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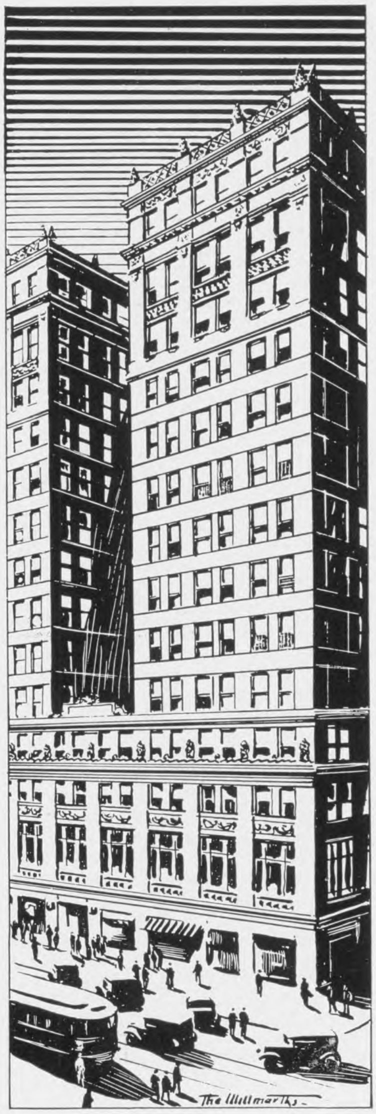

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The Teller Tells the World

By C. W. FISHBAUGH

THE OUTSTANDING date of last year was March 4th, "bank holiday." Oscar, the hired man in the bank, made the remark to the president that he believed bankers should celebrate the anniversary of that memorable day by declaring a holiday. The Pressie agreed, saying: "Oscar, that's a good idea and we'll observe March 4th by making it a holiday, none of the employes need come to work on that day." Now I wonder if the fact that March 4th comes on Sunday this year had anything to do with his decision!

BANKERS have become "float conscious"—most of the codes call for figuring float charges when making service charges. In order to bring the customers into the bank earlier, to avoid the last minute rush, we have adopted the plan of calling a four day item four days up to two o'clock and after two adding an extra day or calling the item five days. This is fair because any item that comes in after two is usually held up and goes into the next day's business. In a month's time this extra day float makes a lot of difference.

AS LEGAL money got scarcer from 1931 on, more people began making their own. In 1931, for instance, 11 new counterfeit notes circulated. The secret service seized $36,572 in bogus currency and $44,078 in spurious coins. In 1932, there were 17 new counterfeit notes, with currency seizures of $540,538 and coin $49,773. In the west where most of the nation's silver is mined, the secret service found a rapid rise in the number of counterfeit coins.

WITH GOLD becoming "outlawed," people who have had five and ten dollar gold pieces in their possession for years have been turning them in. These folk are not hoarders, but just Americans that became attached to the pieces for sentimental reasons. It seems a shame they must turn these in, but I hear no complaints. And if gold will help bring the country out of the hole, every American with a five dollar gold piece will gladly kick in.

CLIPPED from one of our leading papers: "This is a good time to collect the right real estate and securities, if you know how to select the right ones." Aye, aye, there's the rub.

IF RIP VAN WINKLE had been a banker and slept for say five years, starting his sleep in September, 1929, and woke up today, what would he have thought. Think about it. Remember banking back in 1929 and then look at banking today; the difference is amazing. Things have changed so gradually on one hand and on the other things have changed so fast. That may sound like a paradox, but it's a fact. Anyway, I'll wager Rip Van Winkle would have made the remark of his namesake, Ripley, and said: "Believe it or not."

HERE'S SOMETHING interesting to bankers. No other corporation in the United States is permitted to use any three of the words used in the name of the new Federal Deposit Insurance Corporation. In other words, there is going to be nothing confusing about the FDIC. (Please note that the first two letters F.D. are the same as our President's.)

HERE'S A true story that was told at a recent bank meeting:

Two brothers were running a bank. One of their regular borrowers was the school teacher, that comes in and borrows twenty-five dollars every couple of months. Always paying it back, but rather slow. One day the brothers got together: "Ted," said the one, "let's cut out this small loan stuff to Miss Blank." "Okay," said the other, "we'll stop it."

A few days later one of the brothers was out for dinner, Miss Blank came in and borrowed twenty dollars. The brother put the note in the cash items. When they balanced at night the other brother found it. "What's this?" he inquired, "I thought we agreed not to loan her any more money."

"That's just it, WE did agree not to loan her any more money, but you weren't here," came the unexpected answer.

CUSTOMERS that have had time certificates of deposit in the past are somewhat at a loss to understand the new laws on time deposits. Before you are through explaining that a certificate cannot be made for 6 or 12 months, cannot be cashed before due, and is subject to interest change if so called upon to do so by the Federal Reserve and that the interest rate is only two per cent, the customers is willing to take the money and save the banker the trouble of caring for it. Time money is not asked for, in fact, it seems to be shunned.

"Employes who use tact in their contacts inside and outside the bank are doing themselves and their bank a good turn"

Courtesy, Civility and Cheerfulness Pay Good Dividends

By E. B. MERRELL
Vice President
The Cleveland Trust Company

A FRIEND of mine, whose father for many years was the proprietor of a successful store in a small town, frequently repeats this sound, home-spun business maxim of his merchant father: "My son, always think of your customer as your boss — and put yourself at his command." That is equally good advice for bank employes and officers. Each one of us is a salesman. We are selling the one staple that a bank has to offer—financial service. Our direct orders come from executive officers who determine the policies and direct the functions of this great institution, but back of them all are the more than 500,000 depositors of the bank, who must be satisfied with quick, courteous banking service.

In spite of the many differences in human nature, experience has taught me that customers may be classed into three divisions: the carefree, the business-like, and the trouble customers. The carefree ones enjoy a hearty salutation and brief comment as to their health, their family and affairs. The business-like person is more concerned with speedy, efficient service and though responding to a cheerful greeting, prefers not to enter into a conversation. The troublesome customer is likely to take a lot of time complaining about everything in general, and plenty in particular.

In retaining the good will of these three kinds of customers we need to add to the merchant's home-spun philosophy —a "three-C" creed for bank employes: Courtesy, Civility and Cheerfulness to all. An employe keeping these fundamentals in mind will go far towards satisfying all types of customers.

Prompt, courteous service with a smile will do much to disarm the customers who fall in the trouble classification. A polite gesture or kind word and a few moments spent in directing a person to a certain officer or department, may go a long way in establishing a friend and customer for the bank. A careless word or ill-mannered gesture might blacklist the institution forever in the mind of a prospective customer.

Director Chapin at a recent meeting told of an incident that is applicable to our employes who meet the public.

An employe of the National Acme Company, discouraged because of lack of advancement, discussed his problem with President Chapin, who told him that his greatest handicap was the inability to meet people, and advised him to cultivate the art of smiling. The man promised to do so and spent many hours before a mirror, he reported later to Mr. Chapin.

That employe is today the best salesman in the company.

There are many lessons to gain from from customer contacts. Many contacts reveal important lessons of psychology that an alert employe retains classified in his mind under experience.

Good prospects are often uncovered where least expected. One cannot always judge at first sight, the possibilities of a prospect. A careworn, shabbily-dressed, elderly woman entered a large uptown branch of a New York bank last spring and told the guard that she wished to open an account. It was noon; three officers were in the new accounts department. The younger two were about to go to lunch, and upon seeing the old lady were convinced that their hunger could not be staved off any longer. They made their exit, leaving the manager of the branch, who was busy with telephone calls and several other urgent duties. Presently, however, he was able to extricate himself from his work and approaching her, asked if he could be of assistance.

After stating her mission, she asked to see a statement of the bank's financial condition—this to the great surprise of the manager, who was used to having his bank's financial condition taken for granted, particularly by individuals unassuming in appearance as this forlorn-looking lady. After reading the statement through carefully she asked several intelligent and pertinent questions and then informed him she was ready to open an account. As he took down the name, address and other usual information, he thought it would be a small account—the woman was ostensibly poor.

"How much do you wish to deposit?" he asked.

"Thirty-one thousand dollars," she answered casually and proceeded to count out the money in various-sized bills.

The old-time banker has been accused of being unsympathetic and cold, but the modern one is different. He realizes that he owes his position to the depositors and most of them enjoy having him show an interest in them. He must be a keen student of human nature to recognize quickly the type of person he is dealing with. In any event, he should abide by courtesy, civility and cheerfulness and not let silence indicate grouchiness.

Many new accounts may be produced by a silver tongue, but we who are in constant touch with the public often find that a guarded tongue is more truly golden in the way of keeping them. Often damage is done by saying too much, or the wrong thing.

Employes who use tact in their contacts inside and outside the bank are doing themselves and their bank a good turn.—*From the Cleveland Trust Magazine.*

Banking Structure On a Firm Foundation

F. M. Law

Remarks by Francis M. Law, President of the American Bankers' Association, and President of the First National Bank of Houston, Texas Before the recent Mid-Winter Trust Conference in New York

"IT IS my opinion that the banking structure of the nation was never on a more firm foundation than it is today."

The above is a verbatim quotation from a speech delivered in New York a few days ago by a high government official who has more intimate first-hand knowledge of the real condition of banks than perhaps anyone else. I refer to the Honorable J. F. T. O'Connor, Comptroller of the Currency. His statement may be accepted with assurance.

A depression cannot long survive a sound banking structure if the banking structure is responsive to legitimate needs and functions in a way that is virile and alive. The most cheering fact of the present situation is the knowledge that our banks are in strong position. No program of recovery could carry any guarantee of permanence otherwise.

The very satisfactory condition of banks is due in large part to the program of the Reconstruction Finance Corporation under which thousands of banks have strengthened their capital positions by the sale of preferred stock or capital notes. The return of confidence has been aided by the advent of the Federal Deposit Insurance Corporation and the protection afforded thereby to 97 per cent of the customers of the nation's banks. Full credit should also be accorded to the bankers themselves, who have given their all, sparing nothing, in a supreme effort to clean house and to prepare to go forward.

Recovery, even to the most pessimistic, is no longer a myth or a rumor, nor is it merely psychological. Abundant evidence and proof lie on every hand—tangible proof. With a return of confidence the wheels have begun to go round and a great many well managed businesses may look for a profit during this calendar year with fair assurance at least.

