

CENTRAL WESTERN BANKER

Omaha



An Air-View of Downtown Wichita

(See Page 4)

January

1935

—On the Air!

De Puy Publications Begin Weekly Broadcasts on Financial Topics

Starting Saturday evening, December 15, from 6:30 to 6:45, Central Standard Time, the De Puy Publications, publishers of the Central Western Banker, Omaha; the Northwestern Banker, Des Moines, and The Underwriters Review, Des Moines, began a weekly series of fifteen minute broadcasts over the Central Broadcasting Company's station, WHO, in Des Moines, on the subject of

"Financial News and Views"

Each program includes: First, news bulletins and comment on weekly happenings in the world of banking and insurance; Secondly, educational discussions on banking and insurance topics of specific interest to the general public.

With particular reference to banking, the purpose of these programs will be solely to promote good will and better relationship between the public and the banking fraternity.

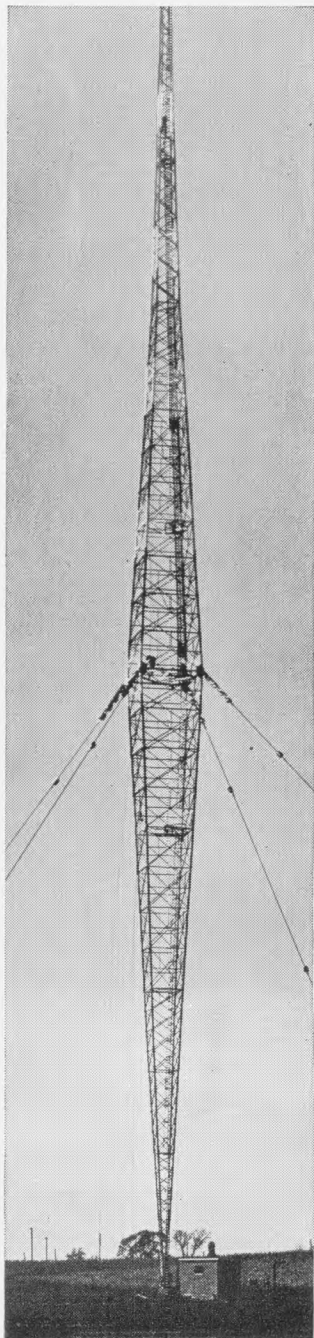
Station WHO operates on a frequency of 1,000 kilocycles, 50,000 watts power, clear channel. Out of 600 radio stations in the United States, just one station is more powerful, and WHO is one of only 20 stations that are authorized to operate on a 50,000 watts basis.

The Central Western Banker will appreciate your comment both on the purpose and character of this undertaking. Please advise, also, as to any special topics you would like to have discussed on these programs.

EVERY SATURDAY NIGHT — 6:30 P.M. TO 6:45 P.M., C.S.T. — WHO, DES MOINES.

The Central Western Banker

OMAHA, NEBRASKA



CENTRAL WESTERN BANKER

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CLIFFORD DEPUY, *Publisher*

R. W. MOORHEAD, *Associate Publisher*

H. H. HAYNES, *Editor*

FRANK S. LEWIS, 511 Essex Bldg., Minneapolis

FRANK P. SYMS, *Vice-President*, 19 West 44th Street, New York

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R-A-D-I-O

"Financial News and Views"

Excerpts from the Radio Programs of December 15 and December 22, 1934, conducted over Station WHO, Des Moines, by The DePuy Publications, publishers of The Central Western Banker, Omaha. The DePuy Publications are on the air every Saturday evening from 6:30 to 6:45, C.S.T., over WHO, featuring banking and financial news of interest to the general public. These programs are presented by Clifford DePuy, publisher of The Central Western Banker, assisted by Francis Robinson.

DEPUY: "Here's good news. January 1, 1935, there will be federal relief for all of you, when the law requiring a two cent tax on all bank checks goes off the books."

Robinson: "Did the banks profit in any way from this check tax?"

De Puy: "No, banks have not profited in any way from the check tax. In fact, it has cost banks heavily to keep a record of this tax. The law was passed more than a year ago purely as an emergency tax measure. Bankers are just as happy as the depositors that it will soon go off the books."

"Here's a financial 'Believe it or not.' Not so long ago banks were worrying on account of runs, and now the Commercial Bank of Nowata, Oklahoma, wants a run. Sam Wilkinson, president, decided to liquidate his bank and retire, so he advertised to his depositors to *come and get it*. The bank still has \$60,000 uncalled for deposits and it's costing them money to stay open until it is all paid out.

"Here is an interesting story. No matter what the country thinks of the New Deal, the 'New Dealers' think well of themselves. Washington, D. C., and the District of Columbia lead the United

States in life insurance per capita with an average of \$1,572 of life insurance for each man, woman and child living there. New York is second in per capita average and Delaware third. Total life insurance in force in the United States is around \$100,000,000,000. That figure, however, still represents only a fraction of the coverage that our 120,000,000 people need."

Robinson: "I saw a sign in a car the other day that read, 'If you believe in credit — loan us \$5.' On this subject, Clifford, are banks now loaning money?"

De Puy: "Yes, Frank, they are. Lyman E. Wakefield, Minneapolis banker and president of the Association of Reserve City Bankers, has just made a survey of a group of banks which carry over 35 per cent of the commercial banking deposits of the country. *New loans* of almost 4 billions were made by these banks during the first six months of this year.

"We go to England for our next item. When you hear someone say that English bankers have done more for their government than the American bankers, just remind them that banks in this country including the Federal Reserve Banks, own 45 per cent of our government bonds, whereas British banks hold only 10 per cent of their government's bonds.

"Here is something to make you stop and think, Frank. Speaking of investments, you would have lost *less money* from 1931 to 1933 in closed banks than in any other investment except government bonds. This comes from Jesse H. Jones, chairman of the Reconstruction Finance Corporation. He estimates that *depositors* will get back an average of 65 per cent of their deposits."

Robinson: "What about stockholders in closed banks, Clifford? Where do they come in?"

De Puy: "There's no Santa Claus, Frank, for stockholders in a closed bank. They not only lost their stock, but in most cases, paid one or more stock assessments in addition."

Robinson: "Don't I know it, Clifford — I owned a share of bank stock once!"

De Puy: "Yes, but there are better times ahead.

"Now for a New Deal item. Professor George F. Warren of Cornell University, who helped President Roosevelt devalue the dollar, doesn't agree with Henry Wallace that overproduction caused the decline in farm prices. The professor says, 'There is no indication that the depression of 1929 was caused by overproduction.' If that wasn't the cause, then we've plowed under a lot of corn for nothing. However, in his annual report Henry Wallace says: 'It becomes

necessary for all of us to spend more time thinking about the road to "balanced abundance" instead of "competition for profits induced by scarcity."

"Congratulations to Iowa peace officers! Thus far this year, according to Secretary Frank Warner, of the Iowa Bankers Association, there were only 14 Iowa bank robberies, and financially, the bandits didn't do so well, getting a total of only \$63,000. The major portion of this came from the widely known holdup of the First National Bank of Mason City. Here is the splendid record of the law officials. In these 14 holdups, 5 bandits were killed, 2 have been sentenced to life imprisonment, 2 were given 25 years each and 4 more are now behind the bars awaiting trial."

Robinson: "A question right there, Clifford. Banks carry insurance so why should they worry about holdups?"

De Puy: "That's true, Frank. In every case, banks are amply covered by holdup insurance, but holdups endanger the lives of their customers and their own lives. You remember, for example, the Mason City robbery where a bandit shot at President *W. G. C. Bagley*, and many of his customers and employees were in danger from machine guns.

"Here's a bulletin about interest rates. They are going down! The Wisconsin Banking Department has ordered all state banks not to pay in excess of 2½ per cent interest on any time or savings deposits. In Omaha, *Gwyer Yates*, president of the United States National Bank, is the first banker in the country, as far as I know, to reduce his interest rate to 1 per cent on savings deposits. Even the government doesn't believe in high interest rates since their recent issue of treasury notes due in June, 1936, bear only 1⅛ per cent interest."

Robinson: "You really feel, Clifford, that bankers are human?"

De Puy: "Certainly. Knowing as I do, hundreds of bankers, I long ago found that they are as human as any of us. They are conscientious, and render a great service to their communities. As custodians of countless purse strings, they are entitled to the respect and confidence of their patrons."

Robinson: "From the financial news that comes over your desk, can you give our listeners any new "Bright Spots in the Business Sky?"

De Puy: "Yes, Frank, there are many bright spots. Look first at banking. De-

posits in all insured banks are about \$37,000,000,000—a gain of more than a billion dollars since June 30, 1934. There have been only 9 failures of insured banks this year, with no loss to depositors, of course."

De Puy: "Here's a news item from Washington, D. C. A special study has just been completed on the Deposit Guaranty Plan which expires June 30th, 1935. This law will undoubtedly be continued, however, and Leo T. Crowley, chairman of the Federal Deposit Insurance Corporation, will recommend that the insurance plan be permanent."

Robinson: "Do bankers feel that any changes in the Deposit Guaranty plan should be made, Clifford?"

De Puy: "Bankers feel there should be a fixed annual premium to build up the guaranty fund, instead of the present unlimited assessment liability of the member banks. Most bankers feel also, that the law should continue to limit the insured accounts to \$5,000. This amount, as you know, covers 97 per cent of the depositors of the country."

De Puy: "Here's some news from Canada. For the first time in the history of the Dominion, the picture of a girl will appear on Canadian paper currency. The new \$20 bills will carry the picture of Princess Elizabeth, daughter of the Duke of York."

Robinson: "I presume that makes it easier, Clifford, to kiss the money goodbye."

De Puy: "Yes, I should think so."

Robinson: "Is it correct, Cliff, to speak of banking as a profession or a business?"

De Puy: "That's an interesting question. I believe bankers are perfectly content to call themselves business men, rather than professional men. In an article on this subject in the December *Northwestern Banker*, Harry B. Hall, of Milwaukee, says that banking is not a profession, but a business. He says, 'A great banker is first of all a great business man. He should be the top business man in his community. If he is, the business man who consults him, will find his questions convincingly answered.'"

Robinson: "In other words, Clifford, a good banker must know a lot more than 'yes' or 'no'?"

De Puy: "That's right. In fact, the banker of today must almost be an acrobat. He must keep his ear to the ground,

(Continued on page 21)

Wichita—

Southwestern Wholesale Center

(See Cover Page)

THOUSANDS of merchants in Kansas and the Wichita wholesale trade area have learned to depend upon Wichita's 537 wholesale merchandise stocks as their logical source of supply.

