

CENTRAL WESTERN BANKER

Omaha

Government Loans---

How Are We Going to Know
When to Stop?

Page 4

A "Hobby" That Proved Profitable

Page 6

Kansas Bankers Meet in Wichita

Page 8

Group One Meets in Lincoln

Page 14

June

1934

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CENTRAL WESTERN BANKER410 ARTHUR BUILDING
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"It is probably true that we now have greater accumulated genuine shortages of goods and construction than the people want and need, and greater accumulations of money and credit seeking employment, than have ever existed before anywhere"

THE BUSINESS OUTLOOK

BUSINESS activity has now been increasing in this country without any important interruption during six consecutive months. The serious decline which began last July continued to the middle of November, and then the present recovery got under way, and has continued to the present time. Such a sustained advance as we have had in industrial production and in trade activity would normally be accompanied by a rising market for stocks, but that has not happened. There has been instead a hesitant market since last February, and recently a long decline that carried average prices down to the levels of last autumn.

CLEARLY business confidence has not been holding up as well as have the business statistics. The reason for this appears to be that the increases in the volumes of production, transportation, and trade have not really been well distributed, but have been instead mostly due to two main factors. These are the continued expenditure of huge sums of federal funds in loans, subsidies, and for public works, and the greatly increased output of the automobile industry which has recently been producing each day new cars worth about 10 million dollars.

By COL. LEONARD P. AYRES

*Vice President
The Cleveland Trust Company*

THERE has been a considerable increase in new construction financed by public funds, but little in building paid for by private money. Recent gains in employment in this country have been encouraging, but in Canada the rate of re-employment since the low levels of last spring has been far more steady and rapid than our own. Our excess of public expenditures over governmental receipts has not been as great during the past few months as was expected, but recovery in England is going forward steadily and rapidly, and the national budget has been balanced and tax reductions are in prospect.

IT is probably true that we now have greater accumulated genuine shortages of goods and construction than the people want and need, and greater accumulations of money and credit seeking employment, than have ever existed before anywhere. We have most of the component requisites for sustained recovery, and world-wide business improvement is under way. Our records of business activity in this year of 1934 will furnish the decisive test and measure of the efficacy of our national recovery program.

THE FEDERAL SECURITIES ACT went into effect more than nine months ago. During most of that time business activity has been expanding, but the recovery has not been accompanied by such an increasing flow of new security issues as has marked previous upturns from depression in this country. This condition has aroused much controversy about the new act. Its opponents have claimed that it has almost strangled the security markets, and greatly retarded recovery because its severe liability provisions have prevented the issuing of new securities which are essential for reviving the durable goods industries where unemployment is most severe.

IT SEEMS fairly clear that the act has operated to restrict the issuing of new industrial stocks and bonds. The only other explanation of the decline would be that industry is not now seeking new funds for expansion. This is hardly a tenable theory for in previous recoveries there has always been rapid capital expansion. This was notably true in 1922, and the increases were not in the rail and municipal securities but in the industrials and the utilities.

IN THE decade from 1921 through 1930 the volume of new securities average nearly seven and a half billion

(Continued on page 12)

Government Loans— How Are We Going to Know When to Stop?

WE ALL REALIZE, of course, that the unprecedented business depression that was first manifested by the stock market crash in October of 1929, and which before its close—and we have many assurances that we can now speak of it in the past tense—saw our blue chip stocks sell at roughly one-tenth of their previous quotations, caused wholesale business and industrial failures, not only in this country, but all over the world. Many theories have of course been propounded as to the cause of the depression, but it seems to me that the most lucid and fundamental explanation is, first, the enormous expenditures for non-productive purposes which were brought about by the world war; and, second, that the strain placed upon the monetary system by the fact that millions of people were changing over from their normal peacetime occupations to war-time occupations and back again was more than it could bear, and resulted in such a serious dislocation of production, consumption, labor and working capital that the conditions we have witnessed during the past four years have been the consequence we have suffered.

The experience of those years taught bankers many lessons it will be hard for them to unlearn, about the lending of deposits that are payable on demand. No wonder that many of the banks of the country were not in position to extend to business and to industry and to agriculture in the United States during the past few years the credit accommodations they had been accustomed to receive. No institution in existence was ready, able and willing to assume the responsibility. It was not surprising under those circumstances that governmental lending agencies seemed to be the only alternative.

When to Stop

If bankers and business men will imagine themselves in the seats of the

By C. W. CARSON, JR.

*President, First National Bank
in Albuquerque, New Mexico*

members of the Senate and the House of Representatives at Washington during the past few years, reading the letters and telegrams from the voters in their states and districts and receiving the delegations and petitions of various classes and groups insisting upon the establishment of a lending agency to care for the situation presented, it will not be difficult to picture the perplexing

This address on public lending agencies and their relation to the banking business was given by Mr. Carson before the 1934 Convention of the New Mexico Bankers Association. It is entitled to the careful consideration of every banker.

problems confronting them. History will very likely record that much of the legislation enacted during the emergency was well conceived and helpful to our recovery from the depression. The most difficult problem is to know when to stop.

It is now charged that the banks of the country are stifling recovery by the refusal to lend money. On February 5th, Jesse Jones, Chairman of the Reconstruction Finance Corporation, addressed a ringing appeal to the New York State Bankers Association. He remarked that the common cry almost everywhere is that the banks are not lending. His words have the ring of sincerity and I have no doubt that his offices are filled every day by prospective borrowers. He remarks that there is a persistent demand upon Congress to authorize the Reconstruction Finance Corporation to make direct loans. The

development now is that on March 19th the President submitted to Congress a bill for the creation of twelve Credit Banks for Industry, which are to be capitalized from the funds to be repaid to the Federal Reserve Banks by the Secretary of the Treasury out of the profit derived from the depreciation of the gold content of the dollar, representing the capital stock subscribed to the Federal Deposit Insurance Corporation by the Federal Reserve Banks amounting to one-half of their surplus, or about one hundred forty million dollars.

The next development is a bill submitted to and approved by the National Association of Real Estate Boards at their meeting held in Washington during the first week in March. It provides for capital stock of five hundred million dollars subscribed by the United States Treasury, and that the Federal Mortgage Bank, as it is called, may issue bonds against mortgages on real estate devoted to other than agricultural uses. Interest on the bonds is to be guaranteed by the Government until the principal is paid.

More Loans

Senator Norris of Nebraska now proposes an additional lending agency with a capital stock of one hundred million dollars, to buy all kinds of products from the producers and sell them direct to the consumers, the idea being to eliminate the middle men altogether.

The most recent development I have seen is the proposal by the senior Senator from New Mexico, which goes the whole distance at once and demands that the Government take over the entire banking structure of the country for the reason that the control of credits is too much power to lodge in any private hands and should therefore rest in the Government, which is more capable of administering it.

The public debt is now approximately twenty-five billion dollars. The

ten additional billions already announced in the emergency program will make a total of thirty-five billions before the end of the year.

The various lending agencies are a sufficient indication of the demands that are being made on the Congress for their establishment, and that the pressure back of those demands has until now been sufficient to induce the Administration to acquiesce. The question in our minds is "How far will it go?" An additional question in our minds is "How long will it take the American citizen, individually and collectively, to realize that the other face of "credit" is "debt?" Already lending agencies have been established and proposed to lend the taxpayers' money to all classes of our population. There are two sides to successful money-lending. Our experience leads us to believe that to place a loan is not so difficult, but to collect it is often hard to do. The Government has not been in the money-lending business long enough to have established a record as a collector. There is no question in my mind but that a borrower will seek a public lending agency rather than a private one. The first reason is that the rate is probably lower. The second is that he can defer the date of payment longer. A third is that he thinks the Government will not press him unduly for payment if he should be delinquent. For these reasons the money-lending business in this country has developed the Government into a gigantic loan broker; individuals, banks, life insurance companies, all loaning money to the Government, and the Government lending it out to all classes of borrowers at an increased rate per cent. The reserves of member banks with the Federal Reserve system on March 1 were \$1,300,000,000 *in excess of their requirements*. The banks of this country now hold \$12,000,000,000 in Government securities. The Federal Reserve banks on March 1 held \$2,432,000,000 in Government securities, which amounted to 94.74% of all Federal Reserve Bank credit outstanding.

How Long?

There was a reason for the Government to assist in supplying the credit requirements of the country when such a large per cent of bank and insurance credit was not available, but where is the stopping place? Representatives of life insurance companies are asking "Is it the intention of the Farm Credit Ad-

ministration and of the Home Owners' Loan Corporation to eliminate life insurance companies from lending on farms and homes? Are we to lend money to nobody but the Government?" I know it is true that the banks in this part of the country would like to lend money to borrowers who can pay it back, but we seem to be confined very largely to Government bonds. I have no doubt that the same situation is true in other parts of the country. When the Reconstruction Finance Corporation and the Farm Credit Administration and the Home Owners' Loan Corporation and the Congress say to each other "We must increase our lending activities and establish other agencies because the banks of the country are not lending" they might look a little deeper and see *why* banks are not loaning money. One of the principal reasons is that the



C. W. CARSON, JR.

borrower is obtaining it from a public lending agency. A third question in our minds is how long will these agencies continue to loan money?

The problem of the Government in the banking business is not vastly different from that of the Government in control of agriculture and of industry. If somebody is to give us orders, who is it to be? It was put very aptly by John W. Davis when he said, "Without impugning the high purpose and integrity of the great majority of our public servants, are we so sure of their constant wisdom, their disinterestedness, their ability to resist temptation, their freedom from political influence, that we are willing to trust them with unlimited

power?" A sufficient answer is the disclosures that have recently been made in connection with the operation of the various departments in our Government. "Every Socialist, every advocate of social discipline, of a planned economy, of a nationalist regimentation—call it what you will—must answer in the end the question: 'Who is to sit in the driver's seat and hold the reins and whip?' And the answer cannot be made in such vague, collective terms as the State, the Government of society, for these only move by human hands. Who are the men that would be set to rule over us?"

