

# CENTRAL WESTERN BANKER

## *Omaha*

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*March*

*1935*



## Let's Look at Nebraska's Pocket Book

- During 1934, Nebraska livestock brought \$95,000,000 to producers.
- Butterfat, poultry and eggs worth \$27,000,000 were marketed.
- In spite of reduced acreage, Nebraska farmers received \$24,000,000 more from their planted crops than they averaged for the preceding three years.

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# CENTRAL WESTERN BANKER

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OMAHA

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## R-A-D-I-O FINANCIAL NEWS AND VIEWS

*Here is the tenth of a series of weekly broadcasts presented by the DePuy Banking and Insurance Publications from 6:45 to 7:00 p. m. every Saturday evening over Radio Station WHO, Des Moines. After an interesting discussion of Banking and Insurance topics by Ralph W. Moorhead, associate publisher of The Central Western Banker, and Francis Robinson, our listeners heard Harry Martin tell Robert Hartman, of the DePuy Publications,*

### "Why the Interest Rate on Your Savings Account Has Been Reduced"

**ROBINSON:** Speaking of banking, Mr. Moorhead, have most banks in the United States reduced their interest rates on savings accounts?

**Moorhead:** Yes, Frank, most banks have been forced to reduce their interest rates on savings accounts. Would you like to know why?

**Robinson:** Yes, I would, and I'm sure our listeners would, too.

**Moorhead:** All right, Frank. We'll tell you why. Let's get this story from a little playlet. Now here's the setting. Bob, a grocery clerk, is waiting in his apartment for his roommate, Harry, who works in a bank. It's dinner time. Bob is not only hungry, but he has something important on his chest. Here comes Harry now . . . and let's just see what happens . . .

**Bob:** Hello, Harry. Late tonight, aren't you?

**Harry:** Yep, had to work overtime

today. Off ten cents on my balance. Found the mistake, though, so our good old bank will open same as usual tomorrow.

**Bob:** Pretty soft for you, Harry. Put up ninety grocery orders in a day if you want a real workout sometime!

**Harry:** Well, Bob, standing in a teller's cage all day is no picnic. But why the grouch? Aren't you feeling well?

**Bob:** Oh, I'm okeh, Harry, but I've sure got a bone to pick with your bank.

**Harry:** Oh, a financial stomach ache, eh? Well, why are you peeved at my bank?

**Bob:** I deposited my usual five bucks in your savings department today and what do you think they told me?

**Harry:** I'll bite, what?

**Bob:** The teller said interest rates on savings accounts have been reduced.

**Harry:** Yes, they have been reduced. Most banks have had to do the same thing, Bob.

**Bob:** Well, what's the big idea? If my money was worth a certain amount to your bank last year, it ought to be worth just as much this year.

**Harry:** Now wait a minute, Bob. Let's start at the beginning. Tell me this. Why do you think a bank pays you interest on your savings?

**Bob:** That's easy. The bank *has* to pay interest.

**Harry:** Says *you*. What do you mean—"has to pay interest"?

**Bob:** The bank has my money, doesn't it? It accepts my deposit.

**Harry:** Sure, it has your money, and it pays you for the use of it.

**Bob:** Tell me, then, why has the bank reduced the rate it's paying me for the use of it?

**Harry:** Look at it this way, Bob. You work in a grocery store. Now what do you sell to the public?

**Bob:** You're asking me! Prunes, sardines, nuts—and would you like some good spinach today?

Harry: Well, I guess you know your groceries, Bob. But tell me, where does the grocer buy his groceries?

Bob: From the wholesaler, of course. He buys 'em and we sell 'em.

Harry: You'll agree, then, that the grocer's stock in trade is his groceries?

Bob: Yes, that's right.

Harry: And your boss can't pay the wholesaler unless he sells his stock for at least as much as it cost him.

Bob: Right again.

Harry: Now, whatever he makes

above the cost goes to pay expenses, such as your salary—and to give him a profit.

Bob: You're still right. But listen, Harry, grocery stores aren't anything like banks.

Harry: Oh, they aren't? Let's find out. Suppose the grocer has to cut his prices. When he cuts them he finds that his profits are also reduced, and finally there's no profit left at all. If his prices are cut still more he can't make expenses and won't be able to pay the wholesaler.

Bob: That's right, but —

Harry: And if that keeps up too long he'll have to go out of business, won't he?

Bob: Yes, I suppose so.

Harry: But he wouldn't have to go out of business if he could get the wholesaler to reduce *his* prices, would he?

Bob: That's true, but I still don't get the point.

Harry: The wholesaler is in business, too. Remember that. And if grocers all along the line can't sell at prices above their costs, then they can't buy from the wholesaler. So that means the wholesaler loses his customers and has to quit business, too.

Bob: Yes, I see that.

Harry: So to stay in business, the wholesaler also reduces his prices.

Bob: Well, what's the connection between that and banks?

Harry: There's plenty of connection, Bob. What does a savings bank sell?

Bob: It doesn't sell anything. It has a nice building and accepts my deposits.

Harry: Then what does it do with your deposits?

Bob: Why, it lends money to borrowers, I presume.

Harry: Exactly. The bank has cash. People who need loans go to the bank to borrow. The bank's stock in trade is the money that you and all the other depositors have put in the bank.

Bob: I never looked at it that way—but it sounds okeh. What's the next step?

Harry: When the banker makes a loan, he's really renting out that money. The return that he gets is what we call interest. This interest helps pay the expense of operating the bank and whatever is left over is profit.

Bob: Yes, it's profit all right. But I still claim that —

Harry: Wait a minute, Bob. I'm not through yet. Most of that profit is paid back in dividends or interest to depositors, the people who gave the bank its stock in trade. The smaller part of the profit is put back in the bank's reserve fund to build up a sound margin of operating safety.

Bob: What do you mean—"A sound margin of operating safety"?

Harry: You know as well as I do, Bob, that every loan the average bank has made in the past few years has not been repaid no matter how careful the bank has been in renting the use of its money. Conditions sometimes make it

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## Long-Term Amortized Loans

REVISION of American home mortgage practices, with the purpose of making loans safer for the lender and more economical for the borrower, is making steady progress under the four agencies administered by the Federal Home Loan Board, it is brought out in a statement issued by the Board.

This is being accomplished by rapid substitution of the long-term amortized loan, payable monthly in small amounts, to replace the short-term lump sum maturity loan, which has led to difficulty and widespread default during the past few years. The same amortization principle underlies the mortgage loans insured by the Federal Housing Administration under Title II of the National Housing Act.

The Federal Home Loan Bank System was established in 1932 to provide unlimited reserve credit for private thrift institutions which specialize in long-term financing. To date, it has advanced to members a total of \$131,888,035.

When it was found necessary in 1933 for the Government as a relief measure to lend directly to distressed individual mortgagors, the Home Owners' Loan Corporation was authorized by Congress to make amortized loans on a 15-year basis. The required monthly installment of \$7.91 per \$1,000 of loan, covering both principal and interest, pays off the entire mortgage within that period.

In a large proportion of cases, borrowers from the Home Owners' Loan Corporation faced foreclosure because their three- or five-year mortgages came due at a time when they could not obtain refinancing anywhere. Up to January 31, 1935, the Corporation had closed 781,231 loans, the great majority

for fifteen years. This figure represents more than one out of ten of all owner-occupied homes in the country.

Some 700 Federal Savings and Loan Associations authorized by Congress in 1933 are now operating in 43 states, either as new thrift and home-financing institutions or converted building and loan associations formerly under state charter. Loans by Federal Savings and Loan Associations are amortized over periods from 5 to 20 years.

An opportunity for building and loan associations to encourage new investment in their shares and thus expand their loaning facilities is provided by means of insurance of share accounts available to qualified institutions through the Federal Savings and Loan Insurance Corporation, established in June, 1934. As of February 1, 1935, 553 associations had been insured, representing total assets of approximately \$176,000,000 held by some 230,000 people of small or moderate means whose savings are now protected up to \$5000 for each individual.

"The mainspring of the Government's program is the conviction that the long-term amortized loan is essential to sound home financing. Homes are intended to provide service for many years. They should be paid for gradually during their use. It is best for the home owner because every payment made increases his equity in his home. It eliminates the need and cost of renewing the mortgage periodically. It encourages thrift and builds up the most desirable kind of an estate. The long-term amortized loan is best also for the lender, because every payment reduces the risk of loss through default. The home owner's growing equity is a guarantee of his intention to carry out his contract."



# Meeting The Farmers' Problems

WHEN the Agricultural Adjustment Act was passed, a little over a year and a half ago, there were unsalable and price-depressing surpluses of nearly all of our agricultural commodities. We had gone in for mass production during the expansion hysteria of the twenties, following the war. A false prosperity which could not hope to last had been temporarily maintained from various artificial sources. There were our temporarily huge exports that had been stimulated by the wartime demand. There were the loans we continued to make to foreign countries in a blind effort to maintain those exports, shutting our eyes to the inevitable consequences as we sent the money away. There developed the contagion of the whole nation joining in the folly, manifesting itself in the great extension of installment selling, the stock market speculation, the land booms, credit inflation and various forms of financial whoop 'em up. That was the era of two chickens in every pot and two tractors in every field when only one was paid for. It was one of those "bigger and better" eras which allows a certain kind of individualism to ride ruggedly through his brief glory of exploitation to a certain and inevitable fall.

When that fall came, as it had to come some time, it was suddenly realized that mass production, without mass buying power, becomes a mockery. We realized many other things after our hysteria, when we awoke the morning after to a headache that was heard 'round the world.

