

# **CENTRAL WESTERN BANKER**

## *Omaha*

Nebraska Bankers Convention

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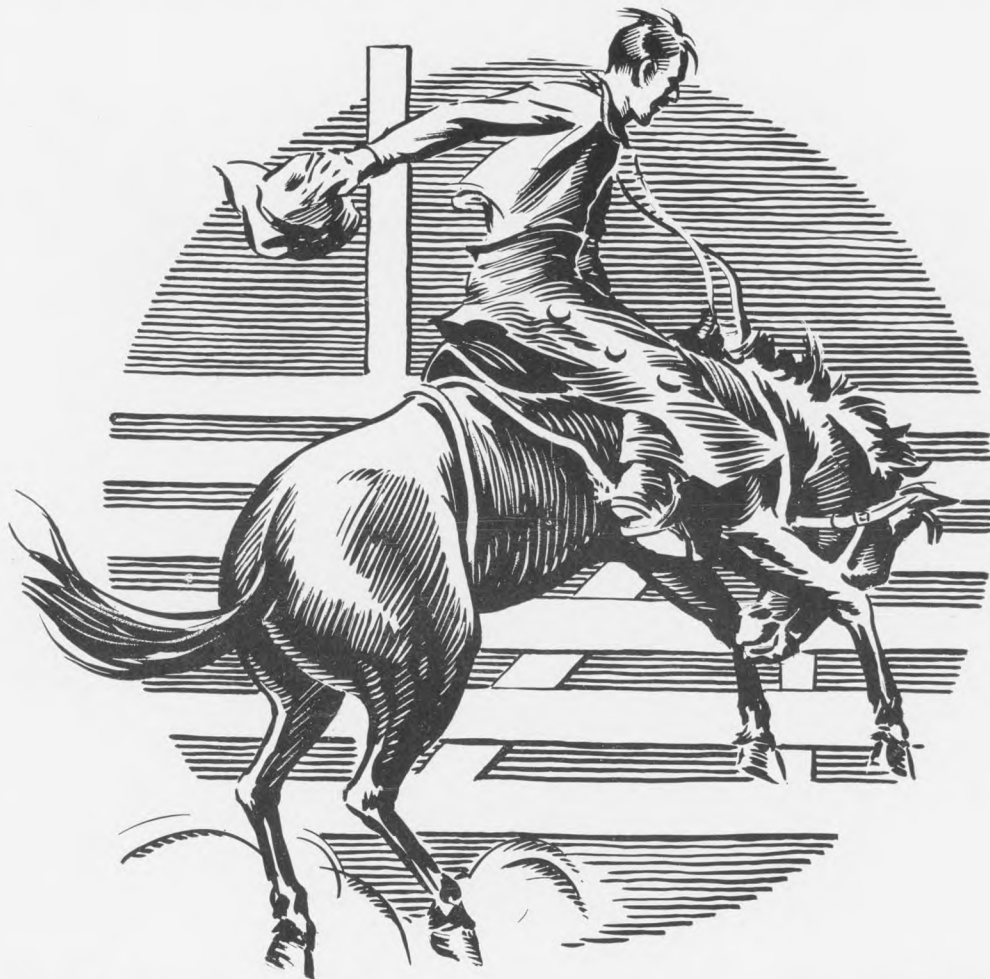
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*November*

*1933*

# Visit Omaha in NOVEMBER!



**Ak-Sar-Ben Rodeo and Livestock Show**  
November 11th to 17th

**Nebraska Bankers' Association Convention**  
November 15th and 16th

This year the Nebraska Bankers' Association holds its convention in Omaha during one of the gala weeks on the city's calendar — the week of Ak-Sar-Ben's sixth annual Rodeo, Horse Show and Livestock Exhibit.

Combine business with pleasure by visiting Omaha at this time . . . and when you do, make the First National Bank your headquarters.

**FIRST NATIONAL BANK**  
**OF OMAHA**

# CENTRAL WESTERN BANKER

410 ARTHUR BUILDING  
OMAHA

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NUMBER 11

**Read what Col. Leonard P. Ayres, vice president of the Cleveland Trust Company, says about conditions. A demand for new corporate bonds, and an increase in the volume of building construction--Two factors that will speed us toward business recovery**

## THIS IS THE TESTING TIME

**T**HIS IS the testing time for the NRA, and for our recovery efforts.

During the recent months groups representing all kinds of businesses have been working with government representatives to formulate codes, and with their own organizations to put them into effect. These efforts still continue but it is pretty generally true by now that all American business is operating under the new codes. It is too soon as yet to judge what the results will be, for the developments so far are of diverse sorts.

**A**DJUSTMENTS to the new conditions are proving difficult. Many business men are finding it hard to make profits since the costs of operation have advanced, and as a consequence they are having trouble in their attempts to secure credit with which to keep going.

**N**EWSPAPER opposition to inflation seems clearly to be growing. Washington is still the center of business, but elsewhere the volume of independent thinking is increasing. As a nation we are approaching the fifth depression winter with decreased faith in the efficacy of economic panaceas, but with increased confidence in our capacity for cooperative action.

## FOR THE N.R.A.

**A** SUSTAINED increase in the volume of building construction would do more to help business recovery than would almost any other development. Probably it is true that we cannot have prosperous times in this country when the building industry and the automotive industry are depressed, and we cannot have depression when they are active. These two industries appear to exercise a more powerful influence on general industrial activity than do any two others, and in the main their outputs tend to fluctuate rather closely together.

**T**HE DECLINE in the depression has been rapid and extreme. Probably expenditures in 1933 will not amount to much more than one and one-third billions despite the great amounts spent for government work. In good times the workers employed in new construction are as many as four millions, and some estimates give higher figures. The new emergency legislation enacted last spring

authorizes the expenditures of three billion, three hundred million dollars for public works. No large part of this vast sum will be expended this year, and the total appropriation will be spent so as to spread it over several years. Clearly public funds cannot take the place of private disbursements in furnishing adequate employment in the building industry.

**T**HE SALES of long-term corporation bonds in this country for the purpose of raising new capital averaged between three and four billions dollars a year from 1921 through 1929, and reached a high point of over five billion dollars in 1927. They have declined during the depression to little more than two billions in 1931, to less than one billion in 1932, and they will probably amount to less than half a billion in 1933. The sales of bonds for raising new capital not only reflect changing business conditions, but in some degree they forecast them.

**A** REVIVAL in the demand for new corporate bonds would be a most important contribution toward recovery. It awaits a renewed confidence in the future of our money, and a relaxation in the provisions of our new Securities Act of 1933.



# Thirty-Sixth Annual Convention

## Nebraska Bankers Association

### Registration

**T**UESDAY evening, November 14th, at about five o'clock, the Secretary's desk on the mezzanine of the Hotel Fontenelle will be opened for registration of delegates, and will be maintained throughout the Convention.

### Business Sessions

There will not be any session of the General Convention on Wednesday morning.



R. H. BARBER, *President*

The first business session of the General Convention, at 1:30 o'clock, Wednesday afternoon, will be held in the Ball Room of the Hotel Fontenelle.

The two sessions on Thursday will also be in the Ball Room of the Hotel Fontenelle.

Omaha  
November 15-16

Headquarters  
Fontenelle Hotel

### Entertainment

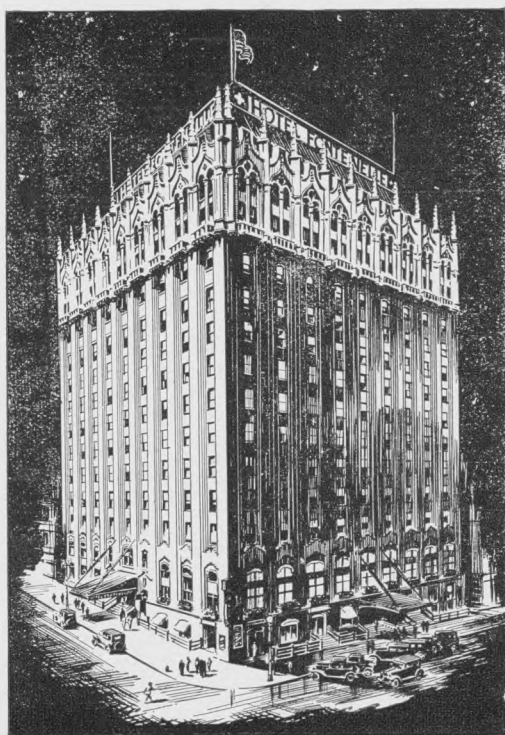
Wednesday, November 15th

6:45 P.M., Banquet at Hotel Fontenelle  
Toastmaster

Response by DOUGLAS MALLOCH,  
Poet and Philosopher, of Chicago.

Thursday, November 16th

7:00 P.M., HORSE SHOW and RODEO at Ak-Sar-Ben Coliseum. Chartered busses will be made up and start from Hotel Fontenelle.



## Fontenelle Hotel

Convention  
sessions will be  
held in the Ball  
Room on the  
mezzanine floor



DR. HAROLD STONIER  
*"Your Customers and Your Bank"*



## OFFICERS

### Nebraska Bankers Association 1932-1933

*President*

R. H. BARBER

Vice President Fort Kearney State Bank  
Kearney

*Chairman Executive Council*

H. A. SCHNEIDER

President Plattsmouth State Bank  
Plattsmouth

*Secretary*

WILLIAM B. HUGHES  
420 Farnam Building, Omaha

*Treasurer*

P. B. HENDRICKS

Vice President U. S. National Bank  
Omaha

### Special Meeting of State Bankers

Wednesday, November 15th, 10:30 a.m.  
Palm Room, Hotel Fontenelle

This meeting is called by the Special Committee of State Bankers, of which A. B. Wood of Bartley is Chairman. Mr. Wood will preside.

The purpose of this meeting is to afford the State bankers an opportunity to confer regarding their problems arising from the proposed Guaranty of Deposits, and present to the General Convention anything thought necessary.

If another Special Meeting after the Convention seems necessary, announcement will be made from the rostrum.

### Committees

**General Committee on Arrangements**

G. H. Yates, *Chairman*; H. O. Wilson, F. C. Horacek, J. B. Owen, G. A. Gregory, F. W. Thomas, H. M. Bushnell, John Carmody, R. R. Ridge, A. L. Coad.

**Reception Committee**

Alvin E. Johnson, *Chairman*; W. V. Raynor, C. J. Horacek, O. P. Cordill, J. A. Changstrom, P. B. Hendricks, D. P. Hogan, C. D. Saunders, C. L. Owen, F. J. McCauley.