Trial and Error

We develop in America by the process of trial and error, and when we discover that a given course is successful if pursued to a certain point and a blunder if carried further, we stop before we reach that point. I know of no instance in history in which business or industry or finance or agriculture has been successfully carried on through governmental agencies, but many of us bankrupted the State of North Dakota a few years ago. We have learned that strychnine has a salutary effect if used in moderation, but that it is deadly if increased. We know that a blood transfusion is sometimes necessary to save the life of a patient, but we have also learned that an excess amount is fatal.

A Few Figures

I want to quote a few figures to you now that will tell their own story:

	000,000's
	Omitted
The Reconstruction Finance Corporation has loans outstanding amounting to.....	\$3,400
The Home Owners' Loan Corporation has has loans outstanding amounting to \$500,000,000, but applications totaling more than	2,200
which represents its capital stock and bonding authority, so it is fair to assume that loans of that amount will be made.	
The Federal Land Banks have outstanding ...	1,495
and applications far in excess of the.....	2,200
representing the capital stock and bonding authority of the Federal Farm Mortgage Corporation, so it is fair to assume that loans of that amount will be made.	
The Federal Intermediate Credit Banks have loans outstanding amounting to.....	150
The Regional Agricultural Credit Corporations have loans outstanding amounting to.....	145
The Production Credit Corporations, newly organized, have a capital structure amounting to.....	120
The Co-operative Credit Banks' capital structure is left to the discretion of the Governor of the Farm Credit Administration.	—
The Credit Banks for Industry—if the bill is passed, will have a capital stock of possibly.....	140
The Federal Mortgage Bank—if the bill is passed, will have a capital stock of.....	500
and whatever bonding authority is granted. If the Norris Bill passes another.....	100
should be added—	
Making a total of.....	\$10,450
in round numbers already invested in public lending agencies, and note please that I have included only the big ones.	

(Continued on page 12)



●
 "The Cottonwoods,"
 summer home of
 Mr. and Mrs. Stephens,
 northeast of
 Fremont
 ●

A "Hobby" That Proved Profitable

I THINK every banker should have an outside interest so as not to become too closely confined and too narrow in his views, although it is rather difficult to see how a banker, dealing with all sorts of problems continuously, is in danger of becoming narrow in his views. I have seen some that were pretty narrow, but I don't know that a hobby will cure it. Sometimes a man riding a hobby is not only narrow, but he is a sort of nut besides.

Nevertheless, six or seven years ago I had reached the age when vacation trips became very burdensome to me and to Mrs. Stephens, so we decided to recreate more or less at home and proceeded to build us a fireplace out in the woods on the Elkhorn River, with a room around it, where we could take our picnic lunches and enjoy the out-of-doors more or less continuously throughout the year. Our fireplace and the room, however, developed into rather a formidable summer home with modern conveniences, caretaker's houses, electric lights, electric pumps, barns, cows, horses, dogs and about everything that goes with a country place.

Purebred Swiss Cattle

We were still determined not to permit it to drift into a business enterprise, although the temptation was continuous for me to try to make money out of the place; and all the time I was stocking it with purebred Swiss cattle, I couldn't

By DAN V. STEPHENS.

*President, Stephens National Bank
 Fremont, Nebraska*

keep out of the background of my mind that some day it would make a profit. In other words, I found it difficult to do anything as a pure recreation, as I got the greatest "kick" out of the things I did that really showed a profit. So this hobby now consists of about 300 acres of woodland and meadows along the Elkhorn River, six and one-half miles northeast of Fremont.

It is stocked with about 42 head of purebred Brown Swiss cattle and there is a wild animal park containing 15 or 20 deer, buffalo and elk. The central place about "The Cottonwoods" is our dairy house where we milk under a strictly modern environment with the last word in milking machinery. In fact, we claim to produce milk with the lowest bacteria count of any milk produced in this country, at least we think we do. So we get a good bit of pleasure out of that. We drink the milk ourselves and then have the added pleasure we get blowing about how good it is.

Then these Swiss cows are another great source of admiration. We can hardly resist driving out every day during the year to watch them grazing in the pastures or watch the men groom them and care for them in the yards and barns. The matter of breeding these

animals is a subject of the utmost interest and becomes exceedingly fascinating as a problem in genetics. Recently I shipped a bull calf to California at a very good price and there was more enthusiasm worked up over the selling of that calf than if the bank had made a \$10,000 profit out of some deal—not that we ever do that, of course.

Commercial Dairy

Then this hobby, which is furnishing us entertainment at the present time, will ultimately become a commercial dairy. Everything I have done in the way of expending money for barns and yards and dairy equipment has been spent with a view of it being practical as a commercial proposition. We are of the opinion that with 100 cows under our present status and under the present condition of the times, it would be a much better paying proposition than our bank. I say that advisedly, being the president of the bank and owner of "The Cottonwoods". I am convinced a dairy with 100 cows, or even 50 cows, under the present management, producing the equivalent of certified milk, can be made a profitable business, because there is no such equipment available in the neighborhood, and no such quality of milk can be produced without similar equipment and the application of sanitary principles.

Along about the first of May or June we go out to "The Cottonwoods" to

live. We do not move. We just go out and we unlock the doors and the scrubwomen clean out the place and we start living there, as it is fully equipped. On the first of October we move into town and close the house for the winter, but of course the establishment is complete with caretakers' houses and living facilities for the employees, who continue the year around handling the stock.

A Little Expensive

As a hobby, of course, it is an expensive one but, even as it is, it almost pays its own way as we sell a few hundred pounds of de luxe milk to those who wish to pay for it in the city. Then, when we add to that the sale of the bull calves (we seem to get a predominating number of them when we are wanting heifers), we have a revenue that is rather surprising. It shows me very clearly that if I wanted to do so I could put this hobby horse in harness and make him work and pay his way besides, but I wouldn't want to mislead any of my colleagues or be the means of influencing them to undertake such an enterprise lest it might prove disastrous to them. I have read in the papers stories of men who have done things just like that, and it isn't too late for you to read a similar story about "The Cottonwoods" so when a man starts to play with expensive things he had better "watch his step."

A Tribute to the Cottonwoods of the Plains

NOTE.—The Cottonwood is native to a large portion of America, but it is especially at home in the Great Plains and Deserts of the west half of the Continent, and there it first endeared itself to the pioneer. He never looks upon a cluster of them along some meandering stream as he glides by in Pullman or motor car, that memories of

the great epoch of the "Settling of the West" do not surge upon him. The continued recognition of the Cottonwood in the daily account of his travels throughout the West by the explorer, General John C. Fremont, led to the naming of the common Cottonwood of the plains in his honor, *Populus Fremontii*.

O Populus Fremontii! With a feeling of appreciation and gratitude I greet you. For eons of time you have lifted your gray-green, billowy head against the blue sky of the great plains and deserts. You shed your blessings upon the wild creatures of this land before the races of men came to conquer and subdue it. You planted your roots in the watery sands of desert places and along the wandering streams that come out of the mountains. So fixed was your habit that the wild beasts of the land gave dumb recognition to your magic powers. Your spreading branches were to them a symbol of water. Their seemingly aimless trails were found to be unerring paths to water holes in a land where water was precious beyond price.

Trees grow where there is water, but some will like to think that God planted you at these water holes as a beacon to man and beast that they might not perish from thirst; that he gave you a seed so fine and delicate that it cannot be garnered; that your propagation could not be trusted to the hand of man, but rather, to the wild winds of heaven that carries your seed to water wherever it may be found—in glen and dell and buffalo wallow.

You are the tree of plain and desert, the friend of man and beast, *O populus gigantia*. When the white man came in teeming thousands, he left his bones to mark the new trails he made into the

desert, while those who got through, followed in the footsteps of wild creatures and Indians that led unerringly to your gray-green billowy heads against a brazen sky. There they knew water was to be found.

The emigrant who followed your signs found water and shelter, and there, by your great shadowy body he built his fire and camped for the night. The lullaby, which you forever sing, lulled to sleep the homesick mother and children, and forever as long as they lived they loved you past understanding.

O Populus Fremontii! We accept your blessings as a matter of fact and without recognition or appreciation, but your reward is your continued existence in a harsh land where the law of the survival of the fittest operates with deadly certainty. Your hardy head is forever lifted to the sky and your sweet lullabies run forever through tragic memories of the pioneers of a great epoch.

Politics

State primaries, and the elections that will follow next November, are unusually interesting this year. The pregnant question they are arousing is: "Can the Democrats maintain their hold on the electorate—or are the millions of Republicans who switched party last year returning to the fold?" All observers agree that Mr. Roosevelt's personal following is as large as ever—but many doubt if even that is enough to prevent heavy Democratic losses when the ballots are cast.

Starting as a hobby, Mr. Stephens has found that these Brown Swiss cattle can be real moneymakers.



Kansas Bankers Meet In Wichita

URGING enactment of legislation for the coordination of all Kansas peace officers under a directing head and the establishment of an efficient state police system, supplemented by a bureau of identification and low wave broadcast system, members of the Kansas Bankers Association opened their 47th annual convention in Wichita, May 17.

The need of additional law enforcement system and coordination was stressed by J. R. Geis of Salina, president of the state association, in his opening address before the convention.

"Under our present system no sheriff, no chief of police or other peace officer, working independently, can successfully capture a bank bandit. He can rob our banks, get away in powerful automobiles, and be in Oklahoma, Missouri, Nebraska or Colorado before he can be captured," Mr. Geis declared.

Saves Taxes

Pointing out that New York, Pennsylvania and other states with adequate and efficient state police systems have solved this problem admirably, Mr. Geis cited insurance figures to prove his contention.

"We Kansas bankers pay \$20 per thousand for the first \$10,000 of insurance against robbery," he said, "In New York, where they have one of the finest state police systems in the country, bankers pay only \$1.20 per thousand. In Pennsylvania, where the state police system is not quite so perfected, it costs \$2.00 per thousand."

Such program would prove not only of benefit to the bankers themselves, but to the taxpayers of the state, he stated. The cost of capturing and housing these criminals in state institutions far exceeds the cost of providing protection against them in an adequate manner, Mr. Geis pointed out.