We learned other lessons. We learned that if the farmer is to receive, for what he sells, any fair proportion of the other man's goods the farmer must either have a market for more wheat and lard and cotton and beef, or else he must raise less. There is nothing original or doubtful about that. If a group of manufacturers of any certain product would continue to make and sell that product regardless of the demand for it, forcing prices lower and lower below the cost of production, they would finally become bankrupt of course. If they had a good reserve built up they could borrow against that for a time, but eventually the end would come. So they aim to produce what they can get orders for at a

**"If the American farmers will face the facts as they exist and return the key decisions as the need for these decisions arises, free from political or class or geographical prejudice, an economic democracy can bring economic happiness and prosperity"**

By CHESTER C. DAVIS

*Administrator  
Agricultural Adjustment Act*

price that will return a profit. As a people we have always approved that practice. Society has always called that good business. We do not believe that factories should work all their floors to capacity simply because there are those who need those goods and services but will not pay for them. We have admitted the right of industry to produce what it can sell at a small profit and then to stop producing.

#### Cutting Production

Strangely enough, when the farmers do that very same thing some perfectly well-intentioned and high-minded people call it sinful.

Much has been said about the crime of the farmer cutting down his production. It is interesting to observe that agricultural production has remained fairly stable throughout the entire period 1930 to 1934 on a level only 13 per cent below the 1929 level. Agricultural prices, not production, took the brunt of the depression.

In 1934, in spite of whatever effect the adjustment programs had on production, and in spite of the disastrous drought, agricultural production was 85 per cent of the 1929 level. Not so much of a reduction after all. It seems to me this is a fact we should all keep well in mind, remembering that during this same year industrial production was at about

60 per cent of the 1929 level. Incidentally, while we are keeping that comparison of productions in mind, let us all observe that agricultural prices in 1934 were at about 60 per cent of the 1929 level while industrial prices were at about 85 per cent.

In other words, while the response of industry to the maladjustment that developed in 1929 out of the leadership following the war was a sharp reduction in production, the response of agriculture has been to go on producing to the end. These two responses furnished the paradoxical spectacle, during that never-to-be-forgotten winter of 1932-33, of the farmer holding out to a hungry world the largest supplies of wheat and cotton and other commodities on record, at prices far below his actual cost of production, while industry turned off millions of men into the hopeless queues of unemployed and offered to the world only limited supplies of goods and those at prices that were maintained with an eye to cost and profit.

#### Reasons Why

There are logical reasons why these agricultural surpluses developed. Agriculture, for a time at least, had lost her foreign outlets. They had been sacrificed to our shortsighted policy of refusing to buy from abroad, as a creditor nation must do, in order to be able to sell abroad.

We had never adjusted back into grass and pasture again the millions of acres we had feverishly plowed up during the wartime demand for the products of cultivated crops.

The automobile, the truck and the tractor displaced horses and mules in our fields and cities and lost for our farmers a market for the products from some 35 million acres of land formerly consumed by these work animals.

As a result of all these things, our lost outlets and our increased production, it was inevitable that supply piled up and depressed the price.

A field in which a shortage does exist is in feed and roughage for livestock. This was caused by the drought. Incidentally, the willingness of some of the professional critics of the Administration to charge this feed shortage to the Triple A is an unhappy commentary on their

lack of regard for facts. The records show that the feed shortage would have been infinitely more acute except for the Adjustment programs.

Let us review briefly what happened.

The adjustment programs were designed in the first place to take land out of production of surplus crops and put it into crops which were needed, principally pasture and forage. When the drought struck, the farmers who had conserved moisture in their rented acres by summer-fallowing had land especially conditioned for producing forage and they were encouraged to plant that acreage to the limit. It was roughly estimated that more than 6 million tons of hay were added to the nation's supply, as a result of this encouraged shift from

basic commodities to hay and forage production.

Farmers were encouraged to salvage feed in surplus areas which might have gone to waste by the government's agreeing to pay a set price for corn stover and fodder on quantities within allotments remaining unsold on the farm on April 1, this spring. It is estimated that fully 1,000,000 tons of this type of forage substitute have been conserved as a result of this effort.

The best possible distribution of feed supplies to drought areas was facilitated through the establishment of the Kansas City Livestock Feed Agency, and this service has resulted in the listing of approximately 2,000,000 tons of hay and other roughage as available. While this

latter effort has not actually created any additional feed it has made feed available which otherwise might not have been used to best advantage.

The greatest factor, of course, in the Adjustment Administration's emergency effort to alleviate the feed shortage caused by the disastrous drought has been the downward adjustment in livestock numbers. This was accomplished through the direct buying of cattle and sheep in drought areas; the reduction in hog numbers through the emergency hog purchase program of 1933, and the reduced farrowings in 1934; and the shifting of cattle from drought areas to feed surplus areas. These measures were necessitated by the emergency.

#### Production Cycles

History shows that the cattle industry has been subject to cycles of production that have repeated themselves over and over again. The upswing of the cycle soars recklessly to a peak of production and then crashes with the collapse of price, dragging to ruin thousands of rugged cattlemen in the process. Following the crash there is always, in these ruthless cycles, a period of decreased production that is the ultimate aftermath, induced by this primitive method of "production control." It has been the experience of the industry for years. It exacts a fearful toll of ruined cattlemen, but by the law of the jungle and the range the rugged winners glory in that price, and the victims do not count. They are the forgotten men.

For six years before 1934 the cattle industry was on one of these production benders, riding to the inevitable and certain fall. For these six years, our cattlemen had been producing annually from 1,000,000 to 1,500,000 head of cattle more than they had sold. The cattle population had increased by about 20 per cent. To make matters worse, most of the increase in numbers was in cows and heifers. The number of breeding cows on hand rose to the largest in our history—and this is a period when all other production except agricultural was decreasing, when domestic and foreign markets were weak. The cattlemen expressed their individuality by increasing production when all of society outside of agriculture was cutting down. Individually they were helpless in the condition; individually they could do nothing about it.

When the Agricultural Adjustment Act was being considered for passage in

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## Loans on Farm-Stored Corn

**T**HE PROVISION for Government loans on corn stored on the farm in surplus-producing areas definitely will be a part of the corn-hog adjustment program for 1935, it was announced by Administrator Chester C. Davis.

In a speech before the Illinois Agricultural Association at Quincy, Ill., Mr. Davis said: ". . . I want to announce definitely that provision for corn loans will be an essential part of our corn-hog program for 1935. Just as last year, only farmers who sign the corn-hog contract soon to be offered will be eligible for these loans. But by this I do *not* mean that the amount of the loan will be the same. The amount to be loaned per bushel this year has not been determined, and cannot be until later in the season when the essential facts have developed in regard to probable production and feed requirements.'

Although not a part of the 1935 corn-hog contract, a Government corn loan program which would be available next fall only to those producers and landlords who signed the 1935 corn-hog contract has been under consideration for several weeks, and loan agency arrangements and other details are being prepared.

"Since its inauguration in the fall of 1933, Government lending on farm-stored corn has proven very satisfactory and is now recognized as a valuable device for carrying surpluses from one year to another, *provided it is coupled*

*with sound production control,"* Dr. A. G. Black, chief of the corn-hog section of the Agricultural Adjustment Administration, commented when definite plans for the loan were discussed.

"The corn loan program is an important supplement to the corn-hog adjustment program," he said. "It will aid contract signers in a financial way and will be an additional factor in steadying production and prices.

"In planning to make loans on farm-stored corn and by tying the loan program to production control, the Government is, in effect, inaugurating the 'ever-normal granary' policy," Dr. Black pointed out. "Contracting producers are enabled to carry adequate reserve supplies over to following seasons, thus preventing excessive marketing of corn and depression of corn prices. In following adjustment programs corn plantings can be regulated in accordance with these storage supplies and by prospective future requirements.

"In event of anything like normal weather in 1935, there will be plenty of corn raised in this country for reserve supplies," he said. "The maximum acreage of corn which may be planted by contract signers was increased this year from 80 per cent of the 1932-33 average acreage up to 90 per cent of this two-year base in order that farmers might have such a margin. Besides, the contract signers have unlimited use of the acres shifted from corn."



## R - A - D - I - O

# "Financial News and Views"

*This program, sponsored weekly by The De Puy Banking and Insurance Publications, was presented over Station WHO, Des Moines, on Saturday evening, February 2, by Ralph W. Moorhead, associate publisher of The Northwestern Banker, Des Moines, and the Central Western Banker, Omaha, assisted by Francis Robinson. The feature of this program is an interview by Mr. Robinson with J. H. Peterman, president of the Page County State Bank of Clarinda, Iowa, who answers questions on*

## "How Your Bank Is Examined"

**R**OBINSON: Tell me, how are banks examined? Is a bank examination of any particular benefit to the depositor?

Moorhead: Those are two important questions, Frank, and the depositor deserves to have them answered. For that reason, we are presenting tonight a man who can tell us all about "How Your Bank Is Examined." May I introduce you to Mr. J. H. Peterman, president of the Page County State Bank at Clarinda, Iowa, now a banker, but formerly a bank examiner. Mr. Peterman is here to answer any questions you may have on bank examinations.

Robinson: Thank you, Ralph, I *would* like to ask a few questions, and good evening, Mr. Peterman.

Peterman: Good evening, Mr. Robinson, and *what* do you want to know about bank examinations?

Robinson: First of all, Mr. Peterman, what is a bank examiner?

Peterman: There are two kinds of bank examiners, Mr. Robinson—state bank examiners and national bank examiners.

Robinson: I presume the national bank examiner examines national banks, and the state bank examiner is concerned only with state banks. Is that correct?

Peterman: Yes, that's right. A national bank examiner is appointed by the comptroller of currency. He is bonded and employed by the National Bank Department. The state bank examiner is a bonded employee of the state. In most states he is appointed by the State Banking Superintendent and approved by the State Banking Board.

Robinson: Just what are the duties of a bank examiner?

Peterman: The bank examiner is really the guardian of a community's financial health. He is like a commissioner of health, who protects us from impure water or milk and epidemics. The bank examiner protects our financial well being.

Robinson: How can the examiner do that, Mr. Peterman?

Peterman: It is his duty to examine the policies and the methods of the bank. He must analyze its assets, diagnose its financial ailments, if any, and prescribe a remedy, if he finds anything wrong. In that way, he directly serves the depositors and the entire community in which the bank is located.