**Entertainment Committee**

J. E. McDermott, *Chairman*; V. B. Caldwell, Ellsworth Moser, C. J. Horacek, R. H. Kroeger, W. H. Dressler, Wm. Phillips, J. F. Coad, O. T. Alvi-son, A. Kopperud.

**Stock Show, Horse Show and Rodeo Committee**

W. B. Millard Jr., *Chairman*; C. D. Saunders, W. H. Dressler.

**Golf Committee**

T. F. Murphy, *Chairman*; G. A. Gregory, F. J. McCauley.

**Banquet Committee**

J. T. Stewart, III, *Chairman*; J. F. Ringland, John A. Changstrom.

**Automobile Committee**

C. L. Owen, *Chairman*; A. L. Coad, V. B. Caldwell, J. P. Lee, A. Kopperud.

**Committee of Local Women General Committee**

Mrs. W. B. Millard, Jr., *Chairman*; Mrs. J. F. McDermott, Miss Minnie Phelan, Mrs. A. L. Coad, Mrs. E. J. Horacek, Mrs. D. P. Hogan, Mrs. P. B. Hendricks, Mrs. W. A. Sawtell, Mrs. Alvin E. Johnson, Mrs. L. H. Earhart.

## PROGRAM

### Wednesday Afternoon, November 15th

Ball Room, Hotel Fontenelle

- 2:00 *Call to Order* — By PRESIDENT R. H. BARBER
- 2:05 *Invocation* — VERY REVEREND STEPHEN E. MCGINLEY, Dean, Trinity Cathedral
- 2:10 *Address of Welcome* — T. L. DAVIS, vice president First National Bank and president, Omaha Clearing House Association
- 2:25 *Response* — E. E. PLACEK, president, First National Bank, Wahoo
- 2:40 *Annual Address of the President* — R. H. BARBER, vice president Fort Kearney State Bank, Kearney
- 3:05 *Report of the Secretary* — WILLIAM B. HUGHES, Omaha
- 3:10 *Report of the Treasurer* — P. B. HENDRICKS, vice president U. S. National Bank, Omaha
- 3:15 *Report of Executive Council* — H. A. SCHNEIDER, *Chairman*, president Plattsmouth State Bank, Plattsmouth
- 3:30 *Address* — "Your Customers and Your Bank" — DR. HAROLD STONIER, educational director, American Institute of Banking, New York City
- 4:15 *Discussion*  
*Appointment of Committees* — Auditing, Resolutions, Nominations

### Thursday Morning, November 16th

Ball Room, Hotel Fontenelle

- 10:00 *Call to Order and Announcement of Committees* — PRESIDENT BARBER
  - 10:15 *Address* — "The Future for Country Banks," A. B. WOOD, cashier, State Bank of Bartley. Mr. Wood is chairman of the special committee of State Bankers on the Banking Act of 1933
  - 10:45 *Address* — "The Permanence of the New Deal" — RAYMOND MOLEY, New York City, editor of "Today"
- Adjournment*

### Thursday Afternoon, November 16th

Ball Room, Hotel Fontenelle

- 2:00 *Election of Nebraska Officers of the American Bankers Association* by members of that organization. L. C. CHURCHILL of Palisade, State vice president of the A.B.A., presiding
- 2:15 *Address* — "Depression Hits Bank Robbers" — RUSSELL A. ALGIRE, vice president National Surety Corporation, New York City
- 3:00 *Report of Auditing Committee*
- 3:10 *Report of Resolutions Committee*
- 3:30 *Report of Nominating Committee*
- 3:35 *Installation of New Officers*
- 3:45 *Adjournment*

"If we are to have a strong banking system, it must be shock-proof--sound at all times--and we shall have such a system only when and if the public is made to understand what such strength means to it. In short, our people must appreciate their own interest in a desirable system"

By H. A. LYON

President

Financial Advertisers  
Association

# THE PUBLIC IS STILL THE "BIG BOSS" OF BANKING

A MEETING of this sort often serves as opportunity for self-congratulation. Our association has done well during this difficult year; its affairs are in far better shape than we had dared hope. It has contributed its efforts in more than one worth while movement over the past few months. For instance, the F.A.A. was primarily responsible for the contents of the series of Public Relations conferences for the bank staff, now being distributed through the American Bankers Association. In a number of cities it was through members of our association that public relations matters were handled during the bank moratorium and other critical periods. Our aid, as a group, has been offered and accepted by the officials of the American Bankers Association, the Association of Reserve City Bankers, local Corporate Fiduciary Associations and State or District Banking groups. We have aroused a greater interest among bankers than for years in public relations work—as witness the large number of articles and speeches on the subject during the year.

#### Still Work to Be Done

In spite of this favorable record, this is not a time to be smug. If we have safely traversed a difficult period, it is that we may make ourselves more useful to our respective institutions and to banking generally in the still critical days ahead. I am less concerned with the past than with the future. And if I suggest a definite program for the future, it is not with any intent to embarrass the new administration, but because it is impossible to have lived with this job for a year without forming definite conclusions.

An address made by Mr. Lyon before the annual convention of the Financial Advertisers Association, held on September 12 in New York City

It is difficult sometimes to lay your hands upon fundamentals, but with the risk of error all about, I venture to paint you this picture. Most of us have believed for years that public relations was too much neglected by banks; today we think we see an awakened interest in the subject. Everything points to an era of greater public enlightenment—the required publication of affiliate reports, the fuller information required by the securities bill, more comprehensive reports by businesses whose obligations are listed on securities exchanges. Let us hope that all of these are permanent, for light of day is good for economic as well as for physical health.

The difficulties in this situation are twofold. First, the present publicity requirements are not enough, and, second, there is grave danger that the current interest will lapse after the emergency is over.

#### Education Necessary

We have in this country an instinct for speculation. Settled by dissenters, populated by pioneers and seekers after fortunes, our national progress has been a series of alternate surges and recessions. We have advanced—advanced perhaps more speedily than any other nation—but at immense cost. Every new development has resulted in the scrapping of former successful enterprises.

Each cycle has been marked by a tremendous number of business and bank failures. The banks have been part and parcel of this history,—our financial system has been as strong and as weak as our economic system. Bank management has been subjected to the same strain as business management. It is clearly impossible to have a banking system which is strong and safe during a depression and yet which is forced to lend itself to speculative movements during boom times. If we are to have a strong banking system, it must be shock-proof—sound at all times—and we shall have such a system only when and if the public is made to understand what such strength means to it. In short, our people must appreciate their own interests in a desirable system.

That means education—not for the duration of the depression—not for a year—but for a generation or more. It is not enough to restore immediate confidence in a system which may buckle under the next strain. It is not enough for a number of banks to adhere to sound banking. Good banks have suffered because there has been bad banking. It should be the responsibility of thoughtful bankers to see that bad banks are not permitted to operate.

But that, you may say, is the concern of the operating officials of the banks. So it is, and yet we public relations men are as integral a part of the whole picture as are the operating officials. If my premises are correct, we cannot educate the public except by plan, and it is to those in our position that such planning should fall. It makes little difference how well a bank may be run if the pub-

(Continued on page 12)

The relation of your bank to your community is a partnership proposition--What kind of a partnership it will be depends a great deal on

## How Your Employes Meet Your Customers

**T**IMES of great trial reveal individual character. Serious stringencies in business discover men's motives, their honesty, competence and ability. They crumple men and institutions whose methods are adulterated, whose foundations are not secure, whose greed considered self above honor and service. No profession, no department of life is without its weaker elements. But had proper investigation been made of those instances in banking, had the exaggerated and startling headlines of the public press been subdued to true proportions, had banking not been used as a target for political self-seeking, for vote-getting purposes, had unfounded rumors not been spread, the people's confidence in banks would not have been so shaken and far less serious would have been financial loss. Fewer banks would have been compelled to close their doors.

There were factors in our banking experience in America which every earnest banker deplored — factors which many had worked years to eliminate, which it was fearfully recognized would be cancer sores aggravating any difficult days which might arise.

### Politics

One of the most suppurating of these was due to *political regulation*. The politician, through the years of prosperity, had enacted laws and permitted authority which could and did charter banks with capital so small that common sense should have denied them charters; had permitted the establishment of banks as competing units beyond the number that could operate successfully. Yet, through these last three years of almost Herculean effort on the part of the banker to keep ahead of the disasters of the general breakdown, to reset his reserves so his liquidity could pay depositors one hundred cents on the dollar, though investments and loan were, in many instances, not being so paid — *instead of political support, commendation and cooperation, the banker received such onslaughts that one marvels there is any*

### EXCERPTS from an address of John H. Puelicher, president of the Marshall & Ilsley Bank, Milwaukee, before the 1933 convention of Financial Advertisers Association

*banking system left in America. Even political campaigns were conducted on platforms of promised indictments and prosecution of bankers. American banking, during most of its history, has had to survive despite relentless political meddling and maneuvering.*

That there have been incompetence and dishonesty we admit. That the instances were used grossly to increase fear in the public mind, we stoutly affirm. We shall continue to strive for higher attainments in our profession, strive for laws that require competence and ability in management. That we can not legislate honesty and unselfishness into either a dishonest banker, a dishonest borrower, or a dishonest politician must be conceded, and dishonesty, wherever found, should be punished. It is as true in banking as elsewhere that no matter how good the law, dishonest and incompetent men can make it ineffective. *Good laws are essential. We*

*must strive for even better. Their enforcement will come only as the public recognizes that it is a matter not of laws or codes alone but equally of the men who administer them.*

These foremost causes of the general economic situation almost completely buried the American banker in the early months of 1933. For a number of weeks he was so busy digging himself out, doctoring his wounds, recuperating, getting over his daze, realizing that he had been made the scapegoat in the public mind, that he did not until recently begin to show sufficient signs of life to protest and to speak up. He also began at that time to do some surveying, to discover wherein he might have done something — anything — to have retained the public's confidence and to have forestalled somewhat the ravages of press reports and political attacks.



John H. Puelicher



### A Partnership

The banker who is aware of the fact that *successful banking is a partnership — a partnership of the banker and his public* — has observed defects in that relationship. He sees once again what he saw some years ago when radical elements against government were attack-

ing banks and bankers — that the public is not informed and can easily be led astray by misrepresentations, emotional appeals, and the unreasoning dictates of seeming self-preservation. The alert banker concedes that he has not assumed his full responsibility toward these public relations.

