cut away. Who is there who owns defaulted securities who has forgotten who sold them to him?

Bank officers and staffs must be properly trained. The day is fast approaching when claims to ability must be supported by documentary evidence. No professional man may practice without qualifications, yet an unskilled doctor or lawyer could injure only a few persons before being restrained, but blundering bankers can demoralize a nation.

Men and Character

But we discuss methods, while it is through men and not systems, character and not devices, where lies the cure. How much more important it is to be able to guarantee the good faith and good judgment of America's bankers than to be obliged to guarantee their deposits.

The man in the street knows a bank by its representatives and it is through the conduct of those representatives that public opinion is formed.

What are you and I doing to strengthen public confidence in our banks?

Are we proving that we know our business?

Are we justifying the trust that is ours?

Are we enjoying the leadership that was our predecessors'?

If not, it is time that we looked within ourselves and made some adjustments.

A successful actor has said, "When my audience does not respond, I get before the mirror in my room and there I learn what is wrong with my work and with me."

Let us approach the mirror of public opinion earnestly, eagerly, honestly, and let us learn by what we see reflected there.

Named Director

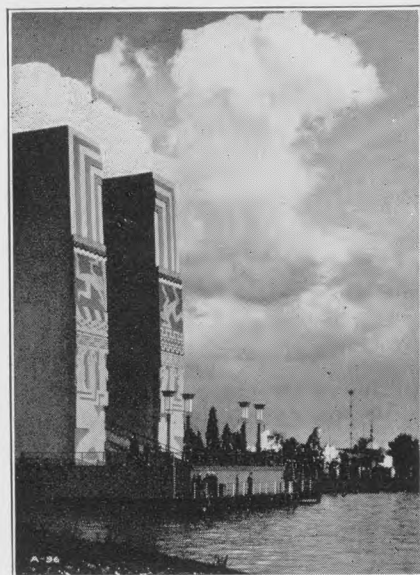
Frank R. Coon, president of the Mimbres Valley Bank, has been named one of the directors of the Santa Fe branch of the Regional Agricultural Credit Corporation, of Wichita, Kansas.

Mr. Coon is to be congratulated upon his selection as a director of this branch, which will have charge of the agricultural credit system of New Mexico.

HOW

"A Century of Progress"

Does It's Banking



ELECTRICAL BUILDING
"A Century of Progress"

AN UNIQUE financial organization has been set up by A Century of Progress to handle its daily business.

When it was decided, before the beginning of operations, that the exposition would collect and handle all funds for concessionaires in addition to the fair's own funds, a difficult problem was faced.

There were 1,800 revenue positions which had to be controlled and audited each day; the day commencing at 10 a.m. and ending at 2 a.m. of the next morning. A wide-spread area had to be served with the opening change funds and supplied with additional change during the day. Currency had to be picked up in order to avoid the concentration of large sums of money in any one place.

Area Divided

In order to meet this problem the management realized the necessity of decentralization and, therefore, it was decided to divide the exposition area, which is approximately three miles in length, into ten districts and to establish in each district a bank. The name "bank" does not mean what it implies as it is not an

organized bank under any state law but simply a place where all cashiers obtain their change funds and through which they clear when the day's business is completed.

A main bank is maintained in the Administration building. Prior to opening day, six and one-half tons of coin change, amounting to approximately \$200,000, was purchased from the loop banks. Each morning a supply of silver and currency is delivered from the main bank by Brink's Express armoured truck to various branch banks.

Banking Procedure

The mechanics of operation follow very closely the accepted banking procedure and the money is checked in and out of the main bank and branch banks on approved receipts by the person in charge of the particular bank. When the money is received in the branch banks, individual change funds for the various revenue positions are made up and placed in cash boxes. As employees report for duty they present their identification card and obtain upon receipt a change fund and report to their positions.

Uniformed collectors are assigned to each branch bank and during the day their duties require a constant circularization around the various revenue positions in their district for the purpose of supplying needed change and collecting surplus funds for which the collector issues to the cashier a pre-numbered receipt.

Change Fund

At the close of the day the cashiers deposit with the branch banks a change fund and the remaining receipts. The cashier prepares a deposit ticket covering all receipts for the day and the deposit is verified by the bank teller. A copy of the deposit ticket prepared by the cashier is delivered early the next morning to the concessionaire, explaining in detail the

amount of business transacted the previous day.

Branch banks are provided with automatic coin counting, sorting and wrapping machines. They are also equipped with two key combination time-locked burglar-proof safes which are used during the day for depositing surplus currency through a slot provided in the safe. This safe can be opened only when collections are being made by Brink's Express messenger for the purpose of transporting the money to the main bank.

The person in charge of the branch bank is required to maintain a daily blotter showing thereon the source from which the money was received and this record is used in order to credit the funds so obtained to the revenue accounts of the concessionaires.

Daily Audit

At the close of the day, all moneys are transferred from the branch banks to the main bank and the main bank is required to audit and check the branch banks. The money is then turned over to the vault custodian, who prepares the funds for deposit in the loop banks. In order to avoid concentration of money these deposits are made at frequent intervals during the 24-hour period.

In the first two months of operation a total of more than 10 million dollars was handled, consisting of coins and bills of small denominations. All money transfers from the main bank to the branch banks and to the loop banks are transported by Brink's Express armoured trucks.

The equipment in the branch banks and the main bank consists of a steel network enclosure of the type commonly found in banks. For the purpose of providing adequate safety for all the funds held in the bank four time-lock burglar-proof safes were purchased and a burglar alarm system installed. Armed

guards are constantly on duty in the main bank and all branch banks. The branch banks operate 20 hours a day while the main bank operates 24 hours a day. All banks are used for the purposes above specified and no business is transacted with the public.

Money obtained from the various revenue positions, as recorded in the branch bank, is checked either against cash register readings, turnstile readings or automatic ticket vending machine readings. In order to control effectively the revenue in the various positions 1,200 cash registers, 246 automatic ticket vending machines and 557 recording turnstiles were purchased.

Trust Funds

The funds collected daily from concessionaires are segregated and considered as trust funds. Each week a settlement check is forwarded to the conces-

sionaire. In the interest of efficiency and ease of operation, certain classes of concessionaires have a week ending on Monday, others on Tuesday and so on, through Saturday, which makes it possible to obtain an even flow of work at a minimum of expense.

The entire personnel of the banking division is experienced bank men with many years of training.

All cashiers are given special instructions concerning counterfeit money with the result that numerous counterfeits have been detected and retained without loss. In order to make it extremely difficult for counterfeiters to dispose of large bills, cashiers are not permitted to accept a bill of a larger denomination than \$20. Persons requiring change for large bills are requested to go to the nearest branch bank where expert tellers can very easily detect counterfeits.

all the New York bankers. He is chairman of the noted Central Hanover Bank & Trust Co.

John H. Puelicher, leading exponent of the training of bank personnel in public relations. President of the Marshall & Ilsley Bank, Milwaukee, and past president of the American Bankers Association.

Thomas R. Preston, also a past A.B.A. president, president of the Hamilton National Bank in Chattanooga, who has won recognition as a popular writer on banking.

Guy Emerson, active leader in the Reserve City Bankers Association.

Col. Allan M. Pope, past president of the Investment Bankers Association.

Bayard F. Pope, executive vice president of the Marine Midland Corp., New York state's great group banking system controlling 22 banks.

The most technical aspects of the subject as applied to the various forms of banking will be discussed at a group of supplementary departmental discussions devoted to public relations, trust development, commercial banking, savings banking and investment banking.

Public Relations Conference Arousing Interest

DUE TO the unique theme of its convention this year the National Public Relations Conference of the Financial Advertisers Association is arousing considerable interest among bankers. Following, as it will, upon the heels of the A.B.A. Convention which meets in Chicago September 4 to 7, it is understood that quite a few are planning to add to their trip a visit to New York to take in this conference and make some necessary calls while there.

The conference will be held at the Waldorf-Astoria Hotel, September 11 to 14.

The theme of the convention is unique in the sense that Public Relations is a subject practically new to bankers conventions. While there have been sporadic addresses on some phase or another of this question there never has been a conference devoted to a thorough all around consideration of it.

But bankers have come to realize that a new element has appeared in banking, or at least, an element they had overlooked has arisen to confound them. As a result they have been giving increasing attention to the question of better public relations.

It is to make possible the development of a sound public relations policy that the Financial Advertisers Association will provide a national opportunity for the discussion of this subject at its convention.

The F.A.A. men will not do all the talking, however. Instead, they have invited a group of banking leaders who have been in the vanguard of the public relations movement to come and lay down the broad principles of the question.

There is Herbert H. Lehman, governor of the state of New York, whose position speaks for itself.

Francis H. Sisson, a pioneer in public relations work.

James L. Walsh, vice president of the National Bank of Detroit, who led the publicity counter-attack against the onslaught made against the Detroit banks.

Henry Bruere, who came out of the business world several years ago and made the Bowery Savings Bank in New York the most talked of as well as the largest mutual savings bank in the country.

George W. Davison, perhaps one of the most favorable to country bankers of

The Return of Silver

Silver: 38 $\frac{1}{4}$ cents per ounce.

That quotation probably doesn't explain much to you. But it means that the poor man's gold recently touched its highest level since May, 1930.

During three long years of depression silver has been on the bargain counter—it's been offered at fire-sale prices. And that statement, too, explains little until cause and effect are related, until it is expressed in the terms of purchasing power, trade among nations, jobs. The collapse of silver was the principal economic cause of the decline in world trade—a decline which finally became a rout. More than half the world's people saw their purchasing power drop to less than half of former levels, and factories all over the world, here and in England and Germany and elsewhere, closed because cheap silver had taken their markets from them.