Robinson: Who pays the cost of a bank examiner? Does the depositor in any way share in this expense?

Peterman: Certainly not. The cost

of the examination is paid by the bank and the fee is based on the amount of the bank's assets.

Robinson: Tell me, please, can anyone be a bank examiner?

Peterman: No, indeed. Under the Iowa law, which I think is similar in many other states, an examiner must have had at least three years of actual banking experience.

Robinson: Is there any further training necessary?

Peterman: Yes. He is not made a full-fledged bank examiner immediately. Instead he first becomes an assistant for a certain period of time under an experienced examiner.

Robinson: I see. Now, how often are banks examined?

Peterman: In most states, every state bank must be examined at least once a year. In many states like Iowa, as a matter of practice, banks are examined not less than twice a year. You also understand, Mr. Robinson, similar examinations by competent examiners are made among the National Banks by the National Banking Department.

Robinson: Yes, I understand that. Now here is another question. What is the primary reason for a bank examination?

## Important Notice!

*The regular Saturday evening broadcast of "Financial News and Views," sponsored by The Central Western Banker, over Station WHO, Des Moines, has been changed from 6:30 to 6:45, C. S. T., to 6:45 to 7:00 p. m.*

Peterman: Banks are examined to make sure that sound policies and practices are being followed and honest methods employed. The examiner must see that there are always sufficient good assets to take care of all the bank's deposits and other liabilities. State banks are examined by the state and national banks by the federal government, primarily for the purpose of protecting the depositor.

Robinson: I remember in my college days, just before an examination, we usually did a little "cramming" to get ready for the test. Are banks permitted to prepare in any way for their examination?

Peterman: They certainly are not. The bank is never notified as to when an examiner will arrive.

Robinson: Well, why aren't they notified?

Peterman: The examiner wants to obtain an unprejudiced picture of the daily conduct of the bank. This does not reflect in any way on the bank's honesty or integrity. As a matter of fact, the banker is just like a good housewife, who will certainly dust the furniture and put on a clean apron if she knows that company is coming. Bankers are not able to do this and the examiner invariably drops in when you least expect him.

Robinson: Just what authority does the examiner have?

Peterman: He has complete authority to investigate all the assets, books and records of the bank under examination and can spend any amount of time analyzing them.

Robinson: Then tell me, what does an examiner do when he steps into your bank?

Peterman: The first thing he does is to present his credentials to the executive officer of the bank, because he must prove his authority. The examiner and his assistants immediately take charge of specific duties. One assistant may seal up all the books, collateral and bond files, safe, vault and other containers. Counting the cash is always the first thing to be done. If the bank is large, and there are two or more examiners, they always cooperate in doing this job. The chief examiner, however, usually takes charge of the note cage and all bills receivable.

Robinson: Would you say, Mr. Peterman, that most bank examiners are quite thorough in their work?

Peterman: Yes, indeed, they are. The first thing the examiner wants to know is that there are enough cash, notes and other assets to equal the deposits and other liabilities. If a shortage in these items is discovered, he immediately seeks to find the cause.

Robinson: Let us suppose that the books balance correctly. What is the next step in the examination?

Peterman: The examiner then analyzes the quality of the assets to see if there are enough good assets to equal the liabilities.

Robinson: Suppose, Mr. Peterman, some of the bank's assets are found to be worth less than their face value. What happens then?

Peterman: If a total of such assets is greater than the total profit and surplus, the bank has an impaired capital. If the doubtful assets are more than the surplus, undivided profits and capital combined, the bank is actually insolvent and steps must be taken at once to restore its capital.

Robinson: You say that the examiner analyzes each and every note? How can be made such an analysis?

Peterman: This is comparatively easy, if the note is secured by collateral. If the collateral, such as bonds or stocks, has a known market value, it is still easier to analyze.

Robinson: In what other ways does the examiner examine a note?

Peterman: The next method of verification is the signed financial statement of the borrower.

Robinson: Oh, now I begin to see why my bank made me fill out those financial statements!

Peterman: Yes, your bank had a purpose in mind. A carefully prepared financial statement, Mr. Robinson, is ordinarily a good way to check on a borrower's ability to repay a loan. The borrower's history as to reduction of his loan, interest payments, renewals and the frequency of payment of the loan in full, is carefully considered by the examiner in analyzing a note.

Robinson: Supposing, however, Mr. Peterman, the examiner comes across a note or mortgage secured by property. How can he determine its value as security?

Peterman: In that case the bank examiner must actually either inspect the property or make a discreet and judicious investigation as to its actual value.

And here's another point. If the examiner has any reason to question a book entry, he must carefully audit such an account and may even call on the party in question to verify it.

Robinson: This one will interest our listeners. Is a bank examiner permitted to accept any special favors from the officers of the bank he is examining? In other words, may one bank be examined more thoroughly than another through any influence on the part of the banker?

Peterman: I am glad you brought up that point. The great majority of bankers are conscientious and honest. In the few cases where this may occur, I know from my own experience that the capable examiner can detect such an attitude instantly. As might be expected, such an attitude always makes the examiner more alert and thorough in his examination.

Robinson: Isn't it true that periodic bank examinations directly protect and benefit the depositor?

Peterman: Indeed they do. The depositor and banker are both directly benefited by the examination. Every up-to-date banker is constantly seeking new methods and advice on how to improve his bank. The examiner, who is familiar with how many other banks are operating, can give the banker such advice.

Robinson: Can you illustrate this point, Mr. Peterman?

Peterman: Through constant experience in analyzing loans, the examiner can sometimes prove to a banker that he has some questionable paper. He may then suggest that stockholders of the bank, by voluntary contribution, should donate to cover a possible loss.

Robinson: Do you mean to say that bank officers and stockholders have made up bank losses through cash donations?

Peterman: I certainly do. In hundreds of banks throughout this country during the past few years, bankers and stockholders have voluntarily donated personal funds and in some cases their entire fortunes, to keep their banks solvent. I know of one little bank whose loyal stockholders put in \$140,000 of their own money to strengthen their bank. Instances where 10 to 50 thousand dollars have been voluntarily raised are quite numerous.

Robinson: Tell me, Mr. Peterman, under such thorough examination, how

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# Every Banking Service

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# Progress of the BETTER HOUSING CAMPAIGN

THE Better Housing Program of the Federal Housing Administration began the new year by passing the two hundred million mark in the value of modernization and repair work created by the program. More than thirty million dollars has been loaned by private concerns for this purpose; and hundreds of thousands of enthusiastic reports of increased business and employment have been received by Federal Housing Administration headquarters. The program started six months ago.

It is conservatively estimated that a total of \$211,847,655 worth of repairs and modernization has been stimulated by the Better Housing Program from the beginning of the drive last August to January 5. This is an increase of \$13,854,771 over the preceding week's estimate. Much of this amount represents cash work, as the total amount of loans reported to January 5 was \$31,526,547, or an increase of \$1,407,643 for the week ending on that date. 75,113 loans had been reported to January 5, making the week's increase 3,214. Financial organizations continue to obtain contracts entitling them to lend under the Modernization Credit Plan. 65 obtained contracts during the week ending January 5, bringing the total number to 11,997. There were, on that date, 4,953 community campaigns either organized or about to be organized. This represents an increase of 93 over the week before.

## In the West

The Oakland, Calif., Better Housing Campaign is passing the \$10,000,000 goal in pledges.

A marked increase in building permits issued in Salt Lake City and Logan, Utah, during the three months ending November 30, 1934, over the corresponding period for 1933 is reported. During September, October and November, 1934, 319 permits were issued in Salt Lake City with a value of \$200,994. During the same period in 1933, permits had a total value of \$118,889. In Logan, the value of permits for the quarter ending November 30, 1933, was

\$8,371 and for the same period in 1934, \$15,098.

The Community Chairman for Albuquerque, N. M., reports that as a result of the house-to-house canvass approximately \$160,000 worth of modernization work is actually in progress.

Modernization work valued at \$83,850 has been pledged as a result of the house-to-house canvass in Valley City, N. D. In addition to this amount \$29,590 worth of cash repairs have already been undertaken as a result of the Better Housing Campaign.

## In the Southwest

The city building clerk of Houston, Texas, reported on December 29 that the total value of construction permits for the year was \$4,756,450. It was expected that the total for the whole year would exceed 1933 construction records by approximately \$1,500,000.

From southwestern Texas comes the report that in Bexar County, in which San Antonio is the largest city, the estimated dollar value of repair or modernization jobs to be undertaken as a result of the field canvass to date is \$812,800.

Building permits in Tulsa, Okla., through November, 1934, are 90 per cent up over the same period in 1933.

## In the Middle West

Milwaukee, during the period from September 20 to December 15, showed a 346 per cent gain over the same period, 1933, in building permit value.

A 296 per cent gain has been reported for Chicago, suburban building permits in November, 1934, over the same month of 1933, with a 49 per cent rise over October, 1934.

The St. Louis Better Housing Campaign is far past the \$10,000,000 goal in pledges in approximately two-thirds of the time originally scheduled.

1,400 building trades workers are back at work in St. Paul as a result of the Federal Housing Administration drive there.

An estimated \$533,800 worth of repair or modernization work will be undertaken in Des Moines as a result of

the canvass to date, according to the Associate State Director for Iowa.

In Minneapolis, building permits during '34 exceeded those of '33 by more than a half million dollars.

Building permits in Twin Falls, Idaho, amounted to \$85,000 for the past three months as against \$1,700 for the same period of 1933.

## Business

The Tulsa, Okla., Federal Housing office calls attention to the fact that a white spot (indicating fair business conditions) appears on the Nation's Business map in virtually every vicinity where there is a Federal Housing Administration office, and that there has been an upturn since November 1 when these offices were established.

The Modern Building Company, Baltimore, states that through the aid of modernization loans it did 50 per cent more business in the fall months of this year than for some years past.

In a recent issue of Time, it was stated that "Building supply companies, aided by government's remodeling drive, reported sales up as much as 150 per cent."