There has been too great apathy on the part of the banker in taking the public into his confidence. He has permitted traditions of the inexplicable or mysterious to surround him, his services and operations. In most instances he has assumed and relied upon a greater public knowledge than really exists. That is but natural. So does every professional man — every specialist.

Even when a banker tried to explain, he often found his explanation misunderstood. A prize example of this came to my knowledge a year or so ago. A banker tried to explain to an excitable woman that the item in his balance sheet of two million dollars undivided profits meant that his bank could lose that amount without affecting its capital and surplus. The next day she withdrew her large checking balance, put it in a safe deposit box, and furthermore, told several friends in confidence — so confidentially that word got back to him within twenty-four hours—that the president had personally told her that his bank was going to lose two million dollars.

### Try This Sometime

Let me tell you something of two experiments made in the form of questionnaires regarding knowledge of banking—one of which was submitted to twenty-five business men, all members of a noonday club; the second to students of college rank.

Question: In what way does a state bank differ from a national bank? Of the luncheon club members, six did not answer, probably because they did not know and would not hazard a guess. Seven were incorrect. Twelve were approximately correct. The typical answer was: "The name is different." A student's answer was: "The national bank handles the reserves of the state banks—state banks being just a branch of national banks."

Answers such as these should be of vital, consuming interest to bankers. They tell us just what we should know. They point out why people may become fearful and confidence may be lost, though from 95 per cent to 99 per cent of the banking of this country is sound and handled by men of integrity and ability, devoted to their business and their communities.

Another question was: "What is the difference between a bank and a building and loan association?" In the Club, three did not answer. Fourteen were incorrect, eight were approximately cor-

## A. B. A. Report on Bank Crime

### Member banks show a ratio of liability to attack and loss from crimes of violence less than half the experience of banks outside the A. B. A. system

**B**ANKS covered by the nationwide protective system of the American Bankers Association show a ratio of liability to attack and loss from crimes of violence less than half the experience of banks outside the system, James E. Baum, in charge of the association's Protective Department, declares in a recent report.

"Investigations conducted by our agents during the year ended August 31, resulted in the arrest of 69 forgers, 120 bandits, 15 burglars and 1 sneak thief, or 205 of the 430 bank criminals apprehended during the period under report," Mr. Baum says. "Of these, 213 have already been convicted, in addition to 107 other prisoners arrested in the previous year. As usual, this round-up of bank crooks included a number of ingenious and desperate characters whose skill and daring demand nothing less than a nationwide, specialized system of investigation such as that which is available to all members of the American Bankers Association."

During the year indicated, member banks reported 246 daylight robberies, 41 night burglaries, 201 forgery cases and 8 sneak thefts, a total of 496 cases subject to investigation by his department, Mr. Baum reports. All banks in the nation suffered 516 bandit raids and 95 night burglaries during the year, he says.

"In recent years, the Protective Committee has drawn attention to the protective advantages enjoyed by our membership as evidenced by the comparative robbery experience between member and non-member banks," Mr. Baum's report

points out. "Non-members aggregate but half the number of banks enrolled in the association's membership yet for more than 20 years they have suffered almost the same number of robberies as members.

"The current period, however, finds non-members the victims of 270 holdup attacks and 54 burglaries, or 37 robberies in excess of the attacks directed against member banks. This comparative experience with bank crimes of violence proves more conclusively than ever that the chances of robbery or frequency of loss are more than two to one against non-members, notwithstanding the fact that the association's membership embraces more banks equally isolated and without adequate police protection than the non-members. In voluntary confessions, professional criminals boast of having sense enough to avoid member banks and their facilities for relentless pursuit and prosecution."

To expedite the arrests of bank criminals and forewarn member banks, the Protective Department sent out during the year more than 500 warnings detailing the "latest methods employed by crooks who specialize and concentrate their misguided talents upon banks," Mr. Baum reports. The department also certified 2,138 banks in Illinois, Indiana, Iowa, Kansas, Michigan and Wisconsin for having organized county auxiliary protective units under the standard of organization agreed upon with the underwriters, entitling them to lower premiums for burglary and robbery insurance than they would pay without such action.

## Air-way Center of America

OMAHA'S strategic position as the traffic center of the United States has been emphasized again in the rise of transcontinental air travel. This city was the base chosen for the first air-mail flights to the Pacific. It remains the focal point of this cross-country traffic today, when eighteen great planes roar in and out daily, rushing tons of mail and express and scores of travelers from coast to coast in little more than a day.

The overland stage was Omaha's only link with the outer world when this pioneer bank opened its doors for business. Now ten railroads center here, while hundreds of trucks and buses fetch and carry freight and passengers in the ceaseless exchange between town and country, on which Omaha has grown great. Through it all this bank has done its utmost to promote the trade, industry and agriculture of our city and state. Today it stands ready to serve them and you as the oldest and one of the strongest banks in Nebraska.



# UNITED STATES NATIONAL BANK

OMAHA, NEBRASKA

"NEBRASKA'S OLDEST BANK"

*Affiliated with* NORTHWEST BANCORPORATION





rect, and the answers reflected some such idea as: "No building and loan associations have failed during the depression" and "building and loan associations deal primarily with straight loans." A further answer as to the difference between a bank and a building and loan association was, "About the same. Checks cannot be written on building and loan associations."

"What are a bank's uncollected funds?" was still another question. Here thirteen did not answer, eleven were incorrect, and just one was correct. "Frozen assets" was the most usual interpretation.

"What is a bank certificate of deposit?" A student answer was "When money is put in a bank by a depositor, it is entered in his pass book but the cashier puts it down on a certain certificate of deposit, which is kept by the bank."

A business man answered the question: "What is bank float?" by saying, "A mythical something which keeps the bank from sinking but does not."

A student definition of a trust, as used by banks, is "A combination of corporations whose stock is exchanged for trust certificates."

#### Hungry for Knowledge

It is evident that for many years the public was apathetic regarding the acquiring of banking knowledge. The American Bankers Association, as many of you know, through its Commission on Public Education, prepared and distributed for presentation a series of talks on banking and elementary economics, which was to be given before eighth grade and high school students, and before civic clubs, so as to popularize and extend banking information. These have been in use, though frequently revised, for some twelve or thirteen years, and have in many instances been well received. It would not astonish many of you, however, that though it was service offered to the public, with continuous insistence and care that the name of no bank be used in connection with the talks, that the banker was often accused of being a propagandist.

Now, however, the situation has changed. The public desires information and knowledge. It is hungry for it and if the banker realizes his opportunity, he will be ready to give the people what they request. How then shall we proceed?

*The foremost essential*, as has been shown by the experience of the last three

years, *is a trained, intelligent, informed bank personnel*. The banker in America has for twenty-five years promoted banking education for employes in banks. The American Institute of Banking has become recognized as one of the most outstanding and one of the largest educational institutions in the world. It is efficiently doing a good piece of work teaching practical, technical facts and methods, but the one thing that the banker has missed, in that training, is the employe's approach to the customer—in other words, the employe's part in a bank's public relations. The importance of this has urged itself upon the attention of bankers most forcibly through such incidents as the following:

#### An Incident

A few months ago in a western city, a prominent investment dealer came to his death by falling from a high window. His firm was a borrower in four local banks, with loans totalling perhaps half a million dollars. One of these banks, as I know beyond dispute, had its \$100,000 loan collateralized with adequate margin. But I am getting ahead of my story.

On the day after the broker's death, a woman depositor came into that bank to transact some routine business. As the savings teller made the appropriate entries she remarked, "I guess Mr. So-and-so's death was quite a loss to the bank, was it not?"

"Oh, yes," said the teller, who actually knew nothing whatever of Mr. So-and-so's relations with the bank. "He will be badly missed by this bank."

"He was a heavy borrower here," pursued the woman.

"Yes, he had a good line of credit with us," the teller bluffed, unwilling to admit that he knew absolutely nothing of the man's borrowings.

"I hear your bank will lose at least half a million dollars on its loans to him," the customer continued.

It was now getting to the point where the teller had to make a bold stand, or disclose his ignorance. "Huh!" he exclaimed as he walked to the rear of his cage, "You don't know the half of it."

Fortunately for the bank in those skittish times, the thought of a million dollar loss so overpowered the customer that she simply had to have more details. She scurried to the desk of the nearest officer. What might have been the consequences, to the bank and to the community, of her carrying "first hand" information of the bank's supposed loss, to

family, friends, and neighbors, had she gone out of the bank without seeing an officer—I leave to your conjecture.

*While the inquiring customer has no right to confidential information, he has a right to be intelligently and truthfully answered. And the banker must see that he gets such answers.*

#### Employe of the Future

In the future, the employe of the bank must be infinitely better able to deal with public inquiries, to convince an interrogating customer that the facts are so-and-so, or to inform him that the matter is out of his, the employe's, sphere, and courteously refer the customer to someone who can give the information.

The banker will continue his endeavor to create ever sounder banking, ever more honest, competent, and efficient management, as well as closer and more effective public relations. Such a banker is not to be without assistance.

Under the direction of Dr. Stonier, Educational Director of the A. B. A. and the A. I. B. there has been prepared a series of studies designed to be of assistance to banks in their public relations. In the preparation of this material your own Association cooperated handsomely.

These studies are intended for use in the individual bank. An executive officer should be charged with the responsibility of developing and fitting the course to the bank's immediate needs. Joining him should be all those who come into continuous contact with the bank's public.

The studies include such subjects as: *Your Customers and Your Bank, What Will You Tell Your Customers, The New Customer, Trouble Customers, Why the American Banking System, Your Bank and Other Banks, Your Bank as a Source of News, and Planning Your Public Relations.*

Two little urchins stood with their noses pressed against a barber shop window.


"Gee, Mickey, look at that one!" said one, pointing to a barber wielding a singeing taper. "He's looking for 'em with a light!"

"I'm planning to travel on one of those stabilized steamships."

"It will cost you more."

