

CENTRAL WESTERN BANKER

Omaha

Nebraska Group Meetings

- Group One - - - - Lincoln - Friday, May 24
Group Two - Held at Columbus on April 22
Group Three - Held at Norfolk on April 22
Group Four - Holdrege - Thursday, May 23
Group Five - - - Ord - Wednesday, May 22
Group Six - - - Alliance - Monday, May 20
Group Seven - - Ogallala - Tuesday, May 21

May

1935

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CENTRAL WESTERN BANKER

410 ARTHUR BUILDING
OMAHA

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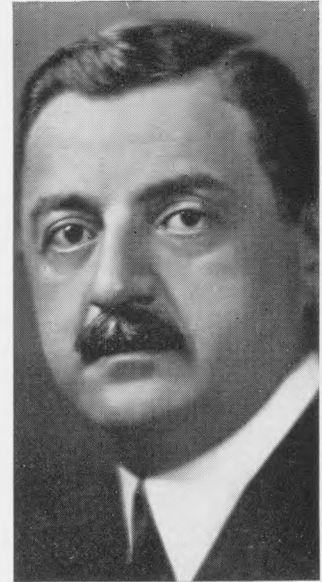
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NUMBER 5

"We Are Opposed To Any Political Control of Banking"

Excerpts from the remarks of R. S. Hecht, president of the American Bankers' Association, before the executive council meeting of that organization last month in Augusta, Georgia



R. S. Hecht

SUMMARIZING the composite impression that he had obtained from bankers in all parts of the country, R. S. Hecht, president of the American Bankers Association and chairman of the board, Hibernia National Bank, New Orleans, at the opening of the A.B.A. Executive Council meeting last month, declared that, "not in a great many years has there prevailed in banking so great a sense of security as prevails today."

Mr. Hecht also discussed the approach of the association in respect to Federal legislation at Washington affecting banking, describing the means by which the traditional belief has been corrected at Washington that bankers were "always criticizing and obstructing the passage of new legislation." He stated, nevertheless, that the association had placed itself firmly on record as being unequivocally opposed to anything like partisan or political domination of banking.

Describing the activities of the association in respect to Title II of the Banking Act of 1935, Mr. Hecht said in part:

"It deals with the questions of public policy, and therefore calls for careful analysis and for a frank and fearless expression of opinion on the part of the banking profession. As originally drawn the Bill proposes far-reaching changes in banking and further governmental control over it. Naturally, there are vigorous differences of opinion concerning it, not only among bankers but also among business leaders and economists. In essence it goes to the very root of the question whether banking in the United States shall be put under government domination or shall be free from political influences. And by using the term 'political' we do not refer to the present Democratic Administration, but to whatever political regime may be in power, whether it be Democratic, Republican, or, if you will, some other form of partisanship that might conceivably be placed in authority.

"Whether we be Democrats or Republicans, I think we can all agree as citizens as well as bankers that we are unequivocally opposed to any political control of banking, whether it came under

the present Democratic or a possible future Republican Administration. Our objection does not spring from partisan feelings but from the broad consideration that banking is simply not the field for politics of any denomination.

"We have not been unconscious of the fact that many earnest students both within and without the banking business have strongly believed that our association should oppose in toto everything contained in Title II and refuse to discuss any possible changes in it. We have not felt, however, that the best practical results would be accomplished if we assumed such an attitude.

"For too long a time the banking profession has been put in the light of always criticizing and obstructing the passage of new banking legislation, merely because it tended to sweep aside certain long-established practices and beliefs. Unfortunately too many members of Congress have not yet learned to believe that bankers can actually be motivated by purposes conceived in the broad public interest, and not merely in the interest of profits of their own institu-

tions, or the selfish advantage for their own profession.

"For these reasons and many others we have not believed that sweeping opposition to Title II was advisable. In the first place, it would surely have revived the cry that the bankers were back at their old game of selfish obstructionism. We believe also that it would have solidified and strengthened the determination of those in Washington who are interested in putting through banking legislation far more radical than anything contained in Title II. Lastly, we believe that the mere appearance of obstructionism on our part would have aroused and aggravated unnecessary elements of human emotion and antagonism which would have obscured the merits of the case and caused presently conflicting interests to unite against us.

"Under these circumstances the association felt that, it would be advisable to leave to the final determination of Congress 'whether it is considered advisable and necessary' to pass legislation covering the subject matter of Title II at the present session of Congress, after pointing out that the time was really too short to give the matter the thorough consideration it deserved. At the same time we made it clear that we are ready to help in molding and guiding whatever legislation is to be enacted so that it will be conceived along lines of sound

banking and sound public policy, which we believe are identically the same thing even though looked at from a different point of view.

"We can hardly deny that little would be gained by merely postponing to the next Congress—which will meet in a presidential election year—the present chapter of public discussion of the banking problem of the United States, especially since we know that the present Administration is determined to have at least some of its proposals written into the banking statutes before the next election. The chances are that we have a far better chance to play an effective part in respect to such legislation in our present position than we would have next year if we now played the part of the irreconcilable obstructor.