The Executive Secretary of the Chicago Better Housing Committee reports that a check made on lumber concerns in his city shows an average increase of 30 per cent in business in the months of October and November, 1934, over the same months in 1933.

The secretary-treasurer of the George E. Breece Lumber Company of Albuquerque, N. M., has reported to the Executive Assistant for New Mexico that his business is "ten times better" than at any previous time since 1929.

The Los Angeles Better Housing Committee reports that in addition to the 13,718 repair or modernization jobs with an estimated dollar value of \$2,890,780 obtained in the canvass, which is now about 25 per cent completed, a large volume of household equipment business has been developed. The committee estimates that more than 3,500 items of household equipment with a dollar value of \$179,950 will be sold as a result of the canvass to date.





# BONDS AND INVESTMENTS

## THE BUSINESS OUTLOOK

**I**T IS encouraging that business conditions now are better than they were a year ago, but it is disquieting that despite their improvement they are fundamentally closely similar to those that prevailed early last year. The improvement is clearly shown in the basic factors of employment, production, and trade. Business activity was expanding in the early weeks of last year, as it is now, but this time it is doing so at higher levels. The latest month for which we have complete figures in most of the important series is December, 1934, which we may compare with December of 1933.

The volume of industrial production moved up last year from 69 in December of 1933 to 77 in December of 1934. Factory employment increased from 74 to 78, and payrolls from 55 to 63. Freight loadings went from 56 to 66, and the value of department store sales from 121 to 133. These are all important increases, and they are considerable in amount. All the data are from the federal indexes, in which the average for 1923, 1924, and 1925 is taken as equal to 100, and all are data that have not been corrected for seasonal variations. The relative advances have been at least largely maintained in January and February.

**R**ETAINING the gold standard or leaving it seems to have had little effect on the progress of recovery if one may judge the results so far by the average

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

experience of groups of nations that have followed the two opposing policies. The matter has been much discussed during recent weeks while our gold cases have been under legal consideration at Washington, and the assumption seems generally to be made that business recovery is going better in those countries that have abandoned their pre-depression gold standards, and are now measuring their prices in newly depreciated money.

**E**VEN DURING hard times Americans give to gasoline a foremost rank among the necessities of life. This may seem to be an amusing fact rather than an impressive one, but it is in reality one of the important economic developments of the depression. It has already become clear that the vigorous expansion of production by the automobile industry has been the most important single factor in the recovery that has so far taken place. The development which we need most is a large increase in the volume of residential construction, but the one that we are getting is a strong advance in the output of automobiles.

If we turn from the consideration of such important purchases as those of new automobiles and new homes to the smaller ones of individual consumption goods, we find that the same sort of preference is operative. The production of

gasoline has held up during this depression far better than that of clothing, or shoes, or of processed foods, and has made during 1934 a new high record. Moreover, gasoline consumption did not show any depression reduction until 1932 and 1933, and it has already recovered all the lost ground and something more.

**R**EVISED ESTIMATES of the national income for years from 1929 through 1932 have recently been published by the Department of Commerce, together with a preliminary estimate for 1933. The new report, like all previous ones, gives annual figures only, for many of the data used in such estimates are available only in annual reports, and then not until a good many months after the end of the latest year in the series.

**A** CONSTANT formula without any adjustments has been used in computing the data for the entire six years, so it seems safe to assume that the average shown for 1934 closely approximates the figure which the federal estimate would show if it could be available now instead of about a year from now. The figures indicate that there was an almost continuous decline in income from October of 1929, during the stock market collapse, to March of 1933 at the time of the bank crisis, and an irregular but considerable advance since then. The lowest year was 1933, and by the end of 1934 the recovery had carried income back to the levels of early 1932.

### Important Notice!

*The regular Saturday evening broadcast of "Financial News and Views," sponsored by The Central Western Banker, over Station WHO, Des Moines, has been changed from 6:30 to 6:45, C. S. T., to 6:45 to 7:00 p. m.*

## WHY YOUR INTEREST HAS BEEN REDUCED

(Continued from page 4)

impossible to collect loans when they are due.

Bob: Yes, I know that's true — just like some of our slow grocery accounts.

Harry: Now, some banks have had to take over properties that were put up as security on loans. This means that some of the bank's funds are not producing income.

Bob: Well, can't a bank loan out money profitably these days?

Harry: Banks *are* making loans today. But you know that fewer good loans are available now than in normal times. Also, a bank today is unable to earn as much on its investments as in past years. You know something about the law of supply and demand, don't you?

Bob: Yes, Harry. It even affects the price of prunes.

Harry: Well, it also affects banking. Money rates have dropped on account of the increased supply of money available for loans and fewer good borrowers who want loans. Now do you see the similarity between the bank and the grocery business?

Bob: Yes, I'm beginning to see it.

Harry: So, the depositor must take a cut in his interest rates, because the banker has already taken a reduction in his interest returns.

Bob: Oh, I see it now. Just a sen-

sible way to equalize the reduction. Is that what you mean?

Harry: Yes, the banker has the same problem that all merchants are facing. He's getting a smaller return on the money he puts to work. The banker can pay you only with the money he receives when he puts your money to work. When he receives less, he's compelled to pay you less, and so —

Bob: And so —

Harry: That's why the bank had to reduce the interest rate on your savings account.

Bob: Well, that sounds fair enough.

Harry: Are you sure you understand it now?

Bob: I certainly do — and thanks for the explanation.

Harry: Attaboy, Bob. Now, what do you say, let's go out and eat!

## MEETING THE FARMERS PROBLEMS

(Continued from page 6)

the spring of 1933 the cycle had not yet reached its peak and the cattlemen were still in the fever of rising production. Undoubtedly, many of the ranchers and feeders wanted beef cattle to be included as one of the basic commodities mentioned in the Act so that a planned production control could be substituted for the ruthless method of the past.

But, under the influence of some men of prominence in the industry, the cattlemen kept beef cattle from being

named a basic commodity when the Act was passed in May, 1933. They still had to expect "reduced production" when the crash would finally come, but the rugged leaders preferred the laissez-faire method, a reduction that was postponed but inevitable.

What was the result? The cycle ran true. The average farm price of beef cattle in 1933, which was \$3.63 per hundred, was the lowest in this century, the lowest in 34 years.

The crash had come, and liquidation had begun. Federally inspected slaughter for the first three months in 1934 was larger than for the same period in any year since 1919.

In April the cattlemen withdrew their objection and the Act was amended to include beef cattle as one of the basic commodities.

It is upon the possession by the people of America of these economic facts that the future of American agriculture depends. The Agricultural Adjustment Act is a vehicle that has been placed here by the government to enable the people of the United States to express themselves in action for the good of agriculture. To obstruct this expression through warping a true understanding of the facts connected with this vital program is to betray agriculture and to delay our national recovery.

To keep informed in the broad and fertile field of the economic facts that surround the problems and possibilities of agriculture is the part of wisdom and of good citizenship. The American Farm Bureau Federation has historically served in this field. If the American farmers will face the facts as they exist and return the key decisions as the need for these decisions arises, free from political or class or geographical prejudice, an economic democracy can bring an economic happiness and prosperity. That is my wish for you for 1935.

## HOW YOUR BANK IS EXAMINED

(Continued from page 8)

did some banks come to possess poor paper during the past five years?

Peterman: Even the best examiner couldn't always tell whether a note would be good or bad a year later in the period we've just gone through. Take a farm mortgage, for example. What intelligent investor would ever have thought a good piece of farm land would go down to one-third or even one-fourth of its former price? With almost every

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investment declining in value, wouldn't it be a strange thing if bank assets consisting largely of notes, didn't likewise change in value in spite of every possible precaution on the part of the bank?

Robinson: Yes, I see your point. Now, our time is about up, Mr. Peterman, and in conclusion, can you give us your personal opinion as to the value of a bank examination?

Peterman: The bank examination, first and last, is for the benefit of the depositor. From the bank's standpoint, it is not a necessary evil, but a necessary good. So long as our examiners are competent and impartial, we, as bankers, will welcome these yearly visits. They bring us valuable advice and helpful criticisms. In my opinion, every banker should heartily welcome the bank examiner.

Robinson: Thank you, Mr. Peterman, for this fine information.

## Practical Old-Age Pension

One of the most important phases of the life insurance business during the past decade has been a drop in the percentage of life insurance funds going to the beneficiaries of dead policyholders, accompanied by a rise in the percentage going to living policyholders. Where, twenty years ago, a majority of payments were for death claims, the majority is now for annuity payments, matured endowments, dividends and disability benefits, which are collected by the person who bought the policy in the first place and whose thrift and foresight kept it in force.

During 1934, for example, United States life insurance companies distributed the gigantic sum of \$2,700,000,000 to policyholders and beneficiaries. Of this total, \$1,800,000,000 went to living policyholders, and but \$900,000,000 to beneficiaries.

This accentuates the changed aspect of life insurance—the people no longer regard it as being merely a way of protecting dependents in case of the wage-earner's death. They regard it as being a definite investment, as a means of protecting themselves in old age. They use it to educate children, to build estates, to guard against business reverses, and for a multitude of other necessary purposes.

The upshot of this change is the gradual building up of an economic bulwark that will be a great protection against unknown exigencies of the future.

## Bancorporation Official Acquitted

The many friends of J. Cameron Thomson, president of the Northwest Bancorporation, are pleased indeed that he has been completely exonerated in the second degree larceny case which has been going through the courts for the past several months. His acquittal came in the Clay County District Court at Moorhead, Minnesota.

In a statement following the acquittal verdict, Mr. Thomson said:

"I am deeply grateful to the people of Clay county and to this jury for the decision reached today, not only for myself but for the other persons listed as defendants in this case.

"The verdict is a vindication of the Bancorporation and, in consideration of the decision of the Hennepin county grand jury and the investigation conducted during the last fourteen months, it makes the vindication complete."