For what has been achieved let us thank the President, who has labored with courage and patience and vision. Let us thank the Congress, whose members during the emergency have put the public welfare above partisanship. Let us thank one hundred twenty-five million of our own citizens who have refused to be stampeded, but rather who have kept alive the divine spark of faith and hope.

Now that this country has returned to a gold bullion standard and the dollar has been valued, the effect has been to lessen uncertainty and to instill confidence. Sir Josiah Stamp, Director of the Bank of England, is quoted as saying recently: "The new dollar is a good foundation on which to build an improvement in international trade."

We may reasonably expect that the recent action of the government in stabilizing the dollar will have a marked tendency to encourage industrial and other business commitments. Business men need not be so exclusively engaged in taking counsel of their fears now that uncertainty does not so cruelly haunt their dreams.

Much has been said about the loosening of credit by banks. During the acute period of the depression banks for the most part have not been lending normally, nor should they be blamed. With public confidence shattered the banker was properly concerned in liquidity, having in mind his primary obligation to pay off deposits. The situation has improved to the point where super-liquidity no longer seems necessary. Conditions have materially changed. Banks will desire, for every reason, to return to a more normal lending policy. This does not mean loose credits or the making of improper loans. It does mean a sympathetic attitude and a recognition of responsibility for his proper part in the program of recovery by the banker as he passes upon and meets sound credit requirements of business as it swings into and continues on the upward turn. I confidently expect to see loan figures rise.

The call is clear and compelling for the bankers of the nation to show their faith just now in the future and permanence of America and America's business. Leadership, able and unafraid, is called for. The country has a right to expect the bankers to assume a definite measure of responsibility in this leadership. It is at once a challenge, a duty and an opportunity. The country, under the heroic command of its President, is on the march. The banker is needed to serve unselfishly in directing the journey. Out of his experience he should be able to point out pitfalls and dangers and direct a safe course that will in due time lead to real and permanent recovery.

Changing Conditions In the Grain World

EXCERPTS from the address of Frank A. Theis, chief of the grain processing and marketing section, Agricultural Adjustment Administration, before the annual meeting of the Kansas Agricultural Convention, held in Topeka

THE AGRICULTURAL Adjustment Act has for one of its principal objectives the raising of the price of agricultural products to a level which will give them the same purchasing power as these agricultural products enjoyed during the base period, 1909-1914. This objective, insofar as it relates to wheat is frequently expressed briefly by saying that farm prices are to be raised to parity. Only a few days after the approval of the act an informal conference of representatives of growers, handlers, and processors of wheat was held in Washington on May 26, and the ground work at that time was laid for formulating the Agricultural Adjustment Administration's wheat program. This program was announced on June 16, jointly by the secretary of agriculture, the Agricultural Adjustment administrators, and approved by the president. The program thus announced contained among other things the following: "The object of the program is twofold: First, it seeks to assure contracting farmers an income amounting to parity prices on that part of their production required for domestic consumption independent of either the American or the world price; second, by offering farmers direct financial incentive to curtail their future wheat production when required, it undertakes to restore balance between supply and market demand, providing a permanent life for the wheat price structure. The plan also very definitely stated that it permitted a free supply and demand price for wheat to operate in all markets of the United States. When this open market price and world price for wheat become adjusted the way will be open for the free export movement of American wheat without detriment to the farmers' income on that portion of their wheat required for the domestic market.

The acreage reduction feature of the program is for the purpose of controlling, insofar as acreage reduction can control the production of wheat so that it will be more closely related to the probable future demands for wheat both domestic and export, than has been the relation between production and consumptive demand during recent years. The whims of nature at all times must of course be recognized.

Processing Tax

At the time the wheat program was inaugurated the farm price of wheat in the United States was about 30 cents per bushel below parity price. The processing tax was therefore fixed at 30 cents per bushel; and incidentally, was worked out very rapidly and actually put into effect on July 9, 1933. Wheat producers are to receive the full advantage of this processing tax, which it is hoped will give them a price for their wheat equal to parity throughout the entire United States. The advantages accruing to the farmers are: First, direct payments amounting to approximately 28 cents per bushel on that portion of their crop which is normally required for domestic utilization; second, a small part of the processing tax is being used to facilitate exportation of the wheat surplus (which I will go into later). The success of this program depends to a very considerable degree upon the cooperation of the various groups involved.

Another point in this cooperative program which rests on the farmer is that of aiding the government in securing the full amount of the processing tax. The act provides that producers of wheat may be exempt from the payment of the processing tax on that portion of their wheat ground into flour used by their family, household and employees. The extent of this exemption and the loss to the processing tax fund resulting from this exemption has been carefully calculated and the net receipts from the processing tax pro-rated for benefit payments and so forth.

Prices

One of the most constructive and praiseworthy changes during the last year that I can refer to is the question of price which the Kansas farmer has been receiving and is now receiving for his wheat. As an example, on the last marketing day, December 30, 1933, No. 2, hard, ordinary wheat sold on the Kansas City market at an average price of 82 cents; whereas on the last of the year, 1932, this same grade of wheat was selling at 40 cents a bushel. Practically the same situation prevailed in other grains. No. 2 mixed corn, selling the last day of 1933 at 43½ cents, and in 1932, 22 cents, and No. 3 white oats in 1933 selling at nominal 36 cents as compared to 15 cents the same day the previous year. Most assuredly a 100 per cent advance in actual marketable value of wheat and other grains is an encouraging sign. The income for wheat producers in Kansas during the 1933-34 marketing year promises to be considerably larger than that of the previous year, in spite of the fact that the 1933 crop in Kansas is the smallest on record in recent years.

We realize, of course, that wheat producers are interested not only in an increased price paid for wheat but also in the total income received from the sale of wheat. During the marketing year 1932-33, the sale of wheat from Kansas farms gave to producers an income which is estimated to be about $36,500,000. During the 1933-34 year, when the supplies of wheat to be marketed from Kansas farms was very much smaller than any previous year, the income from the sale of wheat would also have been extremely small had the low wheat price of 1932-33 prevailed. But because of the improved price of wheat during the first six months of the current season, the estimated income from the sale of wheat from Kansas farms during that period was about equal to the income for the whole of 1932-33. Calculating the income from the wheat now remaining on farms available for sale at present prices and adding that to the estimated income to January 1, brings the estimated income for the 1933-34 season to approximately $47,000,000, considerably above that of last year. In addition to the income from the sale of wheat, Kansas farmers have already received and will continue to receive benefit payments under the wheat program, amounting to an estimated total of about $24,000,000.

The state of Kansas is indeed to be congratulated on its whole-hearted support of the administration's program. Ninety-seven thousand, eight hundred and eighteen wheat producers in Kansas signed acreage reduction contracts; 12,548,000 acres were represented by these farmers. Fifteen per cent of this acreage will be taken out of production, that is to say, about 1,880,000 acres will be taken out of wheat production in Kansas this year under the terms of these contracts. The average acreage sown to wheat in Kansas during the last three years was 13,541,000 acres.

Reported wheat sowings during the past fall were 11,953,000 acres, or 1,588,000 acres (11.7 per cent) under the three-year (1929-1931) average, and 900,000 acres (7 per cent) under last year's planted acreage.

Of course, this year the producers of wheat throughout the entire southwest have been able to maintain considerably over world's price levels, averaging 20 to 30 per cent per bushel over export prices throughout the season, and have therefore not been dependent on the export market.

Export Outlet

The United States, partly due to its tariff policy and partly due to other causes which I will not attempt to discuss, has gradually lost its export outlet for wheat during the past few years. It is important to note that the tariff act in force for the years 1920-21, collected an average ad valorem rate upon dutiable goods imported of 23 per cent. Under the 1922 act which was in force for seven years, the average rate upon dutiable goods advanced to 38 per cent. The Hawley-Smoot Tariff Act of 1930 advanced the average dutiable rate to 53 per cent. Comparing our loss in export trade during the post-war years with an average ad valorem rate of 22 per cent, the world export trade in wheat averaged 625,000,000 bushels, of which we furnished 41 per cent. During the seven years of our 38 per cent tariff the international world trade in wheat averaged 791,000,000 bushels and we furnished 21 per cent of it. In the first two years under our 53 per cent tariff the world wheat trade reached 814,000,000 bushels, and we supplied only 15 per cent of it. And as we all know, our exports last year and a part of this crop season have been growing steadily smaller. To be more specific the net exports from the United States of wheat and flour, which does not include shipment in bond from Canada, are as follows:

	BUSHELS
1928-29	142,245,000
1929-30	140,289,000
1930-31	112,416,000
1931-32	122,911,000
1932-33	31,842,000
1933-34 to Nov. 18	2,000,000

I call particular attention to the exports of only 2,000,000 bushels from July 1, 1933, up to November 18, for the reason that the United States values were practically on a domestic basis, being some 20 or 30 cents over the world price.

During recent years numerous European countries have adopted a policy of self-sufficiency, promoting home production and erecting various types of barriers against the importation of wheat. Increasing surpluses and low prices of wheat in the United States had been materially affected by the general world wheat situation. This world crisis was precipitated by the large world crop of 1928, which amounted to more than four billion bushels (exclusive of Russia and China), and the nationalistic policies of certain European importing countries of the world, resulting in declining purchasing power. It is significant to note that prior to 1928 world consumption of wheat adjusted itself very close to world production. Following the large crop of 1928, however, world surpluses mounted rapidly. The imports of wheat and flour into the principal importing countries of the world declined materially, in spite of the lowest prices on record. This decline was accounted for very largely by the policies adopted by France, Ger-

(Continued on page 12)

Farm Land for the Future

"OF ALL the factors that influence the future need for farm land only one can be measured with any precision,—namely, the population of the Nation," Dr. O. E. Baker, Department of Agriculture economist, declared at Farm and Home Week, Iowa State College, Ames, Iowa, last month.

"It is practically certain," he said, "that between now and January 1, 1940, the increase of population will be 3,000,000 to 5,000,000, and between 1940 and 1950 it may increase by as much more. At three acres of crops harvested per person this means that 9,000,000 to 15,000,000 more acres of crops would be needed by 1940 and 18,000,000 to 30,000,000 acres by 1950 than are required for our present population, other factors remaining equal. The present requirement, however, is much less than the acreage now in cultivation. Hence, no net increase in acreage devoted to crops may be necessary.