Nearly 500 bankers of the state were in attendance at the meeting.

Prominent Speakers

While the principal sessions of the conventions were held in the Arcadia Theatre of the Forum, there were also numerous social functions and specialized meetings of particular interest to the

Stressing the need for increased law enforcement, speaker urges the adoption of a state police system.

bankers at the Allis, Lassen and Broadview Hotels.

The president's address and reports of the secretary, treasurer and auditor were the principal features of the Thursday morning opening session. Three outstanding addresses were given on the afternoon program, with C. W. Alenderfer, vice-president of the First National Bank of Kansas City, Mo., Henry J. Haskell, editor of the Kansas City Star, Kansas City, Mo., and Dudley Doolittle, general agent of the Farm Administration of Wichita as speakers.

Bankers Optimistic

Words of praise for the able leadership of the Roosevelt administration and a spirit of optimism for the future of business and banking were noted at the convention.

Five particular points were brought out as indicative of progress noted in the past year. They were:

1. A steady return to the banks of frightened deposits.
2. A steady rise in the price of grain and live stock.
3. The distribution of \$20,000,000.00 in wheat allotment funds.
4. An awakening interest in real estate and increased values.
5. Steady improvement in business.

Other optimistic reports made revealed the following figures:

Business failures in March of this year were 60 per cent lower than a year ago.

Construction contracts were 200 per cent higher; steel increased 300 per cent; autos 300 per cent; car-loadings 30 per cent; factory employment gained 30 per cent; department store sales 30 per cent; and bank deposits had gained 3½ million dollars.

It was pointed out that bank deposit insurance, protecting deposits up to \$2,500, offered complete protection to 96 per cent of all bank depositors.

Tribute was paid to the memory of W. F. March, A. C. Jobes and "Uncle Peter" Goebel, members of the association who died during the past year. Also to Fred Arnhold of Harper, who was killed by a bandit since the last convention.

In concluding his address, Mr. Geis, following a general discussion of the new rules and regulations of banking, declared:

"Banking, regardless of the system, will be returned to its former place of distinction only when the management proves itself worthy of its sacred trust imposed."

Election of officers for the American Bankers Association for Kansas, was held immediately following the Thursday afternoon sessions.

While the bankers were in session their wives were entertained at various social functions by a committee of wives of Wichita bankers.

Friday noon the ladies again were entertained at a luncheon in the Lassen Hotel, where a musical program was given by Alan Irwin, Dean of Music of Friends University, and the Singing Quakers.

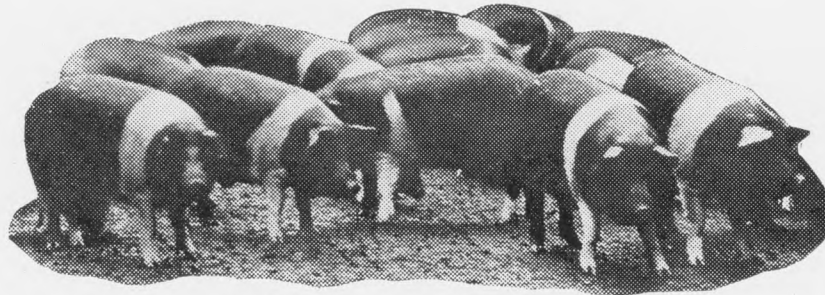
Thursday evening the guests were entertained at an "All Wichita Show", presenting selected entertainment and features in the Arcadia Theater. The Director's Ball followed in the Rose Room of the Forum.

Shows Increase

Maryland Casualty Company business during April showed an increase of 26% over April, 1933, measured by premium income, according to a statement issued recently by F. Highlands Burns, president. At the same time, Mr. Burns said, the company had effected a marked reduction in claims and claim expense during April, this item being 23% lower than during the corresponding month a year ago.

Customer: Have you a book called "Man, the Master of Women"?

Salesgirl: Fiction department on the other side, sir.—*Penn. Punch Bowl*.



Hogs like these have been bringing higher prices.

Farm Income Climbs 39 Per Cent

The first year under the Agricultural Adjustment Act the total cash income to farmers is estimated at \$3,979,000,000

THE ANNIVERSARY of the Agricultural Adjustment Act terminates a period in which cash income of American agriculture increased by more than 39 per cent. The Act was passed on May 12, 1933.

Created at a time when American farm prices were borne under the weight of immense surpluses of wheat, cotton, tobacco, pork and other products, the Agricultural Adjustment Administration centered its activities upon the task of better adjusting production to demand.

The surpluses were accumulated as a result of loss of export markets, the transition from a debtor to creditor nation, and other causes.

Lack of organization among farmers made it possible for them as individuals to act in concert to reduce their production.

Through the machinery created in the Act, the farmers now have been organized into production control associations. Although much remains to be done, a beginning of adjustment has been accomplished, and already farm income is showing important improvement due in part at least to the better balance of supply with demand.

At the close of the twelve-month period adjustment has been extended to a preponderant share of the nation's agriculture. Farmers have signed more than 2,860,000 contracts to restrict acreages under production control plans which provide benefit payments. In addition approximately 800,000 farmers are benefiting from marketing agree-

ments which have been put into effect during the year.

Cash Income

The total farm cash income during the twelve-month period was 39 per cent larger than the cash income for the preceding twelve months. The estimated farm income exclusive of the value of products used on the farm for the period which terminated May 1, 1933, was \$3,979,000,000. In the twelve-month period terminating May 1, of this year, the cash income is estimated at more than \$5,530,000,000. The increase is more than \$1,500,000,000.

Of this increase in agricultural income, rental and benefit payments accounted for more than 12 per cent. The payments totalled in excess of \$185,380,000. The distribution of this total among growers of the various crops on which payments are made was as follows: cotton, \$112,515,866; wheat, \$67,617,486; tobacco, \$5,206,778; corn, \$15,536; and hogs, \$24,844. For cotton and tobacco, the payments include those made under the 1933 and 1934 programs. On the others the payments were made on the 1934 program only.

These increase in farm income are in addition to the added returns to income that farmers received through increased prices resulting from programs to adjust production to effective demand in these basic commodities.

Initial steps towards adjustment programs now are being taken for other products recently added to the list of

basic farm products by amendments to the Act. Conferences have been held on a program for the adjustment of the beef cattle industry. A program for the adjustment of the domestic sugar industry also is contemplated with a view to supporting the market and adding \$30,000,000 to the income of sugar growers.

Special Crops

In addition to the programs for basic commodities, 22 marketing agreements for special crops such as fruits, vegetables, nuts, gum turpentine and rosin are in effect. The Administration has in prospect 56 other agreements to cover 68 commodities. While some of these agreements have been put in effect too recently to show resulting additions to farm income, added returns to farmers from those first established are evident. Increases in returns to growers of California cling peaches, Tokay grapes, walnuts, olives, Northwest deciduous fruits, citrus fruits, peanuts, and asparagus, resulting from such agreements are estimated at more than 35 million dollars. Additional benefits from informal agreements on canning vegetables exceed two and a half million dollars.

The 19 milk licenses now in effect provide for minimum prices to producers of 15 per cent of the fluid milk and cream consumed by the non-farm population of the country. Codes for fair competition affecting agricultural products have been signed and others are in prospect.

Surplus Removed

Price supporting operations through surplus removal programs were also carried on. The North Pacific Emergency Export Association has sold for export approximately 25 million bushels of surplus wheat grown in the Pacific Northwest. Approximately 35 million dollars have been expended in the emergency pig buying campaign to support the hog market. Large quantities of surplus agricultural products also have been removed from commercial channels by the Secretary of Agriculture and distributed to the needy and underfed of the country. Generally, funds for the purchase of basic agricultural commodities have been provided by funds from the Agricultural Adjustment Administration, and all costs of processing and distribution have been paid by the Federal Surplus Relief Corporation. Commodities purchased by the Secretary have been donated to the relief corporation for distribution. When funds were not available to the Agricultural Adjustment Administration, the Federal Emergency Relief Administration has provided funds for the purchase

of various items. This joint program has resulted in the removal from commercial channels of approximately 240 million pounds of pork and pork products; 100 million pounds of flour and 8 million bushels of wheat for feed; 50 million pounds of butter; 6 million pounds of cheese; 16 million pounds of canned beef and quantities of such other items as oranges, beans, apples, syrup, cereal foods, corn, oats and barley. The expenditures, including the 35 million campaign, totals approximately 90 million dollars, of which about 50 million dollars has been paid from Agricultural Adjustment Administration Funds.

Of the total commitment of \$250,000,000 available through the Commodity Credit Corporation for loans of 10 cents per pound on cotton, about 80 million dollars have been disbursed. Nearly 90 million dollars has been disbursed on corn loans at 45 cents per bushel out of a total commitment of \$150,000,000 made available for this purpose through the Commodity Credit Corporation. Cribbed ear corn under seal represents a loan value totalling in excess of 120 million dollars.

Definite progress has been made toward "parity" for farm prices, which is the objective of the Act. A year ago the ratio of prices the farmer received to the prices he pays was 52. It now has advanced to 62. Thus nearly 20 per cent of the disparity has been removed during the year. Parity will have been attained when the ratio is 100. The ratio figures apply to the general level of farm price. The basic commodities to which production control programs were applied made a much closer approach to parity than did the general price level.


Parity Attained

On the domestically consumed portions of the wheat, cotton, and tobacco crop, parity has practically been attained.

While more than 2,860,000 contracts have been signed by farmers to restrict production of wheat, cotton, tobacco, and corn and hogs, that figure does not completely express the extent of cooperation on the part of the farmers, since sign-ups for the campaigns have not yet been completed.

**CONTINENTAL ILLINOIS NATIONAL
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BONDS AND INVESTMENTS

The Future of the Railroads

According to Joseph B. Eastman, Federal Coordinator of Transportation, there are two principal obstacles to progress in solution of the national rail problem.

One of these obstacles is the attitude of rail management; they see only their individual picture. The other obstacle is labor.