Silver is coming back. And that means that prosperity is coming back in a dozen states and in a score of great industries. It means that men are going to work, and that great markets are again going to open up.

"I believe that since bank insurance rates are approaching prohibitive levels, especially for those banks reporting little or no losses, the future trend will be toward better protection within the banks"

Protective Equipment and Careful Auditing Spells Lower Insurance Rates

By JAMES E. BAUM
Deputy Manager
American Bankers Association

BY THE very nature of their trusteeship of public and private funds, securities and other valuables, banks and trust companies in the United States carry a greater volume and variety of insurance coverage than any other element active in the business life of this country. And there never was a time when a dollar saved in expense meant so much in earnings, so that it seems appropriate and timely for bankers to discuss the cost of insurance and dollar values in prevention of loss.

Premium rates charged for bank fidelity, forgery and robbery insurance and blanket bonds have mounted higher and higher until the cost of insurance against loss through fraud or criminal acts now constitutes a major item in bank operating expenses, particularly in the smaller banks. The chief reason for these increases, of course, is the fact that underwriters' losses on virtually all types of bank risks have climbed almost without interruption during the past ten years, the ratios of losses to premium revenue rising sharply since 1927. In each of the past five years, bank losses paid by casualty and surety underwriters exceeded the loss payments of any previous year.

Sound Underwriters Imperative

Much the same as state insurance departments which supervise and regulate insurance carriers, banks, more than any other group of policyholders, should be keenly concerned in the underwriters' financial stability and ability to pay insured losses; also to avoid discriminatory practices, especially in the rate schedules. If only to assure prompt payment of losses, the frequency and amounts of which cannot be predetermined, underwriters must be kept on a sound financial basis. Irrespective of profit or loss on investments, sound underwriting de-

mands that ample reserves be set aside to cover undiscovered losses and numerous other contingencies. These debits, plus ordinary operating expenses, must also be provided for in any rate table to develop premium revenue adequate to meet their loss liability on the risks underwritten.

If anybody doubts the trend from night burglary to daylight robbery of banks or the rise in embezzlement losses, witness the fact that during 1932 bank holdup losses aggregated about \$2,000,000, compared with night burglary losses of no more than \$160,000. Moreover, this total of about \$2,160,000 reflects an increase of more than 100 per cent in bank burglary and robbery losses compared with losses in 1917. In presenting these statistics, I should make it clear that they represent only the amount of insured losses and do not include the uninsured amounts, namely, the excess of burglary or robbery losses above the amount of insurance carried.

Whereas forgery once caused a relatively small portion of bank losses, this stealthy type of crime has spread until the forger now accounts for more than the tribute paid to bank burglars and bandits combined.

Rates Higher

It is not surprising, therefore, to find the premium rates now quoted for various types of bank insurance ranging from 100 to 900 per cent higher than the amounts charged but ten years ago.

Say what we will about the high cost of bank insurance and the bank crime situation, there may be consolation in the fact that these rising costs are becoming so burdensome that insurance protection will no longer be solely relied upon as

the line of least resistance, almost to the exclusion of effective measures of prevention. The loss experience of underwriters and their failure to adjust rates so that the business of bank insurance will become profitable, also indicate that this form of protection is sagging under its own weight.

The practice of "Robbing Peter to Pay Paul" may be frowned upon in other lines of business, but it is no secret that diverting or distributing the premium income from many banks to pay the losses of the few merely follows a fundamental principle of insurance. However, the gist of protests against the present high rates received from banks having little or no loss is that underwriters are "robbing" them before the crooks can get to them! In other words, I believe that since bank insurance rates are approaching prohibitive levels, especially for those banks reporting little or no losses, the future trend will be toward better protection within the banks. If so, the advantages of self-insurance for at least a portion of the risks may prove more attractive to these better protected banks than carrying insurance at high costs.

Credit Risk

Another factor in this picture involves what might be termed the credit risk of underwriters. The unprecedented emergency conditions which have confronted banking in recent years emphasize the importance of adequate insurance protection and this also means care in the selection of underwriters. Not unlike banks, the financial condition of underwriters generally has suffered from a shrinkage in the value of their investments during a period when losses expanded. The capital structure of underwriters has been constantly changing and some companies must sooner or later face the facts con-

cerning their investment valuations. The value of insurance depends largely upon the readiness and ability of the insurers to discharge promptly their liability on losses for which protection was bought and paid.

Since bank holdup in broad daylight endangers life, more than other bank crimes, all bankers should be no less concerned with prevention of robbery attacks than they are in a mere schedule of the prices charged for insurance. After all, essential as we regard adequate bank insurance, this form of protection has been abused to a degree which finds crime subsidized as a business risk. In other words, I believe that the protective program in thousands of banks, and particularly the smaller banks, is limited to the promise of indemnity alone.

Dollar values in prevention are more profitable than ever in these times, but I sometimes wonder how many bankers measure the value of prevention by the amounts of reinstatement premiums which they pay to restore their insurance coverage after loss. Based upon the reports of underwriters' rating bureaus to our Insurance Committee in 1932, the banks and trust companies of this country paid no less than \$17,000,000 for last year's coverage against loss through criminal acts alone and without regard to other forms of insurance, such as depository bonds, fire, public liability and other hazards common to all types of business and property. Of this huge outlay, made for the purpose of securing indemnity of losses through crime only, I estimate that reinstatement charges or the amount of premiums duplicated accounted for at least \$2,000,000. Translated into preventive measures these reinstatement charges, which accomplished nothing more than to restore the bank's insurance to original amounts, would have defrayed the cost of installing adequate protective equipment or stronger auditing procedure within the banks.

It is too much, of course, to expect that we can entirely eliminate dishonesty from banking or rid the country of bank crooks. But I respectfully submit the plain fact that the penalties imposed by these reinstatement charges deserve more serious consideration and appraisal, especially in comparison with the costs of installing real preventive machinery and methods. Apart from the element of expense or the outlay necessary to secure all the advantages of prevention to both your employees and customers, the damage resulting from bad publicity follow-

ing loss is a poor medium for building good-will or profits.

Protective Equipment

Equipped with modern protective machinery within the banks and sufficient police power outside, the bankers attacked would not only avoid the nerve shock experienced in daylight holdup; they would also save themselves unfavorable publicity that invariably results from such crimes, to say nothing of the expense and inconveniences of identifying and prosecuting the criminals.

To give you an insight into the experience of surety companies with blanket and fidelity bonds, I requested their rating bureau to shed as much light as possible on their experience under these bonds. Unfortunately, it has been impracticable from an underwriting standpoint to segregate by states the revenue and loss experience under these surety risks. According to the rating bureau, in the six years 1926 to 1931 inclusive, the surety companies received premiums on bank fidelity bonds totaling \$13,573,047 and paid out losses aggregating \$9,965,704. I hold no brief for the underwriters, but it is only fair to point out that the full amount of premiums received should not be regarded as net revenue received at the head offices. An average commission of 30 per cent remained in the state where the assured banks were located and taxes took up another 2½ per cent. In addition, the expense of handling the business amounted to about 16 per cent, so that the premium dollar paid for fidelity bonds dwindles to about 51½ cents by the time it reaches the home offices. If we reduce the above gross premium revenue of \$13,573,047 by 48½ per cent to cover commissions, overhead and operating expenses other than insured claims, you can readily see the conditions confronting surety companies. Provision must also be made for losses sustained but not yet discovered, as this is a vital hazard assumed on bank fidelity risks.

Insurance a Stabilizer

May I repeat that bank insurance costs have reached a new high, chiefly because too many banks found that insurance indemnity was their only means of protection. Moreover, too many crooks are just as much aware of this condition as the bankers are themselves.

It is true that insurance acts as a stabilizer of business in distributing the loss burden of one assured over or beyond his community or state, but underwriting was never intended to subsidize

crime risks nor substitute for adequate preventive measures. And adequate means of prevention within the banks represents but a short step along the road we must travel to suppress bank crimes. There is much more to the bank crime problem than mere mechanical equipment. Among the many outside forces with which bankers must deal before they can hope to solve the problem, two contributing causes stand out, and they can be dealt with. I refer to bringing about (1) a higher caliber and efficiency in the constituted police and prosecuting authorities with regard to the prosecution of criminals, greater man power and more modern equipment given the police in an emergency which finds them sorely tried, and (2) modernized laws and particularly the procedural laws and a more sincere effort toward law making that will curb law breaking.

Facts of Interest

TRAVEL by airplane in the past few years has increased at a surprising rate. From an estimated 1,000,000 passenger-miles in 1926, aerial travel increased to 127,000,000 passenger-miles in 1932, according to a recent survey. In the same period, railroad passenger travel dropped from 35 billion to 17 billion passenger-miles.



FEDERAL receipts in the first eight months of the fiscal year were \$1,716,000, a gain of \$160,000,000 from the same period of the preceding year. Miscellaneous income, including the tax on beer, was the most important source of revenue in the period.



THE OFFICIAL estimate of the American Petroleum Institute indicates a decline of 3.4 per cent in domestic gasoline consumption for the six months from April to September of 1933, compared with the corresponding period of 1932. The decline in 1932 from 1931 was 7.5 per cent.



IN 1932, the decline in gasoline consumption was greatest in states where gasoline taxes were highest. In states with a tax of three cents a gallon, gasoline consumption dropped four per cent from 1931, while there was a drop of 11.9 per cent in states with a tax rate of six cents a gallon.

FORTY STATES AFFECTED By Government Wheat Campaign

PREPARATIONS for the Government's wheat campaign neared completion last month as the Government Printing Office began printing 1,500,000 applications for wheat adjustment contracts which will be distributed to farmers by the Agricultural Adjustment Administration before asking the farmers to sign up under the wheat plan, according to Chester C. Davis, director of the production division.