"Bankers in literally all parts of the country have written to endorse our action and position. Of course there has been an occasional criticism, a few feeling we should oppose Title II without compromise, a few others complaining that we were too mild in our criticism of it. But in the overwhelming majority of cases it was felt that under all the circumstances we faced, we did about the best that could be done.

"Let me emphasize by repeating, we have made it clear that we are unequivocally opposed to anything like partisan or political domination of banking, and

that we would favor Title II only if the changes we have proposed and which we believe essential to proper independence of the Federal Reserve Board can be carried out. I believe we are in an excellent position to aid materially in shaping the form of such legislation as may ultimately be passed and to demonstrate that bankers are willing and able to contribute constructive suggestions and improvements to the proposed legislation."

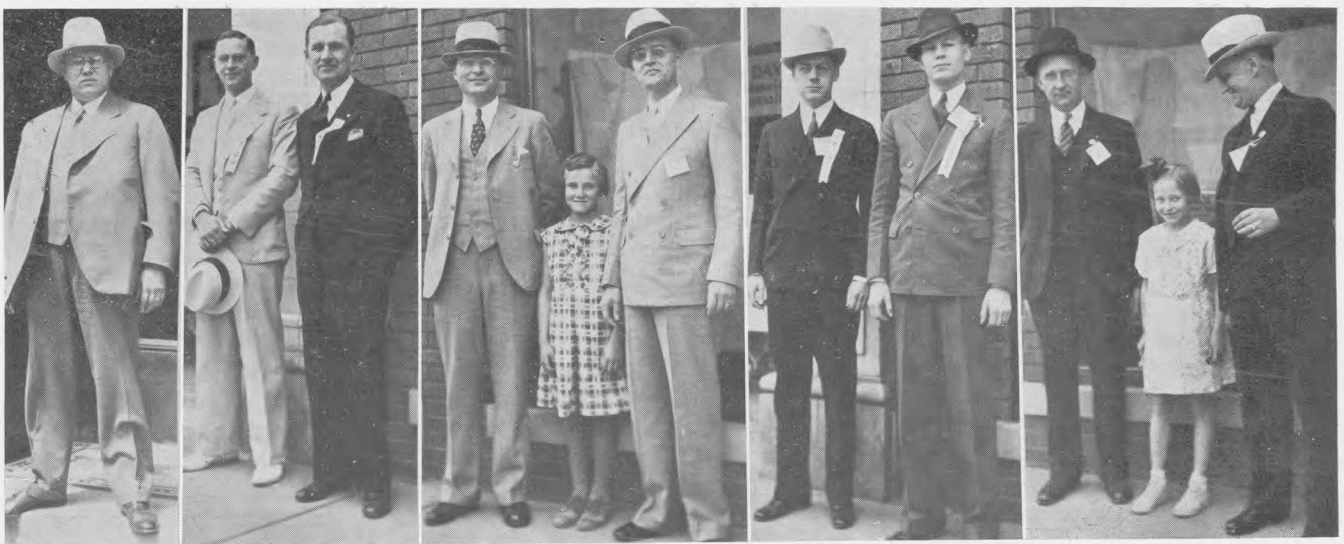
Fair Dealing Essential

When times are normal, the mining industry creates more than \$4,000,000,000 in new wealth each year. It gives jobs to 1,700,000 workers.

Its beneficial influence is felt in every field of endeavor—farmers, stores, factories of all kinds, are indirectly dependent on mining for the disposal of a substantial percentage of the things they make and sell.

Mining has been hit hard by depression—and it has likewise been hit hard by unfriendly legislation passed in various important mining states. Our lawmakers are powerless to force an upturn in demand for mine products—but they would do well to remember that they can give mining a chance to fight for its own survival by making tax and regulatory laws fair and equitable.

At the Group Two Meeting



Reading from left to right: Alvin Johnson, president, Live Stock National Bank, Omaha; William Boettcher, Central National Bank, Columbus; O. F. Smith, Central National Bank, Columbus; J. A. Kucera, cashier, Clarkson Bank; Richard H. Holsten, cashier, Farmers State Bank, Dodge; H. L. Burdick, Central National, Columbus; Wilfred Reifenrath, Central National, Columbus; L. R. Coufal, president, Howell State Bank, Howell; and L. V. Pulham, assistant cashier, Live Stock National Bank, Omaha.

Group Two Bankers of N. B. A. Hold Successful Meeting

CLEAVING their way through a dust storm which local residents said was as bad as any ever experienced in that section of Nebraska, members of Group Two of the Nebraska Bankers Association turned out two hundred strong to attend the meeting of their group held in Columbus on April 22. Many of them had probably sampled Columbus hospitality before, so knew what to expect, but much credit is due Morton M. Taylor, vice president of the Central National Bank of Columbus, and president of the Group, and his associates for their capable handling of the crowd, interesting program, and delightful entertainment.