DECLARING that "I am no Moses" to lead the railroads out of the wilderness, Joseph B. Eastman, Federal Coordinator of Transportation, appeared recently before the National Association of Mutual Savings Banks in annual conference. Mr. Eastman spoke at length to the savings bankers, who hold large rail investments, and attempted to outline the future of the carriers.

He expressed a hope for lower rail and passenger rates brought about by the installation of modern equipment, the unification of terminals and reduction of unnecessary costs. Mr. Eastman said that all traffic in a 75-mile zone might be handled by trucks. At some length he sketched the proposed steps to bring about reductions in the cost of operation, but admitted that "economies in railroad operation are bound, in large part, to be labor saving economies." He made known that the government is studying "retirement annuities for superannuated employes, unemployment benefits and dismissal wages".

"I ought to tell you of the two main obstacles to these future possibilities," said Mr. Eastman. "One is the attitude of the individual railroad managements. They have been brought up in the hard school of competition, with each company out for itself and the devil take the hindmost. Their immediate duty, as they see it, is to look after the interests of their own particular stockholders, without much regard for the

interests of the industry as a whole. Take terminal unification as an example. A survey may show that in a large traffic center it is easily possible, physically, to co-ordinate operations without injury to the service, and save many thousands of dollars annually. One railroad serving that traffic center, however, may believe that it has a strategic advantage over other railroads under existing conditions, and for that reason it may refuse to go along with the new program. This is a kind of difficulty which is likely to be encountered all along the line in efforts at coordination. It remains to be seen whether it can be surmounted. Perhaps you investors in their securities can help them to make a wise choice.

"The other obstacle will be supplied by labor, and it is a very serious one. Economies in railroad operation are bound, in large part, to be labor-savings economies. The present Emergency Act contains a provision which goes far to prevent such economies from coordination, but that Act expires on June 16, 1935. No one who knows the facts can avoid sympathy with railroad labor. Since 1920 the number of employes on the payroll has been cut in half, and those who remain have suffered severely in the depression from furloughs, demotions and part-time employment. The labor-protection provisions in the present Act have not been put to the test in the courts. Whether they would survive such a test I do not know. Assuming, however, that they could be made a

valid part of the permanent law in their present form, I am hopeful that this will not be done.

"This hope rests on two things. In the first place, the changes in methods of operation and service toward which we aim are not mere ways of shaving expense. The main purpose is to regain and develop business.

"It is cruel and inhuman to discard faithful employes like worn-out cross-ties. The shocks of sudden economic changes at least can be cushioned. The savings can be shared between capital and labor. Our study is going deeply into the subjects of retirement annuities for superannuated employes, unemployment benefits, and dismissal wages. We hope to work out a program which will afford reasonable protection to labor without stifling progress.

Other Transportation

"I turn now from the railroads to the other transportation agencies. I have no authority over them beyond the duty to recommend to the President and Congress further legislation for the improvement of transportation conditions generally. I am sure that you have heard much about the subsidies which are supposed to be given, directly or indirectly, to the water carriers and the motor carriers and the air carriers, through the waterways or the highways which are provided for their use out of the public treasury, or in other ways. Of course there were such things as land grants to the railroads in the old

days. We are trying to get to the bottom of this subsidy question, and are finding it no easy job. I expect to be able to report on this matter at a comparatively early date, to give the facts as nearly as we can ascertain them, and to recommend what, if anything, should be done about them.

"I have, however, already submitted a report in which I have recommended that motor and water carriers, along with the railroads, be subjected to Federal regulation by the Interstate Commerce Commission.

Rates

"There is much talk to the effect that the railroads should be allowed greater flexibility in making rates to meet competition, including market competition. There is talk against distance rates. One would think that the Commission had forced such rates down the throats of unwilling railroads and industry. The fact is that I can point to case after case where all parties, railroads and shippers alike, were agreed that distance rates were the solution; and many more where the majority were of that opinion. The fact is, also, that the railroads have liberal opportunity to cut rates to meet competition, and they are doing it every day. In my judgment they are given too free a hand, for the excuse of truck or water competition is being badly overworked, and the real reason is often the pressure of big shippers and the desire to filch traffic from other railroads. Whether it be direct or market competition, the delusion seems to prevail that the competitors will remain quiescent. Of course they will not, and the ultimate result is bound to be a general lowering of all carrier revenue. Competition is now so widespread and general that this theory of competitive rate-making can, as I see it, end only in disaster for all concerned.

Public Ownership

"In one of my reports I have discussed the possibility of public ownership and operation of the railroads frankly and in no unfriendly spirit. I have no desire to assume the role of propagandist for public ownership and operation, or to have such a policy adopted until the people of the United States either want it or believe it to be necessary. I have believed that they should be thinking about it, for it may prove to be necessary, and in that event it is highly de-

sirable that the country should be prepared to undertake it in the best possible way and that all possible safeguards. Personally, I have been a rather close observer of private operation under public regulation for almost 30 years, and I started with a definite disbelief in public ownership and operation. I am not of that mind now, for reasons which I have undertaken to give on other occasions.

"Recently I have heard or read at least three separate discussions in each of which it was urged that the Federal government should, by formal Act or Resolution of Congress, declare its opposition to public ownership or operation of the railroads and its commitment to the policy of private ownership and operation. It is urged that this be done for the reassurance and protection of investors in railroad securities. This is a fair sample of the fatuous if not disingenuous character of much of the ordinary discussion of this subject. There are distinct dangers in public ownership and operation against which safeguards ought to be provided, but the fact is that nobody has less to fear than the holders of railroad securities. Experience, in this country and all over the world, clearly shows that when the government takes over private property, it invariably pays a fair price and usually more than the property is worth. In fact that is one of the reasons why I am not now urging acquisition of the railroad properties under the financial conditions by which our Federal Government is now faced.

"Coupled with this plea for a statement of governmental policy on the subject of public ownership and operation, the suggestion has been offered that the legislation should contain something in the nature of a guaranty that rates will be maintained at a level which will assure a fair return on the investment in the railroad properties. Let me point out there can be no guaranty that any business can be made to earn such a return, and any attempt at such a guaranty is pernicious in at least two respects. In the first place it engenders keen public resentment against the industry in question, and in the second place it diverts the attention of the owners of the property from the proper management of the business. They look to Washington when they ought to be looking to themselves."

THE BUSINESS OUTLOOK

(Continued from page 3)

dollars a year, and in the last three years of the prosperity period their average was well over 10 billions a year. In 1933 they amounted to little more than one billion. The clear fact is that the flow of new capital into enterprise has almost ceased, and the evidence strongly indicates that the Federal Securities Act is an important factor in contributing to the stoppage, and so in retarding recovery and restricting reemployment.

THE VOLUME of building remains disappointingly low, and it does not seem probable that there will be much improvement soon, except for publicly financed operations. This is most unfortunate, for increasing volumes of new building construction have repeatedly in the past proved to be powerful forces in aiding business recovery following depressions. Among the reasons why there is little new private construction must be included the slowing down in the growth of population, the overbuilding during the prosperity period, the large numbers of buildings for sale because of the financial straits of their owners, and the difficulty in negotiating real estate loans for new construction.

Probably no one of these restricting factors, or even the combination of them all, is as influential in preventing an important expansion in private construction as is the high cost of building. At present rents are low, while construction costs are high and advancing, and the natural result is that there is little incentive to build.

GOVERNMENT LOANS

(Continued from page 5)

If we deduct the six hundred millions last mentioned because the bills have not yet become law, but leave the one hundred forty millions because the bill created the twelve Credit Banks for Industry is an Administration measure, the figure is still \$9,850

As of the June 30th, 1933 call, the capital and surplus of all the national banks in the United States amounted to two billion, four hundred fifty million dollars. Their total loans and discounts amounted to eight billion, one hundred million dollars. Their total bonds and securities held, including government bonds, was seven billion three hundred million dollars.

In other words, the lending power of our public lending agencies already ex-

ceeds the total loans and discounts of the entire National Banking System, and is two-thirds of the investment of the entire National Banking System in both loans and discounts, and bonds and securities.

Startling Figures

My friends, I realize that although I have not said anything that you did not all ready know, some of these figures may have been startling to you, as they were to me, and it occurs to me for that reason that it would be proper for the Bankers' Association of this state to make it clear to the New Mexico delegation in Congress that, although we appreciate the helping hand that has been extended to us, we do not want that hand, which has now become the Government in business, to become so far-reaching that it will absorb all individual business, and initiative and independence of action. Specifically, I believe we should say to them that the Government has gone far enough already in the money-lending business, and that not only no further lending agencies should be established but that instructions should be issued to those already in existence that they are not created to supplant but to supplement privately owned businesses whose tax money they actually loan; and that banks, insurance companies and other financial institutions should be assured that their re-entry into the lending field is welcomed and urged; and they should be instructed further that inasmuch as the Government of the United States has already invested one billion dollars in the capital stock of six thousand banks and has sponsored the depositors' money in 99% of the banks of the country to the extent that 97% of their 50,000,000 depositors are already fully insured, it follows that the Government is morally obligated to those banks not to impair their earning power by depriving them of their natural fields for investment. It follows further that it would be a short-sighted policy to continue the operation of lending agencies wholly owned by the Government in competition with an honest, capable, efficient service already being extended.

The Corporations Pay

Tax-collecting season has appeared once again—and from all parts of the country come reports of delinquencies,

slowness, inability to pay, and in some cases, actual tax-revolt.

The result of that has been that many governmental divisions are without sufficient funds with which to operate, and are faced with the problem of keeping schools open, carrying on road work and other essential functions, with almost empty treasuries.

There is one outstanding exception to the general situation—and that exception is the great corporations. Counties and municipalities which are so fortunate as to have within their limits privately owned utilities, railroads, large manufacturing corporations are in a happy position. The corporations pay, and pay promptly — when individual property owners are unable or refuse to meet tax obligations.

There was never a time when government, in all its branches, was so dependent on business for the revenue with which to finance both ordinary and extraordinary activities. And, consequently, there was never a time when unfriendly business legislation was so detrimental to the interests of the people. Taxes, jobs, opportunities, expansion—the great industries create and provide them. And it is these things that will finally bring genuine recovery.