Shortly following the distribution of the applications, the Administration will mail 1,000,000 specimen wheat contracts for inspection and study by farmers, M. L. Wilson, chief of the wheat section of the production division, said. The wheat campaign will affect approximately 1,200,000 farmers in 1,200 counties in 40 states. Applications should be in farmers' hands by this time, Mr. Wilson says.

Preliminary education and organization work in the chief wheat producing countries has been under way for several weeks, and applications and specimen contracts will be distributed as the educational program nears completion.

The Contract

In the contract, farmers are offered cash adjustment payments of not less than 28 cents a bushel for 1933 on an allotment of 54 per cent of their adjusted average past production, of which 20 cents will be paid this fall and the remainder next spring when farmers prove that they have complied with the acreage reduction for 1934 which may be required by Secretary Wallace.

The acreage reduction, if any, to be required for 1934 was announced August 24. Final conclusion on the course this country may take in restricting production will await the outcome of the international wheat conference in London.

Determination of farm allotments and signing of contracts will begin about the time the acreage reduction requirement is announced, Mr. Wilson said. Most of the contracts will be signed by September 15, it is expected.

Agricultural Adjustment Administration Distributes Wheat Adjustment Contracts to 1,200,000 Farmers in 1,200 Counties in the United States

County Committees

Under the decentralized administration plan, county allotment committees of three members each, chosen by and from county wheat production control associations and in cooperation with community committees, must determine each farm allotment. Total individual allotments and non-cooperating acreages are to be adjusted to make their total coincide with the total county allotment computed from official records.

No contracts are valid until accepted by the Secretary of Agriculture. After a county committee compiles figures on farmers' acreage and production, the Contract Records Unit of the Agricultural Adjustment Administration in Washington, D. C., will check the statements with official records. If they are in substantial agreement they will be accepted. If there are discrepancies, county committees must correct them, and re-submit their figures to Washington. This county total must be approved before any adjustment payments can be made in that county.

The Details

The contract sets forth in final form the details of the Government's offer to wheat farmers and the conditions to which the Government will ask farmers to agree. It specifies the allotment for the farmer, division of allotments between tenants and landlords, and use of land take out of cultivation, and defines maximum and minimum acreages which the farmer agrees to sow to wheat, and limits use of commercial fertilizer to nor-

mal requirements. The intention to provide such adjustment payments for 1934 and 1935 as will tend to bring the parity return to farmers on their allotment is stated in the contract.

Application

In the application a farmer submits a full record of all crops planted on his farm in 1933. He also gives acres of wheat seeded and harvested, and bushels harvested in 1930, 1931, and 1932. Figures for 1928 and 1929 also are required in some instances. The farmer must file a sketch map of his farm with his application and will be asked for supplementary statements on disposal of his crop, threshermen's certificates, and certificates of sale of his wheat. From this information, which is certified by local community or township committees, the county allotment committees will determine the allotment for each farmer.

The farmer agrees in his application that the statements made by him may be published in the local newspapers. The wheat plan contemplates publishing statements of all contracting farmers so that each may compare his statements and allotment with his neighbors'.

Important Points

Important points in the contract are: Land taken out of cultivation in the reduction of acreage must be representative of the farm and shall not include waste, gullied, or eroded land.

Land taken out of production may be publicly marked.

Land taken out of production of wheat may not be used to produce any nationally produced agricultural product for sale, but may be summer fallowed, planted to soil-improving or erosion-preventing crops, to food crops for home consumption on the farm, or to feed crops for the production of livestock or livestock products for home consumption on the farms.

Commercial fertilizer on land to be seeded to wheat in 1934 and 1935 shall not be applied in greater amounts per acre than during a specified base period.

Allotments and the contract run with

the land and are to be obligatory on future purchasers or tenants.

Farmers agree to plant wheat on sufficient acres to produce, at an average yield, at least their farm allotment.

Tenants

Tenants leasing land for cash are entitled to all adjustment payments during the period of their leases.

Share tenants are to share 1933 adjustment payments in the same proportion as they share in the crop. Share tenants operating the farm in 1934 and 1935 shall receive the same proportion as in 1933, if the farm was operated under a share lease in 1933.

If a farmer ceases to produce wheat on the farm, his rights to adjustment payments for future crop years cease.

Producers agree that county administrative costs may be deducted from their adjustment payments on a pro rata basis.

Rights to adjustment payments are not assignable nor negotiable.

If the current average farm price of wheat for the 1934 crop year is below the parity figure, adjustment payments will be made. The first, approximately two-thirds, is to be made between July 1 and September 15, 1934, and the second after a date when no more wheat can be seeded in that locality to produce a crop for 1935.

Similarly, in 1935, if adjustment payments are determined upon, the first installment will be paid between July 1 and September 15, 1935, and the remainder some time after November 1, 1935.

Yes, Prices are Going Up

For two consecutive months, according to a graph in the *New York Times*, the index of commodity prices has been moving upward without interruption.

The nation-wide policy of the moment is to raise prices to a more normal level and, by one means or another, keep them there.

Here are two facts that should interest every property-owner, and every potential builder. They mean that present low prices are doomed; that we're going to pay more for what we buy—whether it's food and clothing, or a new house.

The wise citizens who possibly can, will spend now, when it will get him the largest dollar's worth he has ever known. And he will spend largely on

property-improvement, where it will give him something of real and permanent value. There is hardly one of us who hasn't let his property slide a little the past few years. We have put off painting, repairing, installing labor-saving machinery in kitchen and laundry, building a new garage, overhauling the heating plant, repairing or replacing the roof, walks, fences, etc. But we have now reached the point where if we put it off any longer it will mean dollars out of pocket.

And when we build and repair, we are doing our bit toward stimulating employment. Our dollars will pass through the hands of workers in a hundred industries. We are increasing purchasing power, and laying the groundwork for future prosperity for ourselves as well. Don't forget that investment and employment are cheaper than charity.

Can't Dodge Money Question

In the disagreement that characterized the first meetings of the World Economic Conference, one fact stands out: No matter how the great nations differ on most policies, they are one in the belief that currency stabilization is essential to recovery.

What form this will take is still a question. But it is likely that some means of stabilizing silver will be adopted. For a great many generations millions of people have regarded silver as the one money-metal—with justice, it has been called the poor man's gold. Silver is selling now at ruinous prices, and the result is paralyzed foreign trade, and a tremendous drop in the purchasing power of whole nations.

The United States, and in particular western states where mining has been the principal employer, taxpayer and purchaser, will be watching the Conference's action on silver with intense interest.

Continued Improvement

Most encouraging phase of the general business situation is not only that improvement has appeared in basic lines, but that it is being continued. In recent months there have been no "downs"—there have been many "ups." Recently reported was the sixth consecutive

weekly increase over 1932 in electric power output—and each gain was larger than the one directly preceding it. Carloadings are up—during the week ending June 10, they were 12.5 per cent over the same week in 1932. May cotton consumption was close to double that of May last year. The commodity and security price indexes have shown climbs for several consecutive months. The number of business failures has taken a sharp drop. Iron ore consumption in May reached the highest monthly total since November, 1931. Improvement in employment and wage situations is reported from all parts of the country.

The United States is not alone in experiencing signs of recovery. Unemployment in the United Kingdom has declined. Favorable factors predominate in French business indexes. Conditions in Spain are fairly satisfactory. Trade optimism persists in Canada. New business activity is appearing in Japan. While economic conditions in New Zealand are dull, prices of export products have shown sharp rises. Prices for Philippine export products have been firm.

A Great Responsibility

The builder of a fire engine assumes a tremendous responsibility. On that engine a whole community may depend. It may be the means of saving millions of dollars in property values and hundreds of lives. If it fails when it is most needed, a small fire may get beyond control and become a roaring, life-consuming holocaust.

The maker of a truck or an automobile, for example, has no such responsibility. If a car breaks down it is annoying, but not usually important. It may cause delay in a trip, and some expense to the owner, but the chances are that it won't cost lives.

That is why fire engines should be purchased from the standard makers—those that have built up, through generations, an unbroken record of equality and of service. They have proven that they can be trusted with the responsibility they assume when they sell a town a fire-fighting weapon. They have never sacrificed quality to meet a price, never done a thing a little less well because it would cost a little less.

Our huge annual fire loss will be greatly lessened when every community learns that only the best of fire fighting equipment is good enough.



BONDS AND INVESTMENTS

A lack of enlightened co-operation, with resulting misunderstanding on the part of employes of the relation between the investment of capital and the investment of labor is here pointed out by the author. Discussing problems confronting the railroad industry, Mr. Harrison emphasizes the influence of

The Human Element in the Rail Problem

IN RAILROADS as well as in other industries, particularly those industries which need vast amounts of man power, employment expands and recedes in close parallel to the flow of traffic. In good times the railroads furnish many jobs; in bad times they are forced to throw men out of employment. A part of this unfortunate situation is caused by the inflexibility in the working rules and wage scales, due to Federal statute, and it is possible that much distress could be eliminated, though not by any means all of it, by a change in the basic relationship between employer and employe.

The nation has never more solidly supported the course of action of government as the present one to advance us out of depression. It is a time for abandoning self-interest that is short-sighted and subversive of the whole, just as it is time for abandoning collective-interest that is short-sighted and destructive of individual initiative and responsibility. If the principles of sound economy are maintained in the readjustments through which we are going, we can be certain of the protection of the balanced interests of all.

Labor Wants to Share

Labor insists that since the employes have invested their lives in the service, they should be given a right to be heard when this investment of their lives is threatened with impairment. Their conception of labor is not as a commodity on which the price can fluctuate up and

By MILTON W. HARRISON
President, Security Owners Association

down, but as a definite investment which is entitled to a stabilized return in the form of wages.