"Maybe, but expenses aren't what I have to keep down on my sea trips."—*Boston Transcript.*





# BONDS AND INVESTMENTS

## An Analysis of Municipal Securities

**"Taxpayers and bondholders should not be regarded as constituting two opposite camps. From the broader viewpoint their interests are**

**identical. The rights of the bondholders equal those of the taxpayer. Financial reform is needed on the part of both"**

By R. DANTON

*Bank of New York & Trust Co.  
New York*

**E**VEN THE most conservative expectation in regard to a return to that happy condition usually referred to as normalcy allows some hope that many of the difficulties which municipalities are now encountering will prove to have been of temporary nature. It is reasonable, however, to believe that the process of recovery will be selective rather than general. The credit of the more conservatively operated subdivisions could, I feel, respond very quickly to any improvement in factors such as collections. In some cases, current difficulties represent a culmination of long continued financial malpractice, and where this is true it seems that the road to restored credit necessarily must be a long one. One of the most important problems facing those interested in municipal obligations is that involving a decision as to the category in which their holdings fall. In arriving at such decisions, however, the broad basis of appraisal formerly relied upon is likely to prove of small assistance. Obviously analysis of current finances now constitutes the only effective approach. Thus simply stated, this suggested change in viewpoint does not seem to carry any great significance; but, in my opinion, if investors in municipal obligations are to avoid losses in the future, a radical adjustment in this respect is absolutely necessary.

It may be thought that too much dependence should not be placed on current condition inasmuch as this possibly may change over night. There is a certain amount of truth in this, but my feeling is that current accounts reflect more than immediate problems. In fact, I think these accounts constitute a very

good indication of the long term financial habits of a community. Furthermore, in municipal finance as in other lines of activity, good or bad habits once formed tend to persist. In some instances the record shows that, over a long period, provision for all accruing liabilities has been ultra-conservative. Where this is the case even now it is likely that no very serious problems will be present. The further implication is that, if to date a subdivision has been able to keep itself in fairly good condition, the acid test has been passed. In addition if the financing of the ensuing year can reasonably be foreseen, a very modest anticipation of improvement in general conditions justifies an attitude of optimism.

### Limited Temporarily

While the private corporation may face elimination of all balance sheet assets, the tendency is for the troubles of the municipality to be limited to temporary inability to realize on receivables. In the first case the settlement may be insignificant. Where municipals are concerned, however, the final realization is likely to be substantial even though the circumstances are highly unfavorable. In

my opinion failure on the part of investors to appreciate these differences is resulting in unjustified sacrifice of holdings which under any reasonable anticipation of general recovery eventually will be paid both as to interest and principal.

Municipalities are now fully concerned with obtaining a minimum amount of funds with which to meet essential operating expenditures. It may therefore be concluded that suggestions relating to adjustments of current financial position must continue to remain of academic interest only. In my opinion, however, in many cases the problem is one of conception and methods rather than a question of extracting additional cash from hard-pressed taxpayers. Restoration of financial position should be regarded as an adjustment to be conducted over a substantial period of time. While debts cannot be paid over night, trends can be changed. I believe in some respects trends now may be of greater importance than totals.

### The Cause

Regardless of the exact cause of financial stringency, I think the following program is indicated.

*The fact should be squarely recognized that 100 per cent collection or financing is not to be counted on under present conditions.*

*Too much attention should not be given to demands for tax reduction at all costs. Continued solvency is of more importance than a few cents off the tax rate.*

*Reasonable economies should be made, but savings should not immediately be reflected in a reduced tax rate.*

Approximate maintenance of the levy along with reduced expenditures will mean that revenues accruing on the books during the fiscal year will be substantially in excess of cash disbursements. The margin of assets available should mean that the proportion of the total accruing assets realized in the form of cash will be sufficiently near to actual disbursements to the point of relieving the subdivision of the necessity of substantially increasing its floating debt. The surplus of revenues shown on the books should be disregarded other than as it becomes available in the form of cash.

If action along these lines is undertaken, faith in the short term paper of the community will be restored. The program outlined implies honest and efficient management.

The defaults and adjustments which have occurred during the last few years obviously are mainly responsible for the disorganized market for municipal obligations. In addition to repercussions of financial break-down there is the further prospect that legislation may be passed which may substantially weaken the legal security formerly associated with these issues. The final outcome in this regard is not yet at all certain, and, therefore, definite comment cannot be made. If it is a case of the subdivisions having the unfettered choice of arbitrarily refusing to meet their obligations the outlook would indeed be depressing. However, the percentages of consent

contemplated impress me as affording satisfactory protection.

#### Too Little Information

In drawing to a conclusion I should like to draw attention to one particular difficulty facing the investor in municipal issues. Those interested in the work of analysis will agree that in far too many cases the difficulties of obtaining information are quite as formidable as any question of interpretation. Developments of the last few years indicate that municipalities no longer have the right to offer their issues on the basis of "unquestionability." The remedy is in the hands of the investor. I see no reason why funds should be placed in situations on which reasonable information is not available. A casual examination of recent offering circulars and literature shows that improvement is taking place. However, much remains to be done.

In presenting the foregoing considerations I have consciously refrained from any attempt at dramatization. There is a world of difference between the implication of words such as deficit or default used in a bookkeeping sense and their practical translation. The collapse of a great municipality cannot altogether be described in terms of finance. The unfortunate effect on the population and employes equals in degree the hardship falling on the bondholders to many of whom continuance of income and safety of invested principal are of vital im-

portance. Taxpayers and bondholders should not be regarded as constituting two opposing camps. From the broader viewpoint their interests are identical. Municipalities on their part must recognize that apart from technical rights the human rights of the bondholders equal those of the taxpayer and in many cases are just as insistent. Investors must be willing to make sacrifices where it is evident that the wide economic swings which have occurred have destroyed capacity to pay in full. To the end that mistakes of the past be not repeated, I urge that increased attention be given to financial reform both on the part of the taxpayer and the bondholder.

## The Public is Still The "Big Boss" of Banking

(Continued from page 6)

lic is unable to distinguish it from a bad bank. And it make little difference how excellent are the plans devised to improve banking unless the public can be brought to approve. That is our job. And history has proven beyond doubt that, if a sound idea is placed intelligently and consistently before the American people for a period of time, that idea will be generally accepted.

#### After the Shouting Dies

Even some of us may feel that as soon as public clamor dies down we can go back to our job of selling our own bank's services. Yes, to a certain extent. But, if bankers concede that public education is essential to sound banking, and that good banks owe it to the community to see that only sound banking eventuates, then our own executives will see to it that we spend a part of our time for the next several years in promoting the acceptance of better banking.

This movement is both individual and cooperative. Each banking unit must be worthy, but it is through the cooperative efforts of banks that public opinion will be cultivated. I cannot foresee just what forms this cooperation may take, but that make me no less sure of its necessity and desirability. This sort of cooperation has been the vital spark which has kept our association intact and in action. But I think, too, we have a blind spot, for we have failed to carry this same spirit into our relations with other banking groups. I am firmly convinced that our own group cannot hold itself aloof as a self-sufficient body, independent of the parent organizations; on the contrary, it is one of our weaknesses.

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OFFICES IN PRINCIPAL CITIES

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Public relations is warp and woof a part of banking—and a major part. I am afraid that the psychological effect of our independent existence is bad, instead of good, for I think it tends to confirm the impression that we are mavericks in the banking field.

I could wish that the principal aim of our association from now forward would be integration with such bodies as the American Bankers Association, the Association of Reserve City Bankers and such others as would afford mutual benefits. I believe this can be attained without impairment of the effectiveness of our present effort, and I am sure it would raise in the minds of bankers the stature of the job to which we have dedicated ourselves.

Grave days lie ahead. We are not through with legislative changes, national or state; the map of finance is still undergoing major alterations; the public, while it has ceased to bite, is still growling and suspicious. There is ample work to be done, and ours is not the least in importance. It will take all of the intelligence and experience and patience we can command. Success will not be an individual, so much as a community, matter. May we be given the strength to do our share.

## At Top Speed

Barney Schneckloth, supervisor of personnel of the Federal Land Bank of Omaha, was the principal speaker at the recent meeting of the real estate board of Sioux City, held in the Elks Club. He explained the various operating units of the bank and the set-up the administration hopes to complete. He stated that the Omaha bank was closing loans at the rate of 45 per day at this time, and with appraisals already made, hoped by November 15th to attain the record of closing 100 loans per day, and by December 1st, 200 per day. The force of appraisers has been increased from 12 on March 1st of this year, to 312 at the present time. Mr. Schneckloth left no doubt in the minds of his hearers that the Federal Land Bank was functioning at maximum capacity and the voluminous preliminary work necessary to the negotiation of such a great number of loans will soon be reflected in the daily record of completed loans.

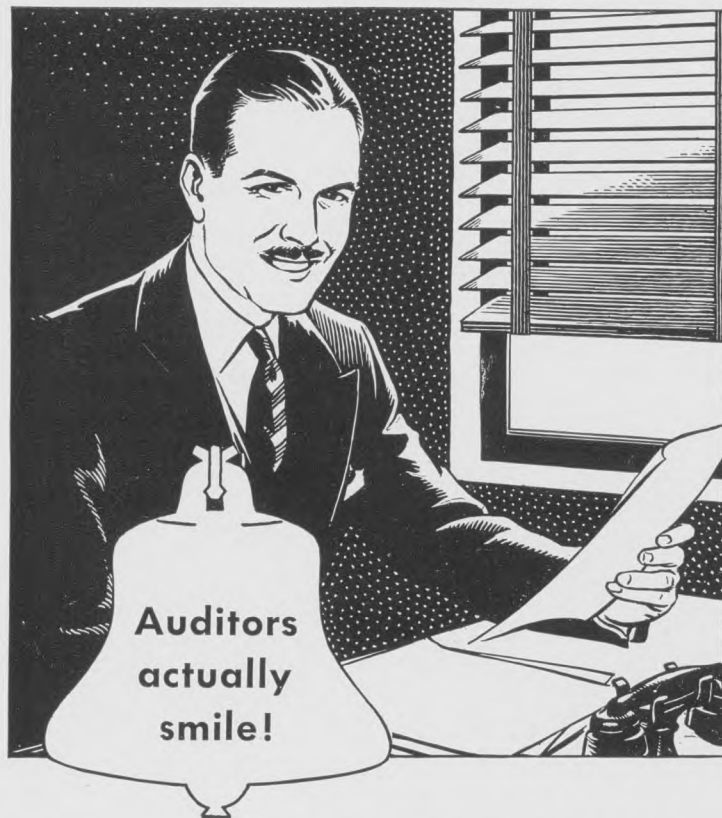
## The Future of Utility Regulation

In an exceptionally interesting address, Professor Philip Cabot of Harvard, analyzed the effect of recent emergency legislation as applied to the public utilities.