Newspapers carry many reports from counties and towns where only the taxes paid by large corporations have permitted schools to be kept open, and the essential work of government to be kept up. They should not be forgotten.

800,000 New Homes A Year

According to the Research Department of the NRA, an annual building volume of 800,000 residential units is required to supply the need for new dwellings. This takes no account of replacement of existing sub-standard homes, and until these are replaced the needed volume could easily be at the rate of 2,000,000 structures a year.

A building revival could fall far below these high limits, and still be the most powerful of factors in fighting depression. No dollar we spend does more work, in stimulating domestic trade and providing employment, than does the building dollar. Surveys show that 37.3 per cent of all the money spent goes to labor at the site—to excavators, graders, carpenters, masons, plumbers, plasterers, etc. The balance of 62.7 per cent goes to buy needed materials and supplies—and the great bulk of that is paid to workers in the plants and factories manufacturing them. In general, about eighty cents out of each dollar goes to labor, directly or indirectly.

The heavy industries—those supplying such manufacturers as steel, lumber, cement—were hit hardest by hard times. They are facing the gravest difficulties in recovering from them. Spurring construction would do much to solve a legion of our most troublesome problems.

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OFFICES IN PRINCIPAL CITIES

Group One Meets In Lincoln

OPPPOSITION to increasing the minimum capital stock for national banks from \$25,000 to \$50,000 was expressed in a resolution adopted by Group One of the Nebraska Bankers association before adjourning on May 17.

The group also went on record as opposing compulsory membership in the federal reserve system for state banks operating under the Federal deposit insurance corporation.

The action came at the close of a which E. P. "Ned" Brown of Arbor, a director of the federal reserve bank of Kansas City, was the principal speaker. The resolutions committee was composed of Stanley Maly, of Lincoln; E. C. Yont of Brock, Fred Carsten of Hallam, J. H. Catron of Nebraska City, and H. V. Jelinek of Wilber.

New officers of the association, who were introduced at the banquet, are: F. J. Patton, Blue Springs, president; Elmer Bradley, Shickley, vice-president; and R. W. Heim, Dawson, secretary.

President Van Horne of the Lincoln Clearing House, in his address of welcome, told the group not to worry about the surplus which is causing such a dilemma in banking circles. The ABA code, he assured them, would probably be the clue to sane and profitable financial operation in the near future.

Concerted Action

A fiery plea from E. E. Placek, of Wahoo, Nebraska Bankers association head, to take cover in the association in order to move in concerted action for banker protection when the next state legislature convenes, was the high light of the morning conference. "The next legislature will have more ideas about banking and banking methods than we can shake a stick at," he declared.

"The depositor is altogether ignorant as a rule about the bank he puts his money in. He has the idea that we do him a favor to take his money. He doesn't realize we pay fire, theft, and forgery insurance to protect that money. We hear nothing but complaints when we make a service charge. That's unfair; I pay the insurance on my life and my property; why shouldn't he pay the cost of protecting his property?"

Challman Speaks

I. Oscar Challman, general manager of the FCA at Omaha, spoke on "Farm Credit Administration Under the New Deal." "The social value of refinancing, of debt adjustment, of lowering interest rates, and of deferment of principal payments cannot be estimated in its influence in maintaining the morale of persons engaged in agricultural pursuits," he declared.

Challman traced the origin and development of farm credit facilities instituted by the government and showed the reasons for their expansion by President Roosevelt. The FCA proper was organized by President Roosevelt to coordinate farm credit agencies already extant and to supplement them with new ones, he said. He told the bankers that the FCA in this district—which comprises Nebraska, Iowa, South Dakota and Wyoming—has loaned 124 million dollars since June 1, 1933.

Toastmaster

Ex-Governor McKelvie was toastmaster at the banquet. Harlan G. Easton presented a monologue. Bonnie Parsons tap-danced. A girls trio, composed of Dorothy Bloom, Margaret Newcomer, and Wilma Riggle, sang several popular numbers. They were accompanied by Russell Gibson. Leo Beck's orchestra provided music during the banquet.

Resolutions of appreciation to the officers of Group One, to William B. Hughes, secretary of the Nebraska Bankers association, to the speakers and to the Lincoln Clearing House association were adopted by the body. One other resolution recommended that Secretary Hughes or some other member banker contact all non-member banks in each county and urge affiliation with the Nebraska Bankers association.

Wives of the bankers who are attending the first district convention in Lincoln were entertained at luncheon at the University club. Covers for thirty-five were arranged at one table, on which pink roses and snapdragons were used. A theater party at the Stuart followed. Mrs. Carl Weil, chairman; Mrs. E. N. Van Horne, and Mrs. Phil Easterday were members of the committee of arrangements.

Nature Steps In

Main agricultural problem is surpluses. Solution was the crop-curtailment plan, whereby the government signs agreements with farmers stipulating how much of every kind of product they can produce. In return, the government pays them for the land taken out of cultivation.

Now a greater power than legislation has taken a hand—and shown the nation what crop curtailment in the grand manner is. The power is nature. The crop is wheat.

The middle-west is literally a desert. There hasn't been so disastrous a spring in 40 years, and great agricultural states are dry as the Sahara. The drought is trimming almost two million bushels of wheat a day from the official May 1st crop estimate.

The drought was accompanied by a dust storm that picked up billions of pounds of top-soil, with its planted grain, and carried it away, to fall along the Atlantic Seaboard as well as the middle-western cities. Some of it fell on the dome of the capital at Washington. Some fell in Wall Street. Twelve million pounds fell in metropolitan Chicago—four pounds for every man, woman and child in the city.

Federal farm officials are considering allowing farmers to plant acres that were retired—have advanced the date for signing wheat production control contracts. In many areas hit by drought it will be impossible to raise any crops at all this year, and government benefit payments will be the only source of income the farmers will have. Even abundant rainfall could not save the crops, so great has been the damage.

As a result, the agricultural administration has a new and grave problem on its hands—how to carry stricken farmers through a barren year.

The conscientious teacher wrote on the back of little Tommy Jones' report card: "A good worker, but talks too much."

Back came the card later with the statement over the signature of Jones' *pere*: "You ought to meet his mother."

INSURANCE

Its Application to the Banking Fraternity

Every Life Salesman Is Familiar With This One---

"Wait 'til I Talk It Over with the Wife"

WAIT 'til I talk it over with the wife."

This is usually just another one of those standard evasions—along with "I'll think it over." "Tough sailing just now, see me in a few months," and so on.

And what do we do about it? Hurdle the obstacle with the husband and present the story to the wife, of course. But right there we're up against a brand new problem.

The very nature of life insurance makes it of greatest benefit to the wives themselves. Yet it is nevertheless true that, for some reason yet to be discovered, some wives are not friendly toward life insurance.

Definite Ideas

We find that the average wife has very definite ideas about what shall be done through the family budget. She considers herself quite practical about it. She studies and approves investments made from savings of the firm of Man & Wife Company. Her economies have an understandable objective. She can talk readily of stock and bond values and of the local real estate market.

But bring to her a consideration of that most practical item on the budget, life insurance, and if she is like the average wife, she will at once become restrained and sometimes even a bit hostile.

This hostility is frankly recognized as a hazard. One agency advertises this slogan: "Wives sometimes object to life insurance; widows never do." Many a policy fails to be delivered because the man who applied for it before consulting

By REG ROBINSON

*Connecticut Mutual Life Insurance Co.
Atlanta*

his wife has found that she doesn't approve.

Sometimes it happens that her disapproval is born of misunderstanding, or ignorance of the value of life insurance. But she must recognize the fact that the security of this form of investment has been shown (especially since October, 1929) to stand out whole among the waste of shattered investments which

In Which Mr. Robinson Presents the Conclusions Reached by Him and His Wife After Serious Discussion Regarding the Average Wife's Attitude Toward Life Insurance

have proven not so secure. Any assortment of miscellaneous publications which she may have read in the last many months would disclose a number of articles explaining that life insurance has been firmly established as a bulwark among other investments.

That is just the reason why these wives who so largely govern the savings and expenditures of the family income should study the value of life insurance in its relation to the rest of the budget. And that is the reason why it is a part of insurance service to encourage such study.

Objections Often Sentimental

Frequently her objections to a consideration of insurance on her husband's life are purely sentimental. Most of her expenditures are for things she can see and touch; her savings, her investments, are toward the purchase of such things; that is her constant training. Her husband's life insurance policy then becomes to her a visualization of widowhood and grief. There's the tragic, "Oh, John, don't talk to me about that. I can't stand it!" And John doesn't buy.

Yet Mrs. John must be shown that this sort of insurance—direct protection of the income—should never be put off. It belongs right along in importance with provisions for immediate physical needs of the family. It is the only surety that those needs will always be taken care of. Procrastination in this matter may prove costly in many ways. Certainly there will be a higher premium rate, the longer it is delayed.

Objectives of Budget

Perhaps the ultimate objectives in the budget of every homemaker, beyond the daily "What shall we eat" and "What shall we wear," are divided between the children's education and that new home (which is still in the future, usually, or still to be paid for). Of course, there are multiple distractions: the new car becomes a sudden necessity, or there is an expensive illness, or the family must have a vacation trip this year. All sorts of emergencies and regular demands crowd up and often succeed in pushing away any possibility of saving steadily toward the goal. Yet so important are such goals that every economy will be willingly practiced in their name. And every effort will be made to guarantee

the certainty of the savings and the security of their investment. It is only a question of what savings method is most certain and most secure for these purposes.

It is fun for the budget managers to watch the figures grow in a savings bank book. There's the actual money to be waiting for son's college education when he finished high school. Any stocks purchased must be surely saleable at that time; any bonds readily convertible into cash; real estate must be worth substantial loans, if they be needed. If the average wife understood the policies that have been designed exactly for each one of her savings needs, to make certain all the uncertainties, would she remain unfriendly toward life insurance?