With reference to the Northwest Bancorporation, the *Minneapolis Journal* said, in a recent editorial:

"Yet the corporations are solvent today, and not a bank under group con-



J. CAMERON THOMSON

trol has had to close its doors. This has meant a great deal to the communities in which the banks operate. Losses to stockholders have been grievous, but the banks are strong and sound today. The losses sustained have been nothing to compare with losses to depositors and the blows to entire communities which



## You and 669 others

Each second, on the average, 670 of you pick up your Bell telephones. You start on voice trips across city, state or continent. This steady stream of conversations averages more than 58,000,000 daily. To deliver speedily and safely this conversational load, dependable equipment and alert Bell System personnel are always ready to swing into action.



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would have resulted from bank failures. That such calamities have been avoided in the Northwest should go far to offset the losses in stock values and dividends."

Since Mr. Thomson's vindication, it is not thought likely that the state will follow up the charges placed against the seventeen defendants in the case.

## Going Up

American industry, at the end of 1934, was operating at a rate nearly one and one-half times the mid-1932 rate, or only one-third below the boom level of 1929, Frederick H. Ecker, president of the Metropolitan Life Insurance company, said recently, as he reviewed the economic and financial aspects of the year. During the month of December, 1934, he said, the rate was only 15 per cent less than for the years 1923-1925.

"That progress has been made toward business recovery cannot be gainsaid," Mr. Ecker said. "The improvement is no doubt attributable both to the operation of natural economic forces and to certain steps taken by the Federal administration. That the two have brought about a very definite improvement, both in fact and in the state of mind of the nation cannot be questioned."

## Why Kill the Goose?

Government is maintained by taxation on industry.

The pay of public officials comes from the taxes that are taken from industry.

Then, why do so many public officials seek to gain popularity by attacking industry?

The simplest reasoning indicates the insanity of such a procedure.

Government in competition with private business can lead to but one end—

destruction of private business, which means destruction of taxable resources of government.

Destruction of private business means destruction of constitutional rights.

No bit of liberty that is given up by a people as bureaucracy encroaches on individual rights, is ever regained except by pain and suffering.

The problem of upholding constitutional rights, or defending personal liberties and private property from the grasping hand of politics, is not a partisan issue, it is a personal matter to every citizen.

It makes no difference under what guise liberty and private enterprise are destroyed, the common people suffer and pay for the privileged, political class that profits.

Personal liberty is indeed a priceless heritage which should never be willingly exchanged for a mess of political pottage and patronage that destroys private enterprise.

## An Augury of Better Times

Reports from mining regions chronicle the development of a large number of new properties, as well as the reopening of old mines.

The gold "boom" is largely responsible for this activity, but other metals share in the improvement. Silver, copper and lead seem bound for better times, after long, lean years in which there was little demand, and prices remained at bottom levels. Now the sound of drills and the whirl of heavy machinery again resounds in places that, until a short time ago, were desolate and deserted.

Stimulated mining activity will be felt throughout the whole country—all mining creates new wealth, as well as

jobs and opportunities and investments. The evidence of an improved mining future is one of the best recovery indicators.

## Expansion

The *Annalist* reports that sustained expansion in steel output continues to dominate the business outlook. Practically all steel users are increasing their orders, with the automobile industry showing the greatest advance in demand for ingots.

Also encouraging is a substantial, sustained upturn in construction contracts—the building industry was hit hardest of all by depression, has been the slowest to pick up.

The *Wall Street Journal* reports a rise in the net profits of some leading power and light utilities—this industry, for the past few years, has been selling more power, yet has earned smaller profits, due to higher costs of all kinds, and soaring taxation. Electric appliance manufacturers are finding a broadening market for their products.

The general business index is at about 65 per cent of normal.

## Old American Custom

"The Dance of the Sleeping Children," performed in Bali, is one of the world's strangest rituals. Before a large audience, several girl priestesses are made unconscious by a narcotic, and then placed on their feet. Steadied by some uncanny power, they perform their dance in time with the music, moving all parts of their bodies except their feet, while in a complete trance.—*Collier's*.

Yeah, but you don't have to go to Bali to see all this.

# Short Term Notes

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# INSURANCE

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## Financial News and Views

*This program is the ninth of a series of weekly broadcasts presented by the De Puy Insurance and Banking Publications, at 6:45 to 7:00 p. m. every Saturday evening over station WHO, Des Moines. Presented here is the program of February 9, in which Ralph W. Moorhead, associate publisher of The Central Western Banker, is interviewed by Francis Robinson. The feature of this broadcast is a discussion by George T. Carlin, educational director for the Central Life Assurance Society, Des Moines, on*

### “How Your Life Insurance Proceeds Should Be Paid”

**R**OBINSON: Tell me, Mr. Moorhead—isn't there some way for a policyholder to have his life insurance proceeds paid on an income instead of in a lump sum plan and protect his widow from investment misfortune?

Moorhead: Yes, there is *such* a plan. In fact, life insurance companies have wisely provided their policyholders with *many ways* to safeguard their beneficiaries. The various methods by which you can have the proceeds of your policy paid are known as “options of settlement.” Would you like to know more about this subject?

Robinson: Indeed I would, and I'm sure our listeners would, too.

Moorhead: All right, Frank. We have asked George T. Carlin, Educational Director for the Central Life Assurance Society of Des Moines, to be interviewed during tonight's broadcast on the subject “How Your Life Insurance Proceeds Should Be Paid.” May I introduce you to Mr. Carlin, who will be happy to give you full information on this very important subject?

Robinson: Thank you, Ralph, and good evening, Mr. Carlin.

Carlin: Good evening, Mr. Robinson. How life insurance proceeds should be paid is of vital importance to every policyholder. I'll be very glad to answer your questions.

Robinson: Well, first of all, Mr. Carlin, how are the proceeds of a life insurance policy usually paid?

Carlin: Most life insurance proceeds, Mr. Robinson, are either paid in lump sum or on an income basis.

Robinson: What do you mean by lump sum?

Carlin: By that we mean the payment of a policy in full, immediately after the death of the policyholder. On the other hand, through an income settlement, the policyholder may leave his policy proceeds with the company to be paid in stipulated amounts over a certain period of time.

Robinson: Which method is the most common?

Carlin: The proceeds of most policies at present are paid in lump sum. However, the trend is definitely toward the income basis. In the Central Life of Iowa, for example, 17 per cent of our total death claims are now being

paid on an income rather than a lump sum basis. A few years ago, almost all settlements were on the lump sum plan.

Robinson: Why is a life insurance company interested in how the proceeds of a policy are paid?

Carlin: We consider it our duty to advise every policyholder of the options of settlement available to him. In fact, we stress these options. If the method of settlement is made to fit each policyholder, then we know that the insurance has been correctly sold to answer a definite need.

Robinson: That is a good point, I am sure. Now, Mr. Carlin, how long have these optional methods of settlement been available to policyholders?

Carlin: Such options have been available for the past 30 years but only in recent years has their value been fully recognized.

Robinson: Can you tell me why there now seems to be a trend away from the lump sum toward income settlement?

Carlin: In the old days, Mr. Robinson, when life insurance was comparatively new, the average policy was sold to cover final expenses, debts and mort-

gages. While these were and still are important items in a life insurance program, we have come to realize some other tremendously important economic needs.

Robinson: Just what economic needs do you have in mind?

Carlin: A definite income for the wife, the maintenance of a home and educational funds for the children, as well as retirement income, are some of the things I have in mind.

Robinson: Does a life insurance com-

pany prefer to pay in a lump sum rather than on an income basis, Mr. Carlin?

Carlin: The company has no preference whatever. We favor lump sum settlements to take care of specific and immediate needs. But if you own a policy or policies over and above those needs, we certainly recommend some income settlements.

Robinson: Does the average beneficiary, a widow for example, appreciate the income method of payment?

Carlin: Yes, indeed, Mr. Robinson.

The income plan safeguards a beneficiary in just such a case as you mentioned earlier in your broadcast—the story of the widow who lost all of her life insurance money in bad oil stock. Many beneficiaries are unskilled in the investment of funds. If left to them in lump sum, insurance proceeds are too often dissipated and the whole purpose of the policy defeated.

Robinson: I presume you see cases like that quite often, don't you?

Carlin: Yes, we do. Only recently an attorney told me of a client who had died leaving his widow two hundred thousand dollars of life insurance. She invested the proceeds unwisely, lost every nickel of it and had just applied to this attorney for a clerical job in his office to earn her own living.

Robinson: That two hundred thousand would have provided her with a splendid income, wouldn't it? Now, Mr. Carlin, what are the most common income settlements?

Carlin: There are three general plans for income settlements. First, leave the entire proceeds of the policy with the company on interest. Second, have your proceeds paid in monthly installments for a specified number of years. Third, have your policy proceeds paid to your beneficiary as a life income with a definite number of payments guaranteed.

Robinson: Can a policyholder change his method of settlement at any time?

Carlin: Yes, he has that privilege. His economic needs may change overnight and he should change his settlements accordingly. In fact, we urge our agents to contact their policyholders quite often just to take care of such changes.

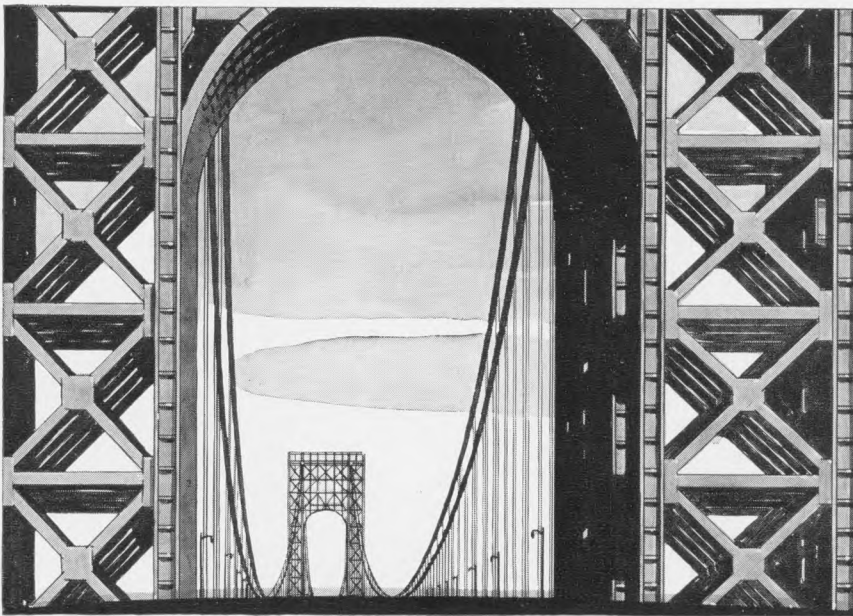
Robinson: Mr. Carlin, can the proceeds of one particular policy be arranged to cover more than one specific need?