REPRESENTATIVES of Omaha and Lincoln banks took advantage of the Nebraska holiday to attend the meeting, several of them including a trip to Norfolk, also, where Group Three met on the same date. Among those present from Lincoln were Edwin N. Van Horne, president of the Continental National Bank, and R. C. Johnson, assist-

BY H. H. HAYNES
*Editor
 The Central Western Banker*

ant vice president, and C. W. Battey, assistant cashier. Both Mr. Horne and Mr. Battey appeared on the Columbus program. Later in the day Mr. Van Horne and Mr. Johnson drove to Norfolk, where the former took part in the Group Three meeting. George W. Holmes, president of the First National of Lincoln, was shaking hands with old friends, while the National Bank of Commerce was represented by B. G. Clark, cashier, and D. S. Cozad, assistant cashier.



VIC SMITH and John Changstrom, vice presidents of the Omaha National Bank, greeted Group Two bankers, as did Gwyer H. Yates, president, and Perry Hendricks, vice president, of the United States National of Omaha. Mr. Yates returned to Omaha after the afternoon session, while Mr. Hendricks remained for the evening banquet. The

Live Stock National of Omaha was represented by Alvin Johnson, president, and R. H. Kroeger, cashier. Mr. Johnson spent a short time at Norfolk that day, also.

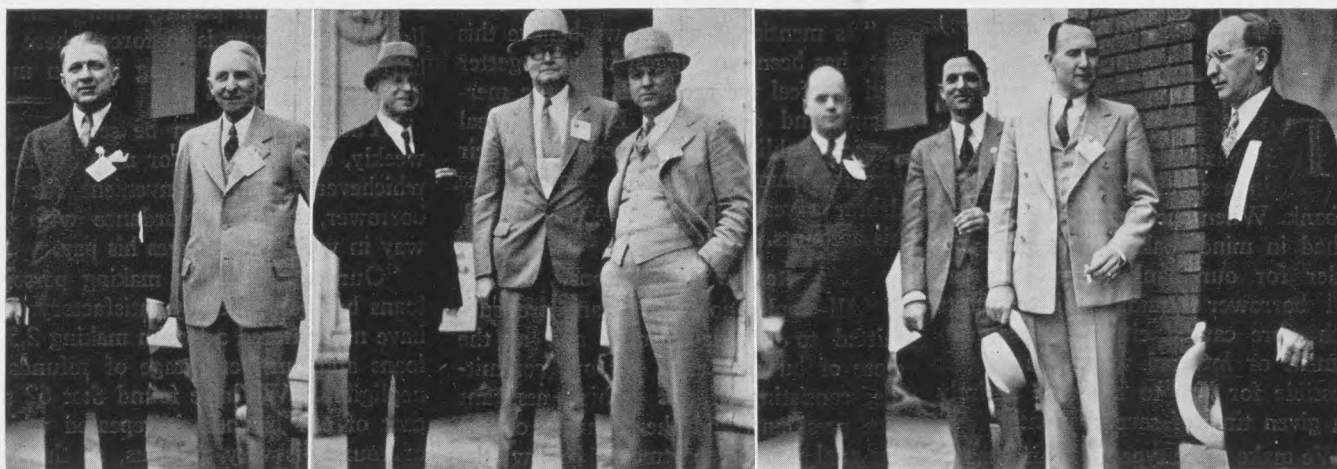
W. H. Dressler, cashier of the Stock Yards National, Omaha, attended the meeting, with the First National of Omaha represented by J. Francis McDermott, vice president. Mr. McDermott was toastmaster at the banquet held that evening, and had spoken that same morning at the Group Three meeting in Norfolk.



PRESIDENT TAYLOR called the meeting to order shortly after ten o'clock. Following the invocation, address of welcome by the mayor of Columbus, and the report of Secretary V. E. Dolpher of David City, Mr. Taylor gave his annual message to the Group. These times, he said, call for more friendliness and efficiency in banking—call for a closer and better relationship with customers—in other words, say “no” when

(Continued on Page 22)

At the Group Two Meeting



Reading from left to right: M. M. Taylor, vice president, Central National Bank, Columbus; T. F. Green, cashier, Bank of Valley; Emil Folda, Clarkson; J. B. Wood, vice president, City National Bank, David City; Bob Goethe, The Walters Company, Omaha; D. S. Cozad, assistant cashier, National Bank of Commerce, Lincoln; D. R. Byers, assistant cashier, First National Bank, Osceola; B. G. Clark, cashier, National Bank of Commerce, Lincoln; and J. L. Brunken, Central National Bank, Columbus.

Making Money From A Personal Loan Department

C. W. Battey, assistant cashier and manager of the personal loan department of the Continental National Bank of Lincoln, Nebraska, tells how personal, or character loans, are making money for his bank

(EDITOR'S NOTE — *When Mr. Battey prepared this article for us, he included with it a complete set of application and note forms, together with an interesting pamphlet telling the prospective borrower exactly how to go about it to obtain a personal or character loan. Space here will not permit reproduction of these several forms, but we think if you will write a nice letter to Mr. Battey he will be glad to let you have several samples.*

While he makes no mention of it in his article, in a recent conversation Mr. Battey expressed the opinion that a personal loan department to be successful should be limited to banks located in county seat towns or larger. He mentioned a minimum population of five thousand, although there might be exceptions — a smaller city having one principal industry which employed a considerable number of semi-skilled workers. The banker in the smaller town would need to survey the field carefully before going into the personal loan business in any extended manner.)