When times are good, labor wants to share fully in the profits. It complains bitterly that capital is overly greedy in absorbing the profits which labor helped to produce. It contends that since the employes have invested their lives in the service they should receive a larger return than investors who invest only capital, not realizing that such capital often represents many years of thrifty accumulation derived from labor. Bondholders expect a fixed income regardless of business conditions, says labor, while workers are cast out of employment and deprived of their income during times of depression.

There are many anomalies in this situation. It is true bondholders expect to receive their interest payments at all times. Long term bonds issued by railroads usually bear low rates of interest, and the holders of these bonds forego the possibilities of obtaining a high return on their capital during prosperous times in order to be assured of a stable return under all conditions. Stockholders, on the other hand, share in the profits during times of prosperity, but they run the risk of receiving nothing on the capital they have invested during times when business is slack.

Investment bonds, as I have said, re-

ceive a low return in both good and bad times, yet labor apparently desires to be considered as an investment only in good times. In times of prosperity it seeks to share to the fullest extent in the profits. It seeks to secure the full fruits of prosperity; but when business meets with reverses, it does not want to share losses.

In other words, labor appears to believe its investment of lives merits the rights which accrue to both stockholder and bondholder. It wishes an assured fixed standard of living in the form of wages and a share in profits without the acceptance of any of the uncertainties and this, in my opinion, is where much of the discord starts between employers and employes.

Present Difficulty

In the present economy the difficulty arises from the fact that labor appropriates, through high wages, its share of the profits of the railroad industry before the product of transportation is sold and before it is established that there will be profits. The insistence that a high standard of living wage be included in the cost of operations results in a paradox, making it impossible to stabilize the investment of capital. If this system is allowed to endure, it is apt to make inevitable complete public ownership, with a shifting of individual responsibility to the shoulders of a political bureaucracy.

Have we not reached the time in employer-employe relationships for a new

alignment of capital and labor that will give both a definite participation in income and hence a mutuality of objective? Such a new employer-employee alignment would enable labor to share in the proceeds of profitable operations, and at the same time impose upon them a responsibility to share with capital the losses from unprofitable operation through temporary acceptance of a less satisfactory wage return. Without this new alignment what must transpire? Is labor to be an unlimited first fixed charge on all earnings, regardless of the rights of capital? If so, the result will be inevitably a stagnation of the flow of capital for essential purposes under private ownership. Labor should not share through high wages in the profits of industry before industrial products are sold, any more than capital can share in the profits of industry before the cost of production is met. The readjusted economy of the country must provide for a balance of those interests in the distribution of income. Labor must be assured of a cost of living wage as part of the expense of operations. Above this its growing standard of living must depend upon its status with capital as an investment. Capital and labor are both investors, and both should have their respective interests in income, and should participate in a division of income after a minimum return is paid to both the capital and labor investors.

Affects All Industry

The suggested new alignment of labor and capital in the distribution of income must extend not alone to the railroad industry but to all industry. Human relationships and purchasing power are very delicately interrelated. If a limited employment of labor is permitted to absorb, through high wages, an undue share of the proceeds of any industry, the purchasing power of the consuming public is impaired. Moreover, balance between production and consumption is destroyed and all industries and their employes from which it buys materials and goods, suffer from the reduction of purchasing power.

In evolving a plan for the distribution of the income of industry among both capital and labor, there are several points which must be carefully and clearly considered. The many important responsibilities of ownership and management should be kept separate and distinct from the functions of labor in the operation of industry. Does not the proposed integrated employer-employee relations demand the most expert skill in management? Though adequate provision must be made for the protection of the rights and interests of labor, the status of each should carefully be maintained. To permit the function of labor and management to overlap, or to inject the voice of labor into the affairs of management, would be largely to destroy mutuality of objective and foster hindrance and internal dissension.

Surplus

The second point to be considered is conservation of a reinvestment surplus. When any enterprise is undertaken it is administered for the purpose of fostering growth and development. In most industries expansion is accomplished largely through the reinvestment of earnings. During the period since Federal control the railroads, for example, have invested approximately eight billions of dollars of their earnings in improving and expanding plant and equipment. Employee participation in income distribution must not be permitted to impair the ability of an industry to develop, lest all progress cease.

It should be possible, however, to make labor and capital partners in income. With this responsibility on the part of labor established, the common objective will give the individual investor of labor a sense of operating his own business, with his own financial welfare involved, carrying the direct stimulus, pride and responsibility which the individual feels when everything is "up with him."

I have observed a lack of an enlightened cooperation, and hence, misunderstanding on the part of employes of the relation between the investment of capital and the investment of labor. Continued unenlightenment and failure to bring about a realignment in such relationship will result in disastrous social disorder and chaos. It is essential that labor be treated as an investment if it is to assume a proportionate responsibility in the cost of production. The industries of the nation must voluntarily give labor a new incentive and responsibility for its task through a direct interest in the financial results of operations and in accordance with labor's contribution to income. Each investor of labor must be given a conscious part in the constructive development of the industry. It is not necessary for us to drift completely into State socialism if the individual investors of capital and labor will take their share of the industrial responsibility. The release of the nation from the difficulties of the current depression does not need to carry us permanently into socialism, if we seek and accept the responsibilities and obligations of our particular tasks.

The present situation with respect to control of government has arisen chiefly through the yielding over the past two decades of our individual responsibilities to the government. We should seek a

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way by which the government will be released from continuing to assume our responsibilities after the immediate need has ended. The way to proceed was pointed out by the great Lincoln in reference to the preservation of the Union:

"I love the sound of this word 'Union.' It is not the hollow shell of a great idea, at all, my friends, for our every-day life is composed of a multitude of small unions, the union of man and wife, the union of employer and employed, the union of capital and labor for their mutual benefits, the union of man-power and the machinery of government, and on and on.

"The pattern, you see, is, as a whole, a kaleidoscope of national affairs from which labor cannot be taken."

Eliminate Security Affiliate

W. Dale Clark, president of the Omaha National Bank, has announced the divorcement of their security affiliate, the Omaha National Company, as the bank will hereafter engage only in commercial banking and trust service.

The Omaha National Company will become the Nebraska Bond and Mortgage Corporation, the president of which is Charles W. Mead.

The investment activities of the Omaha National Company will be taken over by S. R. Kirkpatrick, a vice president of the Omaha National Company, and by Donald L. Pettis and Arthur L. Loomis, who have organized the Kirkpatrick, Pettis, Loomis Company for this purpose.

In commenting upon this new arrangement, Mr. Clark said:

"In carrying out this program the bank determined also to take advantage of other provisions of the federal law to increase its capital stock and thereby provide further protection for its depositors and additional invested funds for the conduct of its business. It will issue an additional \$1,250,000 par value of preferred stock, which it has sold to the Reconstruction Finance Corporation for cash. The corporation's investment is not a loan but an investment in stock of the bank, made after a thorough investigation of the bank's affairs had satisfied the corporation of the soundness of its position as a stockholder, subordinate in every respect to the claims of depositors.

This increases the bank's capital stock to \$2,500,000 and provides for the complete elimination of all notes and securities that might be subject to criticism.

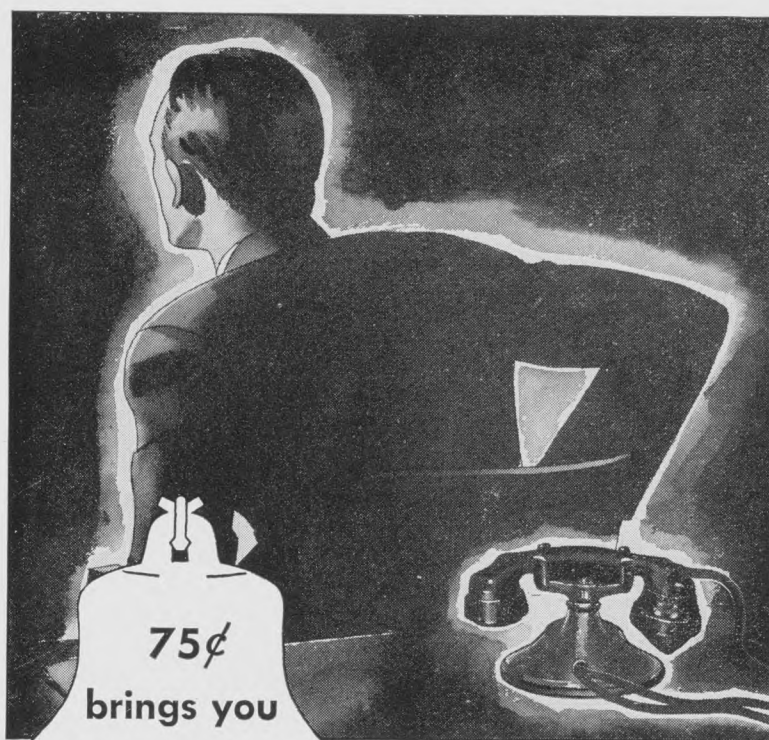
"By this action the Omaha National Bank has complied not only with the letter but also the spirit of the new banking law. It will continue, as it has for 67 years, to lend its active support to sound business enterprise throughout its territory. With increased capital stock and with attention and effort devoted exclusively to banking and fiduciary activities, we feel that we can render more adequate and satisfactory service than ever."

New Bond House

Bankers and investors of Iowa and Nebraska will be interested in the recent formation of a new investment house in Omaha to be known as the Kirkpatrick-Pettis-Loomis Company. The firm will conduct a general investment business, and its offices are at 1616 Farnam Street, the ground floor of the Omaha National Bank Building.

Bert L. Reed is resident vice president in charge of the Lincoln office at 501 First National Bank Building, Lincoln.