These stocks with their more than 15,000 items mean lower inventories, smaller invested capital, newer merchandise, faster turnovers, better terms and discounts for the merchants and business men of the Southwest.

Retailers, manufacturers, service establishments, professional men, governmental institutions, are using the Merchandise Service Department of the Wichita Chamber of Commerce.

Prospects for Business in 1935

By COL. LEONARD P. AYRES
Vice President
The Cleveland Trust Company

THERE are three great obstacles which block the way to a resumption of the normal production of durable goods. The first is the pervading fear that the extension of governmental regulation over the details of business operations will make it impossible for many corporations to earn profits. Ever since the new codes went into effect the costs of operation in most lines of business have been rising faster than production and distribution have been increasing. As long as these conditions last the thinking of business executives will be dominated by doubts about the possibility of making profits.

THIS condition seriously hampers recovery because it deadens business initiative. In normal times the corporations are the best customers of the durable goods industries. All manufacturing plants and their machinery, all equipment of transportation, communication, and the public utilities, and all office appliances are provided by the durable goods industries. Under present conditions most corporations are spending as little as possible for improvements and replacements. They are getting along as best they can with what they had before the depression, and they will try to continue that policy until they have reasonable confidence that it is going to be possible for them to make profits in the future.

THE SECOND great obstacle preventing the recovery of the durable goods industries is fear about the future of our money. This fear is now mostly based on the prospect of continued budget deficits, and not so much as formerly on the expectation of continued experimental monetary manipulation. It restricts and almost prevents long-term financing by means of bond issues and mortgages which normally provide funds for purchasing durable goods.

THERE is another force which operates to strangle the flow of new investment funds, and it is the third of the great obstacles blocking the way to

the recovery of the durable goods industries. This third obstacle is the newly revised Securities Act. Experience is demonstrating that it is an almost insurmountable barrier against the issuing of new bonds by well established companies. New and small companies can operate under it, but old and large ones find it nearly impossible and excessively expensive to compile the almost unbelievably detailed information it requires.

THE THREE readjustments of our economic machine which seem to be politically the most feasible, and to give the greatest promise of enabling the mechanism to move forward again under its own power are, first: The abandonment of the National Industrial Recovery Act when it lapses next June, and the enactment in its stead of new legislation designed to restore to business much greater freedom in profit and price competition; second: Convincing evidence that federal policy is moving resolutely toward the attaining of a balanced budget based on sound money; and third: A thorough revision of the Securities Act designed to make the issuing of new corporate securities as simple and inexpensive a proceeding as is compatible with safeguarding the interests of investors.

THE NATIONAL opportunity available to us for ending the depression is a brilliant one. It consists in the immense shortages that have accumulated during the past five years in construction and in durable industrial goods. Not all of them need to be made up but a large part of them do if we are to maintain our accustomed standards of living. In theory the present accumulated shortages of durable goods amount to as much as the normal output of all the durable goods industries for two and a half years. If all that accumulated shortage had to be made up, those industries

in order to do it would have to operate at 25 per cent above their normal rates for 10 years.

WE CAN even make estimates of the value of the indicated accumulated shortages of durable goods. At about present prices the value of the durable goods shortages is approximately 55 billion dollars. In addition there is an indicated accumulated shortage in building of about 25 billions, and in under-maintenance and needed new equipment of public utilities and railroads one amounting to perhaps five billions more. These items would give us a total of 85 billions of existing shortages of durable goods and new building much of which the American people both need and want. As compared with such figures public appropriations seem puny, and as an opportunity to absorb unemployment all programs for public works appear by comparison feebly inadequate.

ONE YEAR ago the December number of the *Business Bulletin* was devoted to an annual review and forecast that covered much of the same ground that has again been gone over in this number. It concluded with 14 specific forecasts about the apparent prospects for 1934. These forecasts made last year are repeated below in abbreviated form. They are repeated because the developments of this year have shown that all 14 of them were correct forecasts.

The forecasts for 1934 were as follows: 1. It is not likely that we shall experience uncontrolled inflation in 1934. 2. The administration will probably adopt an irregular and unplanned crystallizing of financial policy with reasonable stabilization of values. 3. Business conditions in 1934 promise to be similar to those of the latter months of 1933. 4. Commodity prices will stubbornly refuse to rise far or fast, and business activity is unlikely to expand in marked degree. 5. Probably 1934 will be another year of depression during which the physical volume of industrial

(Continued on page 21)

R-A-D-I-O

"Service Charges"

On the December 22 weekly broadcast of the DePuy Publications, publishers of The Central Western Banker, Omaha, over Station WHO, Des Moines, Clifford DePuy, publisher, interviewed Albert J. Robertson, vice president of Iowa-Des Moines National Bank & Trust, Company, on the subject of "Service Charges." Hearing this important topic discussed over the air, thousands of bank customers have acquired a better understanding of this necessary bank practice.

ANNOUNCER: "Since last week's program, a number of our listeners have asked that you give them information in regard to the 'service charges' that most banks make for handling checking accounts and other banking services."

De Puy: "That's an interesting subject, all right. A man who is familiar with modern banking practices has obligingly consented to join us here in the studio this evening to answer my questions. He is *Albert J. Robertson*, vice president of Iowa-Des Moines National Bank and Trust Company, the largest bank in Iowa. All right, Mr. Robertson, will you please tell us whether the action of banks in adopting service charges is local to Iowa?"

Robertson: "No, indeed. It is a practice which most banks throughout the United States have adopted."

De Puy: "What actuated the banks in instituting a schedule of service charges on checking accounts?"

Robertson: "In recent years, and particularly since March, 1933, which was a turning point in banking history, bankers, by careful analysis of their costs, have proved what they have long suspected—that some departments of banking have been operated at an actual loss. In the Checking Department, for instance, it has been found that as many as 50 per cent of the accounts of commercial banks have not paid for the cost of handling."

De Puy: "Why? Haven't they, as depositors, fulfilled all rules and regulations?"

Robertson: "Yes, they have. It is not the fault of the depositors alone. Banks have contributed, as well. Many banks have educated the people to the safety and convenience of paying their bills by check, and have urged them to open

checking accounts—no matter how small. This they have done, but often times many have opened accounts with very small initial deposits. An earlier theory of the banks was that the small accounts would some day grow to be large ones, and therefore, banks could afford to handle them."

De Puy: "Well, isn't that the case?"

Robertson: "No, that theory hasn't worked out entirely in practice, for a fair and careful analysis reveals that a large percentage of checking accounts do not carry an average daily balance of sufficient size to pay the cost of handling the account. During the period of time while a bank waited for many small growing accounts to become profitable, it incurred losses on them which it could not afford to sustain."

De Puy: "What are some of the costs involved in handling a checking account?"

Robertson: "In the handling cost of checking accounts, labor is the large item. But there is also the cost of printing check books and stationery supplies, a complete battery of filing cabinets and bookkeeping machines. Then there is the cost of keeping the books, a record of each depositor's daily transactions, and delivering or mailing to each customer a complete and accurate statement of his account at the end of each month. It requires a trained staff of bookkeepers, tellers, stenographers and supervising executives to handle the volume of business that flows through a bank every day. In addition, please bear in mind that each check must be scrutinized for genuineness of signature, 'stop payment,' post-dating, overdrafts, identification and endorsement of payee, possible forgeries, etc. All of this involves risk and expense to the bank."

De Puy: "Don't you get some income from the funds in an account of a customer whether it is large or small?"

Robertson: "Yes, and this has been taken into consideration in setting up the schedule of charges. But where an account does not show a balance that compensates the bank, not only for handling costs but also with a reasonable profit, then that account is charged according to its size whether large or small, and according to its activity."

De Puy: "As I understand it, therefore, unless a balance is maintained of sufficient size to pay for the activity of the account, that account is an item of expense to the bank."

Robertson: "That's right. Few people realize, Mr. De Puy, that a bank has only two main sources of income—from the rent of its money and the sale of its services."

De Puy: "What do you mean by the rent of its money?"

Robertson: "I mean part of the funds left on deposit with the bank are lent to responsible individuals and business houses who use that money for a reasonable period of time and at a rate of interest agreed upon between the bank and the borrower. Banks are also large investors in securities, particularly government bonds."

De Puy: "What do you mean, Mr. Robertson, when you speak of the sale of the bank's services?"

Robertson: "I mean that there are many pieces of business going through a bank every day, separate and distinct from the lending of the bank's funds, such as trust and bond department transactions, collections, etc., every one of which requires a certain amount of time and equipment to handle."

De Puy: "Are there any other impor-

(Continued on page 21)

Cooperation— or Government Bankruptcy

THOSE persons today who are craving for recovery with President Roosevelt have much in common with those who in 1920 desired a return to normalcy under the banner of President Harding. Both attach too much importance to the potency of politics and too little to the value of fair play, cooperation, and hard work. Very seldom does one in the long run get something for nothing. From time immemorial the economic success of any Robinson Crusoe has been measured not only by his ability and willingness to work, but by his skill in employing his hands, brain, and implements efficiently. And, when coming to live side by side with others in a highly specialized world, his full success has compelled in addition his cooperation with his associates. Furthermore, it has been demonstrated that his lasting success depends upon how completely he refrains from being "the whole hog or none."

But bewildered by the developments before and after 1929, the recovery-seekers of present day society have seemingly forgotten these simple truths. Just now the trouble is that labor, capital, and political leadership have bought too many tickets in the recovery sweepstakes of 1934. They are dallying around the starting post waiting for their ships to sail in. For some time labor has been soliciting the same wages for fewer hours. Capital has been eager for some pill to get relief from an overextended headache of debt, aggravated as it is by the grippe of higher costs. And, the Administration, while busy cooking its political goose has been hysterically trying this and that remedy, hoping to placate labor, and at the same time to give enterprise a new lease on life.

Public Debt

Recently the Federal Government in advocating cooperation all around has given some evidence of returned sanity, as well as some promise finally of improvement for business activity. Still, this trial and error program is entailing great expenditures of money because once projects are started, abandonment cannot take place abruptly. Therefore the

By C. W. FACKLER, PH.D.

*Assistant Professor of Economics
New York University*

race, it appears, is to be between cooperation (in order to attain recovery) and the evil steed of a rising public debt. If cooperation wins and recovery develops, taxes may be sufficient in the long run to pay the debt. But, if cooperation fails to induce recovery, or if it is overtaken by a too rapidly rising debt, a hurricane of inflation threatens to spoil the outing for almost everyone.