“THIS DEPARTMENT was started November 22, 1932, in a separate room adjoining the bank. When the department opened we had in mind making it a good-will builder for our bank by helping the small borrower liquidate his accounts which were caused either from unemployment or lowered wages, making it impossible for him to liquidate entirely on a given time of several months.

“We make three types of loans, namely: suitable collateral for security, signature of two co-makers, or the endorsements of merchants which enables the borrower to consolidate all of his obligations making payments in six months or one year.

Good Business

“The latter type of loan has been the best business getter, as 65 per cent of our loans are secured in this manner. We term this note as a limited liability endorsed note. The borrower submits his application to the bank together with a list of his store accounts and doctor bills to be included in the note. If the application is satisfactory and we feel that he can take care of his monthly payment and the endorsements acceptable, we then give him a note to be endorsed by the credit manager, who is an authorized signer for the store, giving the amount of the account due them. When these endorsements have been secured, the note is returned to the bank and the total amount placed on the face of the note. The borrower then receives our cashier's checks payable to himself and the endorser for the amount of their respective endorsement. In the event it is impossible for payments to be made at a later date, the unpaid balance of the note is proportioned back and the endorsers remit their check for their proportionate share.

“As mentioned above, we believe this note has been our biggest business getter and we feel we are rendering the merchants and doctors of Lincoln a real service enabling them to realize on their accounts immediately and allowing the debtor a year's time in which to repay his accounts.

Review Applications

“All applications for loans are submitted to our department and at the close of business each day our committee, consisting of our cashier, assistant vice president, and the manager of the personal loan department, review the applications and decide whether or not the borrower is capable of making his payments promptly. All information possible is secured during the day which enables the committee to have a clear picture of the total indebtedness and the

length of time employed, which is very necessary in giving the application consideration. After passing on the application, a note is given the person desirous of obtaining the loan and they in turn secure the signatures or endorsements necessary. At the completion of the loan a duplicate savings pass book is given them showing the number of the loan, amount of payment, and the due date of each payment, stressing, of course, at all times that promptness is the most essential thing to be considered in making the payments. The payments are credited on a savings ledger card. When the savings account equals the face amount of the note, it is automatically cancelled. The deposits on the savings account draw the regular interest rate which is paid on savings in our commercial department. If payments have been made promptly through the duration of the note, the borrower is credited with the interest. If there has been delinquencies and we feel they are not entitled to this credit, of course, they do not receive it.

“A 5 per cent penalty charge on delinquent payments is in force where the borrower insists on being late in making his payments.

“The payments can be set up on a weekly, semi-monthly, or monthly basis, whichever is most convenient for the borrower, and in accordance with the way in which he receives his pay.

“Our experience in making personal loans has been entirely satisfactory. We have not suffered a loss in making 2,565 loans and our percentage of refunds is negligible. We have found that 62 per cent of our business is repeated which, of course, is very desirous, as the borrower has proven his ability to pay on the account as agreed.

“We are also handling FHA loans through this department as our personal loan setup is ideal for handling this type of loan.”



An airview of the Omaha Stockyards and the Live Stock Exchange Building

Omaha Plans Royal Welcome For Members of A. I. B.

Mark your calendar **NOW** to come to "The Crossroads of the Nation" next June

THE BANKERS of Omaha are busy preparing for guests who will attend The American Institute of Banking Convention, June 10 to 14. A Nation-wide association and school for young bankers.

This year the convention is to be held in Omaha for the first time, and Omaha Chapter members are eager to make worth while meetings, with conferences as well as some good entertainment.

In addition to the regular convention meeting, the National Public Speaking Contest, and the National Debate, Omaha presents Nebraska Ak-Sar-Ben Den Show, an outing at Omaha's beautiful Peony Park, dancing and a grand farewell ball.

The Departmental Conferences this year will be conducted by men who have been advancing in banking practices and will deliver the benefits of their research. The conferences will start at noon on June 11 and end June 12, at Hotel Fontenelle and Hotel Paxton. The registration for the convention is \$10.00. For further information, please communicate with your Omaha correspondent bank.

The following leaders will be available for the convention:

Bank Administration—F. R. Alvord, vice president and cashier, Citizens National Trust & Savings Bank, Los Angeles, California.

Savings—H. H. Reinhard, vice president, Mercantile-Commerce Bank &

By **RICHARD GASH**
*Vice Chairman
Convention Publicity Committee
Live Stock National Bank
Omaha*

Trust Company, St. Louis, Missouri.

Trusts—Walter E. Bruns, Trust Officer, Bank of America National Trust & Savings Association, Fresno, Calif.

Audits—Chester W. Hoyt, auditor, New York State National Bank, Albany, New York.

Credits—David M. Sweet, assistant vice president, City National Bank & Trust Company, Chicago.

Investments—William A. Ten Eick, Jr., assistant cashier, The Chase National Bank, New York.

Advertising and New Business—Thomas J. Kiphart, manager of publicity department, Fifth Union Trust Company, Cincinnati, Ohio.