Carlin: Yes, they can. One policy, for example, may have a combination of several methods of settlement. It may provide a monthly income to Mother, a yearly income for son John until he is twenty-one, a lump sum to daughter Mary when she is eighteen and lump sums for other purposes. That is one of the outstanding features of life insurance—the amazing ways in which it can serve the policyholder.

Robinson: Tell me, please, is the income plan possible on large policies only?

Carlin: Oh, no, you can arrange income settlement on any policy, large or small. A well-built life insurance pro-

(Continued on page 22)



George Washington Hudson River Bridge

# STOLEN!

## Enough to build 6 bridges

**F**orgers collected over \$300,000,000 from America's banks and business during 1934.\*

This form of crime is a constant menace to all banks. Any of the billions of checks cleared annually may be a spurious reproduction, an altered instrument—or bear a forged endorsement. Yet bank officers and employees have the task of sifting the false from the genuine—an onerous duty and a hazardous responsibility.

This burden is lightened immeasurably when depositors, large and small, pro-

tect themselves against losses due to forgery and alteration of their checks through National Surety Depositors' Forgery Bonds. This insurance not only covers the depositor, but indemnifies the bank on which the check is drawn.

Realizing the value of this protection, many banks are actively cooperating with National Surety representatives in explaining Forgery Bonds to their depositors. You may wish to do likewise.

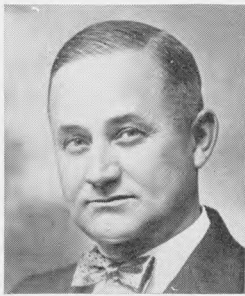
**There are National Surety representatives everywhere. Each is a specialist in Fidelity, Surety, Forgery and Burglary protection, thoroughly equipped to serve you.**

\*Estimated by National Retail Credit Men's Ass'n.

# NATIONAL SURETY CORPORATION

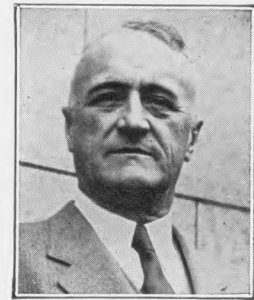
VINCENT CULLEN, PRESIDENT





**OTTO KOTOUČ, President  
Nebraska Bankers Association**

# Nebraska News



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

## Code Authority

If you have any complaint in connection with the purchase of a stock or bond, register it with the local or regional code authority.

That's the message brought to Omaha by Wallace H. Fulton, Washington, D. C., compliance director, in a talk before investment bankers at the Omaha club.

The meeting attended by 40 investment bankers from all parts of the state was presided over by H. C. Potter of the Burns, Potter & Co., Nebraska code authority. William Fowler, regional executive secretary of Chicago, was another speaker.

## New Building

H. S. Clouse, cashier of the Security State bank, Sumner, announces a new brick building, modern in design and fireproof, will rise soon where the old bank was destroyed by fire recently.

## County Meeting

The Cuming County Bankers held a meeting at the First National bank in Bancroft. Officers were elected for this year as follows: President, Aug. Leuthauser, Beemer; Vice President, A. G. Zuhlke, Bancroft; Secretary-Treasurer, Fred Wackel, West Point.

Out of county bankers present were Matt Pond, Lyons; Bert Rossiter, Walthill, and Emmett Rossiter, Hartington.

## New Bank

The new Columbus bank, for which a state charter was issued recently, has opened for business in the building formerly occupied by Farmers State bank, recently purchased by the new corporation.

J. H. Moeller, of Leigh, is cashier; R. V. Prokop, formerly of Creston and Hubbard, vice president; and Arthur King, formerly of Farmers State bank, assistant cashier. These men are in active charge. L. B. Fenner of Burwell is president, and W. E. Barkley, of Lincoln, is a stockholder.

## Returns

W. Clayton Clark, president of the Citizens State bank of Dorchester, who attended the annual meeting of the bank has returned to his home at Buda, Illinois.

## Annual Party

The women's committee of Omaha chapter, American Institute of Banking, held its annual card party Thursday evening, February 21, at the Fontenelle hotel.

Miss Margaret Grote was the chairman in charge of arrangements and her assistant Miss Dorothy Loring. Other members of the committee were the Misses Bessie Hoyt, Lucile Thornton, Claire Feldman, Frances Sheppard, Gladys Chamberlin, Minnie Vinardi, Margaret Shonyo, Florence Gaughran, Justina Fraser, Grace Parks, Margaret McNeely, Evangeline Swanson, Evelyn Fuxa, Lisetta Smith, Margaret Otto, Madge Allensworth, Helen Wickham and Ethel Mundt.

## Annual Meeting

The Orchard Co-Operative Credit association held its annual meeting at the bank recently. The following officers were elected. Board of directors: President, C. G. Mahood; Vice President, D. B. McNabb; Secretary-Treasurer, Florence Harmon; George Johnson and Cecil Lee; Credit Committee: A. N. Mahood, Roy Knapp and Homer Barton; Supervisory Committee: M. G. Strobe, Helen Aiken and Jesse Withee.

## New Bank

A group of Madison business men is planning the establishment of a new bank in that city. George Kolzow, former county clerk, is reported to represent outside capital. At a recent meeting of business men, Mr. Kolzow stated that approximately one-half the required capital of \$30,000 had been subscribed.

## Assistant

Appointment of Clarence G. Miles, Lincoln attorney, as assistant counsel for the state banking department at \$1,800 per year, has been announced by Governor Cochran and State Bank Superintendent Ben Saunders. The new legal aide, who is a democrat, began his duties at once. He takes the place vacated several months ago by Barlow Nye of Kearney, who resigned to become assistant United States district attorney for Nebraska.

The post of chief counsel to the banking department, now occupied temporarily by Franz C. Radke of Lincoln and Tecumseh, a holdover from the Bryan administration, has not been filled as yet by appointment of the present governor.

## To Norfolk

Mr. and Mrs. Herman Brase have gone to Norfolk to reside. Mr. Brase has a position with the Security State bank at that place.

## 20 Years

The Home State bank of Humboldt celebrated their twentieth birthday anniversary as an institution recently. In the window of the bank the bank officials placed a large basket of jonquils and during the day events of the past years of business were topics discussed. This bank opened twenty years ago in the Harding building on the south side of the city square with C. M. Linn as president, S. M. Philpot, vice president, and Otto Kotouc, cashier.

The officers are now Otto Kotouc, president; Frank Kotouc, vice president; Glenn D. Jenkins, cashier, and William Hynek, assistant cashier. In the earlier days of this bank, Ralph Philpot, G. C. Gandy and L. L. Davis, all of whom are now deceased held the position of vice president, all of them being numbered among the influential men of this vicinity.

## Colorado News

### Clearing Officers

Election of officers of the Colorado Springs Clearing House association resulted in the selection of Charles G. Graham, vice president of the Exchange National bank, as president. Other officers elected are: Willis R. Armstrong, president of the Colorado Springs National bank, vice president; Armin Barney, assistant cashier of the Colorado Springs National bank, secretary and treasurer.

### Regional Meeting

Representatives of banks in the towns of Eastern Colorado met in Hugo for a discussion of affairs relative to the banking regulations and election of officers for the Eastern Colorado Bankers association which was formed two years ago. A banquet was served those in attendance at Hotel Greymont at 6:30 o'clock, after which the business session of the association convened with the president of the association J. N. Quinn, cashier of the First National bank, Hugo, presiding.

### Promotions

C. C. Morris, cashier and trust officer of the Exchange National bank, Colorado Springs, has been promoted to the rank of vice president and trust officer of the institution.

Jasper D. Ackerman, assistant cashier, was promoted to the rank of cashier, and Walter W. Udick, formerly secretary-treasurer of the Colorado Title &

Trust company was elected assistant trust officer. Mr. Morris has been associated with the Exchange National bank for the past 30 years.

### Greeley

C. H. "Sparks" Alford was named recently as a new director of the First National bank, Greeley, succeeding the late Charles L. Lowell. All other directors were re-elected, these being William A. Bryans III, J. B. Cahill, C. J. Fitzsimons, A. C. Kluver, L. B. McBride and N. C. Warren.

These directors, chosen by stockholders are expected to meet in the near future and re-elect the present officers, Mr. Warren, president; Mr. Kluver, vice president, and Mr. McBride, cashier.

The annual stockholders meeting was delayed in order that formal action could be taken to meet requirements of the federal government in lowering the interest rate on \$50,000 RFC stock from 4 to 3½ per cent.

### Service Charges

Bank accounts have not been affected noticeably by the inauguration of greater service charges, Boulder bankers said.

"People are beginning to realize that these charges are necessary—a perfectly natural and business-like way to handle the arrangement," E. C. Hickman, cashier at the First National bank, said.

### Marked Increase

A marked increase in payments by check and in building activity in Colorado Springs last year is noted in the annual review of the Federal Reserve bank of Kansas City.

The year's payments by check totaled \$12,272,000 more than the amount for 1933. Last year, debits by Colorado Springs banks to individual accounts totaled \$134,014,000, whereas in 1933 they equaled only \$121,742,000. The increase was 19.5 per cent.