Members of the new firm include Stewart R. Kirkpatrick, Donald L. Pet-



75¢
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face to face

He may be your most important customer, but too busy to see you or your representative. Sometimes thousands of dollars hang in the balance, depending on an interview.

Then especially you value Long Distance telephone service. For a fraction of a dollar, or maybe a little more, you are brought "face to face."

The 75c referred to above is the daytime rate for a three-minute station-to-station call from Philadelphia to Washington, D. C. Equal value is evident in the rates for other such calls as from Omaha to Denver, \$2.05; Chicago to Minneapolis, \$1.60; Detroit to Cleveland, 60c.

The charges listed above are for station-to-station, daytime calls. The rates for evening and night calls 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.



tis and Arthur L. Loomis, all of whom have been associated for many years with the Omaha National Company, and are widely known in Nebraska and Iowa investment circles.

Mr. Kirkpatrick is president of the new firm.

Payrolls vs. Taxes

The time has arrived when the people—laboring man and capitalist—feel the pinch of taxation with equal force. Take the specific case of the man with \$10,000

invested, the widow with \$100 invested, or the laboring man with a job, in the Pacific Gas & Electric Company of San Francisco.

This company had its taxes raised by the last California Legislature, \$1,150,000. Congress placed a 3 per cent tax on the production of electricity used for domestic and commercial purposes, which added another million a year. Congress also levied a tax on the company's stock which amounted to another \$200,000. On top of this Congress placed a tax of 5 per cent on all dividends to stockhold-

ers, which meant another million, and ordered the company to deduct the 5 per cent before sending out dividend checks. Leaving out the \$1,000,000 to be collected from stockholders, this company's total tax bill for a year will now exceed \$10,000,000.

Compare this sum with the wages and salaries paid by the company for 1933, which amount to \$15,000,000. For each \$1.50 paid in wages the company must pay \$1 to tax collectors—state, federal and municipal.

What becomes of savings, and earnings on the same, for thousands of stockholders who have worked and slaved to accumulate a few dollars to put into an industry which would pay them a reasonable annual return? What is the future prospect for additional jobs for thousands of laboring men, clerks, and other employes of a company that has to pay out a dollar in taxes for each dollar and one-half of wages and salaries?

Another five or ten years of proportionate tax increases and there will be no money for jobs.

Think it over. When you break a private company with taxation, who will furnish the revenue for government, which the tax-exempt government-owned enterprise now escapes?

A negro who was well known to the judge had be hailed into court on a charge of having struck a relative with a brick. After the usual preliminaries the court inquired:

"Why did you hit this man?"
 "Jedge, he called me a black rascal."
 "Well, you are one, aren't you?"
 "Yessah, maybe I is one. But, jedge, s'pose someone should call you a black rascal, wouldn't you hit em?"
 "But I'm not one, am I?"
 "Naw, sah, nawsah, you ain't one; but s'pose someone'd call you de kind of rascal you is, what'd you do?"

Helen: "Here's a picture of my husband standing in front of a saloon."
 Bill: "That's funny, I don't see your husband."

Helen (examines the picture): "Why the big bum went in there again."

"Robert," said the teacher, to drive home the lesson which was on charity and kindness, "if I saw a man beating a donkey and stopped him from doing so what virtue would I be showing?"

"Brotherly love," said Bobby.

Financial Statement of the National Surety Corporation

VINCENT CULLEN, President

June 30th, 1933

ASSETS

Cash		\$ 1,027,246.74
Bonds*	\$4,666,321.46	
Stocks*	1,099,212.00	5,765,533.46
<hr/>		
Premium accounts taken over from National Surety Company	\$2,327,079.11	
Less: Reserve originally established	727,633.62	1,599,445.49
<hr/>		
Premiums in course of collection National Surety Corporation		1,171,367.15
First Mortgages and Real Estate		656,662.51
Accounts Receivable		349,821.12
Home Office Building		1,000,000.00
		<hr/>
		\$11,570,076.47

LIABILITIES

Reserve for Unearned Premiums		\$ 1,587,408.21
Reserve for Claims	385,279.50	
Reserve for Commissions and Expenses	680,645.93	
Reserve for Additional Overdue Premium Accounts		500,000.00
Reserve Paid-In for Claims and other contingencies	4,416,742.83	
Capital	1,000,000.00	
Surplus	3,000,000.00	
		<hr/>
		\$11,570,076.47

*These amounts represent the actual market quotations as of June 30, 1933.

INSURANCE

Its Application to the Banking Fraternity

Selective selling, which incorporates organized prospecting as opposed to haphazard soliciting is one big secret in making your working time show a dollar-and-cents return

Where Are Your Prospects?

A PROSPECT is any man who can pay a premium. And this definition, though neglecting various other qualifications, comes near being absolutely correct—at least to all practical purposes.

There just isn't any use in trying to sell a man who hasn't the money to pay. He may be completely sold, but, lacking the ability to buy, the salesman's time has gone for naught.

Exerting sales oratory on an unemployed man is like sewing seeds on a concrete walk with the chance of a harvest being nil. Nor can such solicitations justify the time they take on the basis that the party so approached may be able to furnish names of people who might buy. Names might be offered, but, in most cases, the salesman would find himself traveling from one depression-hit man to another.

So call it materialism if you will; it still remains that the success of an insurance agent depends on soliciting people with money to buy. The importance, therefore, of knowing before hand whether or not a prospect will be worth your while is apparent. But, you ask, how are you going to tell?

Occupations

Here is some help. A listing agency not long ago went over the various occupations, noting those that seemed to be productive of the most business. Take your list of prospects, and check their occupations against the occupations they list as least hit depression-wise. Here they are:

Officials, executives, owners, foremen, clerks, factory workers, inspectors, public school and college teachers, employes

of the government—local, state, national; members of building trades, contractors and superintendents; garage owners, mechanics and managers; creamery and dairy employes; railroad employes (official and managerial personnel more especially); employes and officials of printing, advertising and publishing organizations; stenographers, office clerks; oil producers and refiners; grocery owners

THERE ARE those in every community, who are always in a position to buy. The agent's problem is to find them. There are, in this article, suggestions that will help you to spend your time among really promising prospects

and employes; salesmen; truck operators and drivers; employes of public utilities; brokers and brokerage office employes (currently very good); jobbers; retailers and finance and banking institutions.

This is not to say the above occupations have come through the depression unscathed. It is simply that they represent the more fortunate occupations and the occupations that seem to be feeling the upturn in business most noticeably.

Variations in the most favorable occupations must be expected in particular sections of the country. The agent, however, need not depend on outside listings but can, instead, make his own. An analysis of the individuals to whom you have sold within the last year should throw considerable light on the local trend.

Who Are Buyers?

Check back over your books. People in what occupations seemed to buy insurance more frequently? What classes are represented more often in the higher premium divisions? Before prodding in this manner very long, you will probably find that very definite occupations and classes predominate in your personal listing.

The list you make should point a clear path for current sales effort, and afford the most favorable leads for establishing centers of influence that will make the time-tested endless-chain method of prospecting most effective.

After you have a list of those who should represent the best prospects, do not, as the old-timers like to phrase it, "go off half-cocked." Too often this leads to the pitfall of an approach taking the form, "Can you spare a few moments to discuss insurance?" The prospect can too easily answer, "No," and imply that the agent might better be moving along.

The Interview

Spend a little time carefully planning each interview. Learn as much as you can about a man; his occupation; probable income; property holdings; hobbies; whether married; how many children; when should be the best time for an interview; what line or lines should interest him most; whether the first call should be made to cultivate good will or whether you should get down to brass-tacks.

Have something definite and interesting to suggest to prospects. Make them like you; the chances are then better that what you have to tell them will be heard with interest.

Some potentially large buyers of insurance may be difficult to approach as far as selecting one definite line is concerned. Yet, this makes it all the more important that you should approach them with some concrete, valuable recommendations. These cases afford you an opportunity to sell yourself as an insurance expert and the facilities of your agency.

Interest the big insurance buyers by employing the Analysis of Insurance approach. Tell him why he should have an audit of his insurance—what it means, what it may save, what it may mean in actually increased protection. If you can sell the idea of an analysis, you needn't worry about sales; the sales will take care of themselves most generously, if your analysis clearly demonstrates what your agency can accomplish for the buyer.

The time you spend in studying and hand-picking your prospects, instead of being fruitlessly spent, actually insures that an increasing proportion of your interviews will bring premium dollars into your agency. You can't know too much about a prospect; too frequently it is a case of knowing too little. The more you know, the greater is the likelihood that you will approach a prospect with such a clear-cut knowledge of his insurance needs that he will see that your recommendations fit his case perfectly.—*Continental Agents' Record*.

National Surety Cash Increases

The June 30, 1933, financial statement of National Surety Corporation, made public recently by Vincent Cullen, president, is receiving much favorable comment in insurance and financial circles.

National Surety Corporation started business on April 29, 1933, following the appointment of George S. Van Schaick, superintendent of insurance of the state of New York, as rehabilitator of National Surety Company, and the June statement reflects the progress made by the corporation in its first two months. On June 30th the corporation had cash of \$1,027,246.74, an increase in two months of \$373,242.60. Bonds and stocks appreciated over \$600,000 in the two months, and are shown in the statement at market value of \$5,765,533.46. The corporation took over from the National Surety Company outstanding premiums of \$4,035,059.20. Some of the premiums

have been collected and those uncollectible have been charged off reducing this item as of June 30th to \$1,599,445.49 with a reserve of \$500,000 carried in the liabilities against possible further shrinkage.