Deposit Functions—F. W. Thomas, vice president, First National Bank, Omaha; and J. F. McDermott, vice president, First National Bank of Omaha.

We have just touched on the high spots in this preview of the convention conferences and entertainment, but by the time June 10 rolls around all our plans will have been made with one goal ever in mind—that of seeing to it that the Omaha Convention will never be forgotten by those who attend. Anything and everything that can add to

your enjoyment of the convention, we pledge ourselves to do.

Make plans now for that trip!

CONVENTION PROGRAM

Monday, June 10

Morning—Registration
3:00 p.m.—Sightseeing trip around Omaha
8:00 p.m.—National Public Speaking Contest at Hotel Fontenelle Ballroom. Followed by dance.

Tuesday, June 11

Morning—Opening session at the Brandeis Theatre
2:00 p.m.—Departmental Conferences
8:00 p.m.—National Debate at the Paxton Ballroom. Followed by dance.

Wednesday, June 12

Morning—Institute Conferences
2:00 p.m.—Departmental Conference
8:00 p.m.—Special Ak-Sar-Ben Den Show

Thursday, June 13

Morning—Institute Conferences
2:00 p.m.—Peony Park Outing (swimming and dancing)
8:00 p.m.—Caucuses followed by dance, Fontenelle

Friday, June 14

Morning—Closing Session
2:00 p.m.—Optional Industrial Tours (packing houses, creameries, and flour mills)
8:00 p.m.—The Convention Roundup

Can Advertising and Selling PREVENT or CURE

IN PRESENTING this article on the relation of advertising and selling methods to bank loans, we are reminded of the story which relates how, on one bright and sunny morning the owner of a packing plant, and of course a heavy borrower of the bank, approached the president of the financial institution with the question as to whether the latter knew anything about the packing business. "No, I do not," answered the bank president. "Well," said the packer, "it might be well for you to get acquainted with it, for since I can't meet my notes, you're certainly in the packing business now."

It is quite likely a number of bankers, during the past few years, have come to know considerable about businesses other than their own, and have discovered, everything else being equal, that the advertising and selling methods of their borrowers can make considerable difference in the status of the risk involved.

A. R. Gruenwald, publicity director of the Marshall & Ilsley Bank, Milwaukee, is chairman of the Research Committee of the Financial Advertisers Association, and his committee has been making some interesting studies of the above subject. In a special bulletin of the F.A.A., Mr. Gruenwald submits the following:

Wholesale Dry Goods

Lack of advertising in coordination with sales resulted in disaster. The business had been in existence a long time. For awhile normal profits were realized. Competition was not keenly felt for the first few years. Later, competitive business came into existence, the management of which was more aggressive and alert. The newer business advertised wisely and obtained results which spelled profit. The concern in question awakened too late. Its methods were old. The law of "survival of the fittest" took effect and failure of the long established business resulted.

Department Store

A successful department store lost the founder and principal owner through death. Interests of the estate were so involved because of finances and real estate holdings, that a prominent banker

A Bad Loan?

was placed in charge. Scanning expenditures the new banker-manager sharply retrenched on advertising in order to make temporary profits. Business gradually fell off and this store has been outdistanced by its nearest competitor and has failed to regain its leadership. Intelligent advice by the advertising division would probably have avoided this tremendous mistake.

Medicine Business

A successful proprietor of a medicine business spent a million dollars per year advertising in country weeklies, painted boards, street cars and metropolitan dailies. The founder of the business passed away and the son, just out of college, looked at the advertising appropriation, cut it in half and bought a yacht. He awakened to his mistake only eight years later when the damage was beyond repair. The proprietor has disappeared entirely, the business has been discontinued, substitutes having taken the place of this particular medicine. The advertising division of the bankers for this concern, if consulted, would certainly have counseled against this action.

Manufacturer and Jobber

Company is both manufacturer and jobber to the printing trades with a long background of successful operations prior to 1929; its organization is experienced and its name pre-eminent in its field. An extension program over a twenty-five year period had been financed with relative ease through the issuance from time to time of debentures, preferred and common stock. Its paper was sold readily on the strength of its profitable operations, its apparently ample capital and perhaps particularly because of the ease with which additional capital had been secured when required. The very ease with which new funds had been secured resulted in a laxity in

the control of operations and sales. The depression brought on a crisis, a change in management and a careful analysis of the business. This disclosed certain weaknesses in credit checking and in the personnel, but these were readily corrected. The principal difficulty was found to be:

Lack of Control in Manufacturing

Production was not closely related to sales. An over supply of certain slow moving inventory had been accumulated under the theory of producing sufficient to cover the overhead. On rapidly selling lines there was insufficient inventory on hand.

The principal item of manufacture had lost its position in the industry partly through failure to diligently pursue engineering research, but more largely because advertising appropriations had been too drastically curtailed. (The trade magazines are the principal advertising media in this industry.) The catalogue had been neglected; sales promotional campaigns were not maintained.