Building permits issued amounted to \$559,468 as compared to \$132,505 in 1933. There were 288 permits issued in 1934 and 295 in the preceding year.

### New Directors

The new directors were named at the recent annual election of officers of the Farmers State bank of Yuma. The are Roy Richardson and Harold Chrismer. The other directors who were re-elected are Roy Shepherd, Henry Gummer, A. C. Ashford, J. G. Lett and I. L. Rising. Mr. Shepherd was elected president, succeeding the late A. F. Barbezat, and Mr. Gummer was again chosen vice president.

### Banker's Wife Dies

Mrs. Elizabeth Kirchhof, widely known Denver society matron and wife of Frank Kirchhof, president of the American National bank, died at their home following several months of ill health and a heart attack in December. After her condition became alarming she rallied and was believed to be out of immediate danger until she suffered a relapse.

### Pueblo President

George F. Trotter, president of the Western National bank, has been re-elected president of the Pueblo Clearing House association. The other officers selected are Edward McCabe, re-elected vice president; Charles M. Thompson, re-elected secretary.

### Re-elected

Stockholders of the First National bank of Florence met for their annual meeting and re-elected all present officers and directors.

Reports at the meeting showed that the year just past was the most satisfactory from the standpoint of the bank management and bank condition of any for three years.

Officers named were M. D. Thatcher, adviser to the board; W. L. Morris, president; R. S. Gast, vice president and chairman of the board; R. R. Davis, cashier, and Miss Jean Donnelly, acting assistant cashier.

### 1935 Meeting

The 1935 annual convention of district No. 2 of the Colorado Bankers association will be held in Colorado Springs late in April or early in May. An attendance of more than 100 is ex-

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**LINCOLN, NEBRASKA**





pected. The district includes Colorado Springs, Pueblo and Arkansas Valley points.

Jefferson Hayes Davis, vice president of the First National bank of Colorado Springs, is district chairman of the organization. Frank E. Evans, vice president of the Colorado Savings bank is chairman of the committee on arrangements for the meeting.

#### Director

At the annual meeting of the stockholders of the First National bank of Limon, C. C. McMurray was elected a director in place of George R. Bailey. Other directors elected were R. T. Gates, Correy Gates, J. T. Osborne and A. C. Sinclair.

#### La Junta

The regular annual meetings of the two La Junta banks, the La Junta State bank and the Colorado Savings & Trust company, were held and the board of directors elected for the ensuing year.

The old board was re-elected at the La Junta State bank, as follows: R. N. Mason, Sr., J. E. McIver, John Richert, William Dickman, Walter Schertz. The officers are: President, John Richert; assistant cashiers, Hattie Dodd and E. S. Whitcomb.

One change was made in the board of directors at the Colorado Savings & Trust company, T. W. Sisson filling the place formerly held by C. E. Sabin. The members of the board are V. N. Llargerquist, Frances Rourke, T. W. Sisson, W. A. Hart, E. G. Woodbridge, W. S. Morrison, J. H. McDonald. The officers are, president, W. A. Morrison; vice presidents, W. A. Hart and E. G. Woodbridge; cashier, J. H. McDonald.

## Kansas News

#### County Meeting

The Miami County Bankers association held its annual election of officers and social meeting at the Paola County club following a seven o'clock dinner. Wade H. McDowell, cashier of the Citizens State bank, was chosen president of the organization, succeeding Charles V. Whiteford, president of the First National bank of Osawatomie. Other officers elected were Howard Wiseman, cashier of the American State bank, Osawatomie, vice president, and Morton D. Stevenson, cashier of the Miami County National bank, secretary-treasure. Mr. Stevenson is permanent secretary of the association having served since 1929.

#### In Marysville

The annual meeting of the Marshall County Bankers association was held in

Marysville with a large crowd in attendance.

At the election of officers for the coming year the following were elected: L. C. Winkler, Summerfield, President; Edward Mearo of Axtell, Vice President, and Olin Debert of Irving as Secretary. The executive committee appointed for the coming year were: G. F. Arganbright of Waterville, C. L. D. Koester of Marysville, J. H. Moore of Oketa, Edward Meara of Axtell, and J. E. Arnold of Frankfort.

#### County President

T. H. Higginson, cashier of the First National bank of Coffeyville, is the new president of the Montgomery County Bankers association, having been elected at the quarterly meeting held in Cherryvale.

E. E. Boys of the Independence State bank is the vice president and Fred Beal of the same institution is the secretary-treasurer.

#### Retires

E. A. Wharton, who is retiring from the board of directors of the First National bank, Manhattan, after serving for 23 years, gave a dinner for the directors and employes of the bank and of the Manhattan Building & Loan and Savings association, and their wives. Forty persons were in attendance. Mr. Wharton served for 20 years on the directorate of the loan and savings association.

#### At Plainville

The Rooks County Bankers association were guests of the Plainville bank recently. Twenty-one guests attended

the banquet, representing the five banks of the county, Stockton, Palco, Woodston, Codell and Plainville. At a business meeting following the dinner the following officers were elected for the coming year: W. F. Hughes of Stockton, president; Harmon Van Dyke of Plainville, vice president; H. H. Snyder of Stockton, secretary.

#### Annual Meeting

The annual meeting of the Peoples State bank of Luray was held recently. The stock was well represented in person, and proxies brought it well up toward complete representation.

The board of eight directors, consisting of Dr. H. S. Dreher, Walter H. Homewood, J. R. Marlar, W. P. O'Brien, J. A. O'Leary, John Peppendorfer, Sr., was re-elected by unanimous vote. Officers were then chosen as follows: Chas. S. Wyckoff, president; J. P. Ruppenthal, vice president; J. A. O'Leary, vice president and cashier; Carl O'Leary, assistant cashier.

#### Named President

French C. French, veteran cashier of the First National bank, Hutchinson, succeeds E. L. Meyer as president. At a meeting of the directors French was elevated to the post made vacant by the death of one of the founders of the bank, the man who had served as cashier or president for a half century.

French, well and favorably known in Kansas financial circles has been connected with the First National for the past 25 years.

E. W. Meyer, son of the deceased banker, was elected to the directorate and selected to replace French as cashier.



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**AK-SAR-BEN Coliseum — OMAHA**

## Seneca

At a meeting of the stockholders and directors of the National Bank of Seneca the following officers and directors were elected: R. M. Emery, Jr., president; F. L. Geary, cashier; E. A. Grollmes, assistant cashier; Henry Wichman, vice president; A. E. Levick, vice president. Miss Gertrude Ronnebaum was re-elected assistant cashier.

At the meeting of the stockholders of the Citizens State bank the following directors were elected: F. J. Holthaus, W. F. Thompson, H. Eichenlaub, J. M. Wempe, Frank H. Holthaus, Ernestine D. Keith, A. J. Wempe.

## Hugoton

A meeting of the stockholders of the Citizens State bank, Hugoton, was held at the bank, at which time the directors and officers were elected. The directors are: U. G. Charls, J. A. Gregory, J. A. Christopher, W. B. Crawford and S. F. Gish. From the directorate the following officers were elected: J. A. Gregory, president; U. G. Charles, vice president; W. B. Crawford, secretary of the Board; S. F. Gish, cashier.

## Concordia

Annual meetings of the banks of Concordia have been held. The First National bank elected one new director this year, L. R. Honderick of Hays, who is a member of the state board of hospitals and homes. No new directors were elected at the Fidelity State bank or the Cloud County. The Cloud County elected one new director in the fall, 1934, Earl Wright of Concordia.

## 50 Years

Plans were made in annual sessions of the stockholders and directors of the Wellsville bank for a celebration in March of the 50th anniversary of the founding of the institution. Directors re-elected are H. L. O'Neil H. E. De Tar, C. A. Smith, C. F. Coughlin, L.

W. Hostetter, D. W. Batdorf, M. W. Lidikay, H. E. Jewell and S. D. Moherman. Officers re-elected are H. L. O'Neil, president; L. W. Hostetter, vice president; D. E. DeTar, cashier; H. E. Jewell, assistant cashier.

## To Enlarge

Plans for the enlargement of the Peoples National bank, Clay Center, were announced recently by J. H. Kerby, president. Although complete details were not available, it is understood that when completed it will be one of the finest banking institutions in this part of the state.

## Horton

The stockholders of the Bank of Horton held their annual meeting and elected the following directors for the coming year: George S. Hovey, Tonnes Jacobson, George W. Jones, B. B. Norris, H. R. Schuetz, and E. P. Trompeter.

The stockholders then met and re-elected all the present officers for another year, as follows: President, B. B. Norris; vice president, George S. Hovey; cashier, E. P. Trompeter; assistant cashier, Mrs. Minnie Preston.

## Banker Dies

E. L. Meyer, 85-year-old dean of Hutchinson bankers, died at his home recently.

Widely known throughout the country as a financier, Mr. Meyer had been affiliated with the First National bank since its organization in 1876. For many years he has been president.

He would have been 86 years old April 15.

## New Fixtures

The Peoples National bank, Belleville, is installing new marble fixtures in the lobby of the bank. The new fixtures provide more working space behind the counters to handle increasing business.

Interior of the bank takes on a much improved appearance with the new installation.

## Elkhart

The First National bank of Elkhart held a meeting of the board of directors and elected officers at the meeting.

The election brought about a change of status in two of the local officials, Robert S. Clogston becoming president of the local bank to succeed A. L. Wood. Other officers are A. B. Fullmer, vice president, and J. R. Pate, vice president and cashier.

## Abilene

Officers and directors of the Citizens bank, Abilene, were re-elected at the annual stockholders' meeting. The officers are: President, M. H. Malott; vice president, J. E. Johntz; cashier, E. L. Morse; assistant cashier, Ruby Iliff. In addition to the officers the board of directors includes T. L. Welsh and Bruce Hurd.

# Wyoming News

## Banker Dies

M. R. Collins, president of the Douglas National bank for twenty-eight years and prominent in business affairs, died there recently.