However, there is somewhat more than a gambler's chance of success. For, since the government has commenced to stress cooperation as the fundamental touchstone of business revival, there has been some evidence of recovery. With

Since the government has commenced to stress cooperation as the fundamental touchstone of business revival, there has been some evidence of recovery. Recovery really seems to be coming around that much talked of corner again.

his shoes polished, his trousers pressed, and the flower of optimism in his lapel, Recovery really seems to be coming around that much talked of corner again. Frequently in the past he has disappeared down some alleyway, frightened apparently by what he saw before him. This time it is to be hoped that labor, capital, and political leadership will avoid the tactics of hobgoblins.

There is much data to show that they have prevented his coming to date. Since the middle of 1933, industrial employment has increased less than one per cent, while labor hours worked have de-

clined 3.2 per cent, per unit output has declined 57.8 per cent, and the inefficiency of labor as measured by higher wage costs has increased by 37 per cent. As the prices of manufactured goods have risen about 7 per cent throughout the same period, production has declined 24.7 per cent, and gross profits have decreased 18.5 per cent. The futility of attaching so much importance to what government can do is, therefore, obvious. Of course, there are certain things, which these and other facts indicate, that government can do.

Things to Do

Government must not strain its idealism by too much coercion or regimentation, because when no longer panic stricken, Americans still feel mentally and physically capable of taking care of their own affairs. Moreover, government must avoid following, or encouraging recourse to, the old discredited principles of the boom period. Careful supervision is required, for example, of home mortgage lending by commercial banks, which is just starting. The Federal Government must, also, encourage production generally, avoid confusion by repeated contradictions, and refrain from competing so extensively with private enterprise as to destroy the value of its own yardsticks. It almost goes without saying that the recipient of every dollar spent by the Government must give something of value in return, that the dollar must be stabilized irrevocably, and that monopoly practices which prevent consumers from getting the most for their expenditures must be eliminated. By insisting on cooperation, by coordinating its recovery activities (under Executive Director Richberg) so as to eliminate inconsistencies, by abandoning the price fixing provisions of codes, by recognizing the necessary character of profits, by relying more on lower prices to stimulate consumer demand, and by working toward a balanced budget and the stabilization of exchange, the Federal Government has made great strides in the last few weeks in setting the national house in order for the return of Recovery.

(Continued on page 22)

How to Increase Your School Savings Accounts

Every year in the United States there are twenty-two million boys and girls of school age. But of this tremendous number, in 1932-1933 only three million eight hundred thousand participated in school savings--one fifteenth of the total

WHEN a small boy, I attended with my father a lecture by a man whose name I have forgotten and whose subject I never knew. However, I do remember one remark. It was this: "Give me a child until he is fourteen years of age, and then you can have him; but he will always come back to me." Since I was exactly that age when I heard that remark, it made an indelible impression upon me and I have long remembered it.

If we think of this remark in connection with School Savings, isn't it the very essence of our efforts—a compelling force which if stated inversely would seem to indicate that unless training does come before fourteen in the fundamentals, the difficulty of the job is increased.

No business can long endure unless some successful means of merchandising its product is organized and forcefully pushed. My suggestion is that we approach the whole problem through youth.

The size of the great reservoir of material waiting for us to get to work upon is amazing. There are more than forty-five million boys and girls in the United States between the years of one to eighteen; twenty-two million boys and girls are of school age. In addition to the above prospects, nearly two million five hundred thousand enter public school for the first time each year, which immediately indicates the gradual, constant turnover of material, plus the advantages to be received through those children who go out from school and spread what they have learned.

Contrast these amazing figures with the fact that of these millions of boys and girls, only three million eight hundred thousand participated in School Savings during the year 1932-1933. Are

By JAMES W. GRAY

*Assistant Secretary
Rochester Savings Bank
Rochester, N. Y.*

we, then, doing the job that we should do? One-fifteenth of the children of this country are using School Savings, but this is not enough, for we must be concerned with the other fourteen-fifteenths as well.

Two Parts

How should the job be treated? First, I would divide the problem into two parts. In group one, I would place the teachers, principals, superintendents, and school boards; in other words, the school executives. In the second group, I would place the children themselves.

Shortly after coming into the work of School Savings of 1925, I began to look upon the job of School Savings, so far as I personally was concerned, as that of a paid secretary working for a volunteer army made up of teachers and principals, which it was my job to constantly stimulate and which had to be sold and re-sold on what a child well trained in thrift means to the community, and how they were actually helping themselves by assisting us—the banks—in our efforts to teach that industry and thrift are the foundations of prosperity.

In this connection, I would suggest that in appealing to the teacher, thrift should be stressed in its broadest sense and the actual saving of money should therefore take its place with lessons in the saving of time, property, effort, and health, and the preservation of our natural resources. Thrift on these lines appeals more readily to the teacher, for these subjects fit into her own picture. They form part and parcel of her daily lessons. The gymnasium teacher, for instance, can readily see the advantages of

teaching the saving of health; and to have thrift brought in to include her naturally pleases her and might be construed as a subtle compliment. There is no question in my mind, in addition, that a child properly trained in thrift in its broad sense, is a better student and therefore a better child for the teacher to work with.

It is also well to acquaint the teacher with the position of Parent-Teacher organizations and similar groups in their sympathetic attitude and unstinting support of the theory that a child should be taught the value of money early in life.

Missed the Point

I have had many teachers ask me why they should stress the saving of money for the benefit of the bank. Of course, the teacher who asks such a question has missed the point entirely; but perhaps it is our fault and the question in her mind a very fair one. The answer, of course, is simply this: that a child learns most easily by doing, and that the process of saving and depositing money affords a concrete example of thrift—something the child can see, feel, hear, taste and smell. A child can understand the accumulation of nickels, but of course he can't put time away in little bags.

Bank representatives visit the schools. The representative should be an aid to the teacher. He or she should know sufficiently about her problems, particularly about her curriculum, if he is to be of greatest benefit during these visits. I found one of the most easy methods of approach to win the enthusiasm of the teacher for School Savings was to appear in the class room with a thrift talk woven around the particular lesson she was teaching her grade at the particular moment, the bank representative was due to arrive. A talk on arithmetic—how im-

(Continued on page 12)

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"One of the great movements in the United States was the Conservation Movement which took root at about the turn of the century. It addressed itself most particularly to the wastage of timber and the abuse of our forest resources.

Sometimes I think we are on the verge of another great conservation movement. This one, I feel, will have broader effects and it may build a greater public consciousness of the shame of the waste of our lands and the waste of human lives, not only of today but of the future"

A National Land Program

THERE is an acute need today for a vigorous attack on the problems of land involving the readaption of old and the creation of new national, state and local policies relating to this, our basic asset.

Land policies have always been a fundamental consideration in the struggle for social justice. Perhaps their significance in our current search for a more secure road ahead has been less understood and emphasized than they deserved to be.

As a nation, we have come only recently to the place where we no longer have a supply of low-priced or free lands, rich, virgin lands, awaiting the labor of the settler to produce abundantly. But the fact that we have come to this point has been of immense significance. That, plus the loss of export markets, has shut off an avenue of escape for the unemployed, who in other depressions had this outlet for their energies.

Soil Erosion

We have today a number of problems of national significance bearing directly upon the application or misapplication of the principles of proper land use, which deserve our closest attention. One of these is the problem of soil erosion which has become more and more serious. We are suffering a heavy annual loss through erosion in practically every state. The shortage of feed in the drought states last summer resulted in close pasturing of many areas, removing one of nature's protective bars against erosion. We are all familiar with erosion in some form. It is impossible to estimate the annual loss of soil through erosion by water, wind, cropping and neglect, but we know

By M. L. WILSON

Assistant Secretary of Agriculture

that it is very great and that the rich but relatively thin top soil in many farming areas is being reduced in depth steadily year by year.

We cannot ignore this whole problem because so many excellent and proved means of erosion prevention and control have been brought to light. Changes in cropping systems, control works, devotion of certain lands to grass and trees, all offer means of prevention. Until we have wider employment of these preventive means, both on individual farms and in larger areas, we cannot dodge the fact that we are ignoring a fundamental responsibility for we are passing on to future generations our basic heritage of soil in much worse condition than it was received by this generation.

For a great many years people have deplored the family hardships and the waste of time and efforts of many farmers living on lands which are submarginal for agriculture. There has been a great deal of discussion of this subject but the year have gone by without anything being done about it until a small start now being made to deal with this problem. There were two reasons for this. The first was that it was assumed that these people, despite the small return for their efforts on land poor by reason of soil quality, climate, location and various physical factors, were for the most part a happy and contented lot who preferred their way of life. The other reason lay in the fact that any remedy would involve a gigantic task of resettlement, with which it was felt the country was

not equipped to cope. So any needs for adjustment in this direction were left to be worked out by individuals as best they could.

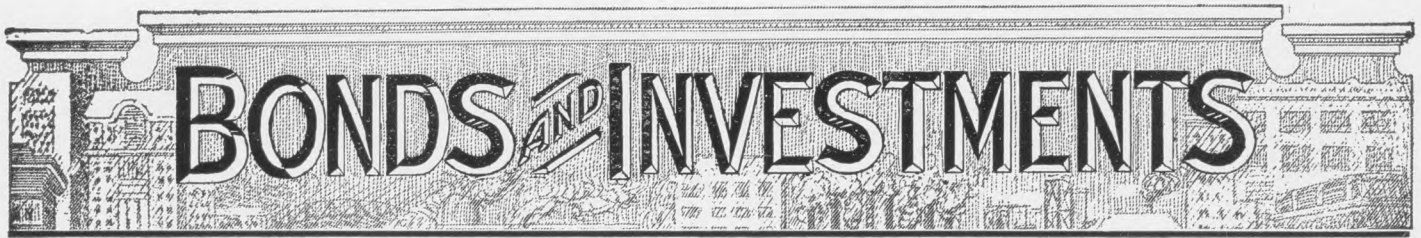
Submarginal Land

This depression, however, has greatly aggravated the problem of peoples living on submarginal land. The pathway of people living on the very best lands has not been a rosy one and the competitive position of families living on poor land has naturally become more hazardous.

Tax delinquency has spread rapidly through these poorer farming regions, the educational opportunities of children have been severely curtailed, while standards of living, none too high at the beginning considering our ability to produce in this machine age, have been driven lower and lower. Perhaps all this could have been observed without stirring up a great many people but a new factor has entered the picture. We have discovered that these people, with their limited economic opportunities, cost the nation money. It has long been recognized that the limitations of their opportunities meant in the long run a great social cost to the nation. But the relief burden presented by people whose available assets of land were extremely poor have come home to us very directly in terms of money, of millions of dollars spent to keep them going.