This industry apparently requires a flying corps of engineering and sales specialists, men of calibre able to survey and analyze the equipment and operations of the customers: men who can intelligently outline a program for the customers designed to improve their efficiency and reduce their costs or both. This company is well along on the road to a comeback. We have found it relatively easy to solve the more customary problems, the collections are under effective control, cash has been accumulated, merger of plant effected, operating costs reduced and personnel improved, but we have found it a discouraging task to recapture for the company's principal manufactured produce the position once held.

It is the opinion of this committee that an informed bank advertising division could assist the loaning division to watch the advertising, sales, and distributing policies of borrowers. Such procedure might prevent some future bad loans and would greatly assist the advertising and selling division of a bank in the sound stimulation of credit and bank profits.

Every Banking Service

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UNITED
STATES
NATIONAL
BANK

OMAHA'S
OLDEST
BANK

Chase National

The statement of the Chase National Bank for March 4, 1935, was made public last month in response to a call by the Comptroller of the Currency. The deposits of the bank on that date were \$1,637,284,000, and certified and cashier's checks, \$68,870,000, the sum of which, \$1,706,154,000, compares with \$1,709,792,000 on December 31, 1934.

Total resources of the bank on March 4th amounted to \$1,979,297,000, as compared with \$1,999,050,000 on De-

ember 31, 1934; cash in the bank's vaults and on deposit with the Federal Reserve Bank and other banks, \$531,986,000, as compared with \$514,732,000; investments in United States Government securities, \$542,343,000, as compared with \$503,435,000; securities maturing within two years \$77,341,000, as compared with \$97,821,000; other bonds and securities, including stock in the Federal Reserve Bank, \$127,244,000, as compared with \$133,379,000; loans and discounts, \$615,071,000, as compared with \$651,070,000.

On March 4, 1935, the capital of the bank consisted of \$50,000,000 preferred stock and \$100,270,000 common stock and \$50,000,000 surplus, unchanged from December 31, 1934. Undivided profits on March 4, 1935 (after payment of common and preferred dividends aggregating \$6,198,889.20 on February 1st), were \$14,816,000, compared with \$18,839,000 on December 31, 1934.

Omaha National News

J. R. Cain, Jr., vice president of The Omaha National Bank has returned from attendance at the spring meeting of the Executive Council of the A.B.A.

R. R. Ridge, traveling vice president of the same institution, enjoyed the experience of losing an automobile by theft while in Western Nebraska early in April. He recovered the auto—less one typewriter and plus one pair of lady's galoshes.

Repealed

The Nebraska State Legislature passed, with an emergency clause, a bill repealing the requirement that banks pay 2 per cent upon demand state and county deposits. The repeal act also eliminated provision for a 1 per cent off-setting service charge, which results in a net saving of 1 per cent interest.

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO

Statement of Condition, March 4, 1935

RESOURCES

Cash and Due from Banks	\$187,365,438.60	
United States Government Obligations, Direct and Fully Guaranteed:		
Unpledged	\$377,907,558.94	
Pledged*	64,794,104.94	442,701,663.88
Other Bonds and Securities	57,844,413.24	
Loans and Discounts	234,979,238.15	
Stock in Federal Reserve Bank	3,000,000.00	
Customers' Liability on Acceptances	6,688,026.93	
Income Accrued but Not Collected	4,321,703.47	
Banking House	14,050,000.00	
Real Estate Owned other than Bank- ing House	1,355,506.71	
Other Resources	230,048.88	
		<u>\$952,536,039.86</u>

LIABILITIES

Deposits:		
General	\$738,991,441.35	
Public Funds	96,731,315.81	\$835,722,757.16
Acceptances	6,811,921.55	
Reserve for Taxes and Interest	5,089,970.47	
Income Collected but Not Earned	286,257.85	
Capital Account:		
Preferred Stock	\$50,000,000.00	
Common Stock	25,000,000.00	
Surplus	11,000,000.00	
Undivided Profits	6,125,132.83	
Reserve for Contingencies	12,500,000.00	104,625,132.83
		<u>\$952,536,039.86</u>

* To secure public, trust department and bank receivers' funds

Your Radio Program

Beginning Saturday evening, May 4th, the "Financial News and Views" feature over Station WHO, Des Moines, sponsored and presented by The Central Western Banker, will be advanced one hour and fifteen minutes. This is because all the larger broadcasting stations will be operating on daylight savings time after April 27th.

Our new time will be 5:30 to 5:45 p.m.

BONDS AND INVESTMENTS

Radio Program

Presented by THE DE PUY BANKING AND INSURANCE PUBLICATIONS

The Outlook for Business

The sixteenth of a series of weekly broadcasts sponsored and presented by the De Puy Banking and Insurance Publications. This broadcast, entitled "Financial News and Views," is on the air every Saturday evening from 5:30 to 5:45 p. m., C.S.T., over station WHO, Des Moines. For the first part of this program Ralph W. Moorhead, associate publisher of The De Puy Publications, is interviewed by Francis Robinson, of Station WHO. The feature of this broadcast is presented by Clifford De Puy, publisher, who discusses "The Outlook for Business"

MOOORHEAD: I want you to ask Mr. De Puy about the business outlook. He's traveled four thousand miles in the past few weeks, and he has some important things to tell you. Frank, we're happy to again present to our radio audience, Clifford De Puy, publisher of the De Puy publications, who will discuss with you, "The Business Outlook."