"Should the diet shift from animal products toward more cereals or sugar, or should exports of farm products decline further," he continued, "less land would be needed than would otherwise be required. However, per capita consumption of farm products, considered as a whole, has changed very little during a third of a century, and it appears that a new level in exports of farm products has almost been reached.

"Whatever net change may occur in the crop acreage necessary to supply our requirements for domestic consumption and exports, many millions of acres of land will go out of use for crops in certain regions because of physical and economic disadvantages, and many millions of acres will come into use for crops in other regions."

Discussing "the poor land program," the speaker said that "the proposal to purchase poor land, sometimes called submarginal land, is in accord with the trend of declining crop acreage in the originally forested eastern and southern portions of the United States, during the decade 1920 to 1930." He said: "I believe in the poor or submarginal land program because there are millions of farm people whose land is capable of maintaining only a meager standard of living; because the poor land program will conserve natural as well as human resources; and because the program will in many places help to reduce taxation. The subsistence homesteads policy also deserves support because it will benefit both city people and farmers."

Return of Long-Term Investment Market Needed for Sound Business Recovery

OPENING up of the long term investment market will provide a powerful stimulant to sound business recovery, in the opinion of M. A. Linton, president of the Provident Mutual Life Insurance Company of Philadelphia. Mr. Linton, speaking before the trust company division of the American Bankers Association at their midwinter session held in New York, in reviewing some of the obstacles which he believes are retarding business recovery, said that when the investment market is again normal the life insurance companies, with their great reservoirs of credit will be able to do their share in bringing back prosperity.

At present a number of obstacles are hindering the restoration market. "Fortunately," Mr. Linton said, "these obstacles are man-made and hence may be removed. One is the uncertainty about the future value of the dollars. We can but hope that the 59 cent dollar will produce stability and a feeling of confidence in the future. People naturally hesitate to lock up their funds for a long time if the dollars that will come back are going to purchase a lot less than present dollars.

"Another is the Securities Act, which imposes such heavy liabilities upon those responsible for the conduct of even the best businesses that they hesitate to incur the risk of issuing new securities. The life insurance companies desiring to invest their funds wish that these hindrances could be removed.

"Finally, rising costs of production under the NRA codes have endangered profits in many lines of industry. Without profits borrowings cannot be paid back. There can be no valid objection to higher wages for labor provided the conditions exist under which the industry can continue to operate with a proper margin between production and selling costs.

"Because these obstacles exist the government has found it necessary to make large financial commitments of its own both to support emergency relief and made-work measures and to make long-time capital loans. The requisite funds are being borrowed and large offerings of government securities are in the offing. Are these securities best adapted to the needs of the life insurance companies?

"A first consideration is that the companies must invest their funds at a certain minimum rate of interest in order to fulfill their contracts with their policyholders. Moreover they should invest in long-term securities. If the government issues long-term bonds on a basis that meets the requirements of the companies, the very fact that the government must pay so high a rate would have a serious effect upon the securities markets generally. Thus we are face to face with an awkward dilemma.

THE uncertainty regarding dollar value, securities legislation, and rising production costs are dominant factors in business situation at present

"The solution carries us back to the consideration of currency stability, obstacles to new capital issues, and a means of making the rise in the production costs of industry follow actual profits rather than precede hoped-for ones. When these problems are solved the long-term investment market will come into being again and will provide a powerful stimulant to sound recovery. The life insurance companies will be back in the field investing their funds conservatively in mortgages and corporate bonds in accordance with the new needs. Life insurance reserves are great reservoirs of credit which will do their share in bringing back prosperity just as soon as they are given a chance."

Discussing present investments of the life insurance companies of the country, Mr. Linton estimated that of all farm mortgages the life insurance companies own 21.8 per cent; of urban mortgages 20.2 per cent; of the obligations of railroads 21.8 per cent; of the obligations of states and local units of government 4.3 per cent.

The Best "Farm Relievers"

Secretary of Agriculture Wallace has continually emphasized the need for acreage reduction as a solution to some of the most perplexing of farm problems. As he has observed, it is simply the part of wisdom for American farmers to stop adding to a constantly growing surplus of all the agricultural commodities.

Mr. Wallace's aid is being sought now, through governmental action, and in certain fields definite results have been obtained. In the cotton industry, for example, plow-under payments have caused striking economic revival. But in the long run, the greatest results will come through education—through constant and unremitting presentation of facts to farmers. And in this work, the agricultural cooperatives will be the prime influence.

They have shown that influence already. The American Cotton Cooperative Association, for example, did essential work in helping develop the government's cotton program, and it is still working ot see that the greatest benefit is secured. The Dairymen's League Cooperative Association in New York is the powerful ally of dairy farmers in that locality. These and other major cooperatives have done fine work in disposing of the production of their members and in educating their members regarding production and distribution problems. They are the greatest "farm relievers" of all.

The Recovery Program--Understanding and Misunderstanding

An address made recently by Hon. John Dickinson, Assistant Secretary of Commerce, in which he emphasizes the unified character of the recovery program for the double reason that unless we grasp it at the outset, we are almost certain not only to fail to understand the program, but actually to misunderstand it.

IT IS from looking at certain parts of the recovery program in isolation, without relating them to the program as a whole, that most of the misunderstandings spring which give rise to what little criticism there is of the program. I would like to clear some of these misunderstandings away at the outset, and three of them in particular: First, the misconception that in some way or other the program embodies an "anti-industrial complex"; secondly, it regiments industry and saps individual initiative; and thirdly, that it sacrifices the interest of the consumer. At least two of these charges would seem to be inconsistent with the third, but they represent, apparently, the incipient nuclei about which criticism of the administration seems likely to crystallize.

The suggestion that the administration's program embodies an anti-industrial complex and is colored by hostility to business rests squarely upon picking out certain specific parts of the program and viewing them from a distorted angle. These are, first, the use of the National Recovery Act for the purpose of maintaining or increasing wages; second, the effort to relieve the debt burden by promoting an increase in the price level; third, the policy of increasing the purchasing power of the farmer; and fourth, the program of public works. It is suggested that all of these measures result in diminishing the share of the national income which has in the past been going, and would otherwise go, to the business man or investor, and that the program is accordingly directed against the interest of these classes in the community for the special advantage of other, more favored, classes, especially labor and the farmer.

The Business Man

I suggest that such an inference can only result from viewing the interests of business and of business men in isolation and apart from the interests of the community and from the nature of the economic process as it functions in the industrial civilization in which we are living. Let us take the interest of the business man and see how it is related to the policy of increasing wages, increasing the farmer's purchasing power, and alleviating the debt burden. Are we simply to say that if wages are not increased, the business man will make more profit and that therefore to increase wages is to strike a blow at his interests? Are we simply to say that to increase the price of agricultural commodities is to increase the price of raw materials and thus, once again, to diminish the business man's profits? Are we to say that an attempt to relieve the debt burden tends to decrease the value of the investments in which business men have salted away their profits?

All these things are true. Do they, however, represent the full truth, or the whole truth as to the relation between the business man's interests and the recovery policies under consideration? Increased wages, for example, represent a decrease in profits, if we assume, but only if we assume, an equal sales volume when wages are low as when they are high. Increased prices to the farmer for raw materials represent decreased profits only on the same assumption. Can we make the assumption in question if we squarely and honestly face the facts of our national economic system, as we have been made familiar with those facts during the years of the depression? Wages fell to very low levels during the past four years, and were continuing to fall. Did that fact result in increasing profits? The prices of foreign products fell to very low levels during the same period. Was there any consequential boom in the industries using foreign products as raw materials?

The answer is of course no, and the reason is obvious. It is that wages and farmers' income supply, under current economic conditions, the greatest part of the effective demand for the products of industry. We cannot assume that the business man can go on selling goods and making profits while wages continue to fall and while farm income continues to decline. It is only at the price of paying the farmer more for raw material and paying his laborers more as wages that the business man can make the volume of sales which is indispensable if he is to make any profit at all. We are not taking profits away from him by increasing his costs. We are simply attempting to reestablish the conditions which make profits possible. We can only regard the recovery program as an attack on profits if we leave half of the picture out of account. The same thing is true of the effort to alleviate the debt burden. This can be regarded as an attack on the value of investments only if we assume that investments would otherwise maintain their value. Every creditor knows that there are times when he can preserve more of the value of the debt owing to him by scaling it down somewhat than by insisting on his full pound of flesh. An effort to raise the price level in order to restore the economic activity of the community is not in itself an attack on the investing class.

Second Error

Let me turn now to the second misconception which I have mentioned, namely, that the recovery program regiments industry and saps individual initiative. This again results, I submit, from failing to envisage the economic process as a whole as it is now organized in this country. It results from looking at regulation as a purely bilateral matter between government on the one hand and the individual on the other, to be decided in terms of the right of the particular individual to do the thing from which government is seeking to restrain him. Suppose we attempt to apply this view to such a governmental regulation as the restriction on gold withdrawals from the banks and the treasury. Is it not an invasion of a private right to forbid the individual to have something to which he is entitled? Suppose, however, that we look farther than this particular individual and do not confine our view simply to the relations between government and this one individual. Suppose we regard him, as in fact he is, as but one of a series of individuals, all having equally good titles to withdraw gold. It at once becomes apparent that there is simply not enough gold to go around. If one takes that to which he is entitled, another will be excluded from that to which he is equally well entitled. Are we to close our eyes to this consequence? In short, in order properly to approach the problem of regulation, we must look at individuals as linked together, as they are, by the economic processes within which they function. Those of their acts which have a bearing on the economic well-being of all who are enmeshed in the process cannot always be left to purely private determination, any more than each separate musician in an orchestra can be left to play in his own way without the leadership and guidance of a conductor.

If in this way regulation is conceived in terms of the whole economic problem, the argument that it saps individual initiative will, I believe, fall to the ground. Individual initiative always has operated, and always must operate, within the limits of a system of arrangements designed to maintain and protect the social processes of the time. Properly planned regulation touches those activities, and only those, which link the individual into these indispensable social processes. Today, our economic system is such that wages and prices and credit must be inter-related in particular ways if the processes are to go on upon which our industrial society depends for its subsistence. They can no longer safely be left in the field of purely private determination, any more than in an automobile age street traffic can be left to the arbitrary judgment of the individual drivers. Plenty of room for individual initiative is left, but it must be diverted at some points into new channels.