Explain What Policy Really Does

Or would she not welcome such a plan, as did one Mrs. Demurring, when a policy of this kind was explained to her:

Her objections to life insurance were quite the usual kind. She wanted the family's savings kept at close range, where they could be available when needed. She didn't like the idea that her husband had to die before the money could be cashed, and so on.

A savings bank book was laid open before her. Yes, she agreed, here was something she could approve. The money was perfectly secure there, fair interest was paid, and she liked the privilege of withdrawal. . . .

"And that is just the reason, Mrs. Demurring, why nothing else can take the place of this savings bank account. You might want to make withdrawals for any sort of emergencies at any time. But that is also the reason why you and your husband will find yourselves playing a game of hide-and-seek with the

\$5,000 you started out to save for your particular cause, if you depend upon your savings bank account alone."

"That cause deserves a savings program all its own—one that is disaster-proof. There is an insurance contract that will guarantee to pay you \$5,000 on the day you have specified. You make regular deposits along during the intervening years. And your money will be secured by the most rigid investment laws in the country, while yielding returns that usually exceed the interest paid on savings bank accounts. In addition to these benefits, the guarantee in that contract holds good whether or not your husband lives to see it through."

"So," said Mrs. Demurring, "you make my old idea of saving seem to have been just a house of cards."

"But rather let us say to you, Mrs. Demurring, that the family's whole financial structure—and therefore, the home itself—is but a house built upon the sands if it has not the bedrock of life insurance as a foundation."

Whatever form of policy or policies you may decide upon, your life insurance investment must be adequate for the standard of living that your family has set for itself. And here is where the help of a dependable insurance adviser will prove to be of inestimable value to the wife who must consider insurance. It is not enough that the husband who is interested in insurance should "talk it over with the wife." Only an insurance specialist can properly present the case and show how the proper policy will fit the need.

A particular policy is never to be chosen because it sounds attractive. Your insurance adviser may show that the beautiful plan you saw advertised somewhere does not suit your case at all. It has already served you well, however, if

it has prompted you to look for the plan that does.

For if you are really set upon the study of your needs and your hopes, you will find an insurance way of fulfilling them. And then you will never again be as the occasional wife who is unfriendly toward life insurance.—*Conmutopics*.

All Sides Should Be Fair

During the last few months there has been growing criticism, from many quarters, of various governmental activities—particularly those which are of an experimental nature, and are without legislative precedent. And, in return, the defenders of experiments have naturally been more zealous and aggressive in bringing their beliefs and arguments before the public.

A grave responsibility rests on both these groups—those who defend and those who criticize. The American government is attempting to do a great and fine thing—to bring more happiness, more opportunity, more useful leisure to the average man. There is no place for criticism and denunciation which is purely partisan and selfish, and represents an effort of those who are politically "out" to get themselves back "in". And there is no place for enthusiastic praise which is likewise based on partisan grounds, and represents misguided loyalty to a political group.

There is unquestionably fear on the part of many citizens that in conducting its experiments, the government is losing sight of certain American fundamentals—that it is endangering the existence of economic and social individualism, that it is weakening the foundations of democracy. There is fear that we are nearing the shoals of fascism, and a bureaucratic dictatorship. That is the issue that must be widely discussed, by both the friends and enemies of the new order. It should be discussed frankly, fairly and authoritatively, and all sides should be heard.

Neither dogmatic praise nor partisan criticism does service to a government, an administration, or to the public. Honest differences of opinion, honestly argued and thrashed out, are of immense benefit.

He: Do you know the difference between a taxi and a bus?

She: No.

He: Fine. We'll take the bus.

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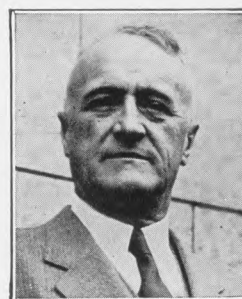
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OMAHA, NEBRASKA



**E. E. PLACEK, President
Nebraska Bankers Association**

Nebraska News



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

Resigns

Ross Price, who has served as assistant cashier of the Arnold State bank since its reorganization nearly four years ago, has found it impossible to continue his work there, due to ill health. Complications which followed a serious attack of influenza during the winter, developed to such a degree that he felt it out of the question to return to work for some time.

George Rath, a former assistant cashier of the bank, has purchased Mr. Price's stock in the bank.

Unrestricted

The Arcadia State bank has sent out notices that all government requirements, as well as those of the state banking department, have been complied with and the bank is now functioning in a normal manner, deposits being insured under the terms of the federal deposit insurance corporation. G. H. Kinsey is president; H. S. Kinsey, vice-president; A. E. Haywood, cashier; other directors being Roy R. Clark, Clarence M. Davis and George E. Hastings.

New Position

Miss Mary Etta Gage, who has been with the Continental Illinois bank in Chicago for the past several years, has accepted a position in the special loan department of the Livestock National bank in that city.

The new position is in the nature of a promotion for the former Fremont girl who is the daughter of Mr. and Mrs. George C. Gage of Fremont. She is a graduate of Fremont high school.

To Open

Dodge citizens, without banking facilities since Feb. 27 of last year, staged a celebration recently, to welcome the

imminent reopening of the Farmers State bank.

Reopening of the institution was made possible by an order of the district court holding that the bank is solvent. Date of actual inception of business has not yet been set but it is anticipated that the doors will be opened in the immediate future.

To Visit Lincoln

George H. Hamilton, governor of the federal reserve bank at Kansas City, M. L. McClure, federal reserve agents, and directors of the federal reserve bank will be guests of the Lincoln Clearing House association, June 4. The banking notables will come to Lincoln to attend the commencement exercises at the University of Nebraska and hear the address which will be given by Owen D. Young, president of the General Electric company, Schenectady, N. Y. Directors and officials of the federal reserve branch bank at Omaha, officials of the Omaha banks, will also be guests at the affair.

Claim Affirmed

The Nebraska Supreme Court has held that failure to file within the time set by probate court a contingent claim against the estate of a stockholder in a bank does not bar recovery upon his constitutional double liability in case of the subsequent failure of the bank.

The opinion was handed down in the appeal of Clair E. Wilson, administrator of the estate of Anthony M. Wilson, from a Sheridan county District court judgment for E. H. Luikart, receiver for the failed Lakeside State bank, for recovery of double liability on ten shares of stock in the bank held by the deceased at the time of his death in 1919, eight years before the bank failed.

The receiver filed a claim against the

estate in 1931, the administrator defending upon the statute of non-claims, alleging that recovery was barred because the claim had not been filed within the time limit set by the County court for the filing of claims against the estate.

In refusing to permit the statute of non-claims to bar recovery, the Supreme court held that the legislature is without authority to enact a law changing, limiting or extending the rights of creditors and the liabilities of bank stockholders as they are established by the constitutional provision of double liability.

Hold Meeting

Bankers from Burt, Washington and Thurston counties gathered in Tekamah, recently, for a district group meeting. W. B. Huse of Omaha, secretary of the state bankers association, was the guest speaker for the meeting.

Rate Lowered

Announcement that the rediscount rate of the federal intermediate credit bank was reduced from 2½ to 2 per cent was made recently by Charles McCumsey, president of the Omaha bank.

This means in this district, comprising Nebraska, Iowa, Wyoming and South Dakota, that the farmer-borrower will benefit by more than \$125,000, McCumsey said.

"This is the lowest rate in the history of the federal intermediate credit system," said McCumsey. "The high regard that the large investor has for debentures of the federal intermediate credit system is responsible for the low rate."

The reduction also affects the interest charges for production credit loans, President E. R. Heaton of the PCC

said. Production credit loans will bear interest at the rate of 5 per cent, he said.

Want Loan

By order of Judge Fred L. Spear, hearings on applications of the Winslow and Hooper State banks for loans from the Reconstruction Finance Corp., were held in the Dodge county district court May 19. E. H. Luikart, superintendent of the state banking department, seeks a \$25,000 loan for the Winslow bank and \$40,000 for the Hooper bank.

Dies in Boston

Charles A. Dunham, 68, formerly assistant cashier at the Packers and Live Stock National bank, Omaha, died recently, at his home in Boston, Mass., according to word received by his brother, D. H. Dunham.

He was a past master of Capitol lodge of Masons, and had been active in the First Church of Christ Scientist.

Surviving are a wife, son and daughter.

Approved

Licensing during April of 36 national banks with frozen deposits of \$31,893,000 was announced by the comptroller of the currency.

The 15 National banks receiving approval of their organization plans during April included:

The Central Nebraska National, of David City.

Loan Approved

The Bank of Bennington has been approved by the Reconstruction Finance Corporation for the issuance of preferred stock.

The stockholders of the bank, by arranging for the sale of preferred stock to the RFC, make possible the payment in full of the 40 per cent of the deposits that were written down by the depositors of the bank, immediately after the bank holiday, a year ago.

According to officials of the bank it will probably take sixty days to complete the transaction.

New Bank Opens

For the first time since the national banking holiday Red Cloud has an unrestricted bank. The merger of the Peoples bank and the Webster County bank has been completed and the consolidated institution opened for business. Capital stock is \$50,000. Officers are W. A. Sherwood, president; S. R. Florence, vice-president; C. M. Sherwood, cashier; P. S. Sherwood and Miss Retta McDowell, assistant cashiers. The building formerly occupied by the Peoples bank will house the new institution.

Closing Loans

The Federal Land bank of Omaha closed loans totaling \$6,841,000 during April and set up machinery for acceptance by creditors of Federal Farm Mortgage Corp. bonds.

The first half of the month was devoted to getting acceptance, it was announced, and the machinery has been functioning since April 18. With payment of loans in bonds of the mortgage corporation, the bank is now getting back to its schedule of closings when payment is made in cash.

Conditions Improving

Nebraska's banking structure, rocked by the depression period, is rapidly assuming the most sound condition in many years, according to the records of the state bureau of banking.

Bank closures, which took toll of 124 state banking houses during the period from June 30, 1931, to June 30, 1933, have become a rarity.

All but a scattered few of the 400 banks closed during the bank holiday of March, 1933, have been restored to complete solvency and authorized to operate on an unrestricted basis. Institutions which have not met requirements for removing restrictions, or have failed to show satisfactory progress in efforts to restore solvency, have been closed and their assets placed in the hands of receivers for liquidation.