In commenting upon the affairs of the corporation, President Cullen pointed out that its assets were highly liquid and that 80 per cent of its portfolio consisted of bonds. He stated that during May and June the corporation had written more than \$1,500,000 in net premiums and that the volume of new and renewal business was most satisfactory. He stated that the loyal agents and brokers, nationwide, were chiefly responsible for this excellent showing, and that the corporation had been approved by the largest banks, railroads and financial institutions in the country.

Remember An Old Truth

There is a rather curious attitude abroad now in the kingdom of politics. Members of the political courts admit that the trend of legislation in all forms of government is toward higher taxes—but insist that these additional costs will be taken care of by new sources of revenue.

The potential tax on liquor is a good example of this. At this writing 22 states have ratified repeal, and none have turned it down. And at Washington and in two score state capitals, public men chirp gleefully to the effect that a liquor tax will produce millions in revenue, and make possible more bond issues, more governmental ventures into strange and attractive realms.

Apparently no one in public office has taken the trouble to point out that there is only so much money in the country. It can buy only so much—it can pay only so much in taxes. A new tax, whether on liquor or on anything else, doesn't create more national income. It simply takes its money from a different place—which leaves less money in another place.

Tax juggling has been the curse of modern governmental economy. It's the old dodge of spending out of the citizen's right-hand pocket instead of his left. For ten years we have listened to speeches on tax reduction and have permitted the national expense account to soar. And it's time we remembered a fact of the utmost simplicity—the only way lower taxes can be had is for government to spend less money.

Americans Developing Characteristics of Thrift

In a recent month sales of ordinary life insurance were but 10 per cent below the same month last year—an experience representing the smallest monthly decrease for a year and a half. It likewise is a very favorable record in comparison with other basic industries.

Now that recovery has really started—that men are going back to work—that the wheels of industry are turning steadily faster—the life insurance industry has every right to expect a bright future. Mr. Average Citizen has learned much in three years. He has learned that to look for quick and gigantic profits on a small investment is to court bankruptcy. He has learned that security and safety are the true arbiters of any investment. Life insurance offers these—plus benefits nothing else can offer.

Every time another life insurance policy is sold, another American has demonstrated a growing national characteristic of thrift, foresight and wisdom.

Purdy Retires

After an association of forty-two years with The Chase National Bank, William E. Purdy, vice president, is retiring to private life.

Mr. Purdy was one of the charter members of New York chapter, American Institute of Banking, and of the Association of Reserve City Bankers. He has also served as a member of the Executive Council of the American Bankers Association and on several of its committees, and has a record of attending twenty-eight consecutive annual conventions of the association. Through the contacts thus formed, Mr. Purdy has built up an extensive acquaintance among bankers in every part of the country.

Adam was toiling home at the end of a hot summer's day, carrying his shovel and hoe, while little Cain trotted beside him.

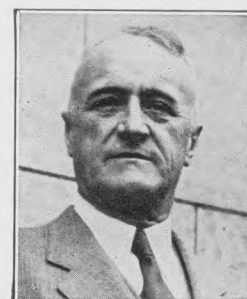
On reaching the Garden of Eden, little Cain peeped through the palings and said: "Gee, pop, I wished we lived here."

And pop replied: "We did once until your mother ate us out of house and home."



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

Nebraska News



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

Group Two Meets in Fremont

MEMBERS of Group 2 of the Nebraska Bankers' association, meeting in Fremont, adopted resolutions urging that the postal savings system be abolished, opposing legislation permitting the growth of branch and chain bank systems, and urging repeal of the check tax. The annual meeting was held at Hotel Pathfinder.

Officers who served during the past year were re-elected. They are P. J. Ternus, cashier of the Farmers' State bank of Humphrey, president; F. W. Shonka, Jr., assistant cashier of the Schuyler State bank, secretary; and M. M. Taylor, Columbus; L. R. Coufal, Howells, and R. I. Stout, Tekamah, members of the resolutions committee.

In the absence of Ternus, J. M. Sorensen, vice president of the Stephens National bank of Fremont, presided. He introduced William Edward Johnson, of Chicago, president of the firm of Johnson, Reed and Wohlwend, consulting bankers, following the address of welcome by J. D. Milliken, vice president of the Fremont National bank.

Mr. Johnson expressed his opinion that the guaranty system enacted this year is uneconomical in that it sets no tax to collect the money, but makes provision for assessments when banks fail. When banks fail is the time others are the least able to pay, he stated. He thought a tax should be paid and that this should come from depositors, who really obtain the benefits from a guaranty system.

William B. Hughes, secretary of the Nebraska Bankers' association, was introduced and devoted some time to a discussion of the new banking legislation—both state and national—and explained

the new corporation tax. He cautioned the bankers present regarding the ruling of insurance companies on burglary and robbery insurance.

Dan V. Stephens, president of the Stephens National bank, was introduced and stated that the bankers of the various communities could be of great service to their communities in cooperating with any movement concerning public works. He said that the public works board for Nebraska would listen to any and all propositions submitted and would lend every cooperation where they thought the project was proper and beneficial.

40-Hour Week

Lincoln banks, through the Lincoln Clearing House association, have adopted a 40-hour week in compliance with the national recovery act. The new program became effective August 1.

Both banks and trust companies will be open to the public shorter hours. The banks will be open from 10 to 2 o'clock on week days, instead of from 10 to 3.

Enlarge Space

Changes are to be made in the Hastings National Bank building that will

provide more office space and more privacy for officers, more working room for employes and at the same time enlarge the lobby and provide more door openings for patrons entering and leaving the institution.

Plumbers began work in the basement recently, but a large part of the interior work will be done during the Labor Day holiday and all will be completed by the time the bank opens on Tuesday, September 5, the day following Labor Day.

Stephens Accepts

Dan V. Stephens has had a message from President Franklin D. Roosevelt notifying him of his appointment as a member of the Nebraska advisory board of the federal public works administration and at once wired his message of acceptance.

Following is the message he sent to the president:

"Replying to your wire of July 26, I greatly appreciate the honor and opportunity of service to you, the state and nation in accepting appointment on board of public works."

Date Extended

A four months' extension of the time limit hitherto set for state banks operating under restrictions in Nebraska to get back into 100 per cent operating condition, placing the date ahead from September 1 to January 1, is announced by State Banking Director Luikart.

In order to receive the additional grace period, however, banks must show some improvement in their affairs within the period originally fixed. A half dozen or more, Luikart said, will probably be unable to do this, and these will be closed about September 1. There will be some additional suspensions at the end of the year, but how many cannot be foretold at this time.

Convention Nebraska Bankers Association

Wednesday and Thursday
November 15-16

Omaha

Loan Bank Opens

The Federal Home Owners loan bank, Lincoln, did a "land office" business the first day of its operation. Before the office had been open more than three hours there had been 125 applications for loans of which, however, only 60 per cent were actual "distress" loans.

Don Wachter, head of the bank, said the distress loans, that is, loans to those who were in immediate danger of foreclosure, would be handled first and that others should wait until later before filing applications.

Heads Committee

D. P. Hogan, president of the Federal Land Bank of Omaha, has accepted the chairmanship of the chamber of commerce agricultural committee, made vacant by the resignation of Carl R. Gray, president of the Union Pacific.

Visit "Fed" Banks

J. J. Thomas, Nebraska member of the federal reserve board, and George R. James, another member of the board, left Washington, D. C., recently for a "swing around the circle" visit to reserve banks in four cities.

The two members will inquire into the work of the banks in Chicago, Kansas City, St. Louis and Dallas, confer with heads of the banks on the financial situation and generally investigate the present status of the system.

From Colorado

W. F. Nicholson, resident partner in Colorado Springs, Colo., of Boettcher, Newton & Co., investment banking house with headquarters in Denver, and M. R. Glaser of Rosenbaum Bros., Chicago grain concern, were in Omaha recently for the formal opening of the new enlarged Omaha offices of Boettcher-Newton on the second floor of the Omaha National Bank building.

On C. of C. Committee

Alvin E. Johnson, vice president of the Live Stock National bank, has been appointed chairman of the revenue committee of the Omaha chamber of commerce for the ensuing year, it was announced recently by Walter F. Cozad, chairman of the chamber's executive board.

Correspondent

Dr. Leo R. Beattie has been asked by Bert Waddell, Land Bank Commissioner, to serve as his correspondent for Keya Paha county, and has accepted. Dr. Beattie will close all approved loans made in this county. The commissioner loans will be appraised by Federal Land Bank appraisers. It is expected that several new land bank appraisers will soon be appointed in north Nebraska, and the work will then rapidly go forward.

Home Loan Attorney

F. M. Deutsch, prominent Norfolk lawyer, has been named by Charles Smrha, state manager, as attorney for the Norfolk branch of the Home Owners' Loan corporation in Madison county. These appointments were announced Wednesday by L. P. Pasewalk, manager for the Norfolk branch.

P. E. McKillip of Albion is district counsel under the Norfolk branch.

Investigation?

A court contest over the right of State Auditor Price to make an examination of the Nebraska banking department seem imminent.

E. H. Luikart, director of the banking department, said its receivership division is under court orders and a state official cannot order an investigation of it.

Price asserted he would bring a mandamus suit if necessary to gain access to the records.

Governor Bryan backed Luikart with the statement it would be an insult to the courts which appointed the banking director as receiver to let Price look over the receivership division books.

About two years ago, attorneys for Clarence Bliss tried by a replevin action to get control of bank receivership books when he left the banking department office. He was receiver for a number of banks.

Unrestricted

Two more Nebraska banks opened for business recently without restrictions making a total of 255 unrestricted.

They are the Elyria State bank and the Stromsburg bank. Both were reorganized by stockholders.

At the same time the exchange bank of Bladen, which had been operating on a restricted basis and in process of liquidation since March 3, 1933, was taken over by the state department of banking for financial liquidation.