Business Selfishness

This emphasis upon business initiative, business responsibility and business self-government has no doubt led to the third misconception to which I have referred, namely, that the administration is sacrificing the interests of the consuming public to business selfishness. This charge is of course directly inconsistent with the other charge which I have already mentioned, namely, that the administration's program is hostile to business and based upon an anti-business complex. It again results from a partial and incomplete view of the recovery program which singles out and emphasizes certain elements of that program without relating them to the program as a whole.

Is it true that the interest of consumers consists simply in bringing prices down to the lowest possible level? Does such a statement represent the full truth or the whole truth? Low prices represent an advantage to the consumer only on the assumption that the consumer has as much money to spend in buying at low prices as in buying at high. If, when prices are low, he has a greatly decreased income, it may well result that actually he cannot buy as much as he could buy at higher prices with a larger income. The assumption that with prices of the lowest possible figure the consumer will have as much money to spend as when prices are higher is not necessarily or probably true if we regard the national economic process as a whole. The consumer derives his income inevitably from the processes of production either as wage-earner, investor or entrepreneur. If prices are low, due to a general paralysis of business activity or to cut-throat competitive practices which depress wages and destroy profits, the consumer gets no real benefit from such low prices. His interests are advanced by increasing his income, even if prices must go up somewhat at the same time. His interests are associated with the restoration of sound business conditions and competitive methods which will enable the industries of the country to be self-supporting and to pay a decent return to labor, investor and owner. A sick industry is of no advantage to the consuming public, and the recovery effort to eliminate wasteful and destructive competitive methods represents no attack upon the interests of the consumer.

Details of Execution

In discussing the various misconceptions of the recovery program, I have necessarily indicated some of the major outlines of that program and of the theory on which it rests. It is of course obvious that the success or failure of the program will largely depend upon details in the course of its execution. For example, much depends upon the proper timing with relation to one another of the various steps in the program. If purchasing power is to be revived and if this necessitates an increase in prices, clearly the price increase must not come so soon, or proceed so far, as to overtake and undo the effects of increased purchasing power. If increased costs go hand in hand with increased purchasing power a way must be found to cause increased prices to lag behind increased costs. To date most of these difficulties have been successfully negotiated. The price level, while rising, has kept behind the increase in available purchasing power in the form of wages and farm income. This difficult corner has been turned in part as a result of some of the other measures of the recovery program. Thus hundreds of millions of dollars of increased income have flowed into the hands of the farmers, and through them into the channels of trade as a result of the government's payments for acreage reduction and of the increase in agricultural prices brought about by the crop reduction policy. Again, the rapid opening of the closed banks has released another large reservoir of purchasing power. To a lesser extent, the same result has followed from governmental refinancing of mortgages on farms and homes. The public works program has begun to stimulate the construction and capital goods industry, and the lending policy of the Reconstruction Finance Corporation has released another stream of funds into the currents of trade.

Success or failure depends, as I have said, largely upon the proper timing of the steps in the recovery program with relation to one another. It depends upon some forces and tendencies being held back at one time, while others go forward and then at the proper time being released, while the others are held back. This has given rise to another misconception, namely, that the program is in-

(Continued on page 13)

BONDS AND INVESTMENTS

? BONDS or STOCKS ?
For the Trust Account

Alfred Fairbank, vice president and trust officer of the Boatmen's Bank, St. Louis, says that trust officers are being urged to buy common stocks instead of bonds, which latter normally make up the bulk of most trust accounts. His discussion of the subject is given here in part as presented at the recent mid-winter trust conference of the A. B. A. held in New York City

AS A SO-CALLED hedge against feared inflation, we are urged today to buy common stocks. The idea is that business will be greatly stimulated by a program of inflation, that company earnings will increase, that market prices of stocks will rise in consequence. Since inflation will reduce the purchasing power of the dollar, it is urged that the purchase of common stocks will offset this tendency and will prevent the wiping out either partially or entirely of the corpus of the trust. This brings the question clearly to our attention. In 1929, the urge was to increase the corpus and the income of the estate through such purchases, whereas in 1934 the urge is made to preserve the corpus and increase the earnings and thus preserve purchasing power.

Trust officials as a group must not and cannot joint the common herd. They must not be stampeded. They should not be easily tossed as a cork on the uncertain waves of a threated storm.

If the experience of France and Germany are to be adjudged at all relevant in our own situation, then we can generalize that hedging against inflation on the stock market will require the intelligence of genius, the agility of an acrobat, and the courage of a centurion, together with a liberal admixture of pure luck and the help of Divine guidance.

The government has announced a tremendous deficit. The NRA has announced many plans which will affect the earnings of industry. Undoubtedly the government in wrestling with this huge deficit will increase present existing taxes on corporations, and will think up new and burdensome taxes for corporations to bear in order to overcome this deficit. The prospect for increased earnings on the part of corporations is therefore uncertain.

A trustee may approach the switch from fixed income bonds to stocks seeking a hedge against actual inflation with the greatest care and study, only to find after he has selected his stocks that he has picked the wrong ones, or that they do not show sufficient enhancement to warrant the risk which he has taken. Woe be to him if he has made so serious a mistake as to lose his principal in the stock purchase after switching from his high-grade bond. No corporation, despite its past record of performance, has as yet any history under THE NEW DEAL that gives trustees any assurance that they can maintain for any reasonable time the dividends that they are now paying, or that under inflation they can increase those dividends in proportion to the reduction of the purchasing power of the dollar.

Some of our trustees are trying to safeguard principal against extreme inflation during the next few months by purchasing short time government obligations. In this way they are trying to keep an account in a position to take advantage of any opportunity presenting itself in the near future to purchase longer-term high-grade bonds. It is interesting to note that before our present monetary problems arose and while we continued on the gold standard, the purchasing power of money fluctuated considerably, yet I do not recall any agitation during these years, or any criticism of trustees because they did not attempt to chase these fluctuations. There is no question but that the matter is pressing at this time, but the difficulty of predicting the ultimate outcome of the present uncertainties should caution us against exaggerating the importance of this point of view.

It is well to stop and consider the legal decisions. It is the first duty of trustees to preserve the corpus of the trust. The law, as thus far developed, lays a heavy hand of obligation on the trustee to adhere to this principle. The courts have not yet said that it is the duty of the trustee to so maneuver the corpus of the trust that it will keep pace with the changing purchasing power of the dollar. To assume this as a cardinal principle is in my judgment an invitation to speculate with trust funds.

Is there in the present situation a sufficient basis in law for trustees to abandon policies developed over a period of more than fifty years? Would the courts approve our actions if we were fortunate in our common stock purchases, and would they absolve us from responsibility if it should unfortunately develop that we guessed wrong? It occurred to me that it would be desirable to get the viewpoint of some of our leading trust men of the United States.

The results of his questionnaire led to the following conclusions:

1. That the weight of the evidence indicates that the frequent changes of purchasing power of the dollar have at times favored the beneficiaries of trust funds and at other times worked against them; that none of these periods has called for a radical departure in trust investment policy.

2. That the present situation has not yet reached the place where corporate fiduciaries have any sound basis for throwing overboard the policies which have given stability and anchorage in the past.

3. That it is the opinion of trust men generally that the purchase of common stocks is not an adequate protection against inflation, if it comes.

4. That the decisions of our courts generally pronounce that it is the duty of the trustee to conserve principal in dollars.

5. That any determination to pursue the purchasing power of the dollar is a decision to embark upon an uncharted sea and run the risk of self-destruction.

CHANGING CONDITIONS IN THE GRAIN WORLD

(Continued from page 7)

many, Italy and other principal wheat importers of Europe. Those countries stimulated production of wheat, increased their import duties and established a system of quotas and licenses which required that very high percentages of domestic wheat be used in their local mills.

Other Factors

In the United States there were other factors which have aided materially in reducing exports during the last five years; but the most important of which is the policy of the United States which has prohibited an exchange of goods with the principal wheat importing countries. Because of the absence of the opportunity to sell in the United States an equivalent amount of goods produced in the importing countries, it meant that international settlements as between the United States and wheat importing countries had to be made very largely by shipments of gold. This was not possible in many of these countries for any considerable period of time, and consequently many of the European importing countries bought their wheat in Argentine and Australia where there was a market for European exports.

It appears therefore that if the United States is to adopt a permanent future policy which would permit the exportation of wheat, it is necessary that the program set up take cognizance of the factors which caused the recent decline in wheat exports. It seems only reasonable that the United States, in order to maintain its export trade in wheat, or even if to maintain a portion of that trade, must look to those importing countries who produce products which the United States desires to import and that agreements between the United States and those countries be effected which will permit an exchange of products on an equitable basis for both parties concerned. This may force the United States to depend on a relatively large number of small importing countries, many of which are outside of Europe.

Recovery Program

The agricultural recovery program adopted by this administration was designed, first to bring relief from the present emergency; and secondly, to build for the future a program which will prevent a recurrence of the agricultural crises of the past few years. It cannot be stated at this time whether or not the program in its present form can be used to prevent a recurrence of the agricultural crises as it affected wheat. Three general policies have been suggested: First, it might be attempted to control the wheat production in the United States to the absolute level of domestic utilization. This policy would involve the abandonment of our export trade and if extended to other commodities would ultimately mean the taking out of more than 50,000,000 acres of productive lands in this country. Second, we might assume a completely international attitude, scaling down the tariffs and permitting the importation of perhaps an additional billion dollars of foreign goods, thereby restoring trade for our surplus agricultural products to that extent. This would undoubtedly adjust domestic prices to world's levels. A third policy would be in the nature of a middle ground policy. In general it would involve a certain measure of control of production with the maintenance of farmers' income on domestic prices held above world's levels until such time as world prices advanced to their normal relationship with the domestic price. This policy would be sufficiently elastic to permit the maintenance of some of our export trade in wheat and flour and would permit the maximum utilization of wheat lands consistent with the maintenance of the farmers' income on domestic price levels near parity. It is my hope that this latter course can be worked out intelligently and with proper government guidance and assistance. The latter course would also involve aggressive action to restore foreign markets for agricultural products.

Fixed Prices

During the past six months there has been a certain amount of pressure exerted to establish fixed or pegged prices on both futures and cash grain. These suggestions have been explored from every possible angle and the conclusion of our section in Agricultural Adjustment Administration has been that the only way to establish fixed prices is to be prepared to set up a government buying agency to take all the surplus grain that is offered over and above immediate needs, something similar to stabilization operations. The history and the failure of recent attempts along this line are too fresh in our minds to become involved in any such venture again. Also it is considered that the benefit payment plan is much more adequate and effective and certainly far less hazardous.