Research workers, analyzing the reasons for the plight of rural families receiving relief, most frequently find that the source of distress goes back to an effort to obtain a living from land which for one reason or another is incapable of producing proportionate to efforts ex-

(Continued on page 13)



Keeping Trust Business

A PROGRAM for "Keeping Trust Business" may be divided into two parts:

1. *The internal — dealing with present trust business.*
2. *The external — dealing with customers having potential trust business with the company.*

During these times when the patience of trust beneficiaries is sorely tried, it scarcely need be said that our best defense is in doing a thorough job in a human and intelligent manner, taking care that our trust beneficiaries know the whys and wherefores of the steps we take. Too many of us are hiding our lights under a bushel. What pains have we taken to let our clients know how carefully and regularly their investments are scrutinized, how promptly and completely we are meeting the foreclosure problem and making mortgage investments pay the utmost under present conditions?

A very definite effort should be made to have the entire staff see these problems from the public's point of view, so that time will be taken in letters and interviews to explain matters fully to clients. It is the lack of human understanding on the part of many trust men that has accentuated our problem. For example, the failure to answer promptly and fully letters from disgruntled clients, and the difficulty skeptical clients have in getting a few unhurried moments with trust executives. If we can convince our beneficiaries that we are doing all that is possible under difficult circumstances, we can build up good will that will pay real dividends when the tide turns. A number of companies have realized the importance of thoroughly drilling the members of the new business and trust administration departments in giving adequate answers to the many unwarranted criticisms they are likely to meet in their work. Attorneys are quick to recognize

The problem must be attacked on two fronts. Internally, we must redouble our efforts to give present clients thorough and intelligent service. Externally, we must ban superficial selling methods in favor of thorough estate analysis.

efficiency, or the lack of it, in their contacts with trust departments, governing their advice to clients accordingly. No amount of advertising creates as good an impression on members of the bar as thorough trust administration.

This part of the program includes the proper reception of active new business. A very definite plan should be formulated to insure the smooth transfer of such business from the new business department to the trust department, so that the new client will feel that his account is receiving the attention it deserves. Too much emphasis cannot be laid upon first impressions.

External

For the external part of the program the new business department is primarily responsible. This includes care that the business is well sold in the first instance and that it is properly nurtured thereafter. A client well sold in the beginning is the best defense for the future.

There has never been, and probably never will be, a time when we can afford to write potential trust business and forget about it until it "matures." Many trust companies, however, have made and are making this mistake. Such busi-

ness requires continuous new business advertising effort. For confirmation, we need point only to the record, which shows that the average age of wills currently probated is from *two* to *three* years. It seems to be a universal practice among trust companies to write letters periodically to testators and settlors as to the necessity and importance of revising their estate affairs to meet changed conditions in families and estates, and in view of recent tax legislation. That this is good business is attested to by the appreciative response of clients of all classes whenever the plan is followed. If such a letter is worded properly, it makes excellent advertising material for use in legal periodicals.

Practically all companies agree that if the list is too large to contact personally, at least the important clients should be seen personally and preferably by the trust representatives who originally wrote the business. This plan of review is valuable from several angles—it gives the potential trust client the impression that the trust company is still interested in him and that it is alert to meet changing conditions. Moreover, the trust representative is given a good opportunity to meet criticism, whether it be unfounded or just, and often can more firmly cement the relationship between the client and his company. Equally important, such a follow-up reveals many estate plans which have become impractical, and which would work a hardship on the beneficiaries and be difficult to administer. Needless to say, adequate new business records are a prerequisite for carrying out the foregoing program.

Attorneys and Life Underwriters

If a periodic follow-up is required for our potential trust clients, it is even more important in the cases of attorneys and life underwriters. Depending in large measure upon our own actions, both attorneys and underwriters are either our

loyal representatives or our worthy competitors. Their cooperation cannot be obtained by lavish entertainment or too-pointed new business methods. The greatest appeal is through a consummate service to the clients they bring to us, and a complete understanding of the part each should play in helping us serve the public.

There are times when we all need our faith bolstered somewhat, and it is little wonder that insurance men have grown "option conscious" during the last few years in which they have been neglected by a large majority of the trust companies with which they formerly cooperated. Many trust men seem to have forgotten the large volume of desirable trust business produced for them by life underwriters. I am not unmindful that many underwriters have unfairly damned the insurance trust and, as an expedient for selling more insurance, have upset carefully planned insurance trusts in favor of the various options with their guaranteed features. In appropriate cases, such tactics should be fought tooth and nail by trust men. However, the group we should be particularly concerned about are those sincere underwriters who have had their confidence shaken in the insurance trust, and who believe they cannot consciously recommend trust service to their clientel. Those companies which have continued to cooperate with such underwriters have found the contacts invaluable in explaining the true story of trust service during the depression. Trust officers, while upholding the splendid record of trust service and its applicability in many cases, should be fair in comparing it to the insurance options and annuity plans. Each has its place, its strength and its limitations. Giving both points of view in an unbiased manner, begets the confidence we wish the trust company to enjoy.

In the long view, this group should not be overlooked at this or any other time, if we are to secure the maximum of desirable trust business for our companies.

HOW TO INCREASE YOUR SCHOOL SAVINGS

(Continued from page 8)

portant it is to the bank, how without arithmetic the bank could not function, how necessary it is for the child to learn his arithmetic lesson if he is to have any contact at all with the business world, is most appreciated by the teacher of arithmetic and in many cases with which I am personally acquainted has been the cause of undying gratitude; in return for which, a constant reminder that Monday was banking day for the children was in her mind little enough reward.

It is well to remember also that teachers have their own personal financial problems and are seeking their solution earnestly and seriously, as you and I. Certainly, the bank which operates School Savings should at all times extend to the teacher every facility at its command and do all within its power to show its appreciation of the very important part she plays in the School Savings set-up.

The Children

The second group to be considered—the children—offers the greatest field of endeavor in the promotion of School Savings by means of which we seek to restore the acceptance of the thought that it is wise to save. In the last few years, the evolution in education, despite reduced school budgets and falling school expenditures, has progressed remarkably along two lines, now emerging from their experimental state. It is well for the School Savings Banker to consider

the field and the opportunities opened up as a result of visual education, or the "movies," and the radio through the development of schools of the air.

It is here that I want to propose that those people interested in School Savings get together and produce—using the best actors and actresses available—a movie on thrift and saving which will be forceful, timely, and appealing. These movies might be considered in two groups: movies of the feature type, or, which I personally would prefer, movie shorts, available for public schools through their movie libraries, to cover a multitude of subjects tying up with their daily work.

The production of a thrift movie I believe to be the work of a state association or a national association, the films to be released to all communities and the cost to be shared by all banks participating in School Savings. It is too costly for one bank, and the distribution would be considerably narrowed.

But if we go into the movies, what subjects should we treat? I would suggest, first, an educational film pointing out the place of the bank in the community, how it functions, how little sums put together make possible larger sums to be loaned to borrowers; how the school house in which they sit looking at the movie is itself the result of someone's savings and the bank loaning to the municipality or the school district; how the water systems are the result of bonds sold to banks; and the very definite tie-up between these capital expenditures and how School Savings helps and plays its normal part.

School of the Air

I should also like to make this further suggestion, for groups of banks or their associations—the promotion and conduct of a school of the air, prepared for children on the subject of money manage-

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ment. A project held in Rochester under the auspices of the Rochester Board of Education, in cooperation with station WHAM, in the organization and conduct of a school of the air, has shown most startling results, as it gave to the children over the air lessons to supplement those which they received in the class room. They have also given these schools of the air courses in the class room itself, with a teacher in attendance, and the most startling advantages have accrued to the pupils who have had the benefit of these courses.

Imagine the power of an expert talking on the air to thousands of children on the subject of thrift! And I predict that the time is not far distant when these talks may be received in the schools as radio-equipped schools become an accepted fact rather than an exception. Imagine the possibilities of universal radio reception in our schools, with a story on the value of saving money, the day before banking day, as a reminder to each individual that he owes it to himself to acquire the habit of thrift that he may know how to spend.

These two things—the movie and the radio—I believe if properly used would soon be considered, as we looked upon them in retrospect, as a short cut back from the detour to the main highway; and once again our people would be resold to the idea that it is still right and proper to save, that even today, with its many changes and vicissitudes, there is no substitute for a savings account.

A NATIONAL LAND PROGRAM

(Continued from page 10)

pending. It is not that the land is without some important use. It is rather that lands which might be devoted to recreation, forestry, grazing, water-shed protection or other purposes are being used for cropping.

Agricultural Adjustment

Supplementing the problems arising out of sub-marginal land devoted to agriculture and erosion which is rapidly increasing the areas of land which is sub-marginal for agriculture, is the program of land policies even more directly related to agricultural adjustment.

It is recognized that many problems have and will grow out of the relatively simple method of making farm allotments on a basis of historic yields and records of past production. Thus far, quotas upon which individual farmers re-

ceive benefit payments have been based upon past production and the quota represents the individual's proportionate share of past production which went into domestic consumption. Considering the fact that the commodity programs have been of an emergency nature and that they had to be put into operation as quickly as possible, the historic yield method perhaps has not been an extremely serious problem to date.

But if we are unable to open foreign markets to American agricultural products in years to come, requiring continuation of the curtailment of production to effective demand through voluntary action in some form or other, we need to evolve a system which will better recognize the principles of farm management and of the proper land use than the historic base system makes possible.

Certainly adjustment must work towards the ideal of providing no penalty at any time for that farmer who is observing the principles of balanced farming, who is proving to be a good steward of his land, and who through his own initiative took steps to adjust his agriculture to the changed world situation.

It is of course true that if we are forced to continue to limit the acreage of

land devoted to basic crops, that it would be the easiest to take out of production areas of land of the highest productivity. Yet this policy, while probably the most convenient, fails to observe that principle of efficiency, that production should be concentrated on the fat rather than on the lean acres. If the end of the necessity for adjustment could be seen through reviving foreign markets or through some miracle of greatly increased domestic consumption of foods and fibres, perhaps we would be justified in worrying along with the present quota system. This would be justified if the problem of markets for farm products was a temporary one but right now it doesn't appear to be temporary.

Crop Rotation

We think of the agriculture of a state or of a productive region, such as Cotton Belt or Corn Belt, to be rather uniform. But this is by no means the case.

For instance, it might be found that a given farm, instead of having 70 per cent of its area devoted to corn, should have not more than 55 per cent devoted to corn if it was to have a good crop rotation plan and if erosion, soil replenishment and, perhaps, the livestock feeding



By word-of-mouth

Everyone in business has something he wants to make better known. One of the most effective ways is voice contacts. Always ready to project a personality as well as a message, the telephone makes such contacts possible even at long range—in more than 2,000,000 Long Distance calls per day. Word-of-mouth advertising, via Bell System, is helping industry meet present conditions.