Home Loan Bonds

Director Luikart of the state banking department denies that he has ordered building and loan associations not to accept bonds of the new federal home loan bank.

"That is not true," he said. "Building and loan associations have asked if they might accept home loan bank bonds in payment of loans made by them. I have told them they may do so but that the



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bonds must be taken at their market value and not face value. These bonds are likely to vary greatly in price from time to time and I don't see how I can arrive at any other decision than to have them accepted at market price."

The home loan bonds, he said, are secured by mortgage and guaranteed as to interest for fifteen years but are not guaranteed as to principal.

Returns from Europe

Fred W. Thomas, vice president of the First National Bank of Omaha, reports a most interesting vacation trip, spending a month in Europe, where he and Mrs. Thomas toured England, France, Switzerland and Southern Germany. They returned last month.

Conditions in both England and Germany appear to be gradually becoming better, according to Mr. Thomas, who was particularly impressed with the great progress being made by Germany under Hitler. Despite reports to the contrary, Hitler, in his estimation, is a real patriot, striving not particularly for power for himself, but for a rebuilt and rejuvenated Germany.

Although France seems to be in good shape financially, Mr. Thomas is doubtful that conditions in that country will continue as prosperous as they now are.

"The feeling in England is for payment of the debt to the United States," Mr. Thomas says. "France, however, is doing as little as it can towards payment of its debt to us. They still want to hold onto their gold supply, knowing that later the nation will need it badly."

This was due, Mr. Thomas says, to the French budget, with expenditures exceeding income.

He says there was an undercurrent of militarism in France and in the Rhine country, with the young generation of Germany feeling some day they must gain for Germany that land now occupied by France but which they insist rightfully belongs to Germany.

"While France won the war, it still feels uneasy over the future, knowing the spirit of militarism among the younger German generation," Mr. Thomas says.

Mr. Thomas said Hitler is gaining in favor, due to his less radical policy and in that he is now receiving the support of the more substantial classes, not entirely to the liking of the radicals who put him in power.

First National, Lincoln

Business in Lincoln is showing substantial improvement, and business in general seems happy to cooperate in the NRA campaign, according to Executive Vice President P. R. Easterday, of the First National Bank of Lincoln. Deposits of the First National, according to its June 29th statement, were in excess of eleven million dollars. Total resources were \$13,342,363.

The First Trust Company, affiliate institution, has total resources of \$5,741,323, according to its last statement of condition.

S. H. Burnham Ill

S. H. Burnham, dean of all Nebraska bankers, chairman of the Board of the First National Bank of Lincoln, has been sick for the past three weeks, and confined to his bed at his home in Lincoln. Illness is due to old age complications. Mr. Burnham is now in his 84th year.

"Colonel" Alvin E. Johnson

The name "Johnson," to NRA workers in Omaha and vicinity, has a double meaning. While the noted "General Johnson" does his stuff in Washington, D. C., Alvin E. Johnson, genial vice president of the Live Stock National Bank of Omaha, holds the rank of "manpower Colonel" in Omaha, in charge of a thousand NRA workers who are speeding the work of mobilization under the

NRA banner. They are working to get complete cooperation between NRA employers and NRA consumers.

A Bandit Scare

The South Omaha Savings Bank employees had a bandit scare last month when an Omaha man, later alleged to be demented, appeared in a small office in the front of the building with a handkerchief over his face. Uncertain as to whether a holdup was contemplated, but taking no chances, Vice President A. J. Hallas called the police, and Frank Kocarnek, cashier, fired a shot in the air.

The would-be bandit fled, but was later captured and identified.

Continental National Bank

Total deposits in excess of five and one-half million dollars are shown in the last statement of condition of the Continental National Bank of Lincoln. As of June 30, the bank had total resources and liabilities of \$6,224,495.

The Continental National is capitalized at \$200,000 and has \$200,000 in surplus. Undivided profits and reserves are \$37,876. It is affiliated with the Northwest Bancorporation group.

On Military Basis

The appraisal department of the Federal Land bank of Omaha has been organized on a military basis, it was announced last month by D. P. Hogan,

YOUR CAPITAL CITY CORRESPONDENT

CONTINENTAL NATIONAL BANK
LINCOLN, NEBRASKA



president, with the chief of the appraisal and loan division in charge.

The four states served by the bank, Iowa, Nebraska, South Dakota and Wyoming, have been divided into six districts, with a captain in charge of each district. The districts have been subdivided into zones, with a lieutenant in charge of each zone, with a staff of from four to six appraisers under each lieutenant.

All the captains, with one exception, have been with the bank since its early days, according to Mr. Hogan, and are thoroughly experienced in their work.

All applications for loans are now sent to the lieutenant of the zone in which the property is located for investigation, and if the appraisal appears out of line, the lieutenant and his appraisers submit a new appraisal to the captain of the district, who, in turn, submits it to the bank's executive committee.

The bank has received as many applications for loans in the last 17 days as it received during the entire year of 1932, Mr. Hogan said, and applications are coming in at the rate of \$1,000,000 a day.

The force of appraisers has been increased from eight to 146, with 62 additional appraisers in training. Executives in the loan department have been increased from two to seven, with seven additional assistants.

Agencies to Consolidate

Consolidation of federal farm loan agencies in Omaha will be started immediately, D. P. Hogan, president of the Federal Land bank at Omaha, said on his return from a Washington conference of farm credit administrators.

The office of Bert Waddell, district agent of the farm loan commissioner, will be made part of the land bank organization and operate under land bank supervision, according to the new order.

The consolidation will be complete by September 1, when the Farm Land bank moves to its new quarters in the Bankers Reserve building.

"The purpose of the consolidation," Mr. Hogan explained, "is to expedite the work and to get service to the farmer quicker."

Under the new plan, farmers' may apply for both types of loan without making separate application. Where a farmer needs loans from both agencies, the consolidation will eliminate duplication in application, registering, appraisal and approval of the loan.

Colorado News

Sell Affiliate

Purchase by Henry C. Van Schaack and associates of the entire business, good will and assets of Denver National Co. was announced recently.

Denver National Co., formerly affiliated with the Denver National Bank, is one of the largest and best known real estate and insurance firms in the Rocky Mountain region.

In a statement accompanying the announcement, Roblin H. Davis, president of the Denver National Bank, declared, "The provisions of the so-called Glass-Steagall bill recently passed by the national congress have made it seem advisable and possibly necessary for the Denver National Bank to dispose of the business formerly carried on by the Denver National Co., an affiliate. The Denver National Bank will hereafter confine its activity in accordance with the spirit of the Glass-Steagall bill, to the customary banking activities of the commercial, savings and trust departments."

Change Hours

The Berthoud National Bank will open hereafter at 8:30 in the morning, closing at 4 in the afternoon as heretofore.

This institution has long been entitled to an NRA card, because it has always paid well above the minimum wages and has not worked its employees more than the prescribed forty hours per week.

Depositors Committee

Dr. James F. Willard was elected chairman and Frank F. Dolan secretary of the Boulder National depositors committee at a recent meeting. President Dudley Hutchinson and Conservator C. G. Walton were present at the meeting and gave members of the committee desired information regarding the bank's affairs.

The Blue Eagle

Denver Clearing House association banks have signed the bankers' code and started working under the national industrial recovery act. The code contains the provisions approved by the American Bankers association. About 750 employes are involved.

The bankers' code provides a forty-hour week averaged over a five-week pe-

riod. Such an average is necessary owing to the periodic settlements, payments or emergencies in serving the public, over which the banks have no control.

Minimum salaries of \$14.50 for Denver bank employes are provided.

Provisions for working hours do not apply to guards and watchmen employed to safeguard the assets of the bank, who cannot be shifted or changed during the night. Executives and other officials receiving \$35 a week or more are exempt, as generally provided under the general code.

After August 31 no person under 16 shall be employed, except that persons between 14 and 16 may be employed for not to exceed three hours a day, and those hours between 7 a.m. and 7 p.m., in such work as will not interfere with day school hours.

To Retire

George B. Harrison, former president of the Denver National bank, and since January 1, 1933, chairman of the executive committee, has resigned from that chairmanship, to take effect October 1, and will retire from the banking business to live in California.

His successor as chairman will be considered later, according to President Roblin H. Davis.

Harrison joined the Denver National bank on July 15, 1926, and a few months later was elected president. For many years he was president of the New England National bank in Kansas City, Mo. He had retired from that position and was planning to go to California for complete rest, when he was called to Denver upon the death of John C. Mitchell, veteran president of the Denver National. Harrison accepted the presidency for a specified term of five years.

Bank Debits

Bank debits to individual accounts for the four weeks ending June 28 totaled \$8,995,000 in Colorado Springs, according to the monthly review of the Federal Reserve bank of Kansas City. This compares with \$9,935,000 with the same period a year ago.

Building operations increased in June of this year over the same period a year ago by \$19,986 to \$10,925, respectively.

Vice President

At a meeting of directors of the Denver National bank, Herman L. Sanders,

for the last twelve years president of the Stockyards National bank, was elected a vice president of the Denver National bank, making the third vice president now in office. The two other vice presidents are James C. Burger and Henry M. Porter.

The new vice president started his banking career in New York city, where he was born, and came to Denver twenty years ago to become manager of the savings department in the Continental Trust company. He remained manager there until he started a private bank at Crook, Logan county, Colo., in 1916. He owned and managed this bank with great success five years. He then disposed of the bank to become president of the Stockyards National bank, for years controlled by Armour & Co. and Swift & Co. A year ago Sanders resigned and the bank now is being liquidated.

Highest This Year

Denver bank clearings took another spurt during July reaching the highest total of any month so far this year, the Clearinghouse association announced.