Regarding our present marketing and distributing methods: in the past and occasionally even now, too much stress has been placed on existing marketing machinery and too little importance has been centered in the true fundamentals of the agricultural problem—adjusting production to effective demand both domestic and export and allowing supply and demand to function normally.

In my opinion the present marketing machinery is highly efficient, economical and reflects the greatest possible return to the producer; and until some plan which may be more scientific and workable is developed, efforts should be made to strengthen rather than to weaken the present system of grain handling in the United States. It is of course true, as is in anything that is developed by human endeavor, that there are certain imperfections and abuses that should and can be corrected. For some little time past our processing and marketing section has been giving study and consideration to the codes of fair competition for the various industries attached to agriculture, and it is to be hoped in the very near future that these codes of fair competition for the grain exchanges, the flour milling industry, the corn milling industry, the wholesale and retail feed industry, the terminal grain elevators, and the country grain elevators will be perfected and approved. These codes of fair competition will undoubtedly prove corrective of many trade abuses and be very helpful not only to the industries themselves but also to the entire agricultural interests of the United States.

THE RECOVERY PROGRAM—UNDERSTANDING AND MISUNDERSTANDING

(Continued from page 10)

trinsically inconsistent because, to put the thought in the way in which it is commonly put, some parts of the program are said to be "inflationary," while other parts are said to be "deflationary." For example, it is sometimes said that the attempt to hold prices back until purchasing power was well started on the increase was "deflationary" and therefore inconsistent with the supposedly "inflationary" tendency of the effort to restore industrial activity and the general price level. Without pressing too far for an accurate definition of catchwords like the words inflationary and deflationary, I suggest that charges of inconsistency, such as the one which I have mentioned, are precisely as if one were to say that a fly-wheel was inconsistent with the plan and purpose of an engine because it operates to balance it by holding it back, or that a brake was an inconsistent part of an automobile. Necessarily, in any program which is proceeding along a broad front, the tendency at some parts of the front must be to limit and restrain the tendency at other points; if this be inconsistency, we must make the most of it.

The recovery program does not lay claim to providing a final solution for all the economic problems of the nation. There will be problems as long as we have an economy, and new problems will arise from year to year. Nothing is more certain than that these new problems will increase in complexity. We cannot expect of any program that it will solve all problems finally and lay them to rest. The most that we can expect is that it will keep us abreast of our problems and keep us able to maintain a healthy, well-nourished, active national economy while we are meeting current problems. This is the aim of the administration's program.

"The Perfect Investment"

How would this strike you as an investment opportunity?

You are offered the chance to put your money, as much or as little as you like, into a long-established concern which is nationally celebrated for ability and trustworthiness of its management. The concern operates under stringent laws, passed to protect you. It takes your money and reinvests it in government bonds, real estate mortgages and the securities of basic industries. To make your protection more complete, it has behind it a large cash reserve to care for possible depreciation, and to pay back the investor if conditions make it unwise to sell any of its assets.

A contract is drawn in which you stipulate precisely how much capital you want to invest — in monthly, quarterly or annual payments. It may be twenty or more years before you have finished paying. However, if you should die in the meantime—no matter how little you have paid in—the entire amount contracted is paid to your heirs. In addition, after you have been paying for a certain period of time, you have the privilege ot borrowing against your contract, or turning it in for cash.

Impossible, you say—there is no such investment. But there is, and you've probably dodged persons who were trying to sell it. It's life insurance. And the foregoing shows why so many Americans are now turning to it as "the perfect investment."

Keep Insurance

Writing on life insurance in the Boston News Bureau, Henry H. Putnam of the John Hancock Co. of Boston, said: "It is quite true that life insurance has proved a great bulwark during the past three years' crisis, but the psychology of the moment does not call for any boasting on that score, important as it is as a historic fact.

"We deal with the present and the future. No doubt the present year will see the payment of more billions of dollars to policyholders by the life insurance companies—as great as last year, possibly greater, even with the various states holding down the lid on excessive cash withdrawals.

"I would like to cite the story of a policyholder who came into an insurance office to demand his full cash reserve. The agent's argument was so good that instead of taking out his reserve the policyholder returned the next day with $100,000 cash for a retirement income policy.

"This true incident . . . shows . . . the general feeling of confidence in financial security of life insurance companies as a whole. Unless there is some real, immediate need . . . there is no better place to keep the reserve than in a life insurance company."

It is doubtless true that many citizens, because of panic and fear, have unnecessarily sacrificed all or part of their life insurance investment. Nothing is more foolhardy. Cash value and borrowing privileges should be utilized only as a last resort — to meet genuine distress, when there is no other place to turn. Life insurance, as an industry, is as safe as any humanly conceived institution can be and we should make every effort to keep existing policies unimpaired.

A Lesson Well Learned

It's often said of life insurance that it has taught the nation the meaning of thrift. Life insurance has done something else, the past few years especially, that is of equal value—it has shown the average citizen what sound investing is and isn't.

It has shown him the difference between an investment and a speculation—and he has learned that very few people are sufficiently supplied with excess funds to take fliers. He has discovered, expensively and painfully, that genuine investments don't often return 20 per cent dividends—and that you can't double your money over the week-end, with safety.

More and more life insurance policies, large and small, are being sold purely because of the investment angle, the purchaser believing them best fitted to guarantee him an income or an estate.

That is what life insurance, aided by that other great educator, depression, has taught the American people. And it's pleasant to record that as more jobs are provided, and the general purchasing power rises, concrete evidence is appearing in the life sales figures to prove that the lesson isn't easily forgotten.

"My husband," she explained, "got incited and stepped on the celery instead ot the brake puddle, so we had a headin collusion. So our regulator was dentaled, the mud gutters was shuttered, the lances of the headlands was smashed to smattereens, and the man had to come from the surface station with the whacker and tow us in.

"When we got to the barrage we found out one of the cinders was crackled and had to be wilted. And, besides that, we had to get new pistols and a new commentator and a new correcting rod."

Headline: Russia Recognized.
. . . By those long whiskers, of course.

Saleslady: Now, sir, what kind of underwear do you desire—silk?
Gangster: Jeez, no, give me gunmetal.

INSURANCE

Its Application to the Banking Fraternity

How I Got a Policy On Household Goods

"I looked around through the smoke. I stood ankle-deep in feathers and water, I looked like a scarecrow"

No agent would choose this method of getting business but here is a true "true" story about how a Minnesota agent got the name on the dotted line

By E. D. SWANBERG
Worthington, Minnesota

IT WAS New Year's eye. A blustering wind was blowing from the North and it was cold. Revelers were scurrying here and there bent on an evening of fun, and I was headed for a town about ten miles distant to join in the merry-making there.

Passing through the edge of our town I noticed the chimney on one of the small frame houses along the road was belching forth a stream of sparks that fell all over the neighborhood. I was late for my appointment even then, and my thoughts were not centered on a few stray sparks caused by some one shaking up the fire.

I sailed on past the house, but on looking back I noticed the sparks still continuing to light up the sky. I turned around and went back a block or so past the house, trying to figure out what was going on. I turned again and drove by the house, and this time the stream of sparks was worse.

I decided it was time to investigate, so parking the car along the road I rapped on the door. The people were home I knew, for the lighted windows threw a cheerful radiance from the Christmas decorations.

There was no response to my rapping. I went around to the rear and rapped. Soon a woman and two children appeared at the door trembling and nervous. I knew then that something was wrong and felt glad I had stopped. A few questions brought out the fact that the furnace fire had been kindled too lively, and the woman was trying to check it. Sparks were still flying from the chimney in a steady stream, blown by the wind.

It was obvious the woman was up against it in checking the fire and the spread of the sparks. "What shall I do?" she said. A hurried examination showed me there was no time for arguments, I asked the name and address, and phoned in an alarm. The children were crying, and more concerned over the safety of their toys than anything else.

Going outside again I was met by a neighbor who had been attracted by the sparks, and together we found a ladder, clambered to the roof and poured two pails of water down the chimney. By this time one truck of the fire company had arrived, with no one but the driver. Going back into the house we found the fire had broken out in one of the closets, and the bedroom was full of smoke. There we were with a job on our hands and it looked like a bad mess. We carried some of the burning pillows and clothing to the backyard, and with me at one end of the hose from the fire truck, and the fireman working the apparatus, I tugged the snake-like life saver through the doors and rooms until I had the nozzle aimed into the flames. With a pull on the handle a burst of water shot into the burning mass. It had quick effect, not only on the fire, but in the feeling of relief that came over me, too.

I could see the flames above through the cracks in the boards which formed the closet ceiling. With an axe these were loosened, and the water made short work of Mister Fire which was just ready to eat its way through the roof.

Things had been happening in this short space of time, and there was plenty of excitement. The fire was out so I turned off the hose. I was almost scared of what I had done, for in the next room the water was dripping from the wet ceiling to the floor and I thought what a mess that was.

I looked around through the smoke. There I stood ankle deep in feathers and water. One of the feather pillows had been burned through and feathers scattered all over the floor, clinging to my clothes. I looked like a scare crow.

By this time the balance of the fire company had arrived and without any ceremony I turned the hose over to more experienced hands and went on my way to the town I had set out for.

When I arrived some three quarters of an hour late I had a good deal of explaining to do, trying to convince the merry crowd that I had been putting out a fire. They accused me of stealing chickens by the looks of my clothes. Any way, I was satisfied I had saved some company a bad fire loss and saved the home owner a comfortable house.

Returning to town early the next morning I stopped in the office to see if we carried the insurance. No record was found, so the next day I called at the house out of curiosity to see the amount of damage, and was gratefully received. The best part of it was I got a policy on the household goods.

Wyoming News

Annual Meeting

At the regular annual meeting of the stockholders of the First National bank of Rawlins, the following directors were elected: J. E. Cosgriff, E. M. Tierney, C. A. Brimmer, John K. Hartt and George A. Bible.

The officers elected were: J. E. Cosgriff, president; E. M. Tierney, vice president; George A. Bible, vice president and cashier; and H. L. Williamson, assistant cashier.

Officers Re-elected

The stockholders of the Star Valley State bank, Afton, met in their annual meeting with a tone of optimism evident. After the report of the activities of the bank was given and discussed, a resolution of thanks was unanimously adopted for the fine work of the directors, the bank management and the employes.