It is his opinion that the emergency legislation was both necessary and wise—if the fact that it really was emergency legislation is not lost to sight. As a permanent policy, he believes it would be disastrous to our institutions and our

governmental principles. And this would be especially true in the case of the public utilities.

The astonishing progress of the utility in America has been largely the result of centralization of control within the state each company serves. Commissions have been set up which are intimately acquainted with local conditions and problems—which are often drastically different from those obtaining a few hundred miles away—and are thus best able to cope with them. Federal regulation, even at its best, must operate by rule of thumb which is applied without



It must be pleasant news indeed that brings a smile to the harried auditor, as he checks over sales costs. Such news is often supplied by the use of the Long Distance telephone in selling.

For example, the Consolidated Products Company—dealer in industrial machinery—adopted a telephone selling plan. Within one year, approximately \$300,000 worth of machinery was sold by telephone—annual sales were increased 6%—selling costs were decreased 10%.

Telephoning costs little—look in the front pages of your telephone book for typical out-of-town rates.





deviation to all companies in all states. It is an example of remote control, through which a bureau in Washington dictates policies which must be followed, even when they are in direct opposition to what a state commission, in constant touch with its territory, knows to be in the public interest.

We have a classic example of this, as Mr. Cabot points out, in the case of the railroads. They found themselves in a vise which they could not escape. Fed-

eral regulation caused them increased expenses and reduced revenues. Federal competition from subsidized water carriers appeared. And the upshot is that the government must lend them millions to save them from bankruptcy, which would mean a tremendous tax loss to the government.

It is Mr. Cabot's belief that Federal regulation of utilities will inevitably impair their growth—and will deprive the states of millions that would other-

wise be received in utility taxes. That is the state's side of it. He believes it will lower, and perhaps in some cases eliminate entirely, the security of utility investors. That is still another side. From the customer's side, he feels the result, if regulation follows the precedent set in the case of the railroads, will be poorer service and an industry which is much less responsive to the needs of the public.

Federal regulation, as Mr. Cabot says, must deal in generalizations. The whole nation must be sprayed with a fire-hose, without regard to whether any particular locality needs water or sunshine. And there will be a drought in one place while there is a flood in another.

Thus, the public must be constantly on the alert in remembering that emergency legislation is one thing, and a permanent policy another.

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CONDENSED STATEMENT, SEPTEMBER 30, 1933

## RESOURCES

Cash on Hand, in Federal Reserve Bank, and due from Banks and Bankers.....	\$ 188,929,109.20
U. S. Government Bonds and Certificates.....	435,239,835.23
Public Securities.....	76,692,283.22
Stock of the Federal Reserve Bank.....	7,800,000.00
Other Securities.....	24,587,525.77
Loans and Bills Purchased.....	539,174,100.08
Real Estate Bonds and Mortgages.....	2,403,520.17
Items in Transit with Foreign Branches.....	7,972,507.99
Credits Granted on Acceptances.....	94,064,946.82
Bank Buildings.....	14,133,359.38
Accrued Interest and Accounts Receivable.....	8,409,195.83
	<u>\$1,399,406,383.69</u>

## LIABILITIES

Capital.....	\$ 90,000,000.00
Surplus Fund.....	170,000,000.00
Undivided Profits.....	7,963,616.16
	<u>\$ 267,963,616.16</u>
Accrued Interest, Miscellaneous Accounts Payable, Reserve for Taxes, etc.....	6,183,130.69
Acceptances.....	94,064,946.82
Liability as Endorser on Acceptances and Foreign Bills.....	182,386.00
Deposits.....	\$1,007,638,346.77
Outstanding Checks.....	23,373,957.25
	<u>1,031,012,304.02</u>
	<u>\$1,399,406,383.69</u>

## Need for Cooperation Grows

The farmer who believes that because government is seeking to do certain things for him, he need do nothing for himself, might ponder these words of Governor Henry Morgenthau, Jr., of the Farm Credit Administration: "I believe in cooperation both as a way of advancement and as a necessity for the American farmer. I don't believe any new form of economy or new regulation of production will ever make it less necessary. It is more likely to increase the importance of it."

Agricultural cooperation means that the farmer, in association with his fellows, is taking definite steps to help himself—and is adopting the soundest and most proven means of achieving a given end. The government itself recognizes that—and the careful reader of recent farm legislation will be impressed by the emphasis laid on cooperative methods. Indeed, Mr. Morgenthau says that the new system amounts to a chain of banks going to help by providing necessary financing, and the rest is up to organized farmers.

During three years of depression the membership rolls of the established cooperatives have constantly grown. During the next few years—the years of recovery—their rate of growth should be immensely accelerated. If that happens, and all indications are that it will, agriculture faces a bright future.

# INSURANCE

## *Its Application to the Banking Fraternity*

"During the year 1932, life insurance companies paid out more money than the average capital stock of every national bank in America"

# LIFE INSURANCE

## And Its Contribution to America

**N**OT INFREQUENTLY a tirade is delivered or a paper written condemning alleged unconscionable practices of life insurance companies. The paramount sin with which the companies are charged and of which they have been guilty is the amassing of vast reserves. The institution of life insurance, the agitator says, was properly conceived to build a death fund, a sum of money to be paid to the insured's family upon his death; that the only purpose of injecting cash and loan values into life insurance contracts was to amass monumental sums in the hands of executives for their personal gain. Political mugwumps and alleged statesmen, through ignorance or desire for political aggrandizement, have gone so far as to introduce bills in legislative assemblies to prohibit cash and loan values.

### America a Leader

Merit of the present day life insurance contract needs no defense in this group. America is the leader in life insurance as in other industries. The total death liability of insurance contracts in force in this country aggregates something like one hundred billion dollars, or the equal of an approximate one-third of all the property of every kind and character, tangible and intangible, found within the United States. If the insured all should die at one time the great insurance companies would issue an SOS in vain. Similarly, if all of the inhabitants of this country desired to ride by rail on the same day there wouldn't be enough trains. Or, if all the obligations of American citizens came due on

**REMARKS of James A. Rodman, chairman of the executive committee of the Omaha Chamber of Commerce, at a recent meeting of that organization. Mr. Rodman is president of the American Thrift Insurance Company of Omaha**

the same day there wouldn't be enough money in circulation to pay them. The answer is that none of these things will happen.

What is the test of strength of a great financial institution. To meet its obligations in normal times? No. If measured by that rule there would be but few failures in business of any character. The test is found in abnormal times. Bank guarantee funds worked admirably when there was no distress in the country. The system uniformly failed when the country was depressed.

### A Tremendous Sum

If I were to say to the average group of citizens that the life insurance companies of America paid out to the public six billions of dollars during the three depressing years of 1930, '31 and '32, would they comprehend the vastness of the sum involved I wonder if there isn't some better way to say it than using a round number of dollars.

There are thirty-one million men, women and children living on farms in the United States. The world almanac tells us that there are nearly fifty million

people in the United States directly or indirectly engaged in agriculture and dependent on it for their livelihood. Last year the total revenue for the entire effort of all persons engaged in farming in the country was less than five billion dollars. Wheat is regarded as a very important factor in the food stuffs and in the economic set-up in this country, important enough to call for international conferences, important enough to threaten the wellbeing of a nation. May you well be surprised when you learn that in the *first fifty days of 1932 the life insurance companies paid out to their patrons a sum of money more than equal to the value of the entire wheat crop raised in America in 1932. In March and April they paid a sum greater than the value of all beef slaughtered in the United States in 1932. In the month of May they paid a sum equal to the value of all the potatoes eaten in the country for the year of 1932.*

If someone 1870 years before the birth of Christ had deposited one dollar and another dollar had been deposited with it every minute of every hour of every day from that time until this day the aggregate sum deposited would almost equal the sum of money paid out by American life insurance companies in the year of 1932.

With every tick of the clock throughout the twelve months of the year \$70.00 was paid to relieve distress.

During the year of 1932 the companies paid out more money than the aggregate capital stock of every National Bank in America.

### Payments as Usual

1345 banks failed in 1930; 2298 in 1931 and 1404 in 1932 and yet the insurance companies kept right on paying for the relief of a sick America—\$150,000 every hour of every day and of every night. Stock markets broke in the country. Stocks which had been selling for dollars were being sacrificed for dimes. In the absence of this master service from this master service station this nation would at the end of the three-year depressing period have been a wreckage of national hopes.

When the moratorium was ordered, providing for limiting payment of funds, fear was expressed everywhere not only for our life insurance institutions but for all institutions. The moratorium amounted in fact to but a brief breathing spell, giving the huge giant time to recount his assets, found them not wanting and went on paying to the American public six million dollars a day as previously.

Life insurance is a public and private safety valve. It still provides a great harbor of protection in time of national calamity. It still is the safeguard against old age. It still is the medium of protection to one's dependents, a lighthouse in time of storm.

## Life Insurance Compliments the President

At its recent annual convention, the National Association of Life Underwriters adopted a strong resolution in favor of a sound currency, and complimented President Roosevelt on the resistance he has shown toward attempts to foist untried monetary experiments on the government.

That resolution is a very important document. The Life Underwriters who were present represented local associations in every state. Through their efforts more than 65,000,000 persons have purchased insurance totaling over \$100,000,000,000, protecting 20,000,000 families. The security for this is government bonds, first rate industrial securities, farm and real estate mortgages and similar investments whose value depends upon the state of the national currency.

Cheapening the dollar, through the issuance of printing press money, would endanger every policyholder—precisely as it would endanger every investor in government or other bonds. It would

be a direct blow at the thrifty and the foresighted—every unsound dollar issued would lower the purchasing power of every sound dollar. And, at first at least, those who would profit most would be the speculators.

Mr. Roosevelt's stand has been a heartening one. Though terrific pressure has been brought to bear on him, it is becoming known that he is definitely opposed to inflation through the printing press route. Millions of American citizens are applauding—and hoping that it will be his permanent policy.

## Don't Economize with Public Safety

The kind of "economy" that endangers a city's safety is false indeed.

That is the message in a brief article by L. S. Gregory, Assistant Secretary, Fireman's Fund Group. He is in a position to know. During the past few years a great many communities have gone in for "economy" where it is most dangerous—by lessening appropriations for the fire department.

Mr. Gregory cites a case in a large Southern city, where the firemen, in fighting a blaze in a manufacturing plant, could do almost nothing because the hose was so old that it could not stand normal water pressure. They were able, through a fortuitous circumstance, to borrow new hose from a private concern. Otherwise a conflagration might have resulted.