Bell Telephone System

plan on the farm was to be recognized.

The farm might have only 10 per cent of its area devoted to legumes when instead it needed 20 to 30 per cent in order to serve its purposes best.

Now, it might be true there, as in many areas, that in terms of yield three acres devoted to pasture was the equivalent of one acre in feed crops. The farm, by having more legumes and less corn than formerly, would be accomplishing the purpose of the adjustment program and at the same time harmonize more fully with the objectives of land conservation and good farm management practices.

Cease Production

If we were to look upon the dilemma of today's agriculture as one likely to continue unchanged for an extensive period of time, we might say that it would be desirable for the government to purchase, lease or otherwise definitely remove from production of basic crops from forty to fifty million acres of land of high productivity. I have heard many advocate this and they usually propose one of two courses. Some of them say that the nation would be wisest in acquiring forty to fifty million acres of land of average productivity, blocking it out in large reserves and setting it aside for use in some future day when it would be definitely needed for agricultural production.

In the meantime they say it could be devoted to some desirable public use. An-

other group proposes that the nation acquire, lease or otherwise gain control of about the same amount of land, but instead of acquiring it in large blocks which would produce a resettlement problem, that small areas of land, a sort of quota, be purchased from many farmers, say, for instance, twenty to thirty acres on a 160 acre farm. These propose that the use of this land be made available to the farmer but under a limited contractual arrangement. For instance, this arrangement would prevent the use of this land for the production of basic crops. It could be devoted to a wood lot, to certain types of grasses.

Many practical questions would arise out of the acquisition of such large areas of land, including financing. It might be difficult to harmonize such a program with recognition of the principles of good land use.

Practically every acre of land has some worthwhile use. One of the unfortunate heritages of the past is the fact that our helter-skelter system of rapid settlement resulted in great areas of land being unwisely utilized.

I need not go into the practice of cutting timber in such a way as to leave the area denuded and incapable of natural timber reproduction. It is unnecessary to go into the widespread tendencies of converting to cropping land which had real value for growing timber, for grazing and other purposes. You all know of many instances of the plowing and cultivation of land of such slope and with

such soil qualities that erosion steadily moved away what richness it once possessed. The destruction of water-sheds and the many other efforts to convert every possible acre into fields for crop production, all are familiar to us. They represent a sad chapter of the past. The task for the future is to bring order out of this disarrangement.

Acute Problem

Great areas of submarginal lands can be purchased for \$5 an acre and less. There are almost limitless opportunities for devoting these lands to better uses of great public value. But there is one problem which is acute, fundamental in an undertaking of this kind in which new opportunity for the occupants of these lands is really a more important consideration than the curtailment of production.

That is the problem of what is to become of the people who are now occupying these lands and who, while on relief in numerous cases or with very limited economic opportunity, cannot, hestopresto, be transferred to places where they can be self-supporting, where they can have greater or ample economic opportunity. The resettlement phases present in many ways the most serious problem of all because they involve, basically, a redistribution of population, and with so many uncertain factors today it is not easy to point in any direction where a larger population could be readily and conveniently absorbed.

Opportunities can, of course, be provided for some of them by making available better lands where they can continue to carry on commercial farming operations.

Normally, the tendency for them would be to increase their output for commercial marketing. Naturally, it is not desirable to encourage this at the present time. On the other hand, by such a transfer to better land there would be created opportunities for producing about the same amount as is now produced from the submarginal lands for marketing but with much less effort and overhead expense. Thus the relationship of the farmer to national production might be unchanged, while at the same time the farm family would have an opportunity for devoting more time to the production of things needed for its own consumption.

It seems to me that this opportunity is present in nearly every farming area and that while great strides have been made through "live-at-home" campaigns

(Continued on page 16)

GMAC SHORT TERM NOTES

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Going After It!

I DON'T plan to tell you boys—and girls, too—how to change your system to get more life insurance business; but rather, to set up the points, perhaps, that inspired me to love my job and feel that I am doing a worth-while service to my family and to my community.

My general agent, and there is none better than he—will tell you I am terrible on detail; procrastinate on correspondence, and seldom have enough stamps on my mail.

In looking back over the twenty-five years I have been in this business, I can not help but feel what a rotten life insurance man I really have been. While I have written considerable business, there is a good deal more I did not write than I ever wrote. I don't know whether that is good grammar, but it expresses the way I feel about my past.

I know there are fundamentals that are right in writing life insurance, although I have failed to carry them out. It is the fundamentals that count. That is a popular word nowadays.

Procrastination

I think it is one of the fundamentals of most life insurance men. I often wonder just what gets this business for you and for me. I have decided it is our personality. Each and every man has certain distinctive characteristics. No two are alike. No two will be remembered for the same faults or virtues; yet every man will create a picture to live in the hearts of his friends that will be there long after he has gone. We all remember the characteristics of

By R. M. HOWES

*Aetna Life
Clinton, Iowa*

our immortal Dickens as portrayed in Uriah Heep, or Micawber, who was always "waiting for something to turn up;" or, in our modern time, Will Rogers.

I wonder how many men listen to Amos and Andy? To me these two men are real. Every life insurance man should follow them every night. You can do away with the Kingfish and Brother Crawford and Andy, but let me tell you that Amos Jones is the greatest philosopher of life of anyone on the air. I have followed him since he has been on the air. I have always found him right. There is no compromise with wrong. He makes the best Thanksgiving and Christmas speeches of any.

Can we build up this personality? It is possible. The first duty of a life insurance man is to be a friend to everyone. Get people under obligation to you. Work some way to do that. It gives you dollars. Make people like you. How? By liking them. If you dislike a person long enough, he will begin to dislike you. Men do business with people they like.

To my mind, the high point of personality is enthusiasm. I do not mean pep—this breakfast food that is supposed to give you that quality.

I think of the old Arabian phrase which says: "The man who knows and knows not that he knows is weak. The man who knows not, and knows that he knows not, is reasonable; but the

man who knows and knows that he knows is a power." I do not mean conceit. You can go out with your shoes all shined and your clothes all pressed and look like a millionaire, but you haven't any enthusiasm about you. You tell him why things are bad. Nothing doing. People won't want to do business with a man when things are bad with him. They like to do business with a man when things are good with him. How do we get enthusiasm? I like the fellow who was both a preacher and a doctor. He said, "I am preaching and not practicing." But there is one thing I do regularly. The first thing when I get out of bed I get into a tub of cold water. I think it has written more life insurance for me than any other thing I have done. I won't mow the lawn or wash the car. Those things cut down my enthusiasm; but I believe that cold bath puts me in shape to go after them.

I never have kept a card index. I know some insurance writers will say, "How can you keep track of your prospects?"

I am not worried about when the fellow's age changes. What worries me is when his health changes. That is what I am scared about—when he passes over the line from a healthful to an unhealthy man. Time and again I have gone to people and they have told me their age did not change for three or four months. Who in the devil had reminded them of that? Some life insurance man. Time and again I have gone out with an application, and the other party came around with the age change. It has its

place, but I don't overstress that point.

I still believe the young fellow should keep a card index. It is the most important thing in the world. You can get business without it. I never have carried a Handy Guide. I don't give a d—n about the other fellow's company. Let him explain that. I am with the good old Aetna. Every man knows there is not the difference of a Stetson hat between the leading companies of America. Every man feels he is with the leading company. He should. Why confuse the prospect's mind with trying to establish comparative figures? It leads only to confusion.

Getting Business

How did I get business in 1923 and 1933? Just as I got it in 1928. By going after it, men. Life insurance men are just about the biggest bunch of loafers in the world. They are like the fellow going to save up for a rainy day. They save for two days and the next day it lays them out. You never know in this business just how close you have the other fellow licked.

Instead of all this paraphernalia about figures and companies, the main thing is to get the party to the doctor. Don't fail to get the man to the doctor, even if you get a jolt when the Home Office writes his physical condition is such they can not pass him. Your company is no worse than mine, and they are right about 50 per cent of the time.

I know I am going to write life insurance next year, because I know that the world needs life insurance. The world needs life insurance because orphans' homes heed the cries of children whose fathers died too soon to provide homes and a start in life for them. Depressions may come and go. Economic systems may change. We may move into a world of

new adjustments, and I think we will do that of the New Deal, anyway—but just as long as the length of life is uncertain, just so long will they want our goods. Other investments may seem more attractive, but when the question is asked, "Will this plan eliminate want for me, and for my wife and children?" the answer must be, "No." You must sell that plan. Life insurance is not magic, and yet it works magic. It is the only kind of investment that can stretch its arms into the future and gather in all the pay checks a man would have earned had he lived; put them in one pile; endorse them, and hand them out month by month to his widow and children. And you men sell that plan. Aren't you proud of it?

A NATIONAL LAND PROGRAM

(Continued from page 14)

and other efforts towards attaining a greater degree of self-support on the farm, that the possibilities in this direction have not been fully realized. Certainly we can use a greater amount of resourcefulness and ingenuity in meeting the challenge of low incomes from marketings by doing things for ourselves.

There is one avenue for the resettlement of people now living on submarginal lands which must command our attention and respect. To understand it, we must recall the fact that we have always had a drift of people from the country to the city. We know that today with the limited opportunities of urban employment this drift has been halted and has, indeed, been reversed with some millions of people finding their way back to the land. We further know that the many young men and women from the farms who in ordinary

times would be going to the city to find an outlet for their energies are today staying on the farm. But we must realize that with the limited requirements for American farm products today, there must be a limit to the number of people who can depend upon agriculture for a livelihood, for, even with a high degree of self-support, farm families must have cash incomes to exist, and higher levels of income, if they are to enjoy steadily rising standards of living.

While there are many unemployed in industry today, we can logically look forward to a time when more people will be absorbed in industry and when the surplus of farm population can find more opportunities for wage employment outside of the field of agriculture. It should be remembered that the increase in the nation's population is now coming entirely in rural areas. People living in cities have fewer children and are contributing little towards an actual increase in population.

Decentralization

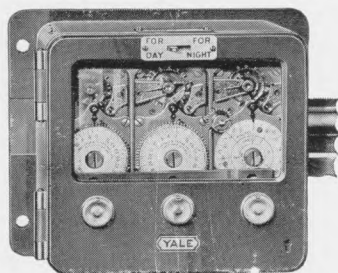
There is also another factor which would appear to encourage us in considering the possibilities of a new pattern of life. That is the tendency of many industries towards decentralization through the location of plants at points outside of congested areas and in small cities and villages and in the open country.