The clearings were \$77,529,611.79 as compared with \$75,486,792.53 in June of this year and \$74,332,872.65 in July a year ago.

Kansas News

Guaranty Condemned

A called meeting of Group 4 of the Kansas State Bankers' Association was held in the Cloud County Bank in Concordia, with H. W. Koeneke, bank commissioner, as a speaker. The meeting was held to consider the possibilities of the Glass-Steagall act which contains the national guaranty clause.

Jay Close, president of the State Exchange Bank of Topeka, was also one of the speakers at the meeting.

Ten counties were represented, and there were about forty-five bankers present.

The general sentiment of the men who attended the meeting was that the banks of this section of the state would not be able to work under the guaranty insurance act.

Dies in Lawrence

Jacob Badsky, 82, pioneer stockman, banker and for many years one of the leading democrats of Kansas, died at his home in Lawrence recently. For nearly

50 years Mr. Badsky had been prominently identified with the business and political affairs of his state and was always one of the outstanding figures at state and national conventions.

He was the founder of the First National Bank of Overbrook, and one of the large land owners in Osage and Douglas counties. Seventeen years ago Mr. Badsky moved to Lawrence, entering the banking business with T. J. Sweeney, to found the People's State Bank of Lawrence.

Unrestricted

The Grant County State Bank, Lak-in, opened for business recently on an unrestricted basis. Following the bank holiday in March, restrictions were imposed upon depositors who at that time had deposits in the bank totaling \$110,000. Since that time unrestricted deposits amounting to \$40,000 have been received, and the bank was opened with deposits amounting to \$150,000 and free from restrictions.

The Grand County State Bank is the only banking institution in Grant County. George Daugherty is cashier.

New Cashier

August 1 marked the first day for William Messner as new cashier of the Hesston State Bank. Mr. Messner took the place of George Toews, who will go to Inman to the Farmers' State Bank.

Mr. Toews has operated the Hesston bank successfully for the past three trying years and it is with the best wishes of all the patrons of the local bank that Mr. Toews takes up his work at Inman.

New Bank

Plans for the opening of a bank in Independence were completed recently and Messrs. H. C. Bergman and Clarence Stewart are engaged in carrying out the details necessary to conclude these plans.

A new bank, known as the Citizens National bank will take the place of the First National, and it will open with a capital and surplus of \$250,000.

Change Quarters

William Macferran, jr., president of the State Savings bank, of Topeka, has announced that the State Savings bank had leased the room at 824 Kansas avenue, and will move to that location in 60 days, or as soon as the redecorating and remodeling can be completed. For a long time the officers of the bank have been desirous of having a banking room on the sidewalk level for the greater convenience of their customers, and have felt the need of additional room for the safety deposit department. The new location provides these.

Group Seven

Four hundred bankers from that section of the state are expected to attend the Group Seven meeting of the Kansas Bankers Association in Hutchinson Friday, September 29. Meetings will be at the Chamber of Commerce.

Meet in Colby

About sixty representatives of the banks from the nine counties of northwest Kansas met in Colby recently to talk over practical banking problems and to make arrangements for the bankers group convention which meets in Colby September 21.

W. W. Bowman, vice president of the Kansas State Bankers, association, of Topeka, was present and addressed the meeting.

Group One

A group meeting of the First district Kansas bankers was held in Leavenworth for the purpose of discussing the Glass-Steagall bill as to how it applies to state banks. The meeting was attended by the

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members of the board of directors of this district.

C. E. Snyder, of the Manufacturers State Bank, is chairman of the board. Other members present at the meeting include Frank Idol, Robinson, Kan.; A. C. Ellis, Hiawatha; J. W. Thompson, Waterville; and Claude F. Pack, Home State bank, Kansas City, Kan.

Bandit Proof

Workmen have installed a complete set of bullet-proof fixtures in the Citizens National Bank, of Frankfort. Part of the bank's old furniture has been thoroughly modernized against burglary by the installation of heavy bullet-proof glass, which measures more than an inch in thickness, and all interior furniture, doors, etc., are lined with steel plate, some of which are equipped with port holes through which guns may be used in case of robbery. Doors are controlled with electric locks, and there are numerous other safety devices designed to frustrate bandits.

Colorado News

Four Loan Units

Wyoming will have four units of the federal home loan bank, according to information received in Cheyenne. The principal office, employing eight or more persons, will be in charge of Bayard C. Wilson, in Casper. Branches will be in Cheyenne, Rock Springs and Sheridan.

The home loan bank is not the same as the Federal Home Owners' Loan Corporation.

The loan corporation is an emergency relief governmental agency designed to aid only the home owner who is in actual distress. It deals with the individual direct, through its own offices.

The home loan bank bears the same relation to the building and loan associations of the country as does the federal reserve system to the banks. It supplies government money and credit for home building, but it does not deal with the individual.

Conditions Improved

Advance in the price of wool and noticeable improvement in all lines of business have placed a cheerful complexion on the condition of state and national banks in Wyoming. O. E. Wilde, state examiner, declared in a recent statement.

Wilde said: "The combined statement as of June 30, 1933, of the 39 state banks and 25 national banks operating in Wyoming shows much improvement as compared with the statement of a year ago."

Travelers Checks

There is only one bank in Jackson, Wyo.—a community of 535 inhabitants—but Harry R. Weston, Wyoming state treasurer and president of the Jackson State Bank, claims it cashes more travelers checks than any other institution in the state.

"Tourists," is Weston's explanation of the big business of his bank in the commercial negotiables which travelers depend upon for exchange in strange territory.

Jackson is in the south-central part of the famous Jackson Hole region, tourist mecca, and is also visited by many motorists going into or returning from Yellowstone Park by way of the southern entrance.

Named Appraiser

Leslie N. Rask of Laramie has been appointed a land bank appraiser for the Federal Land Bank in Omaha and will

appraise farm lands in Northeastern and Southeastern Wyoming for the Federal Land Bank and for the federal farm loan commissioner.

Rask is a graduate of the University of Wyoming law college and has been a resident of the state for the past 10 years.

New Mexico News

Elected Assistant Cashier

George M. Bloom was elected assistant cashier of the First National Bank of Santa Fe at a recent monthly meeting of the board of directors. Mr. Bloom was with Drexel and Co., the famous Philadelphia banking firm for nine years before coming to Santa Fe in 1925. A year ago he took charge of the collection and collateral desk at the First National bank.

New Directorate

A new board of directors for the First National Bank of Artesia was appointed after the former board resigned at two successive meetings. Inasmuch as there is no provision made for the election of a board of directors, new board members were appointed as the old members resigned. The new board includes: T. H. Flint, Tom Heflin, J. H. Bridgman, Hope, Willis Morgan, Jim Berry, John Runyan and Paul G. Schultz of Roswell. Officers appointed to serve until the annual election are: T. H. Flint, president; H. G. Watson, vice-president and L. B. Feather, cashier.

Both officers and directors have volunteered to serve until the annual election.

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RESERVE FUND	6,150,000
RESERVE LIABILITY OF PROPRIETORS	8,780,000
	<hr/>
	£A 23,710,000

Aggregate Assets 30th September, 1932, £A 107,525,115

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

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The first opportunity for a comprehensive discussion of the question of Public Relations will be the Convention of the Financial Advertisers Association, to be held in New York at the Waldorf-Astoria, September 11, 12, 13, 14. The speakers are men recognized as leaders, thoroughly qualified by experience and achievement. The program gives a complete picture of the task and practical means of accomplishing objectives.

Every active banker is invited to attend. Just now there can be no more advantageous expenditure of time for the bank executive. Shape your summer plans so that you can surely be at the Waldorf in September.

Some of the Speakers on the General Program

FRANCIS H. SISSON, *President of the American Bankers Association, Vice-President of the Guaranty Trust Company of New York*, will preside at the banquet.

Colonel ALLAN M. POPE, *former President of the Investment Bankers Association, President of The First of Boston Corporation*. Subject: "The Obligation of the Investment House to the Public."

JOHN H. PUELICHER, *former President of the American Bankers Association, President of the Marshall and Ilsley Bank, Milwaukee*. Subject: "Place of the Employee in Public Relations Work."

BAYARD F. POPE, *Chairman Advisory Committee of the Marine Midland Trust Company*. Subject: "What the Alert Banker Should Expect of His Public Relations Man."

HENRY BRUÈRE, *President of the Bowery Savings Bank*. Subject: "A Business Man Comes Into Banking."

JAMES L. WALSH, *Vice-President, The National Bank of Detroit*. Subject: "Facing the Facts of Public Distrust."

T. R. PRESTON, *President of the American National Bank, Chattanooga, formerly President of the American Bankers Association*. Subject: "The Public's Obligation to the Banks."

GEORGE W. DAVISON, *Chairman of the Board of the Central Hanover Bank and Trust Company, New York*. Subject: "The Need for Cooperation."

GUY EMERSON, *Vice-President of Bankers Trust Company, New York, formerly President Reserve City Bankers Association*.

Governor HERBERT H. LEHMAN of New York, *formerly a partner of Lehman Brothers, investment bankers*, will make an earnest effort to be present. His active interest in politics and successful public record indicate a firm grasp of the important task of public relations.

It is expected that two or three other speakers, also of national prominence, will address the group.

Departmental Discussions—Departmental discussions will get down to brass tacks on practical details of *trust, savings, commercial banking, investment and public relations programs*.

The Exhibits—Outstanding advertisements of the year will be on display. Opportunity will be afforded for discussion with those responsible for the creation of this material.

The Waldorf-Astoria—The new Waldorf is one of the world's fine hotels, an experience in itself. Special rates: single rooms, \$4.50 and \$5.25 per day; double rooms \$7.00 and \$7.50. The Waldorf is located on Park Avenue at Fiftieth Street.

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