In another city, cuts in fire department appropriations necessitated laying up the fire boat. When a water-front fire broke out the city was confronted by the ludicrous spectacle of a handful of firemen in a row boat attempting to pull a line out from shore to control the fire!

It is probable that most cities and towns have economized principally in the matter of fire apparatus. Old engines are allowed to keep on in service when they are outmoded and inefficient, or are in need of repair. New engines which are vitally needed are not purchased. A few thousand dollars is "saved"—and millions of dollars and a multitude of lives are endangered.

There's no worse place to cut costs than the fire department. And there's no better time to improve the department than right now. The Federal government is making exceptionally favorable loans to cities, 30 per cent of which is to

be an outright gift, for needed public works. No "public work" is more valuable to every citizen than an A-1 fire department.

## Building Boom Started

Figures show that the long awaited residential construction boom is beginning to make itself felt. During the first half of August, construction of this type, as reported to F. W. Dodge Corporation, totaled \$10,876,000 as against \$8,812,300 for the same period last year—a gain of 23 per cent. This marked the fourth consecutive month in which advances were made over the comparable months in 1932.

For a number of years there has been a definite home shortage in America—for at least three of those years building was virtually at a standstill, and existing structures were subjected to more than usual depreciation, because of inattention to needed repairs. This wasn't due to lack of desire. It was due principally to lack of funds in thousands of families, and to a psychology of fear that prevented others, having ample funds, from spending. The first class is returning to its jobs now, and regular pay envelopes are brought home on Saturday nights. The second is discovering that rising prices will shortly make it impossible to obtain new buildings or to improve old ones at bargain prices. And both classes are going into the market for better living quarters. Still another beneficial influence is the Home Owners' Loan Corporation, which makes possible home financing that could not otherwise be obtained.

Yes, there's every indication that we're on the verge of a major building revival that will be particularly striking in the residential field. All who can should aid the relief program by taking advantage of low prices for land and material.

## Boulder Banker Dies

J. E. Chenault, 85, retired Boulder banker, died at his home in San Diego, Calif., recently. Mr. Chenault was in the mercantile business until 1900, when he obtained the controlling interest in the First National bank of Benton, Ill. In 1910 he bought control of the Mercantile Bank & Trust company of Boulder, and moved to Colorado.





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

# Nebraska News



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

## Discuss Deposit Plan

Two hundred members of the Nebraska Bankers association met recently in Lincoln for a discussion of the feasibility of state banks taking advantage of their option to participate in the federal deposit guaranty plan.

The plan is set out in the banking act of 1933, more familiarly known as the Glass-Steagall bill.

William B. Hughes, secretary of the association, said that no general decision was made, nor was there any marked expression of opinion among the membership. The nature of the meeting, he said, was purely instructional.

A. B. Wood, Bartley, chairman of the association's special committee of state banks on the banking act, presided. Other members of the committee are L. C. Farwell, DuBois, and L. R. Coufal, Howells.

## Named Chairman

The appointment of W. Dale Clark, president of the Omaha National bank as chairman of the advance gifts committee of the Omaha Community Chest eleventh annual campaign, October 31 to November 9, has been announced by W. F. Cozad, general chairman.

"We look upon Mr. Clark's acceptance of this difficult post as extremely fortunate for the forthcoming campaign," said Chairman Cozad.

This is the second year that Mr. Clark has held this post.

## Choose Officers

Stockholders of the Winside Citizens State bank met recently to choose directors in anticipation of reopening. The following were named: G. G. Haller, G. A. Mittelstadt, Henry Fleer, John Drevson of Hoskins, and Mrs. Cora Schmode. The directors met and named

these officers: President, G. G. Haller; vice president, G. A. Mittelstadt, and cashier, O. H. Olson.

## Trade Upturn

A prediction that business will soon increase in the Omaha trade territory was made last month by F. H. Davis, president of the First National bank of Omaha.

He said business is now definitely on the upgrade and expects to see much better conditions generally after Jan. 1. Mr. Davis said corn is three times as high as a year ago, and that the price of wheat is much higher now than a year ago.

He cited the instance of a farm which he recently sold, stating its receipts for this year will be four times as much as last year.

## Unrestricted

C. R. Anderson announces that the Farmers State Bank of Saronville opened for unrestricted business on Oct. 2. This bank has been in business over 40 years and no depositor has ever lost a dollar entrusted to its care. It is paying 100 per cent on all deposits.

Mr. Anderson says, "We think that President Roosevelt will bring about a new system of business and banking which will prevent the disastrous changes in price levels which are the cause of most of the banking troubles and also stop unscrupulous men from forming combinations and through misrepresentations filch billions of dollars from the people of the U. S., through the sale of worthless securities and also maintaining prices on industrial products out of any reasonable proportion to the prices paid for agricultural products and labor.

"The time will soon come when more fixed prices will be the rule and a fair

ratio established between the prices of the products of industry and agriculture. Credit will be established on a sound basis, and this can never be done unless the debtor can depend on being able to pay his debts with the same amount of commodities or labor which would have discharged the debt when made."

## Want Federal Funds

Plans for aiding restricted state banks in Nebraska to obtain funds from the federal reconstruction finance corporation by issuing debentures against their earnings as security have been vetoed at Washington, and a new scheme is now being formulated to accomplish the same thing in another way.

The revised proposal is that banks shall issue preferred stock for sale to individuals, and that the purchasers will then deposit this stock as collateral security for loans to the banks by the reconstruction finance corporation.

State Bank Superintendent Luikart has conferred on this plan with Attorney General Good and Frank Matthews of Omaha, Nebraska counsel for the federal corporation. The attorney general holds that it can be followed under the state's constitution and laws.

Because of the provision in Nebraska's constitution that holders of bank stock shall be subject to double liability, the R. F.C. refuses to buy preferred stock which banks here might issue, although it is doing so in other states where that rule does not apply. However, if the owners of such preferred stock are willing to pledge it as security for federal loans, the corporation stands ready to advance funds that will assist in putting restricted banks back on an 100 per cent basis.

## Meet in Auburn

Representatives of the banks of Nebraska county met in Auburn recently and

held an important session. The purpose was to discuss the bankers' code under the NRA and devise ways and means of complying therewith. Other problems that confront the bankers were also considered.

**Entertains Associates**

Gwyer H. Yates, president of the United States National bank, Omaha, was host last month to executive officers of Nebraska banks affiliated with the Northwest Bancorporation, at a luncheon and "get-together" meeting in the Paxton hotel.

**Hauge Resigns**

Resignation of A. O. Hauge of Des Moines as a director of the Federal Land Bank of Omaha, was announced recently by Lieutenant Governor Nels Kraschel.

Kraschel said the resignation, effective immediately, was given to him by Hauge and Hauge's attorney, C. B. Hextell, and has been forwarded to Henry Morgenthau, jr., federal farm credit governor.

**Cashier in Paxton**

J. G. Doherty has been employed by the Bank of Paxton to fill the vacancy caused by the retirement of F. M. Farr. Mr. Doherty comes from Ogallala, where he has been living for the past two years. Previous to that time he was employed at Berthoud, Colorado, where he

acted as chief officer in the liquidation of a bank which paid its depositors 100 cents on the dollar and closed its affairs with a remarkably small loss.

**Omaha Business**

Upturn in business in Omaha in indicated by a 3.6 per cent gain in bank clearings, 28.8 per cent gain in grain shipments and 34.8 per cent in livestock receipts over a year ago, according to figures compiled by the chamber of commerce. Bank debits, building permits and grain receipts showed a decline.

**To Washington**

C. G. Reynolds, North Platte, formerly with the farm credit administration at Omaha, has gone to Washington as a national bank examiner. He is brother-in-law of former Governor Keith Neville.

**Bank Examiners**

Congressman Terry Carpenter has recommended two men, Herb Hardin, formerly a resident of Scottsbluff, now residing at Omaha, and Deputy Land Commissioner J. H. Wehn of Bridgeport, as federal bank examiners.

The appointments will be made by President Roosevelt, it is stated, their need coming with the new system of all national banks coming under a federal guaranty law. It is not known who will receive the appointments, but Congressman Carpenter favors the Nebraska men.

**On Loan Committee**

Charles Finegan, cashier of the Bank of Hyannis, and a director of the Regional Agricultural Credit Corporation, spent some time in Omaha at the corporation's office as a member of the senior loan committee. The corporation reports some pickup in feeder loans and also reports that many borrowers report better crops than they had expected earlier in the year.

**Examiner**

Lyman Sorenson, son of Mr. and Mrs. Hans Sorenson of Hartington, was recently appointed national bank examiner, with headquarters in Des Moines, Iowa. Mr. Sorenson, who got his start in the First National bank of Hartington, has been in the Illinois state banking department in Chicago for the past three years. He was also with the Nebraska banking department at one time.

**Unrestricted**

The Farmers State bank of Pickrell, which has been closed since the bank holiday, opened recently on an unrestricted basis, it was announced by F. L. Pothast, cashier.

**To Open in Hastings**

Examiners for the Reconstruction Finance corporation have begun inspection of assets of the closed Nebraska National bank of Hastings in connection with plans for reopening of the bank by purchase of its preferred stock by the federal corporation.

G. R. Buckner and G. R. Froelich, examiners for the RFC, began examination of books of the defunct institution.

The reorganization plan was approved by the reorganization division of the comptroller's office at Washington. Under the contemplated arrangements for reopening the institution, the RFC would purchase approximately \$50,000 worth of the bank's stock.

**County Meeting**

The Cass County Bankers association met recently at Elmwood, where they were guests of the two banks of that city, the Elmwood State and the American Exchange banks.

The occasion was one of the most pleasant in a long series of successful meetings and all who attended were loud in their praise of the hospitality afforded them by the residents of Elmwood.

One of the outstanding features of the meeting was the address of J. R.