With plants located at points in areas of relatively low land costs, it is possible that a great many people will be able to live on tracts of land larger than the ordinary city lot. There they will be able to supplement low incomes from part-time or seasonal employment in industry with products from their own gardens and poultry runs.

It must be remembered that the income of a substantially large group of American workers is so low as to preclude the possibilities of their purchasing the foods for a liberal diet, or even an adequate diet at minimum cost. An income for a family of five in a city of high rents and high food costs varying from \$1,000 to \$1,500 doesn't permit many liberties with the food and clothing budget. On small tracts of land some of these would have opportunities of producing many food-stuffs which they cannot now afford to buy but which they need badly. I think particularly of fresh vegetables, of small fruits and of eggs.

Thus, decentralized, they would also be nearer farmers from whom they can buy many things directly at a price

(Continued on page 22)



Protect Against An Early Morning Raid!!

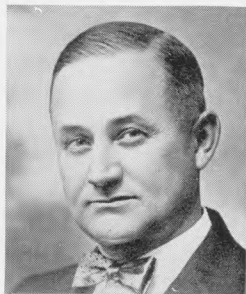
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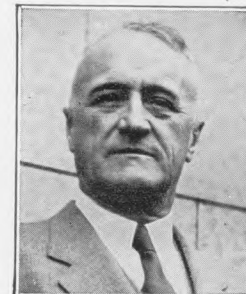
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OMAHA, NEBRASKA



OTTO KOTOUC, President
Nebraska Bankers Association

Nebraska News



WILLIAM B. HUGHES, Secretary
Nebraska Bankers Association

Annual Meeting

Notice is given that the annual meeting of the stockholders of the First National Bank will be held in the officers' room in the bank on Tuesday, January 8, for the purpose of transacting such business as may properly come before said meeting.

Open House

On December 15, from two to five and from seven to nine, open house was held in Mitchell's new building which houses the First National Bank. To this house warming the bank officials extended a hearty welcome to the public to come in and inspect this new home, and see what a really splendid structure it is.

Shows Cost

Superintendent Luikart of the Nebraska banking department has submitted to Governor Charles W. Bryan a statement showing that the cost of bank receiverships under his direction has been 5.77 cents per dollars collected. The governor announces that the cost of federal bank receivership, according to a recent report, was 6.6 cents for each dollar collected.

Luikart's report covers the period from June 16, 1933, when the first administrative receiverships came into his hands under act of the last legislature. There were sixty-nine of these and 131 of original receiverships in his hands. The report includes June 30, 1934.

Meeting

The annual meeting of the stockholders of the Farmers National Bank of Madison, Nebraska, for the purpose of electing a board of directors for the ensuing year and the transaction of any other business that may properly come before the meeting, will be held in the

directors room of the bank at 10 o'clock in the forenoon on Tuesday, January 8, 1935.

County Jobs

In the list of officers and deputies who will occupy York county offices after January 1 are four bankers. James A. Boyle, new county treasurer, was formerly cashier in the Farmers State Bank at Bradshaw. His deputy will be R. J. Anderson, formerly cashier in the City National Bank at York. Mr. Anderson and Mr. Boyle were nominees at the primaries for the office of treasurer. Kenneth G. Drier served for some years as cashier of the Farmers and Merchants Bank at McCool and has for some time been assistant cashier at the First National Bank in York. His deputy will be L. C. Moul, formerly cashier of the Lushton bank.

Housing Plan

The Fort Kearney State Bank has agreed to cooperate with the government's housing program, according to C. E. Edwards, chairman of the housing committee. Mr. Edwards believes that the long delayed modernization program for home owners will get under way immediately. He states that a campaign would be started at once to induce home owners to take advantage of the plan to repair and modernize their homes.

Bonus

The Live Stock National Bank of South Omaha distributed Christmas bonuses, equal to 10 per cent of monthly salaries, to all employees of the bank, President Alvin E. Johnson stated.

Annual Meeting

The annual meeting of the stockholders of the First National Bank of Beemer, Nebraska, will be held in their

banking rooms on Tuesday, January 8th, 1935, between the hours of 9 o'clock a.m. and 4 o'clock p.m.

Unrestricted

Recently the Bank of Dixon County, in Ponca, opened its doors without restrictions of any kind for the first time since the bank holiday was declared. In so doing they released for use approximately \$100,000 of money that had been tied up in both the Bank of Dixon County and the Farmers State Bank, for the stockholders of the former had made arrangements to pay off the deposits of the latter in full.

Better Feeling

W. Dale Clark, president of the Omaha National Bank, who returned from New York recently, said he found a "definitely better feeling" about business than when he was there in September.

Sentiment seems to have made a complete "about-face," with a good many lines reporting greater activity, he noted.

Deposits Up

Rehabilitation of Nebraska's state banks since the bank holiday has brought fewer banks but higher aggregate deposits, E. H. Luikart, state banking head, reported last month to Governor Bryan.

On March 3, 1933, there were 415 state banks in Nebraska with aggregate deposits of \$58,720,001. On September 25, 1934, there were only 317 banks but their deposits totaled \$66,942,247, a decrease of 98 banks, but an increase of \$8,222,245 in deposits.

Luikart reported extreme liquidity, average total reserves amounting to 72 per cent, for the banks this fall, compared with an average 48 per cent reserve on the day before the bank holiday.

Regular Dividend

The Livestock National Bank of South Omaha has declared the regular quarterly dividend of 1½ per cent for the last quarter of 1934. The dividend was paid January 2.

Now National

The Farmers and Merchants Bank received word from the comptroller of the currency that its application for a national charter has been approved and that a certificate has been issued authorizing the bank to do business as the Farmers and Merchants National Bank of West Point.

There is no change in the institution other than the word National being added to the title of the bank.

100%

The Bank of Syracuse, in receivership for many months, will have paid its creditors 100 per cent when a \$4,967.02 dividend ordered allocated by Judge D. W. Livingston in district court is distributed.

The "Christmas present" for the creditors of the bank represented a 5 per cent—and final—dividend. Application for its payment was made by E. H. Luikart, the receiver.

Prior to the eighth and last payment 95 per cent, represented by \$99,373.31, had been realized from the assets and turned over to creditors.

Credit Association

The Hemingford Cooperative Credit Association opened for business at the

Farmers State Bank building recently. The institution is patterned after some 110 other credit associations operating in Nebraska under the laws provided for that purpose. It is a corporation operating under a charter from the state of Nebraska.

County Meeting

C. C. Neumann, of the Farmers and Merchants Bank of Oakland, was elected president of the Burt County Bankers Association at its annual meeting in Tekamah. R. K. Hancock, cashier of the Burt County State Bank, was named vice president and Lawrence Young of Lyons secretary-treasurer.

Protection

The Fort Kearney State Bank, looted of \$15,600 in two raids by bandits last year, presented an almost impregnable front to prospective holdup men. Workmen have put finishing touches on a "bandit barrier," a bullet-proof, man-proof wall cutting off the lobby from the cash drawers and vaults behind the counters.

The barrier is composed of bullet resisting glass about an inch and a quarter thick, set in panels in a wall of solid bullet-proof steel. Doors in the barrier are opened by a dial combination operated by the first employee arriving in the morning. After they are first opened, the dial no longer operates and the doors may be opened only from the inside during banking hours.

Merger

Plattsmouth's two banks, the Farmers State and the Plattsmouth State were consolidated recently. T. H. Pollock, president of the Farmers State Bank, will retire. The president of the Plattsmouth State Bank is Henry A. Schneider.

Credit Convention

A convention was recently held in Lincoln, Nebraska, of the Co-Operative Credit Associations serviced by the Union Credit Service Association, now over fifty in number.

At this convention definite plans were laid and committees appointed for the purpose of, first arriving at uniform and adequate service charges in harmony with those in effect by the commercial banks under the Nebraska Bankers Association code. This committee was instructed to confer with the commercial banks with a view to working out harmonious relations between the commercial banks and the co-operatives; second, there was appointed a legislative committee to draft and suggest needed changes in the co-operative law. A number of the co-operative credit associations originally organized independently, have recently become affiliated with the Union Credit Service Association.

Lyman, Nebraska, has a Co-Operative Credit Association, opening for business December 17th. They were assisted in organization by the Union Credit Service Association of Lincoln, and will bring banking facilities to their members.

A Co-Operative Credit Association was opened this week at Gurley, Nebraska, under the supervision of the Union Credit Service Association.

Foster, Nebraska has organized a Co-Operative Credit Association, having been assisted by the Union Credit Service Association of Lincoln.

The Osmond Co-Operative Credit Association opened for business and now has a membership of about 120 with deposits at around \$35,000.

Offering to Banks of Nebraska "The Kind of Service you'll Like"

CONTINENTAL NATIONAL BANK
LINCOLN, NEBRASKA



Kansas News

Bank Sold

A deal was completed recently whereby the Hoxie State Bank purchased the Park State Bank.

A. H. Dreiling, cashier of the Park Bank, said that he will go to Hoxie where he will assist in the state bank there for a short time, but that he has not made definite plans for the future.

The Park banking business and equipment will be moved to Hoxie.

Cashier Killed

Peter Matson, 39, cashier of the Codell State Bank 12 years, died at Hays recently of injuries received in a motor car wreck near Tescott. He was driving from Codell to Topeka, accompanied by S. R. Tucker, president of the Codell bank, and R. E. Gilpin of Codell and Everett Fritts of Paradise, directors. They said the accident was caused by a blow-out.

County Meeting

The regular quarterly meeting of the Rush County Banker's association was held at La Crosse recently. Bankers from out-of-town present for this meeting were A. H. Young, Leonard Young and Rudolph Kueffer of Alexander; L. M. Moran and M. T. Moran of Nekoma; James Jecha and Rudolph Reissig of Timken, W. J. Harder and C. Glover of Otis.

Guy Van Winkle, cashier of the Citizens' State Bank at McCracken, was elected Secretary, to fill the vacancy caused by the resignation of F. J. Goetz of Nekoma.

Vice President

W. A. Swift, for a number of years a member of the board of directors, has been elected vice-president of the First National Bank in Ottawa. Mr. Swift will be active in the management. Mrs. L. B. Miller, widow of the late F. J. Miller, president of the bank for many years, was elected to the board of directors. No other changes will be made at this time, it was stated.

Bank Official Dies

Emmett M. Norman, retired farmer and local bank official, died recently at his home in Anthony. Norman was 65 years, 6 months, and 3 days old at the time of his death, having been born in Millerstown, Ohio, on May 24, 1869. He came to this section of Kansas many years ago and was one of the real old-timers in Harper county.