President Clarence Gardner expressed the appreciation of the board and the management for their confidence and loyal support. The entire old board consisting of Clarence Gardner, Alvin Robinson, G. W. West, G. A. Newswander and G. J. Call, were unanimously elected to succeed themselves as directors for the coming year.

The board met immediately following and reorganized with Clarence Gardner succeeding himself as president and Alvin Robinson succeeding himself as vice president.

Bank Examiner

Alger E. Johnson, former assistant cashier of the Lusk State bank, and for the past several years city clerk of the town of Lusk, has been appointed deputy state bank examiner by Gov. Leslie A. Miller.

Mr. Johnson will be working under A. E. Wilde, state bank examiner, and he will undoubtedly spend the majority of his time traveling.

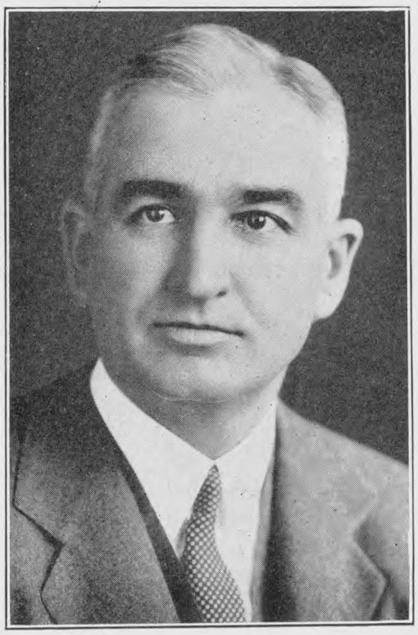
Candidate

William Rogers, cashier of the State Bank at Green River, has been endorsed by Green River Republicans as a candidate for the office of state treasurer of Wyoming in the elections of 1934.

Mr. Rogers has for the past 45 years resided in Sweetwater county, the past 30 years in Green River. During his entire residence he has been preminently identified with the Republican party.

Named Vice President and Treasurer

Shirley S. Ford, executive vice president of the United States National bank of Omaha, has been named to succeed Alex Highland of Minneapolis who recently resigned as vice president and treasurer of the Northwest Bancorporation. Mr. Ford also will succeed Mr. Highland as president of the Northwest



SHIRLEY S. FORD

Livestock Loan Co., principal stock loan subsidiary of the Bancorporation. Mr. Highland resigned to become executive vice president of the First National Trust & Savings bank of San Diego, Calif., an institution with four branches.

Silver as Money

The Administration's recent remonitization of silver is a definite step toward solving problems that have been talked about for generations. It means immediate benefits to workers, investors and the public. This is especially true of the West, where American silver mines are located. The mining depression in many states has been more severe than the general depression. Thousands of jobs have been lost, a vast amount of purchasing power has disappeared, and one of the most important sources of governmental revenue has dried up. Revival of silver will help this condition.

As for the economic side of the move and its influence on monetary matters, only experience can supply the answer. But it has long been the opinion of many able economists and industrial leaders that, in this complicated modern world, gold is not enough. Proof of this is in the fact that cheap silver has destroyed the purchasing power of half the world's population, and has come close to destroying foreign trade.

The move, it is believed, will be followed by action in other countries. It is a great experiment, with almost limitless possibilities for achievement.

Moving Upward

The country has been hearing talk of a business boom for so long now that it is inclined to be skeptical as to whether or not such an animal exists. According to the business and financial periodicals, and the various reports of fact-gathering organizations, it does. It isn't a very big animal yet, but it can be seen, felt and heard. All of the consumer industries are finding themselves with more orders than they've had for years. "Industry's industries," such as steel, which sell their products to other businesses and not directly to the consumer, aren't doing so well, but they're moving upward.

Detroit, which saw the worst of the depression, is seeing the best of recovery. According to Time, this is the first period in five years in which car manufacturers can't fill their orders. In January, Chrysler, with the most unusual of all the new stock cars, had 21,000 more men at work than last year. Ford opened two additional assembly plants. Nash estimated that it would deliver more cars in the first quarter of this year than in all of last. Cadillac reported deliveries 50 per cent above last year. General Motors faced 100,000 orders for Chevrolet alone. Tire companies were jubilant, with a Goodyear expert predicting tire sales for 1934 would reach the great total of 46,000,000 units.

Abie was asked if the adjuster had settled his claim for injuries sustained in an automobile accident.

"Oh, yes, I got $2,000 and Rachael got $1,000."

"I didn't know Rachael was hurt."

"Vell, I had the presence of mind to smesh her in the jaw before the adjuster got on the job!"

Mrs. Bloop: Does your car have a worm drive?

Mrs. Bleys: Yes, but I tell him where to drive!

E. E. PLACEK, President
Nebraska Bankers Association

Nebraska News

WILLIAM B. HUGHES, Secretary
Nebraska Bankers Association

Executive Vice President

H. M. Bushnell, vice president and trust officer of the United States National bank, Omaha, has been selected by the directors to succeed Shirley Ford as executive vice president. Mr. Ford has gone to Minneapolis to become vice president of the Northwest Bancorporation.

Succeeding Mr. Bushnell as trust officer will be Hal W. Yates of the banking organization.

Estate Filed

The estate of the late Silas H. Burnham, Lincoln banker, was valued in an inventory filed with the county court at $474,151, aside from real estate, household effects and certain stocks.

The largest single item was 2,396 shares of stock in the First National bank there, listed at $239,000, and the second largest was 1,349 shares in the First Trust Co., with a listed value of $134,900.

Bank Head

W. B. Roberts was re-elected president of the Bank of Florence at the annual meeting. All other officers and directors were also re-elected. They are Charles D. Saunders, vice president, and R. H. Hall, cashier. The officers report a gradual increase in deposits during the past year.

Armed Guard

The Columbus city council has under consideration a proposal for placing an armed guard at the Central National bank to forestall possibility of a robbery.

The suggestion was made by M. M. Taylor, vice president of the institution, who recently frustrated a robbery attempt by summoning police when he noticed strangers in the building.

Pointing out that assets of the bank are adequately protected by insurance, Taylor said the guard would be placed primarily to avoid any possibility of a "shooting match" in case of robbery. Such a guard would discourage robbery attempts and in that respect would safeguard lives of citizens, he said.

Re-elect Officials

A meeting of the stockholders of the First National bank of Hayes Center was held and all officers were re-elected, R. C. Miller as cashier and H. M. Counce as assistant will have charge of the bank for the coming year. E. A. Wiggenhorn of Ashland and C. F. Bloedorn of Denver were the out of town members who attended the meeting.

Annual Meeting

The stockholders of the Plattsmouth State bank held their annual meeting, selecting the officers for the ensuing year and hearing the reports of the last year in the conduct of the bank.

The present officers were re-elected as follows: President, H. A. Schneider; vice president, Henry Horn; cashier, Frank A. Cloidt; assistant cashier, Carl J. Schneider.

The reports of the bank show excellent results in the year's business and increase in the months since the close of the bank holiday.

Named Secretary

Harold Conroy, assistant cashier of the First State bank of Shelton, was elected secretary-treasurer of the Buffalo County Bankers association at the annual meeting of the organization held in Kearney. Paul Kannow, vice president of the Fort Kearney State bank was elected president of the association for the coming year.

Building Sold

Sale of the First National bank building to the city of Hastings for the sum of $75,000 was confirmed recently.

Title to the building will be passed to the city on payment of the remaining $60,000 owing.

It is planned to move the city offices into the building, probably in the near future.

Minick Honored

C. A. Minich of Crawford was unanimously elected president of the Association of Past Presidents of the Nebraska Bankers' association at a recent meeting of the group in Omaha.

Formerly connected with the Crawford State bank, Mr. Minick is well known in state banking circles.

The honor came to the Crawford man entirely unsolicited as press of business kept him from attending the sessions in Omaha. However, Mr. Minick is already making plans for attending the meeting over which he is authorized to preside in the fall.

Prominent in business and educational circles, Mr. Minick is in charge of an insurance and loan service and president of the board of education.

Foster Appointed

Merle N. Foster, chief examiner for the state department of banking has been appointed assistant superintendent of banking, succeeding George Woods, who has resigned to accept a position with a reorganized Council Bluffs bank.

J. F. McLain, assistant to chief examiner, was advanced to fill Foster's place as chief examiner, Gov. Charles W. Bryan announced.

Merged

Word has been received from Washington, approving the plans for the consolidation of the Peoples and Webster County banks of Red Cloud and on the completion of the necessary minor details, the new institution will open for unrestricted business in the present location of the Peoples bank.

The new bank will preserve in its name of the two banks merged in the consolidation and be known as the Peoples-Webster County bank.

Annual Meeting

The Citizens State bank of Dorchester held their annual meeting recently. Officers for the ensuing year were elected as follows: F. A. Guggenmos, president; W. C. Clark, vice president; James H. Clark, cashier; Miss Martha Hansen, assistant cashier. The directors: W. C. Clark, A. T. Teale, R. D. Morrasy, James H. Clark, and F. A. Guggenmos.

New Federal Officer

Bert Waddell, vice president of the Federal Land Bank of Omaha, has been appointed an assistant treasurer of the new Federal Farm Mortgage Corporation, which will handle funds for the second mortgage emergency "land bank commissioner's loans."

The land bank deposited a check for about 850 thousand dollars with the federal reserve bank to pay off its outstanding cash received from A. L. Peterson, special disbursing agent.

Savings Increase

One Omaha bank reports twice as many new savings accounts opened in January as in the same month a year ago.

The increase in number of savings accounts is general at all banks which go after that class of depositors.

All this is in spite of general reductions in interest paid on savings accounts in banks.

Named President

At a meeting of the stockholders of the Bank of Bennington, H. E. Roe was made president of the bank, and Martin Splittgerber succeeds Mr. Roe as cashier. Fred Ohrt and Tim Ohrt were added to board of directors.

Annual Meeting

The annual meeting of the stockholders of the Nebraska State bank of Bristow was held last month.

The same officers as last year were reelected. They are: J. E. Olson, president; Launce Gibson, cashier, and Dr. G. B. Ira and Frank Talich, directors. This bank now has insured deposits.

Unrestricted

Authority has been secured by the officials of the Home State bank, Homer, licensing and authorizing them to run an unrestricted bank.

The officers state that just as soon as they get the necessary book work completed and the red tape ironed out they will open for business under the federal deposit guarantee plan.