Death resulted from the effects of a fractured hip which Mr. Collins received in a fall at his home, Feb. 3.

## Election

C. J. Williams of Billings was elected president of the First National bank of Greybull at a stockholders' meeting. Other officers elected are A. A. Kershner, vice president; E. K. Parks, cashier, and Miss Myrtle Anderson, assistant cashier.

The directors chosen at the meeting are Williams, Kershner, Parks, F. A. Ewen, B. L. Warren and G. W. Williams.

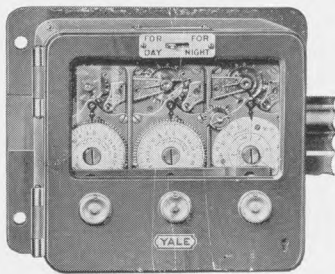
## Deposits Increase

An increase of 25 per cent in the total deposits during the year 1934 was reported by officials of the Wyoming National bank, Casper.

The increase was considered to be due to the federal deposit insurance effected, better business conditions and some money being taken from hoarding.

Officials also said that all stock, a total of 2,500 shares was represented at the annual meeting of the stockholders who re-elected all directors of the bank.

Directors are former Governor B. B. Brooks, Carl F. Shumaker, P. J. O'Connor, Boyd R. Sims and L. A. Parker.



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**Named Cashier**

O. E. Bertagnolli, deputy state examiner in charge of banks prior to January 1, has been named cashier of the North Side State bank of Rock Springs.

Mr. Bertagnolli formerly lived in Rock Springs where his father was engaged in business. The family moved to Hudson 18 years ago where he became associated with the Bank of Hudson.

**At Cody**

At the annual meeting of stockholders of the First National bank, Cody, P. E. Markham was again selected as president of the institution. F. F. McGee will be vice president and active head of the bank. T. F. Trimmer was named as cashier and as in the past will be assisted with the clerical work by Miss Irma Mulvaney.

The board of directors is now composed of Messrs. Markham, McGee and Trimmer, Ernest J. Goppert, C. C. Melton and Roy Holm.

**Lusk State**

C. Frank Bautch was elected president of the Lusk State bank at the annual meeting of the stockholders.

Other officers elected were Glen I. Wilson, vice president; C. W. Erwin, cashier, and Otto Klemke, assistant cashier.

The board of directors is composed of C. F. Bautch, Glen I. Willson and J. E. Erwin.

**Fifty Years**

The First National bank of Buffalo was granted charter No. 3299 under the national bank act, to open for business on February 2, 1885. For several years prior to that date Buffalo and Johnson county had been served by a private bank operated by Conrad, Stebbins & Co. The assets of the private bank were purchased by the new First National bank and the business continued in the old Lobban and Hine building until 1888, when the First National built

and furnished the building now occupied by the Wyoming Loan and Trust company.

The first directors and organizers of the bank were John W. Collins, William R. Stebbins, John H. Conrad, George L. Holt, James M. Lobban, Harvey A. Bennett, and Charles M. White.

**Legislation**

Bills providing that only so much of public funds on deposit in banks which is permanent shall draw interest, have been introduced in the Wyoming senate by Senator Thomas Hunter of Laramie county.

Banks are already required to furnish bonds or other collateral as security for public funds on deposit. Permanent funds are defined in the bill as those on deposit for six months.

Senator Hunter introduced another bill for an act relating to loans to industry by state banks and limitations on the loans. Under the present law state banks are forbidden to loan more than 20 per cent of their capital stock and surplus fund to any one firm or individual.

The Hunter bill would amend the law so that a state bank could lend more than 20 per cent if it holds a commitment from a federal reserve bank, reconstruction finance corporation or other government agency for the purchase and re-discount of any excess loan over the limitation, such excess part of the loan to be endorsed by the bank "without recourse."

past 19 years, was elected president of the institution, succeeding the late E. A. Cahoon, at the annual meeting of the board of directors.

Two new members, Dan Cahoon, son of the late president, and L. T. Lewis, prominent business man, were elected to the board of directors to vacancies left through the deaths of Mr. Cahoon and R. C. Worswick, who died several months ago.

Claude Hobbs, cashier of the bank, was elected vice president.

**Insured**

There are over sixty thousand accounts in the insured commercial banks of New Mexico which are fully protected by the Federal Deposit Insurance corporation, it is revealed by figures recently released.

According to the tabulations 67,506 accounts in the banks of this state come under the insurance maximum of five thousand dollars. This is 98.98 per cent of the total number in the insured commercial banks and compares with a national ratio for all insured banks of 98.3 per cent.

Insured deposits in 42 New Mexico banks amount to \$20,4335,000 or approximately 64 per cent of total deposits as reported to the Insurance Corporation. In the country at large this ratio of commercial banks which are members of the Insurance Fund is 43.5 per cent and for all insured banks amounts to almost 45 per cent.

**New Director**

At a meeting of the board of directors of the Clovis National bank, Otto Smith was added to the directorate. Other officers and directors are ex-Governor A. W. Hockenhull, president; Robert Stone, vice president; W. C. Zerwer, cashier, and Dr. Clyn Smith and Dr. J. W. Board, directors.

Daniel Boone was re-elected cashier, a position he has held with the bank for several years.

**New Mexico News**

**Elected President**

James F. Hinkle, ex-governor of New Mexico and active vice president of the First National bank of Roswell for the

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PAID-UP CAPITAL . . . . .	£A 8,750,000
RESERVE FUND . . . . .	6,150,000
RESERVE LIABILITY OF PROPRIETORS . . . . .	8,780,000
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	£A 23,710,000

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

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## HOW YOUR LIFE INSURANCE PROCEEDS SHOULD BE PAID

(Continued from page 16)

gram does "First Things First." Last expenses and debts should be covered by lump sum settlement. Insurance to support a family, however, should be on the income plan.

Robinson: I had never thought of such possibilities. Tell me, do you have many requests for unusual settlements?

Carlin: Yes, Mr. Robinson, we do. The remarriage angle is often the reason for such requests. Some men try to arrange their settlements so a second husband can't share in the proceeds of their policies.

Robinson: Well, isn't such a plan possible? Can't a policy be arranged giving the widow an income to be diverted to some other relative in case she remarried?

Carlin: Absolutely not. There's no possible way for a company to keep check on the lives—or remarriages—of beneficiaries.

Robinson: I see. Now, Mr. Carlin, is there any limit to the kind of income settlements an insurance company can arrange?

Carlin: Yes, we are limited on certain things by law. If you want a life insurance trust, for example, with discretionary powers, you should employ the services of an individual trustee or trust company. A life insurance company can administer a trust only by contract.

Robinson: How can I arrange to place a policy on an income basis?

Carlin: Consult any good life insurance underwriter, preferably the agent who wrote the policy. He will be only too glad to advise you.

Robinson: Mr. Carlin, most life insurance is written for the benefit of wives and children, isn't it?

Carlin: Yes, it is. In spite of the rapid increase in annuities, business insurance, old age endowments and the various contracts for the benefit of living policyholders, most life insurance is for the sole protection of wives and children. In fact, life insurance, of all economic things, best illustrates the old law of the sea—"Women and Children First." And in that connection, Mr. Robinson, have you read the "Sinking of the Titanic," by Elbert Hubbard?

Robinson: Yes, I've read it.

Carlin: Then you'll remember his description of that great catastrophe:

'It is a night of a thousand stars. Suddenly silence comes. The iron heart of a ship has ceased to beat. There is panic aboard. Life boats are lowered.

Men, women and children are their passengers. And here is proof that men care. Men, to whom life was full and sweet, gave their seats in the life boat to women and children of the steerage. As the band played Nearer My God to Thee,' they observed the law of the sea and sent a new tradition around the world—"Women and Children First.'"

That, Mr. Robinson, is why most of us carry life insurance. It is also why every policyholder is vitally concerned in how his life insurance proceeds should be paid.

Robinson: Thank you, Mr. Carlin, for this splendid information.

### Most Any Time

Cautious Gentleman: "What time do you have to be home, girlie?"

Girl: "How much money have you got?"

Gentleman: "Five hundred dollars."

Girl: "Thursday."

### Nature's Way

"Say, mister," said the little fellow to the next door neighbor, "are you the man that gave my brother a dog last week?"

"Yes."

"Well, my ma says to come and take them all back."

### Pop Says:

"Is the world round?" a school ma'am asked the little boy.

"No'm."

"Think, child! If the world isn't round, what is it?"

"Pop says it's crooked."

### They're All the Same

Claude: They say brunettes have sweeter dispositions than blondes.

Horace: Well, my wife has been both, and I can't see any difference.

She: "Do you ever have trouble putting your thoughts on paper, Mr. Brackett?"

Mr. Brackett: "I should say I do. I put some thoughts on paper and had to pay a girl \$5,000 to get the paper back."

### For Men Only

Out of ninety thousand women there will be eighty-nine thousand nine hundred and ninety-four who will read this. The other six will be blind.

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By Radio”**

... insurance companies are conservative in all things, which possibly explains why they have been slow to use the newest advertising medium — **radio**. However, in each instance where an insurance company has used radio advertising intelligently, the results have been amazing.

... and now, WHO wants to get the readers of this magazine to do a bit of thinking about the advantages of insurance companies turning to radio to get business. **And WHO is willing to pay for your thinking.** Just put your thoughts on paper and send them to this station. Here's an easy way to win \$25.00, or one of the other worth-while prizes. Everybody has an equal chance from insurance company executive to the man who pounds the paving, from policyholder to banking executive.

... read these simple rules carefully.

*First, write a letter, not more than 200 words, telling “Why Insurance Companies Should Advertise by Radio.”*

*Second, write as many letters as you wish; be sure to include your name and address with each letter.*

*Third, send your entries to Insurance Contest, Radio Station WHO, Des Moines, Iowa, before midnight, April 12th.*

... now go to work and win that \$25.00.

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3rd best letter . . . . . 5.00

4th to 8th best letters, each . . . . . 1.00

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