Robinson: All right, Ralph, and welcome back to Iowa, Cliff. How long were you in the East?

De Puy: I was gone two months, Frank, and I'm mighty glad to be home again.

Robinson: Where did you go on this trip?

De Puy: I was in almost every large eastern city — Pittsburgh, Baltimore, Philadelphia, Boston, New York City and other eastern centers.

Robinson: Whom did you visit in the East?

De Puy: Oh, I called on about three hundred bank, insurance and advertising executives.

Robinson: Then I'm sure you can give us a very clear picture of the business outlook. I believe that is the subject for discussion tonight.

De Puy: I'll be happy to give you my impressions. What do you want to know about the business outlook?

Robinson: When most of us are in New York we usually start with Broadway instead of Wall Street. Tell me, is theatre attendance improving in New York?

De Puy: There's real evidence of prosperity along Broadway. I saw a lineup two blocks long buying tickets for "Roberta" at its opening night in Radio City.

Robinson: Were you in the front or rear of the lineup, Cliff?

De Puy: Well, I was really just passing by.

Robinson: What about New York restaurants? Do they appear prosperous?

De Puy: Most of us know more about Childs' restaurants than any other New York eating places. Restaurants in the East were much more crowded than when I was there a year ago. Better times are indicated by the fact that many of the Childs' restaurants have cocktail bars and orchestras for dancing.

Robinson: Are the night clubs back on a profitable basis?

De Puy: Larger crowds in the night clubs also indicate prosperity. For example, in the French Casino, the newest and smartest night club in New York, food, drinks and tips cost about twenty-five dollars for a party of four. Yet the place is packed night after night.

Robinson: So that's where you met those three hundred executives! But tell me, how do the big advertising men feel about the business outlook?

De Puy: Their reports are quite optimistic. A vice president of N. W. Ayer & Company of Philadelphia, one of the largest advertising agencies in the United States, told me their 1935 business is fifty per cent ahead of what it was a year ago at this time.

Robinson: What does this mean in the business outlook?

De Puy: This agency handles advertising for a great many manufacturers. It shows that these manufacturers are hopeful enough about this year's business, that they're increasing their advertising appropriations. N. W. Ayer & Company handles the Ford account, for example. Mr. Ford is spending six million dollars this year to advertise his Ford car.

Robinson: Many economists tell us that what we need these days to promote a business boom is some great new invention. They point to such inventions as the steam engine, the automobile and the radio, in bygone years. Do business men at this time know of any new invention that may give business a big upswing?

De Puy: I'm glad you asked that question. One night I attended the an-

nual banquet of the New York Patent Attorney's Association. The main address that night was on the "electronic tube." Do you know anything about the "electronic tube?"

Robinson: I don't know much about it. Such a tube is used in a radio set, isn't it?

De Puy: Yes, there is one in every radio set, and this little tube will soon put thousands of men and women back on the payrolls.

Robinson: Can this tube be used for other purposes?

De Puy: Through the use of the electronic tube, a man's voice can be sent around the world, back to the starting point in a fraction of a second. The rays generated by the tube are also already being used to open doors, run elevators and in dozens of other ways that we haven't yet heard about. The field for its use is almost unlimited.

Robinson: We also hear a lot these days about the need for more money in circulation. Did you find bankers of the opinion that we need a greater volume of money to bring about prosperity?

De Puy: Almost all bankers are of the opposite opinion. Here's a homely way to illustrate it. When a horse is sick, you can't cure it by piling hay in front of it, because it has no appetite. Our banks are loaded with money, but in spite of that fact, business activity is still not great. The turnover of money is too slow.

Robinson: Can you explain this in a little more detail?

De Puy: From 1929 at the peak of our boom to 1932 at the bottom of the depression, bank deposits in the United States decreased only thirty per cent. The turnover of those deposits, however, decreased seventy per cent, so we had a severe depression. Our job now is to put our deposits back to work.

Robinson: Well, if that is retarding prosperity, how can we obtain faster turnover of money?

De Puy: Greater velocity or turnover of money will take place when business confidence is restored. At present we have that confidence, only in part.

Robinson: What steps must we take to restore confidence, in the opinion of the eastern bankers?

De Puy: As a nation, we can do three things to re-establish confidence. First—compel the administration to balance the budget. Second—we must stabilize our currency, and third, the Federal government must quit competing with the very lines of private business it expects to re-employ our unemployed.

Robinson: Do you believe that the banks with their huge deposits are anxious to put them to work?

De Puy: Banks of this country are ready and willing to loan the money, if, as and when the demand comes from legitimate business borrowers.

Robinson: How do eastern business men look at Huey Long and his "share the wealth" ideas?

De Puy: Every business man thinks Huey is just what General Johnson

called him—"A pied piper." Look at Long's own state, Louisiana, which he has controlled for years. Under his dictatorship, the bonded indebtedness of Louisiana has increased so rapidly that it now ranks third among all the forty-eight states in indebtedness per capita.