Does Not Apply

Fears that a supreme court ruling forbidding national banks under certain conditions to pledge securities to protect deposits of public funds, would make national banks ineligible as depositors in Nebraska were quieted by clarification of the supreme court ruling.

The court finding is not applicable in states where state laws permit or require state banks to pledge assets against deposits of public funds.

Since the Nebraska statutes require public depositors to pledge assets or post bonds in protection of public funds on deposit, it was at first feared huge sums of state, county and municipal funds in national banks would have to be withdrawn under the ruling.

Elect Cashiers

Edward G. Gehrman, teller at the Stock Yards National bank, Omaha, was elected assistant cashier at a meeting of the boards of directors. He succeeds Harry Miller, retired, who had been an employe of the South Omaha bank for 47 years.

Otto Smolek, discount teller at the bank, also was elected an assistant cashier. All other officers were re-elected.

Heads Large Bank

Joseph Baily, son of a former Adams county judge and a graduate of Hastings college with the class of 1900, was recently elected president of the First National Trust and Savings Bank of Spokane, Wash., according to word rereceived in Hastings.

His election to the presidency of one of the best known banks of the Northwest culminates a banking career started in 1903 when he went to work as a bookkeeper in the Old National bank of Spokane. The bank he heads has deposits of $2,930,409.

Wymore Banker Dies

Erie W. Fenton, early Wymore developer and long time jeweler and banker there, died recently in Chicago, where for the past fifteen years he and Mrs. Fenton had been living with their son, Arthur. He was in his 70's. Beatrice Fenton Craig of Lincoln, temporarily in California, is a daughter, and Mrs. C. C. Gafford of Wymore a sister.

Born in Randolph, N. Y., Mr. Fenton was left an orphan and was reared by his uncle, Reuben Fenton, of Jamestown, who became New York's wartime governor and later United States senator. He came out to Nebraska many years ago and settled in Wymore as a jeweler. Eventually he went into banking, and was instrumental in developing the town in its early days. He was responsible for the erection of several Wymore buildings.

First Loans

First government loans to farmers' cooperatives were made by the Omaha Bank for Co-operatives, with H. C. Peterson, treasurer, and Harold Hedges, secretary, sitting as the loan committee.

Two loans amounting to $23,500 were approved.

Changes Position

John Rada, who has been in the employ of the Tobias State bank, resigned to take the similar position with the Citizens National bank.

Wheat Checks

Contrary to often heard prophecies concerning the manner in which wheat allotment checks would almost immediately be spent for various and sundry items, receivers of the checks near Paxton seem to be bent on saving a part of their benefit payments. At least it would seem so when the local bank officials report an increase in deposits of nearly twenty thousand dollars within a week following the issuance of checks. Officials of the Bank of Paxton stated that their deposits had shown an increase of twenty thousand in three days. Not all of the increase was due to wheat checks nor was the increase necessarily permanent, but with more checks to be received, indications are that bank balances in Western Nebraska will be increased considerably due to the receipt of the wheat allotments.

Largest Week

The greatest week in farm financing in the history of the world took place recently, according to D. P. Hogan, president of the Omaha Land bank. The Omaha bank set the world's record with approximately $9,000,000 of loans in one week.

"And that's an all-time record for any farm financing institution in all the world," says Mr. Hogan.

"The big insurance companies have practically stopped lending money to farmers. So have most of the private concerns. The Federal Land bank is practically the only concern now making such loans.

"New legislation which permits us to lend up to 75 per cent of the normal value of the property has increased the number of farmers who want to refinance enormously. A large percentage of these 75 per cent-farmers were mortgaged to a higher degree than that amount. But the holders of these mortgages, in many cases the big insurance companies, have decided to reorganize their loss, which has already taken place, and to accept the 75 per cent of the value for total of their claims.

Banker Dies

Funeral services were held recently for James M. Hall, 69, president of the Ithaca State bank, who died in an Omaha hospital. Mr. Hall, a long time resident of Ithaca, is survived by his wife, Anna; two brothers, J. W., of Valley, and Robert of Omaha, and a sister, Mrs. G. F. King of Papillion.

Charges Same

The charge for cashing checks over Sheridan county is all the same now. The four banks have reached an agreement whereby all the charges over the county will be the same.

To Incorporate

New articles of incorporation for the Bank of Talmage were filed with the county clerk recently. The articles listed $25,00 capital stock, divided $15,000 in preferred stock and $10,000 in common stock.

More Wheat Checks

The deposits in The First National bank of Friend increased $28,095.76 in one day. A large part of this sum came from wheat checks as the bank cashed 245 of these on that day. The increase in deposits since Dec. 30th is $51,353.19.

Kansas News

Elected Cashier

At the annual election, Walter R. Haskard was elected as cashier of the Partridge State bank, taking the place of Elmer Brown, who resigned. L. G. Everett is president; E. L. Maxwell, vice president; Manilla Brown, assistant cashier; and George Thrap, Ed Siegrist, W. N. Hamilton and Elmer Brown as members of the board of directors.

Annual Meeting

Little change was made in the officers and directors of the First National bank of Belleville at the annual meeting and election of officers. G. H. Bramwell was re-elected president, and W. H. Billingsley became cashier as well as vice president, taking the post vacated by the removal of D. D. Bramwell, Jr., to Iowa.

Directors in addition to the officers named are Mrs. Clara Bramwell, Mrs. Deane Billingsley and Mrs. Ruby Bramwell.

Parsons Banks

Only one change in the personnel of officers of Parsons banks was made at the annual meetings of the institutions, held recently.

The one change was the resignation of Howard K. Read as cashier of the Exchange State bank and the election to that office of Harold E. Reece who has been assistant cashier. Mr. Read announced no plans for the immediate future.

All other officers in the four Parsons banks were re-elected. They are:

Exchange State—J. S. Vance, president; Paul McConnell, vice president; Pliny Hyde, vice president; Harold E. Reece, cashier, and William A. Smith, assistant cashier.

State Bank—T. M. Flynn, president; G. L. Maser, vice president; W. S. Phillips, cashier, and J. J. Flynn, assistant cashier.

Commercial—H. A. Bryant, president; A. H. Noyes, vice president; R. A. Woods, cashier, and W. C. Crawford, assistant cashier.

First National—Kirby Barton, president; A. C. Hoke, vice president; F. A. Pfeiffer, vice president; Luther Cortelyou, Jr., cashier, and W. O. Haubold, assistant cashier.

At Goff

The First National bank of Goff held their annual meeting and elected officers and directors for 1934. G. W. Sourk will be president of the bank again for the coming year; H. S. Clifton is the new vice president, and A. H. Fitzwater, cashier; V. Hart, assistant cashier; and A. R. Howland complete the board of directors.

Director

F. M. Arnold, president of the Commercial National bank of Emporia received a permanent appointment from Washington as an active director of the Regional Agricultural Credit Corporation, which deals with personal security offered for federal loans on cattle and other agricultural commodities. Mr. Arnold is one of a board of three to pass on security.

Leavenworth

Officers of the Leavenworth Savings and Trust company for the ensuing year as announced follow:

Hubert S. Tullock, president; Hiram R. Wilson, vice president; E. D. Lysle, vice president; and William S. Albright, secretary-treasurer.

County Meeting

The members of the McPherson County Bankers association held a meeting at McPherson mainly for the purpose of electing new officers. There was a splendid attendance. Elmer Peterson of the Farmers State bank, Lindsborg, was chosen as the new president; A. Bartels of the Bank of Inman was named vice president, and Carl A. Grant of the McPherson-Citizens State bank of this city was re-elected as secretary.

Vice President

John Fields, former president of the Federal Land Bank at Wichita, has become active vice president and director of the Union National bank of Wichita. His election as an executive of the Union National bank was the result of the unanimous action of the board of directors.

Comprising the Union National's directory board, with the election of Mr. Fields, are: W. B. Harrison, president; John Fields, vice president; Wilbur Harrison, cashier; Dr. Elven O. Baker, Austin B. Craig, C. A. McCorkle and Elbert S. Rule. Mr. Fields succeeds Francis M. Welsh in the office of vice president.

Dulaney Dies

W. R. Dulaney, for many years a business leader of Wichita, died there recently. He had been confined to his bed for the past four and one-half years.

Mr. Dulaney was the senior member of the insurance firm of Dulaney, Johnston & Priest and a director of the First National bank. He was one of the founders of the Perpetual Building & Loan association and helped to found the Farmers & Bankers Life Insurance company, serving on the board of directors until health forced him into business inactivity.

Open House

The Bank of Kiowa held open house last month in celebration of their Golden anniversary, this year marking the fiftieth year the institution has been associated with the business life of the community.

A number of out-of-town guests were present for the event, among them Mr. and Mrs. Meade L. McClure of Kansas City, C. G. Chandler, Victor Murdock, and Dave Lahey of Wichita, and Dennis Flinn of Oklahoma City.

The Bank of Kiowa was organized very shortly after the town company of New Kiowa was granted a charter, and started in business a year before the railway reached the new prairie town. The paid-in capital of the new bank was $25,000.

Dies in Horton

John W. Brownlee, president of the Bank of Horton, former Brown County commissioner, and for many years a resident of this part of Kansas, died recently at his home.

Mr. Brownlee had lived in Brown county since 1880—six years before the town of Horton was founded. He was born near the town of Blooming Grove, Ohio, on December 17, 1851, and was therefore 82 years of age on his last birthday. He grew to manhood in Ohio, and lived in the same neighborhood and attended the same school with the late President Harding.

Doubles Capital

Pioneering among the banks of northwest Kansas and southwest Nebraska, the First State bank of Norton has issued and sold to the Reconstruction Finance Corporation a block of $25,000 preferred stock in the institution, thus increasing its capital to $50,000. Many banks in the nation are taking the same action to cooperate with the national administration in its efforts toward a business revival.

Colorado News

Year of Confidence

Nineteen thirty-four should be a year of increasingly renewed confidence in the government, in business and in the public mind toward their own ability and earning capacity, says Harold Kountze, president of the Denver Clearing House association.

The last year has been one of great experiments (some good and some not so successful) in government activities and finance.

Now should and will come the recovery period with the consummation of the past experiments, but let us not expect too quick results, as all this must take considerable time.

Large public works expenditures, increasing employment, industrial control and better wages under codes, more stability in the financial structure and increasing commodity prices are all in prospect.