**LIVE STOCK NATIONAL BANK  
OMAHA**

**Statement of Condition, September 30, 1933**

RESOURCES		LIABILITIES	
Loans and Discounts .....	\$1,693,697.19	Capital .....	\$ 450,000.00
Bonds and Securities .....	63,417.59	Surplus .....	100,000.00
Stock in Federal Reserve Bank .....	16,500.00	Undivided Profits .....	63,843.29
Banking House .....	49,000.00	Unearned Discount .....	12,039.59
Furniture and Fixtures .....	None	Reserved for Taxes, Interest, etc. ....	25,101.95
Other Real Estate.....	1.00	Dividend Payable Sept. 30, 1933 .....	6,750.00
U. S. Gov't Securities .....	\$1,920,132.87	Deposits:	
Cash, Sight Exch. and Due from .....		Public Funds—	
Fed. Res. Bank 1,838,291.68	3,758,424.55	Secured .....	\$ 232,465.32
	\$5,581,040.33	Other Deposits 4,690,840.18	4,923,305.50
			\$5,581,040.33
<i>Securities Deposited with Federal Reserve Bank and U. S. Government to Secure Public Funds as Required by Law</i>			
	PAR VALUE	CARRIED ON BOOKS	MARKET VALUE
U. S. 4th 4 1/4 Liberty—1933-38 .....	\$260,000.00	\$262,210.00	\$267,475.00
City of Omaha 4 1/2—3-1-1936 .....	5,000.00	5,000.00	5,100.00
	\$265,000.00	\$267,210.00	\$272,575.00

*This Bank Has NO Affiliated Companies  
Member of Federal Reserve System and Omaha Clearing House Association*

Cain, Jr., of the Omaha National bank, Omaha, who spoke on "The Glass-Steagall Banking Bill." The speaker discussed the measure enacted by the last congress and which embodied many of the ideas of Senator Carter Glass, one of the authors, former secretary of the treasury and financial expert. Mr. Cain urged the united support of the people of the nation behind President Roosevelt regardless of station or political creeds, that in this action lay the only way out of the present chaos and depression that had gripped the country in the last years.

The association at its session also named the officers for the ensuing year, as follows: President, H. A. Tool, Murdock; vice president, O. C. Hinds, Weeping Water; secretary-treasurer, Frank J. Domingo, Weeping Water.

### To Join Federal Reserve

Up to October 14, a total of 44 Nebraska state banks had applied for entrance into the federal reserve plan for guaranty of deposits. There is a total of 241 state banking houses eligible to apply, according to W. H. Donahue, federal supervisor for Nebraska.

In all, 13 examiners and assistant examiners to work under Donahue have been designated. They are:

Fred Allen, Pawnee City; Anthony Barak, Petersburg; J. K. Friedebach, Lincoln; Richard Hadley, Hastings; J. E. Nicholas, Valley; C. M. Reynolds, Omaha; M. K. Van Horne, Lincoln, and George Whalen, Lincoln, examiners. W. N. Hurd, Pueblo, Colo., and T. J. Kastle, Jr., of North Bend, assistant examiners, and J. W. Morrissey, Kansas City; Frank Nelson, Hastings, and C. T. Rafter, Cheyenne, Wyo., national examiners appointed but not called.

### Bring Him Back

Requisition papers for the return of Charles Dotson to Nebraska to face charges of complicity in the robbery of the First National bank of York have been issued by Governor Charles W. Bryan.

Dotson is suspected of participation in the bank holdup of last Sept. 20, in which approximately \$10,000 was secured. He is now in custody of authorities at Muskogee, where he is being held in connection with a number of Oklahoma robberies.

A. E. Carter, York county sheriff, was named by Bryan to act as agent for Nebraska in returning Dotson.

Joe Harris, also arrested at Muskogee, pleaded guilty to participation in the York robbery.

## Kansas News

### Consolidated

A new bank, the Security National, has opened its doors for business in Kansas City, thereby marking a new step in Kansas City banking history.

The Security National bank is a consolidation of the Peoples National bank, whose quarters it will use, and the Security State bank.

Announcement of the merger is accompanied with a statement that all depositors' accounts and other business transactions of both banks will be transferred without change in status to the new Security National bank.

Maurice L. Breidenthal is president of the new financial institution. Claude L. Wilson is the cashier.

### Named Director

H. E. Heidrick has succeeded the late D. H. Thierolf as a member of the Guaranty State Bank, Beloit, board of directors.

Mr. Heidrick is a Beloit man, a graduate of the local high school, and has efficiently served as assistant cashier of the bank since 1922. For some time previously Mr. Heidrick was employed at the old American State bank.

### Hutchinson Meeting

H. M. Reed, president of the First State Bank of Larned, was elected chairman of Group Seven of the Kansas Bankers Association at its closing session held in Hutchinson.

The bankers also selected Larned for their 1934 meeting place. Leo Brown, cashier of the First National Bank of Larned was elected secretary.

The total registration at the meeting in Hutchinson was 501, the largest group meeting in the state. The session was climaxed by a dinner and dance at the Hutchinson Country Club.

### Resigns

President F. D. Carman, of the Bank of Herington, received a letter recently from M. E. Welch, who was visiting relatives in Ohio, containing his resignation as vice president and cashier of the bank.

For a number of years Mr. Welch's health has been bad and he has expressed a desire to be able to spend more time in the open. Apparently his sudden decision to resign was brought on by his old trouble.

Mr. Welch has been connected with the bank for over thirty years.

### Group Nine Meets

October 5th was a big day for the bankers of Group Nine of the Kansas Bankers Association when they met in Montezuma for an all day meeting. Due

## YOUR CAPITAL CITY CORRESPONDENT

CONTINENTAL NATIONAL BANK  
LINCOLN, NEBRASKA





to the fact that two national congressmen and one state senator were on hand, the bankers received some first hand information on what the state and national governments are doing for banking. The congressmen were Harold McGugin of the southeast part of the state and Clifford Hope of Garden City. The state senator was J. C. Denious of Dodge City. All of these men gave good talks on banking problems of today.

### Pioneer Dies

Luther N. Lewis, 68 years old, vice-president of the Peoples State bank and active in Lawrence business circles since 1885, died suddenly at his home. Death was due to a stroke.

Mr. Lewis attended the Lawrence public schools and the University of Kansas, and about 1885 entered the lumber business with his father. The elder Lewis died in 1905 and in 1909 the son sold the business. He was connected with the organization of the Peoples bank and had been connected with the institution since its beginning.

### Meet in Russell

Upwards of 300 visitors and bankers of the counties of Ellis, Graham, Norton, Phillips, Rooks, Russell, Smith, Trego and Osborne were in Russell recently for the 1933 meeting of Group Six of the Kansas Bankers Association. Added to these were officers of the Kansas Bankers association, officials of the Kansas banking department, representatives from correspondent banks in Kansas City, and bankers and others interested in banking from outside the district comprising Group Six.

### Elected President

At a recent meeting of the board of directors of the Citizens State Bank of Ellsworth, S. A. McManes was elected president of the institution to succeed the late Robert Allan.

Mr. McManes is the oldest son of Henry McManes, who was president of the bank from its organization to the time of his death. Mr. Allan succeeded Henry McManes.

S. A. McManes, familiarly known to friends throughout the state as Sam, followed the footsteps of his father in accumulating wealth as a successful cattle man. His election thus retains in an official capacity the family that has made the Citizens State Bank one of the sound institutions of Central Kansas.

### Merger

The Burr Oak State bank has absorbed the Jewell County National bank. J. P. Fair is president of the Burr Oak State.

## Colorado News

### Resigns

Clarence Burr, assistant Cashier of the National State bank of Boulder, has resigned his position with the bank and is at present in North Park.

Mr. Burr is to look after a large ranch there that is part of the estate of his father-in-law, the late Dr. Jones of Oklahoma.

### Cashier Dies

E. Wilkes Dinwiddie, 54, long time bank cashier of Grand Junction and widely known in banking circles thruout the state, died recently from a throat infection.

Dr. Dinwiddie came to Grand Junction in 1900 and for many years had been cashier of the United States bank of Grand Junction. He leaves a wife and son, Huston.

### To Get Loans

Loans asked by El Paso county farmers from the federal land bank are nearly ready to be made in many instances, J. H. Miles, agent there for the bank announced recently. Money should be forthcoming to the farmers shortly.

Loans being sought range from \$1,000 to \$6,000, and are made on land and chattels by the bank. Loans also are made of second mortgages by the federal land commission.

Farmers whose property has been foreclosed on since July, 1931, are eligible for loans.

### Arbitrary Rulings

Colorado's protest against arbitrary land bank rulings which are making it impossible for hundreds of farmers in this state to get loans they otherwise would be entitled to, have been carried directly to Secretary of the Interior Ickes and to Henry Morgenthau Jr., governor of the farm credit administration.

Congressman Edward T. Taylor of Glenwood Springs had two conferences with the secretary. With Fred Johnson, commissioner of the general land office,

Secretary of the Interior Oscar L. Chapman of Denver.

### To Reopen

Four Colorado banks, which have been in charge of conservators, will be reopened, according to dispatches received from Washington. The Colorado institutions to be opened as soon as possible on an unrestricted basis are the First National Bank of Boulder, Grand Valley National bank, Grand Junction; Lamar National bank and First National bank of Paonia. It is estimated that opening of the banks will release about \$2,000,000 in assets.

### Speed Up Loans

J. O. Wells of Colorado Springs, director of the Federal Land bank at Wichita, and who is also serving as secretary for three farm loan associations, has returned from Wichita, where he had been attending the regular monthly meeting of directors. He was accompanied by F. C. Page, a prominent rancher of the Fountain valley in the Springs area.

Wells stated that the bank now has on file 26,000 applications for loans from the four states of Colorado, Kansas, Oklahoma and New Mexico. At present 156 appraisers are struggling to catch up with the work and shortly a total of 200 appraisers will be in the field. It is expected that the backlog of applications will be cleared out of the way by Dec. 1 and beginning then the bank will be able to keep up with the current business promptly.

### Examiner

Willard Teller, widely known Littleton man, has received a telegram from Washington, notifying him of his appointment as examiner of the Federal Deposit Insurance corporation.

Mr. Teller will examine banks in various places in order to ascertain if they are suitable for the government to guarantee their deposits. It is the intention of the federal government, beginning Jan. 1, to guarantee deposits up to \$2,500 per depositor of both state and national banks.

### Robber Dies

Ed Woolery, 54, ex-convict, who was shot a half hour after the bank at McClave, Colo., was robbed by a lone gunman, died recently in a Las Animas hospital.

After Woolery held up Cashier W. C. Bourne and Miss Della Hartzell, assistant cashier, he escaped in a car. He was pursued by three citizens of McClave.

The robber was overhauled four miles south of the town, and the posse opened fire. Woolery stopped the car, crawled out, and fell on the road, with a bullet wound in his body.

### Denver Clearings

Clearings of Denver banks during September were more than 5 million dollars higher than they were during September a year ago.