Depositors of closed banks, department records show are being rapidly repaid substantial portions of the funds which were tied up in receiverships. This process has been greatly expedited by RFC loans on bank assets.

Improvement in general banking conditions, banking officials say, is shown by the fact that two banks on which federal loans were received less than two months ago, have paid off their obligations and redeemed assets on which loans were made.

Wins Debate

Omaha debate team of the American Institute of Banking won the district championship in Chicago when it defeated a team from St. Paul, Minn., on the question of the city manager forms of government.

Members of the Omaha team are Minne Vinardi, Joe Brewster, and Ray Slizewski. They will go to Washington, D. C., in June to enter the national contest, competing with three other districts for the national championship. The last time an Omaha team won the national championship was in 1921. John L. White, teacher at Abraham Lincoln high school in Council Bluffs, is the coach.

Offering to Banks of Nebraska

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LINCOLN, NEBRASKA



Formal Opening

The formal opening of the Platte Valley bank of North Bend was held and was the occasion for the visits of a large number of residents of the surrounding territory to the new institution. The bank, formerly located at Morse Bluff under the name of the Bank of Morse Bluff, was moved to North Bend recently. It has the same officers and personnel as the successful Bank of Morse Bluff and is continuing to serve people of the neighboring towns.

The institution is located in the building formerly occupied by the First National bank of North Bend. This building recently was purchased by the Platte Valley bank.

Opens in Burwell

The Bank of Burwell opened for business recently, with capital of \$25,000 and a \$5,000 surplus.

Burwell had been without a financial institution since January 13, when both banks were closed by order of the state department of banking.

Frank A. Johnson, president of the new bank, has been a hardware and lumber dealer for the past thirty years. His sons, Harold, Osce and Everette, are the other officers.

Colorado News

Ft. Collins Opening

The reorganized First National bank of Ft. Collins, opened recently, releasing to depositors almost one-half million dollars, or 70 per cent of the amount on deposit at the time the old institution was closed by the moratorium more than a year ago.

The bank has been in charge of Conservator F. A. Brimmer.

The new officers are Nate C. Warren, president; A. C. Kluver, vice-president; L. B. McBride, cashier.

Attend Opening

George A. Gribble, cashier of the First National bank, Boulder, and L. W. Cumberland, vice-president of the National State bank, attended the opening of the First National bank of Fort Collins.

W. E. Letford, Longmont banker, accompanied the two Boulder men to Fort Collins.

Open in Trinidad

T. M. Hudson, receiver of the Trinidad National Bank, reports that the Trinidad institution opened, and that his duties as receiver at the bank have come to a close.

Mr. Hudson said that George Haussman, well-known Trinidad businessman and president of the bank, would take over the management when the doors were opened. Mr. Hudson is president of the Guaranty State Bank.

Clearings

Clearings of the Pueblo banks, recently, soared past the half-million dollar mark and were appreciably above the clearings for the same week in 1933.

The figures were \$530,627.94, compared with only \$509,193.68 the corresponding week in May, 1933.

Complies with Code

The Berthoud National Bank has announced that on May 14, 1934, it began to make a charge for cashing checks on out-of-town banks. All the other banks in this territory have been making such a charge for several months. Beginning on June 1, 1934, various service charges will be installed in line with the practice of other banks. Various laws and restrictions imposed upon banks, including the guaranty of deposits, wherein the premium must be paid by the banks, has greatly increased the cost of doing

business. The banking code requires that banks shall not carry accounts at a loss.

Banker Dies

Nathan O. Vosburgh, 65, who joined the staff of the Denver National bank forty years ago and was manager of the safety deposit department in recent years, died recently, in Santa Monica, Calif., where he went for his health.

Mr. Vosburgh was born Dec. 31, 1868. His parents were Denver pioneers, who operated a bakeshop.

Mr. Vosburgh was an active Mason and past comamnder of Commandery No. 1, Knights Templar. He was treasurer and a vestryman of St. Mark's Episcopal church.

To Liquidate

Because the volume of business was too small to warrant the increasing cost of operation, the Farmers State Bank of Cope, at a meeting of the stockholders unanimously voted to liquidate the bank and pay off the depositors in full.

This little bank has weathered the financial storms of the recent years one hundred per cent.

The institution has been under the management of Miss Nellie L. Fastenau, president, and Miss Carrie Ingersoll, cashier, during the last five years. John G. Abbott, Yuma attorney was vice-president.



FEEDER LOANS

WRITE US

(All inquiries given prompt attention)

LIVE STOCK NATIONAL BANK OF OMAHA

OMAHA

Undergoes Second Operation

R. W. Joslyn, vice-president of the Mercantile Bank, Boulder, has returned to a hospital in Denver for a second operation.

Since returning to his home some weeks ago Mr. Joslyn has been at the bank almost every day and has been making good progress toward recovery.

The operation that he is to undergo now is not considered serious and he expects to be able to return to his duties within a short time.

Birthday Party

Large crowd, estimated at between 3,000 and 4,000 people, visited the First National Bank of Greeley, during the open house celebrating the fiftieth anniversary of the institution.

Music was furnished by an orchestra consisting of Henry T. Ginsburg, Arthur W. Henderson, Ronald Faulkner, Elias Trustman, "Tiny" Heinrich and Van English.

Favors were given visitors, cigars to men and carnations to women.

Rare Bank Notes

Phil Hanning of Fort Morgan has in his possession eleven rare old bills issued by banks before the Civil War. The bills came into his possession recently on the death of a relative. They have been in the possession of his family since date of issue.

The notes are as follows:

Agricultural Bank of Marion, Illinois, \$5 Sept. 15, 1859.

Farmers Bank of New Canton, Illinois, \$5. June 1, 1859.

Bank of Commerce, Vienna, Illinois, \$5. Sept. 1859.

The Olympic Bank, Metropolis, Ill., \$5. Sept. 1, 1860.

Order on Banking House of Page and Bacon of St. Louis, Missouri, by Messrs.

Fred Huth & Co., No. 10 McCorgate Street, Near Bank of England, London, England, for one pound Sterling. Date indistinguishable.

State Bank of Illinois, \$5. 1850.

Warren County Bank, Monmouth, Ill., \$5. 1856.

The Farmers and Merchants Bank, two dollars, Ashland, Iowa, May 20, 1839.

Bank of Southern Illinois, Bolton, Ill., \$5. 1856.

Union County Bank, Jonesboro, Ill., \$5. July 20, 1860.

Fort Morgan Opening

The First National Bank of Fort Morgan which was closed March 4, 1933, during the bank holiday and which had not reopened since that time resumed business recently.

Few changes were made in the personnel of the bank, except that of cashier. Niles F. Beachem, formerly of the Stockyards National Bank of Denver, will replace LeRoy Jacox as cashier.

Retires

A quarter-century of continuous service in banking in Grand Junction was terminated when A. E. Borschell officially severed his connection with the defunct Grand Valley National bank.

Borschell entered the banking business in 1909, rising through various posts in the Grand Valley bank from assistant cashier to cashier and then to trust officer. He occupied the last-named post when the bank was closed.

Kansas News

Acting Cashier

Laverne Wolff is now the acting cashier of the Kelly State Bank at Kelly. James Dignan, the cashier, is in the

Sabetha hospital for treatment. He has been in poor health for some time.

New Safe

The Marquette State Bank installed another safe in the place of the old one, which took up too much space. The new safe was purchased from a closed bank at Tesrott. It is one of the round makes and does not take up nearly the room in the vault where it was installed. The extra space made by the removal of the big safe is now filled with a section of safety deposit boxes.

Elected Cashier

L. E. Mauck has been elected to the board of directors of the Farmers State Bank of Chase, and to the office of cashier. He assumed his duties May 1.

The bank is indeed fortunate to have the services of Mr. Mauck, who for the past eight years, has been a Deputy Bank Commissioner in the central and southwestern Kansas territory. Before becoming bank examiner, Mr. Mauck was connected with the Peoples State Bank of Lyons.

Deposits Gain

Deposits of the Kansas State Bank, Wichita, which opened for business March 1, have shown a 17 per cent increase since the opening, according to John C. Jeffords, cashier, who predicted that total deposits would be near the million dollar mark by the first of the year.

Open House

The Peoples National bank, Burlington, celebrated its golden anniversary by keeping open house, serving light refreshments and giving souvenirs to those who called. The bank is profusely decorated with flowers, ferns and potted plants and the officers and employes of the bank are receiving the callers and showing them the bank equipment and explaining the work.

City Treasurer

Two changes were made in appointive city offices, four positions were held open for possible future appointments, and six officers were re-appointed for terms of two years each, at the meeting of the board of city commissioners of Chanute.

E. E. Lofgren, cashier of the First National bank, was elected city treasurer to succeed Bithel S. Cofer, vice-presi-

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(EST. 1903)

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

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LOWEST PRICES

ALLEN-WALES

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THE FINEST "HEAVY DUTY"
ADDING MACHINE MADE

Omaha, Nebraska

dent of the same bank, who served in office temporarily following the death of Arthur N. Allen in December. The First National tentatively was selected as city depository.

Banker Dies

Emil B. Roser, for more than 50 years a jeweler in Wellington, died recently of complications following a heart attack. He was 67 years old.

He was president of the National Bank of Commerce, vice-president of the Wellington Terminal Elevator Company, and an important link in the Knights of Pythias order.

New Position

Drury Brown, former cashier of the Peoples State Bank of Homewood, which consolidated recently with the Peoples National bank of Ottawa, has accepted a position with the Ottawa Home Savings and Loan association. Mr. Brown replaces Chester Gates, who has gone to the veterans hospital at Leavenworth for treatment.

Pay in Full

Chandler National bank of Lyons will pay in full \$139,000 in deposits of the old Lyons National bank which has been tied up since the bank holiday in March, 1933.

Announcement of the payment was made by C. Q. Chandler, chairman of the board of the First National bank in Wichita, who also is president of the Chandler institution in Lyons, which was opened March 12.