Bill Is Signed

Gov. Ed. C. Johnson recently signed house bill No. 3, passed by the special session of the Colorado legislature, allowing state banks the same privileges as national banks in pledging securities while in receivership for federal loans. He also signed the resolution, passed by the assembly, placing a constitutional amendment on the ballot in November changing section 10 of the constitution to give the legislature complete control over taxation.

New Quarters

The Salida First National bank moved last month to the building formerly occupied by the Commercial National bank, which consolidated with the former institution some time ago.

The new house is directly across the street from the present one. Lewis Hollenbeck is president and F. Ford White, cashier.

Accepts Position

W. Kyle Miller has accepted a position with the Farmers State bank of Brush. Mr. Miller was formerly assistant cashier of the Hillrose State bank until it was liquidated several months ago.

He is an exceptionally well qualified young man. He will take the position made vacant by the resignation of P. H. Kastler, who was recently named temporary postmaster for Brush.

With Boulder Bank

George A. Gribble will be cashier and active head of the new First National bank of Boulder, it has been announced. He recently resigned as manager of the Denver office of the Regional Agricultural Credit corporation to accept the Boulder position.

Mr. Gribble was for several years and up to two years ago vice president of the State Bank of Sterling, Colorado. Before going to Sterling he lived in Nebraska. He is 45 years of age.

Business Improvement

The last month has seen the biggest change in sentiment in Denver financial circles since the spring of 1930. Doubt as to the uptrend, as reflected in the opinions and attitude of brokers, bankers and businessmen, changed to confidence.

Rising markets for corporation bonds, municipal bonds, and a trade on the New York stock exchange that was the heaviest since July, 1933, were contributing factors. Denver bond dealers reported that it virtually was impossible to buy high-grade municipals. Second grades were in good demand.

The reduction in the rediscount rate by the New York federal reserve bank and devaluation of the dollar to 59.06 per cent of the former parity stimulated a feeling of renewed confidence. A $35 an ounce price for gold improved the outlook for mining in this state.

Elected Director

Ralph R. Allen, prominent Gunnison county stockgrower, was elected a director of the Gunnison Bank and Trust company at the annual meeting. Allen takes the place left vacant recently of R. P. Margelman.

Re-elected President

C. R. McCarthy was re-elected president of the First National bank of Glenwood Springs at the annual meeting. Other officers are: J. F. Benedeck, vice president; J. F. Gregory, cashier; Irwin Cramp, assistant cashier. Directors are Benedeck, McCarthy, Gregory, J. R. Weir and Frank Zaitz, Jr.

1934 Convention

Members of the Colorado Bankers association will hold their annual convention in Colorado Springs June 15 and 16, it was announced recently by L. F. Scarboro, secretary of the association. It is estimated that about 250 bankers from points through out the state will attend the meeting, which will be held in the Antlers hotel.

Jefferson Hayes Davis of Colorado Springs, vice president of the First National bank, is vice president of the bankers' organization and was instrumental in bringing the 1934 convention to this city.

The association last met in Colorado Springs in 1929.

Named President

At the annual meeting of the stockholders of the First National bank of Meeker, L. B. Walbridge was elected president of the local banking institution. The bank has been operating without a president since the death of the late R. Oldland. Other officers elected were: C. J. Wilson, vice president, and Ernest Oldland, cashier, with L. B. Walbridge, C. J. Wilson, Frank Delaney, Mrs. Myrtle Oldland and Ernest Oldland as directors.

On Investment Board

Charles B. Engle of the Denver firm of Engle, Adams & Co., was re-elected to the board of governors of the Investment Bankers Association of America at the recent meeting in Chicago.

Mr. Engle will represent the Rocky Mountain group of the association. Upon his shoulders will rest the solving of many of the problems of bankers in this vicinity in the drawing up of new banking regulations under the securities act.

Reorganized

A new group of officers and directors has been selected for the reorganized Alamosa National bank.

At a meeting of new stockholders, the following directors were chosen: Walter N. Husing, Harry W. Zacheis, Ben E. Gordon, Everett Cole and Leo Long. More than 20 stockholders were at the meeting and all the stock in the reorganized bank was represented. Every share of stock in the new bank has been placed.

The bank directors, at a separate meeting, elected the following officers: Walter N. Husing, president; Ben E. Gordon, vice president; Harry W. Zacheis, cashier, and J. L. Ginder, assistant cashier.

Rates Are Lowered

Interest on savings accounts in the Denver Clearing House association banks will be cut to 2 per cent a year on amounts up to $10,000 on April 1, while on larger deposits 1 per cent will be paid. At present the banks are paying 3 per cent on savings accounts of $500 and less than 2 per cent on larger accounts. The rate now in effect was established on April 1, 1933.

The new rate will be exactly the same as that paid by Postal Savings banks. Since all deposits up to $2,500 now are guaranteed by the government, the local banks are on the same basis as the postal banks.

New Mexico News

Elected President

Paul A. F. Walter, for 14 years vice president and trust officer, was elevated to the presidency of the First National bank of Santa Fe at the annual election of stockholders. There were 1371 of the 1500 shares of stock represented, as the work of the directors for the preceding year was approved and commended, and a resolution on the death of President Arthur Seligman was adopted.

All of the following directors and officers were re-elected:

Levi A. Hughes, chairman of the board; John Pflueger, Paul A. F. Walter, Henry Dendhal, Judge Edward R. Wright, Bernard W. Spitz, directors. The vacancy in the directorate caused by the death of President Arthur Seligman was not filled.

Henry Dendhal, vice president; Charles J. Eckert, cashier; George Bloom, assistant cashier and assistant director, Judge Wright, attorney.

Remodeled

Improved facilities for handling the bank's business and beautifying the interior are the results of extensive changes completed at the Merchants bank of Gallup.

Under the new regime walls of the bank are decorated with gay Chimayo blankets. Woodwork, walls and ceiling glisten with new paint. A new executive office and bookkeeping quarters have have added. Rearrangement of employes' cages is expected to add greatly to the convenience for the bank clients.

Renovation of the bank's vault was included in the cleanup and new safety deposit boxes are being added.

FDIC Member

It has been announced that the Farmers and Stockmens Bank of Clayton, New Mexico, is now a member of the Federal Deposit Insurance corporation.

This U. S. Government corporation insures each and every depositor in the bank 100 per cent insurance to the amount of $2,500, and on July 1, 1934, this amount will be increased to $10,000.

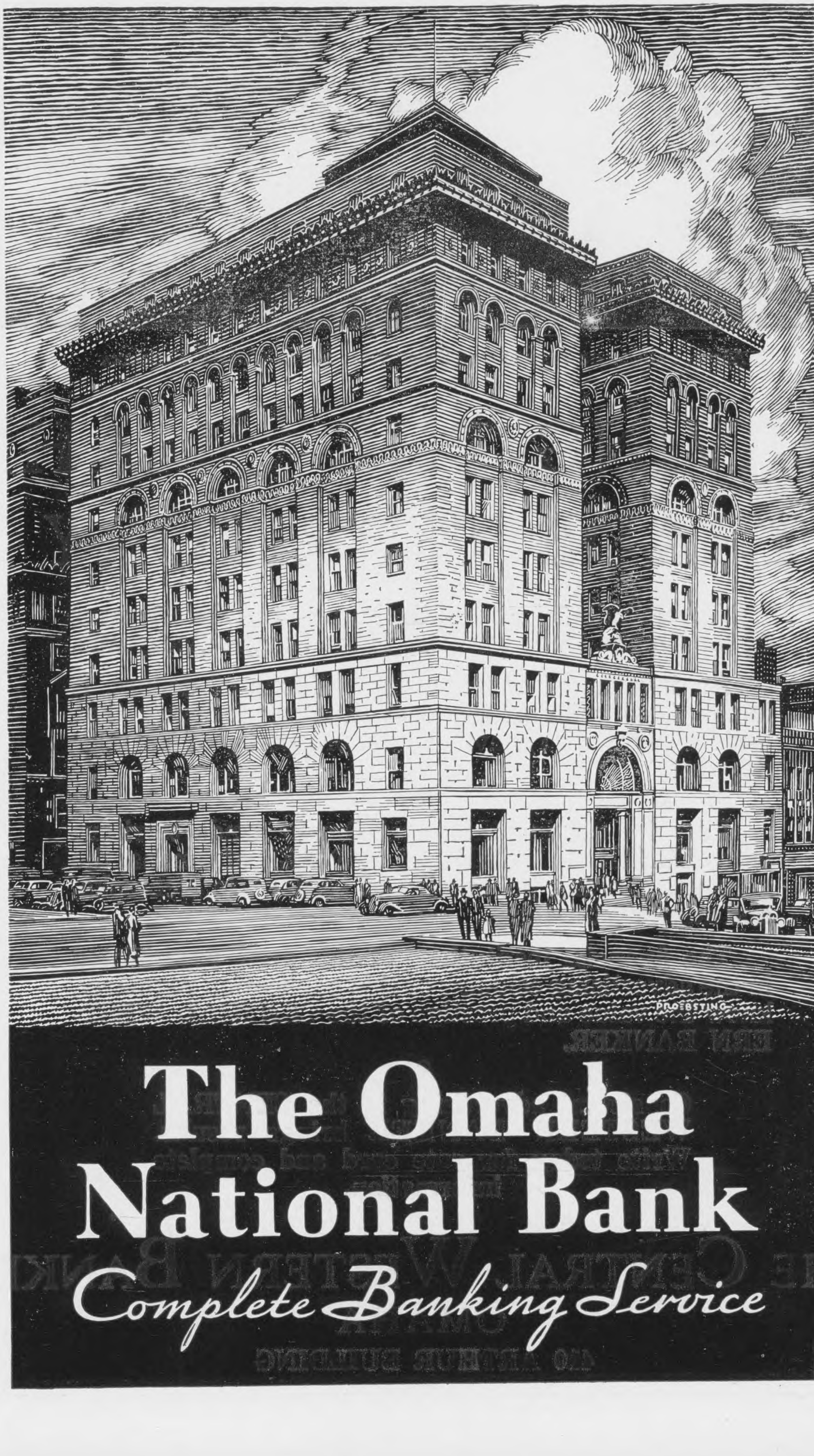
"Didn't you claim when you sold me this car that you'd replace any thing that broke or was missing?"

"Yes, sir. What is it?"

"Well, I want four front teeth and a collarbone."

Neighbor—Why are you painting one side of your car red and the other green?

Speed Maniac—It's a fine idea. You should hear the witnesses contradicting one another!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