The clearings were \$79,728,128.99 as compared with \$74,451,484.74 in the same month in 1932.

### Bonds O. K.

Receivers of national banks henceforth will be permitted to exchange mortgages held by the banks for bonds of the Home Owners Loan corporation, according to instructions received in Denver by John Lynch, head of the state branch of the corporation.

Due to present economic conditions, an abnormally large number of mortgages have been accumulated and the overhead expense in servicing these mortgages is high, Lynch was informed.

Because of these facts and the additional fact that a market has been established for the bonds, national bank receivers will be permitted to make the exchange, subject to the approval of the treasury department.

### Investment Officers

Morton Goodspeed, manager of M. E. Traylor & Co., Denver, was elected chairman of the Rocky mountain group of the Investment Bankers Association of America at the annual meeting. Francis Goodhue of Calvin Bullock, Inc., was named vice chairman and Waller C. Brinker Jr. of the International company was chosen secretary and treasurer.

The group named the three men members of the executive committee and also elected the following to that committee: Paul Loughridge (retiring chairman), Bosworth, Chanute, Loughridge & Co.; C. B. Engle, International company; O. F. Benwell, Benwell & Co.; M. W. Owen, Brown, Schlessman, Owen & Co.; H. D. Writer, United States National company; Warren Willard, Boettcher, Newton & Co., and Malcolm F. Roberts, Sidlo, Simons, Day & Co.

## Wyoming News

### Organize Investors

A. E. Wilde, Wyoming bank examiner, has instituted plans for organization of Wyoming investors in the Western Loan and Building Company of Salt Lake City which was taken over by the Utah bank commissioner.

Examiner Wilde is endeavoring to organize a committee of investors in five state districts of the state and these groups will, in turn, organize Wyoming investors who have more than \$1,000,000 at stake in the Utah company.

State districts are as follows:

No. 1—Lincoln, Uinta, Teton, Sublette and Sweetwater counties.

No. 2—Park, Big Horn, Hot Springs, Washakie and Fremont counties.

No. 3—Sheridan, Johnson, Campbell, Crook and Weston counties.

No. 4—Natrona, Converse and Niobrara counties.

No. 5—Goshen, Platte, Albany, Laramie and Carbon counties.

### Federal Appraiser

Roy B. Nordyke, county extension agent, has been appointed one of the 15 Federal land bank appraisers for Wyoming. An agent to succeed Nordyke in the Green River territory is expected to be named by the University of Wyoming officials shortly.

### Resigns

Roy A. Mason has announced his resignation as vice president of the First National bank of Kemmerer after thirty-three years of service.

He will accept a position with the Federal Deposit Insurance corporation, with headquarters in Cheyenne, which is adding to its force to ascertain qualifications of banks to accept the new bank guarantee law after the first of the year.

## New Mexico News

### State Convention

Endorsement of the Home Owners' Loan corporation in New Mexico was voted by the New Mexico Bankers association. The convention in Albuquerque took up the NRA banking code for brief discussion, later referring it to a committee representing the clearing house districts of the state for recommendation for final action by ballot of the individual banks.

James B. Read of Taos was selected for president, succeeding Arthur Jones of Portales. Other officers named are: Floyd Childers, Roswell, vice president; A. E. Huntsinger, Vaughn, treasurer; Mrs. Margaret Barnes, Albuquerque, secretary, re-elected; Arthur Jones, member of executive council of the American Bankers association; L. C. Becker, Belen, New Mexico, vice president of the American Bankers association; Fred Luthey, Albuquerque, nominating committee A. B. A.; H. L. Boyd, Springer, alternate.

Divisional representatives to the A. B. A. were chosen as follows: National, H. H. Aull, Santa Rosa; state, D. W. Priestly, Clayton; savings, Oscar M. Love, Albuquerque; trust, Paul A. F. Walter, Sr., Santa Fe.

The resolution endorsing the operation of the home loan association in the state, offered by S. A. Jones of Tucumcari, declared, "We further recommend that our customers and others accept the four per cent interest guaranteed bonds of the home loan association in exchange for their mortgages, and thereby assist in the general recovery program."

### R. A. C. C. Assistant Manager

J. E. Robertson of Artesia was sworn in recently as assistant manager of the New Mexico branch of the Regional

## Central Typewriter Exchange, Inc.

(EST. 1903)

NEW AND REBUILT TYPEWRITERS, ADDING MACHINES, CHECK WRITERS — FULLY GUARANTEED.

REBUILT MIMEOGRAPHS, STENCILS AND INKS

LOWEST PRICES

**ALLEN-WALES**

THE FINEST "HEAVY DUTY" ADDING MACHINE MADE

1820 Farnam St.

Omaha, Nebraska



Agricultural Credit Corporation bank. George Hunker, formerly of Las Vegas, is manager. Mr. Robertson will have charge of the Santa Fe office during the absence of Mr. Hunker, who is in the east on business. New Mexico was served from the Wichita, Kansas, office, before the establishment of a state branch bank.

**To Reorganize**

About 100 depositors of the First Savings Bank of Albuquerque at a meeting recently approved a reorganization plan proposed by the depositors' committee and empowered the committee chairman to conduct the stock subscription drive under the reorganization plan.

The committee's plan calls for the raising of \$120,000 new capital, of which \$70,000 is to be subscribed by depositors and \$50,000 by former stockholders and for reorganization of the institution as a state bank. It is estimated that the plan will release 25 per cent of the deposits immediately.

Included in the plan is a clause that the reorganization committee will work toward relieving stockholders of their assessments to the extent that each individually subscribes to stock in the new bank.

**First National to Open**

Comptroller of the Currency J. F. T. O'Connor has signed approval of the final draft of the plan for the reorganization of the First National bank of Albuquerque, according to advice received from Washington by Conservator W. A. Keleher.

The plan approved is essentially the so-called modified Coors plan for reopening the institution on a 100 per cent basis and was approved by nine experts

in the comptroller's office through whose hands it passed before it was finally recommended to O'Connor.

Seven directors for the reorganized bank have been approved by Louis A. Miller, assistant examiner, and Irwin D. Wright, chief examiner, for the tenth federal reserve district.

These names, decided upon by Mr. Miller and Mr. Wright at conferences in Kansas City, have been forwarded to the comptroller's office and the R. F. C. office in Washington.

**Decrease in Real Estate Foreclosures Announced**

A decrease in foreclosures of 6.1 per cent in August of this year as compared with August 1932 has been announced by the Division of Research and Statistics of the Federal Home Loan Bank Board and the H. O. L. C., which made public an analysis of reports from 1114 communities that include 53 per cent of the population of the United States.

The analysis also reported "a noticeable strengthening in the real estate market as indicated by reports on both rental and sales of properties in many sections of the country."

For the 60 day period of July and August, a decrease of 11.6 per cent was reported over the immediately preceding sixty-day period in May and June, although a comparison with the corresponding periods of 1932 indicated a decrease of only 0.6 per cent.

In August, 1933, the number of foreclosures was 18,015, while for August, 1932, it was 19,176. In 1933 the combined July and August figure was 35,773, while the combined May and June figure was 40,455. In 1932 the corres-

ponding figures were 37,220 and 37,440 respectively.

Decreases were noted in August of this year in 23 States as compared with July, and 6 of the 12 Federal Home Loan Districts showed decreases in August as compared with July of this year. These were reported in the Districts served by the Federal Home Loan Bank of Boston, Newark, Pittsburgh, Topeka, Portland and Los Angeles.

The figures reported cover foreclosures on all types of properties including frames and commercial properties as well as homes. An analysis of the reports submitted to the Board indicates that something over half of the total number of foreclosures represent homes.

He had purchased a parrot which was rather a young bird and was trying to teach it to talk. He walked close to the cage and said in a loud, clear voice:

"Hello! Hello! Hello! there Hello!"

He yelled until tired, the parrot paying no attention to him. But when the man stopped for breath, the parrot opened one eye and said, "Line's busy."

**Publisher's Statement**

Statement of the Ownership, Management, Circulation, etc., required by the Act of Congress of August 24, 1912, of the CENTRAL WESTERN BANKER, published monthly, at Omaha, Nebraska, for October 1, 1933.

1—Name of Publisher—Clifford De Puy, Des Moines, Iowa  
Editor—H. H. Haynes, Des Moines, Ia.  
Associate Publisher—R. W. Moorhead, Des Moines, Iowa

2—Owners: Clifford De Puy, Des Moines

3—That the known bondholders, mortgagees, and other security holders owning and holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: None.

H. H. Haynes, Editor.  
Sworn to and subscribed before me this 30th day of September, 1933.

Earl S. Linn, Notary Public.  
(My commission expires July 4, 1936)

(Seal)

**AUSTRALASIA  
BANK OF NEW SOUTH WALES**

ESTABLISHED 1817

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

PAID-UP CAPITAL . . . . .	£A 8,780,000
RESERVE FUND . . . . .	6,150,000
RESERVE LIABILITY OF PROPRIETORS . . . . .	8,780,000
	£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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*As a Matter of Fact*  
**INDUSTRY Outranks FARMING**  
*in* **NEBRASKA**

**TRUE**, Nebraska is still fifth among all the states in value of farm products.

But, in considering the state as a market, it is well to remember that income from the products of Nebraska's 1490 factories is \$596,000,000. And this is 157% of the income from her 192,458 farms, so famous for their output of dairy products, hogs, beef, corn and sugar beets.

This doubly rich potential market—now benefiting both agriculturally and industrially, with rising commodity prices—is one of eight states served by the 126 units of the Northwest Bancorporation. Seven of these banks are strategically located in Nebraska.

- United States National Bank . *Omaha, Nebraska*
- Stock Yards National Bank . *Omaha, Nebraska*
- Continental National Bank . *Lincoln, Nebraska*
- First National Bank . . . *Fairbury, Nebraska*
- Hastings National Bank . *Hastings, Nebraska*
- Security State Bank . . . *Norfolk, Nebraska*
- South Omaha Savings Bank . *Omaha, Nebraska*

The Northwest Bancorporation, through its headquarters in Minneapolis will be pleased to cooperate with executives interested in Nebraska or any of the states named on the map above.

**NORTHWEST BANCORPORATION**

MINNEAPOLIS MINNESOTA



*This advertisement is one of a series appearing in national publications, featuring the territory served by the Northwest Bancorporation*



# The Omaha National Bank

*Complete Banking Service*