At the time of his death he was a director of the Anthony First National bank, a position he had held since January 13, 1920. Prior to his election as a director of this bank, he had been a director of the Farmers State Bank from 1919 until its merger in 1919.

Elected President

Francis Glanville, prominent Kansas City, Kansas, furniture merchant, has been elected president of the Exchange State Bank, succeeding the late Cheney N. Prouty, who died November 21.

Glanville long has been active in financial affairs and was a member of the board of directors of the Exchange State.

Group Chairman

F. F. Brock, formerly connected with the Greenburg State Bank of Greenburg, but who is now president of the Peoples State Bank of Sharon Springs, was honored when he was made chairman of Group Eight of the Kansas Bankers' Association.

Sharon Springs is to be host to the 1935 convention with an attendance of approximately 250 bankers.

Group Meeting

At a meeting of Group 5 of the Kansas State Bankers association at Arkansas City, two Anthony bankers were honored by being elected officers for the ensuing year, P. O. Herold being named president of the group and Roy Griesinger, secretary.

The Harper county delegation included Edgar C. Miller, W. A. Miller, and

Statement of Condition, December 31, 1934

RESOURCES	
Loans and Discounts	1,280,212.99
Bonds and Securities	13,472.81
(See Itemized List)	
Stock in Federal Reserve Bank	16,500.00
Stock in Federal Deposit Insurance Corporation, Par Value \$8,818.77)	1.00
Banking House	36,000.00
Furniture and Fixtures	None
Other Real Estate	1.00
5 Per Cent Redemption Fund	14,250.00
U. S. Government Securities	6,947,714.96
(See Itemized List)	
Cash, Sight Exchange and Due from Fed. Res. Bank	2,897,469.40
	9,845,184.36
	11,205,622.16

LIABILITIES	
Capital Stock (Common)	450,000.00
Surplus	100,000.00
Undivided Profits	95,089.97
Unearned Discount	11,305.78
Reserve for Taxes, Interest, etc.	35,590.90
Dividend Payable Jan. 2, 1935	6,750.00
Circulation	285,000.00
Deposits:	
Public Funds—Secured	414,466.97
Other Deposits	9,807,418.54
	10,221,885.51
	11,205,622.16

U. S. GOVERNMENT SECURITIES					
Description	Rate	Maturity	Par Value	Book Value	Market Value
Notes	3	6-15-35	500,000.00	507,555.08	509,375.00
Notes	2½	12-15-35	500,000.00	512,031.25	511,562.50
Notes	1½	6-15-36	1,000,000.00	1,007,375.00	1,008,125.00
Notes	2¾	12-15-36	500,000.00	515,123.36	519,062.50
Notes	3	4-15-37	500,000.00	511,756.46	520,781.25
Notes	3¼	9-15-37	500,000.00	516,328.13	524,375.00
Notes	3	3-15-38	500,000.00	510,859.38	520,625.00
L. L. Bds.	4¼	10-15-38	1,000,000.00	1,033,272.24	1,036,562.50
Panama	2	11-1-38	285,000.00	285,679.16	286,425.00
Notes	2½	6-15-39	1,000,000.00	1,000,000.00	1,011,875.00
L. L. Bds.	4¼	6-15-35-47	500,000.00	510,018.06	517,187.50
Misc.		Various	37,350.00	37,716.84	37,796.55
			6,822,350.00	6,947,714.96	7,003,752.80

Premium on U. S. Government Securities amortized to maturity or optional date.

OTHER BONDS AND SECURITIES					
Omaha	4½	3-1-36	5,000.00	5,000.00	5,150.00
Warrants	6		8,472.81	8,472.81	8,472.81
			13,472.81	13,472.81	13,622.81

SECURITIES PLEDGED TO SECURE PUBLIC FUNDS AS REQUIRED BY LAW					
U. S. Notes	3	6-15-35	490,000.00	497,403.98	499,187.50
U. S. Notes	2½	6-15-39	77,000.00	77,000.00	77,914.38
Omaha	4½	3-1-36	5,000.00	5,000.00	5,150.00
			572,000.00	579,403.98	582,251.88

SECURITIES PLEDGED TO SECURE CIRCULATION					
Panama	2	11-1-38	285,000.00	285,679.16	286,425.00

LIVE STOCK NATIONAL BANK

OMAHA

This Bank Has NO Affiliated Companies

Member of Federal Reserve System and Federal Deposit Insurance Corporation

WE ARE IN THE MARKET FOR FEEDER LOANS

Frank Burgmeier, Anthony; John Kille and Don Shannon, Attica; and William Babb, Bluffs City.

Anthony was elected as the convention city next fall.

Robbers Captured

Robbery of the Farmers State Bank of Canton was brought to a quick climax an hour later when F. E. Passmore and Murray Stephens captured Willie Riddle and Bill Place, Emporia youths, seven miles south and two miles east of Marion, after Riddle had been fatally shot in the head when the pair failed to heed Passmore's command to surrender as the pair fled south on the road a half mile west of Marion.

Colorado News

Christmas Clubs

Many Englewood people are joining the new Christmas savings clubs which are being started at the First National Bank of Englewood, according to Tom Sullivan, president of the bank. Depositors may have their choice of several different clubs.

Reduce Interest

Effective January 1 the three Boulder banks will reduce the interest they pay on savings accounts and certificates of deposit from 3 to 2 per cent.

Interest rates on savings accounts as of October 1 will be paid at the rate of 3 per cent in October, November and December, and 2 per cent the first quarter of 1935.

Moved

The Farmers' State Bank of Peyton is to be moved to Calhan and its name changed to the Farmers' State Bank of Calhan.

It is a move that has been under consideration for some time, as Calhan interests have urged such action since the failure of the Calhan bank about two years ago.

The Peyton Bank, of which F. F. Hartman is president, J. O. Phillips, vice president, and A. L. Pieper, cashier, is the only rural banking institution in El Paso county.

Farmer Loans

Frank M. Butler, president of the Federal Intermediate Credit Bank of Wichita, announced that the 42 production credit associations of Kansas, Oklahoma, Colorado, and New Mexico had

made loans, during the past eight months, to approximately 7,000 farmers in the four states, for more than \$7,000,000.

Pueblo Clearings

November banks clearings in Pueblo totaled \$2,153,371, a gain of more than one-half million dollars over the November, 1933, clearings. For the first eleven months of last year the clearings amounted to \$22,892,104, as compared with \$20,207,035 in the same period of 1933.

Named Cashier

Everette C. Hickman, one of the best known bankers in northern Colorado, has been appointed cashier of the First National Bank of Boulder. His bank at Windsor is a strong one, it withstood the depression and opened on schedule after the moratorium. He has been cashier of the Windsor bank for 20 years, was one of the organizers of the First Colorado Region Clearing House association, and is its present secretary.

Wyoming News

Closes Accounts

Because "changed economic conditions and improved modes of transportation" make it impossible for the State Bank of Pinedale to earn operating expenses, its officials have decided to close its doors after paying off all savings and checking accounts in full.

The decision was announced by representatives of the Rock Springs National Bank, parent institution. It was anticipated that all accounts would either be withdrawn or transferred to other banks before January 1.

Deposits Increase

Total assets in 63 licensed commercial banks in Wyoming were shown to be more than 52 million dollars by figures contained in an abstract recently set up by the Federal Deposit Insurance Corporation.

That amount includes the assets of all the banks in the state, members of the Insurance Fund of the Federal Deposit Insurance Corporation, which sent reports of their condition as of June 30 last to Washington.

Total deposits in these banks on that date were \$44,083,000, as compared with \$41,674,000 on December 30, 1933, an increase of approximately \$2,409,000 in the six month period.

Banker Dies

A pioneer stockman and banker of Jackson Hole, Robert E. Miller, died at his home apparently of a heart attack. He was 72 years old.

Miller was president of the Jackson State bank and had been in good health and active. He came to Jackson in 1887.

His widow survives.

Housing Loans

Modernization loans made in Wyoming have reached the \$48,376 mark, it was announced by the regional director's office, in Denver. A total of 112 loans have been approved for this state, the report shows.

For the entire district, which includes five other Rocky Mountain states, \$500,000 in loans have been negotiated for modernizing homes.

Utah, with 244 loans, totaling \$99,831, tops the list of states in this region.

New Mexico News

Loans Good

Although almost the entire ninth federal land bank district—which includes Colorado, Kansas, Oklahoma and New Mexico—was in the primary drouth area, collections on federal land bank loans have been good last fall and winter, L. E. Call, president of the Wichita Federal Land Bank, told a conference of land bank presidents in Washington.

Mr. Call told the conference that sales of real estate have increased and that farm land is going up in price.

Robbery

Two bandits recently robbed the Hot Springs National bank of \$1,100 and escaped on foot. A posse immediately was formed and nearby towns notified. It was believed the bandits had a car waiting nearby and probably fled to El Paso.

Deposits Increase

Deposits in the First State Bank of Mountainair have increased \$7,746.82 since June 30th, 1934, according to an official statement.

Cash on hand is somewhat lower but loans have increased \$10,558.33 and the bank now owns ten thousand dollars worth more of bonds and stocks.

In the deposits there was a decrease of \$17,000 in time deposits and an increase of \$24,000 in demand deposits.

"FINANCIAL NEWS AND VIEWS"

(Continued from page 4)

his shoulder to the wheel, his eyes to the front—and his feet on solid earth."



Robinson: "Tell me, Cliff, what kind of paper currency is the most popular?"

De Puy: "Any kind of currency is okeh with most of us, Frank. Surprising as it may seem, there are more 10 and 20 dollar bills in circulation than any other denomination. In fact, both the 10s and 20s outnumber dollar bills about three to one."

Robinson: "Cliff, our listeners have heard a lot about the gold standard. Can you tell them why gold has always been the universal medium of exchange?"

De Puy: "The gold idea, Frank, dates back centuries ago to the primitive people who worshiped the Sun God. According to Thomas T. Hoyne, of Mitchell-Hutchins & Company, 'The early sun worshippers saw a resemblance between gold and the sun. In fact, they thought that pieces of gold were actually pieces of the sun and they worshiped them as such.' That is the origin of gold as a medium of exchange."



De Puy: "Here's one from Omaha, that shows improvement in banking conditions. Style experts in a newspaper contest have named a banker as the best dressed man in Omaha. *W. B. Millard, Jr.*, vice president of the Omaha National Bank, is the winner."



Robinson: "Clifford, what do you think of the anti-banker propoganda of the past few years?"