H. K. Lindsley, president of the Farmers and Bankers Life Insurance company of Wichita, and director of the new Lyons bank, is responsible for making the full payment possible, Mr. Chandler said.

To California

John W. Sponable has resigned as vice-president of the Miami County National bank, Paola, and is going to make his home in Long Beach, California. Mrs. Sponable, with their daughter, Jean Elizabeth, is there now; also, it is the home of her mother, Mrs. Nellie Horn.

Burglar Proof

The Home State Bank of Erie has just completed the installation of a new McClintock bandit barrier to guard against any possible raid by bank bandits.

To acquaint the public with the new improvements at the local bank a formal showing was held, and during those hours the bank officials were to show their customers and friends just how safe and secure The Home State Bank is from bandits and holdup men.

Consolidated

Finney county's newest bank, the Garden National, organized in Garden City in February of this year, announced the purchase of the oldest banking institution in the county, the Holcomb State bank of Holcomb. The merger became effective when the nearly \$100,000 in deposits of the Holcomb institution were available to the depositors at the Garden City bank, Olney D. Newman, vice-president and cashier, said.

When the Holcomb bank closed, it concluded nearly a quarter of a century of service to borrows in that community and to depositors who numbered approximately 500 at the time of closing.

Bankers Meet

Regular quarterly meeting of the Washington County Bankers' association was held at the Washington hotel, recently. Guests were E. E. Baird of Agenda, Frank O. O'Berg and W. S. Ross of Clay Center, and John Mollinger and S. C. Schmidt of Marysville.

Merger

The Peoples State Bank of Harris and the State Bank of Westphalia have

been merged and the bank at Harris will be discontinued. Charles Young, manager of the Harris bank, is reported to have bought the controlling interest in the Westphalia bank, from J. E. Stephenson and Karl B. Stephenson, and will manage the consolidated institution. Jess Alban, who has been in the Westphalia bank, will remain under the new management and Wilbur M. Thomas from the Harris bank will go to Westphalia with Mr. Young.

Vice President

Announcement was made recently, by the Union National bank, Wichita, that Sam C. Day, retired banker, had been elected vice-president of the bank to succeed John Fields. Mr. Day started his banking career in the Merchants National, St. Louis, later removing to Burden, Kansas, where he was president of a bank many years. He spent more than 30 years consecutively in the banking business before coming to Wichita.

New Mexico News

Interest Rate Fixed

A bill to permit John Morrow to qualify as state treasurer was among four passed by the senate recently.

The vote was unanimous on all.



EVERY CITY HAS ONE OUTSTANDING HOTEL

In Omaha, it's . . .

HOTEL FONTENELLE

The Fontenelle is Omaha's welcome to the world! Its comfort, courtesy, convenience and service have made it known everywhere as the home of real, old - fashioned Nebraska hospitality.

Operated by **EPPLEY HOTELS CO.**

400
ROOMS
\$2.50
UP

The bill permits the state board of finance to fix the rate of interest to the state on bank deposits July 1, annually. It restricts the rate to from 1/2 to 1 per cent to 2 per cent.

"If times get better some banks might be willing to pay 3 per cent," said Sen. T. E. Means.

"You couldn't find any willing to pay 2 per cent," said Sen. S. A. Jones.

Jones explained the provision to help Morrow. Bonding companies have objected to writing his \$500,000 bond because, under the public monies act, deposits are allowed in the state fiscal agency, the First National bank of Santa Fe, in excess of the depository bonds required to be put up. Jones said the bill would relieve the treasurer of any responsibility on his bond for these excess deposits.

Credit Branch

For the convenience of Quay county farmers a branch of the Production Credit association has been opened in Tucumcari and is in charge of Don C. Foster, county agent, at the courthouse.

Farmers and stockmen can now make application for loans ranging from \$50 to \$15,000, the loans to be made at an interest charge of 5 per cent.

Two types of loans are being made—one for general farming purposes and the other for range stock.

Stock loans which were formerly handled through the Regional Live Stock Corporation, Santa Fe, will be handled by this association in the future, the regional offices having been closed.

Any kind of chattels farmers possess will be taken as security and loans will not be made wholly upon crop securities, mortgages being taken on crops in addition to chattels in the event the farmer hasn't sufficient chattels for securing the loan.

Adopt Code

A committee of the New Mexico Bankers association has adopted a uniform code for the state's financial institutions, which will replace those formerly in use in each of the six clearing house districts in the state.

On approval by the association's executive committee, which is expected soon, the code will go into effect.

The code provides for a \$1 monthly service charge for each customer. Many of the banks had been making a 50-cent-a-month charge, with all items, after the first ten, charged for at the rate of 3 cents each.

The committee is composed of E. M. Brickley of Carrizozo, chairman; Erle Joke of Raton, Fred Luthy of Albuquerque, Frank R. Coon of Deming, H. H. Aull of Santa Rosa, and A. G. Ram-sower of Axtec.

carelessness of the draftsman," the supreme court held.

"Other provisions show the amend-ment was not intended to change the liability imposed by former acts," the decision written by Chief Justice Ralph Kimball continued. "Omissions of the phrase 'in addition to the amount invested in such stock' must be attributed to some other cause than an intention to change the substance of the act."

The supreme court also stated that other provisions of the same law out-lining the procedure to be followed by the state examiner in proceeding against shareholders bore out this reasoning.

Vincent owned 20 shares of stock in the Riverton State Bank which closed Aug. 19, 1932.

An assessment of 100 per cent was levied on his stock and the state exam-iner filed a statement with the county clerk of Fremont County which became a lien on all real estate.

Vincent brought his action in the dis-trict court in an effort to cancel the examiner's statement.

Interest in the final outcome of the suit was intense in view of the fact that stockholders in various other defunct banks had considered suits against the state examiner in case Vincent's claim was upheld by the supreme court.

Good Business

The First National Bank of Riverton, which opened for business recently, has been enjoying a very nice increase in business from day to day, according to its officers. Riverton and Riverton Val-ley folks appreciate the value of this in-stitution to the community and district and are rallying to the cause, believing that by supporting the local institution business in general will be greatly bene-fitted.

Wyoming News

Law Upheld

Wyoming's bank law which provides for the levying of a 100 per cent addi-tional assessment on all stockholders of a bank taken over by the state examiner was upheld in a decision handed down by the state supreme court recently.

The decision was handed down in the suit of Joe Vincent of Riverton against William Reeves as state examiner in which Judge E. H. Fourt of Fremont County, held that the examiner could not collect the additional levy because of omission of one clause when the law was amended by the 1927 session of the state legislature. Judge Fourt's deci-sion was reversed with instructions to issue a judgment for the state examiner.

The omitted clause when the law was amended "may have been caused by the

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ESTABLISHED 1817

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and THE AUSTRALIAN BANK OF COMMERCE Ltd.)

PAID-UP CAPITAL	£A 8,780,000
RESERVE FUND	6,150,000
RESERVE LIABILITY OF PROPRIETORS	8,780,000
	£A 23,710,000

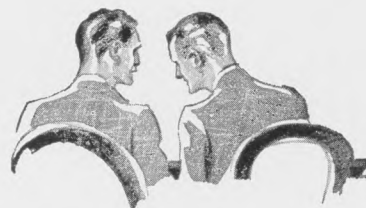
Aggregate Assets 30th September, 1933, £ 111,512,302

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

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THOSE stoop-shouldered depositors in your lobby aren't looking for lost coins. Examining "knee-action" on new cars has curved their backs. Advertising—intelligently planned, vigorously executed—brought them, eager to see and understand, to the auto showrooms.

These are days of epochal changes, startling news. To gain public attention, your advertising must be *more powerful than ever*. The public, eager for new facts, will ignore old platitudes.

These are also days of serious problems of good-will building and business development for financial institutions.

To solve these problems, your advertising and new-business plans must be modernized. Some of yesterday's bank publicity policies and methods must be discarded. Others must be reshaped, revitalized. New ones, to meet today's new situations, must be developed.



The First Steps Have Been Taken and Charted

Experienced bank officials and the executives in charge of publicity see this need. Many have been thinking long and seriously about it, discussing it, reaching conclusions. Some have already put new policies and practices into action.

The conclusions reached, the actions taken, are of *vital importance* to every bank and trust company. Today, more than ever, financial institutions need the confidence,

the esteem and the business of the public—which they can get and hold with the help of intelligently-planned advertising, publicity and personal solicitation.



Now the Results Are To Be Displayed and Discussed

These new "1934 model" financial advertising ideas, plans and methods are now, for the first time, to be gathered together, displayed, explained and discussed—at the Financial Advertisers Association Convention, Buffalo, New York, September 10, 11, 12 and 13.

What an opportunity! You can *hear* and *see* the solutions, devised by the keenest minds in the field of financial advertising and business development, to your own serious problems. You can get *ideas* and *facts*, in those 4 days, that you could get so quickly in no other way. And you *need* them *now*.

A Quick Harvest of Valuable Information

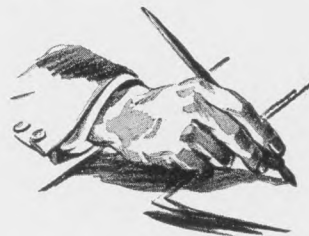
You will see room-filling exhibits of today's new advertising material. You will sit in departmental meetings at which each of your departments' needs and opportunities will be analyzed. You will attend sessions at which topics of general but no less vital interest will be discussed. Speakers and discussion-leaders will avoid generalities, concentrate on *facts* and *information useful to all*.

After meeting hours, you will find many other executives who, stimulated by the day's discussions, will gather together again for informal interchange of experiences and ideas that, in many ways, may prove even *more* interesting and informative than the scheduled conferences.

* * *

Resolve *now* to be there. Come with the executive in charge of your advertising. And make a doubly-firm decision that *he* shall be there, even if later developments keep you away.

It's your *one* opportunity in the next 12 months to collect, at *one* stroke, the information from which you can build the kind of a publicity and new-business program, for *your* institution, that these crucial times demand.



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