De Puy: "Merely this, Frank. Bruce Barton spoke the truth when he said, 'The country has been flooded with sneers and wisecracks against bankers. Most of these are not funny, and their influence is unfortunate. America will pay a heavy price in the future if it now allows faith in its bankers and banks to be undermined.'"

PROSPECTS IN 1935

(Continued from page 5)

production will not be as great in any month as it was in July of 1933, or as small as it was in March of 1933. 6. Our financial policies will probably impel other nations to retaliations, trade restrictions, and ill-will. 7. Production of durable goods is likely to remain restricted, with continuing serious unemployment. 8. Expenditures for unemployment relief will be very large, and taxes heavier.

9. Price fluctuations in the security markets are likely to be narrow and irregular. 10. In 1934 it will probably be as difficult for the operator in the stock market to make speculative profits, or to find safe refuge for conserving funds, as it was in the last half of 1933. 11. The volume of privately financed building construction will be small. 12. Many lines of consumers goods should do well, and some durable goods such as radios, labor saving office equipment, household equipment, and agricultural implements. 13. The output of automobiles should be larger in 1934 than in the previous year. 14. Probably 1934 will be a year of much debate about money, and discussion of the conflicts between recovery measures and reform measures.

These forecasts are still valid. It now appears likely that they will remain valid for 1935, and so they are extended to cover next year also, and are offered as the forecasts for 1935. If we should make soon the readjustments in our political economy that would give most corporations such renewed confidence in their ability to earn profits that they would make the needed additions, betterments, and replacements in their equipment, these forecasts would fall far short of being adequately optimistic.

"SERVICE CHARGES"

(Continued from page 6)

tant costs to the bank as business is transacted today?"

Robertson: "Yes, there are. Transfers and collections of funds from distant cities not only create a handling and postage charge, but also employ the bank's funds while the items are in transit."

De Puy: "Can you illustrate that?"

Robertson: "Well, let's say, for example, that a customer receives a check payable in New York and presents it to his bank in Des Moines. The bank advances the cash to the customer or credits

his account immediately. The bank must then forward the check to New York at its own expense and await payment. This involves risk and the use of the bank's money for several days."

De Puy: "On such out-of-town transactions, what is the average length of time that the bank waits for repayment?"

Robertson: "From 2 to 6 days depending on distance and speed of transportation."

De Puy: "Does the bank have any other large items of expense?"

Robertson: "Yes, indeed. Taxes are a sizeable item of expense, and so is insurance. Every bank must protect itself by adequate insurance coverage, which includes burglary, robbery, hold-up, fidelity, fire, etc. In addition, under the Banking Act of 1933, assessments are paid by member banks into the Federal Deposit Insurance Corporation fund to insure customers' deposits up to \$5,000."

De Puy: "You have given us some interesting information indeed, Mr. Robertson, in regard to some of the problems of bank operation—particularly in regard to service charges as applied to checking accounts. Do I understand that the banks still welcome small accounts?"

Robertson: "By all means, the banks do not want to lose a single customer, whether large or small, so long as they can possibly serve him on a fair basis."

De Puy: "Now, one more question, Mr. Robertson. There is a way to eliminate the charges on checking accounts, is there not?"

Robertson: "Yes, and, of course, we would prefer not to make any charges. If a customer will maintain an average balance of sufficient size to cover the cost of activity of his account and permit a reasonable profit on it, the charge can be eliminated entirely. How much balance a customer should carry to sufficiently cover the cost of handling his account can be learned by discussing this matter with his own banker."

Central Typewriter Exchange, Inc.
(EST. 1903)
NEW AND REBUILT TYPEWRITERS, ADDING MACHINES, CHECK WRITERS — FULLY GUARANTEED.
REBUILT MIMEOGRAPHS, STENCILS AND INKS
LOWEST PRICES

ALLEN-WALES THE FINEST "HEAVY DUTY" ADDING MACHINE MADE

1820 Farnam St. Omaha, Nebraska

COOPERATION — OR GOVERNMENT BANKRUPTCY

(Continued from page 7)

But as time goes on, it must certainly become more and more widely appreciated that government ingenuity alone cannot usher in Recovery for any extended visit. Labor and enterprise, as well as government, must be less militant and more cooperative. To be sure, enterprise "with good, sound American business sense" can succeed in spite of the "alphabet schemes," as Henry Ford very caustically, but very well says. But in any case, labor, enterprise, and government must appreciate that sustained recovery depends upon the ability to furnish their services at lower per unit costs. This means greater efficiency. In addition, each must be fully aware of the fact that lasting reform depends upon the certainty that these lower political and industrial costs will really materialize to the benefit of the consuming citizenry in lower taxes and in lower unit selling prices. This means that the monetary unit must be stabilized and monopoly practices eliminated. If recovery is accomplished by the honest endeavor of all to accomplish these things, expansion in the consumers' goods industry as well as in the durable goods industry will develop. Stern reality warns, however, that unless cooperation soon encourages Recovery to pay an interminable visit to the nation, government will go bankrupt trying to keep the door open for him.

A NATIONAL LAND PROGRAM

(Continued from page 16)

which is as good or better than the farmer can get in the markets but which the worker in the congested areas cannot afford after all of the handling and distributing costs have been piled on to the price paid the farmer.

I believe that the establishment of rural industrial communities and of subsistence homesteads where it is recognized that the opportunities of making a cash income from a small tract of land are very limited and that the occupants must depend upon industrial employment or other wage earning, hold possibilities of a new pattern of life which is entirely compatible with the ambitions of American agriculture. I believe that the opportunities for raising families in such rural or semi-rural surroundings, of the opportunities for a better community life and of the greater security which comes of having a bit of land at your door-step, are such as to testify demonstrations and experiments now under way and possibly to justify a great movement in that direction, carefully guided, over a long period of years.

I believe that farming families should look towards this pattern of life as an outlet for some of their members in coming years. I believe that they can look at life in such communities with far more satisfaction in the future of their sons and daughters than they can where they are permitted to encounter the vicissitudes of the insecure life of the worker in the modern city. And in that direction I believe that there lies a considerable opportunity for the voluntary transplanting of people, now loving on sub-marginal lands under conditions where the educational and other opportunities of their children are cramped. Because the problem of resettlement is so important in connection with the land problem, this pattern of life has an integral place in considering aspects of a national land use program.

Suitor: "I wish I could take you in my arms and squeeze you until you'd gasp for breath."

Girl: "So do I, you weakling."

How Much are Your Taxes?

If you have an annual income of \$2,080 or less, how much of it goes for taxes?

There's a good chance that you will say "none," inasmuch as your income is below the level reached by the income tax, and you may have little or no property on which taxes must be paid.

But, according to an article by Royal F. Munger in the Chicago Daily News, your taxes come to some \$480 a year. One hundred and twenty dollar of this represents taxes included in your rent—the landlord pays them and passes the cost on to you. Ninety-six dollars is included in the price of your family's food—the farmer, the processor, the distributor and retailer pay them, and they become part of the cost of everything in the grocery store. Twenty-four dollars is included in the clothing, furniture and similar items you and your dependents purchase—here again, manufacturers, middlemen and retailers are all heavily taxed and must pass their taxes on to the public.

This totals \$240. Finally, says Mr. Munger, other indirect tax burdens that affect the cost of living are estimated to take \$240 more out of your family's \$2,080 annual income. On a percentage basis, as a result, you pay almost twenty per cent of all you earn to government.

Too many people have accepted the fanciful theory that the rich pay the taxes while the rest of us get the benefits for nothing.

No one escapes taxes—no one ever will. And the average man, with a small or medium-sized income, would gain most from retrenchment in tax levies, regardless of the guise under which they may be labeled.

AUSTRALASIA BANK OF NEW SOUTH WALES

ESTABLISHED 1817

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

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

£A 23,710,000

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

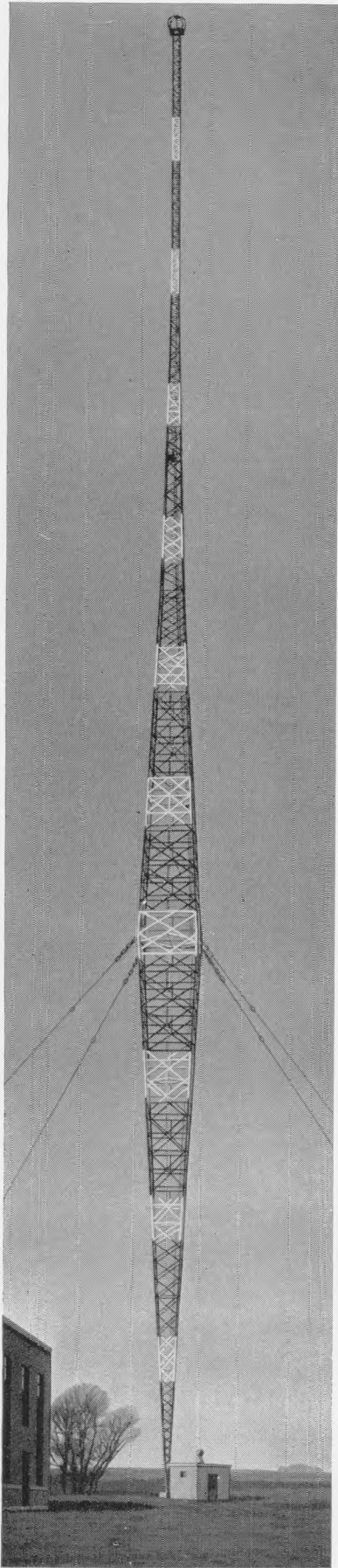
AGENTS—FIRST NATIONAL BANK, OMAHA, NEBRASKA

GENERAL MANAGER, ALFRED CHARLES DAVIDSON

HEAD OFFICE, GEORGE ST., SYDNEY

LONDON OFFICE, 29 THREADNEEDLE ST., E. C. 2

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Reaching Up...

The tallest structure in Iowa and the finest antenna system of its kind anywhere — that describes WHO'S new 532-foot vertical antenna. This skyscraper antenna completes WHO'S quarter-of-a-million dollar improvement project, including not only the new antenna but also the 50,000-watt transmitting plant — both located at Mitchellville, Iowa.

...to Reach Out

The new vertical antenna sends the 50,000-watt voice of WHO booming out over greater areas than ever before. If you are a listener this means clear, clean-cut reception of WHO programs. If you are an advertiser, or prospective advertiser, this means the power necessary to reach all of Iowa. In Iowa, radio listeners and trading centers are spread over the entire state. That's why one station — and only one — has the power to do an effective advertising job in Iowa — WHO with 50,000-watts.

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**50,000
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