Robinson: We're reading a lot these days about the proposed new banking act of 1935. In what way will this affect bank customers?

De Puy: Most business men bitterly oppose section two of this act, because it places the entire federal reserve system under the control of the federal reserve board at Washington. This board will, in turn, be appointed by the President. At the present time, banks of the country which own stock in the Federal Reserve Banks, have at least some voice in their control. The new act would take away any voice in the control of our banking and credit resources from banks throughout the country.

Robinson: What would be the ultimate effect of this upon bank customers?

De Puy: A borrower would find his credit controlled by national politics. It's the same old story of a government bureaucracy. Your loan and my loan—and the management of the bank you now patronize, would be absolutely at the mercy of Washington politicians.

Robinson: In this connection, Cliff, are most of the executives that you called upon in the East in favor of the new deal?

De Puy: Most of them favor certain things in the new deal but almost without exception, they condemn some of its principal policies. Most executives oppose our unbalanced budget and the lack of a stable currency. Too much emphasis is placed on reform and not enough on recovery.

Robinson: How do business men look at the government's program of public works?

De Puy: Most executives approve of putting government money in self-liquidating projects. But so many of the big projects don't answer this qualification.

Robinson: Can you give us an example of what you mean?

De Puy: Look at the new annex to the New York post office, now being built on government money. In 1929, during our greatest period of prosperity, the present New York post office building had no difficulty in handling the mail. Yet today they are building this new annex which is almost as large as the main building. It seems totally unnecessary. Actually it will be a burden

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on the taxpayer for years to come because it is not self-liquidating.

Robinson: Just one more question, for our time is about up. Did you hear much talk about inflation and the effect it may have on business?

De Puy: We've already had some inflation. Business men in general are afraid of inflation because it invariably gets out of control. However, most people believe we will have still more inflation. Have you read Kiplinger's new book, "Inflation and What to Do About It"?

Robinson: No, I haven't read it. What does he say?

De Puy: Kiplinger says inflation will begin to take hold in 1936. From then until 1940 we'll probably have increased business and rising prices. The intelligent business man has been praying for improved business based on re-employment and increased buying power instead of a business boom, caused by credit inflation. It is my opinion, however, that with the legislation already enacted, we will have a combination of both business improvement and inflation.

Robinson: Thanks, Cliff, for your report on the business outlook, and I'm sure our listeners enjoyed it.

Thank You, Dr. Linn

As evidence of the interest the general public is taking in the radio programs presented by the De Puy Publications over Station WHO every Saturday evening from 5:30 to 5:45, we reproduce below a letter received recently from Ellis G. Linn, prominent Des Moines physician. Dr. Linn says:

"Mrs. Linn and I were greatly pleased with your last week's air program, and want to compliment you on the very encouraging position you take in placing these comments on the business outlook before so large an audience that should be definitely receptive. It ought to be very gratifying to all your friends that you are doing much to alleviate the warped attitude in which many good people find themselves because of a situation into which they have been unhappily precipitated.

"Your program is one of the good, clean endeavors that must surely appeal."

Jill: "Much depends on the formation of early habits."

Jack: "I know it; when I was a baby my mother hired a woman to wheel me about and I have been pushed for money ever since."

Deposits Up

Total deposits of 14,135 insured banks in the United States were \$39 billion on December 31, 1934, according to a summary recently completed by the Federal Deposits Insurance Corporation.

An \$1,800 million rise equal to 12 per cent in demand deposits was shown to have occurred since June 30, 1934, the date for the last call for condition. There was also a twenty per cent expansion of inter-bank deposits amounting to \$1,000 million. An important factor in these increases was the year-end accumulation of checks deposited

but not yet collected. Time deposits increased \$300 million, or three per cent. Total deposits gained approximately \$3,000 million, 9 per cent over June totals.

Total cash and funds due from banks rose 20 per cent in the six months, while the banks increased their holdings of Government securities, direct and fully guaranteed, by \$1,400 million, a 14 per cent gain. There was also an increase in other securities held of \$260 million, or 4 per cent. As compared with the mid-year figure loans and discounts were reduced by \$600 million, a drop of 4 per cent.

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Stock purchases have been made in 5,400 of the insured banks by the Reconstruction Finance Corporation, the statements show. These amounted to \$822,000,000.

The figures were compiled by the F. D.I.C. from reports of condition as of December 31, submitted to it by 7,693 insured state banks not members of the Federal Reserve System. To these were added summary figures tabulated by the offices of the Comptroller of the Currency and the Federal Reserve Board from reports of 5,462 national and 980

member state banks. These insured banks hold 98 per cent of all deposits of commercial banks and trust companies in the United States.

Silver Grows Scarce

Silver is growing increasingly scarce.

The American government's silver purchase program, whereby thousands of ounces of the metal are purchased in the world market from time to time, has absorbed much of the available supply.

In addition, foreign governments which hold large quantities of silver, such as China, are showing disinclination to sell, for fear that their banking and currency systems might be disrupted as a result.

The inevitable consequence of this trend will be gradual appreciation in the value of silver—and the more demand outruns supply, the higher the price will become. That means much to the future of the mining industry, both here and abroad.

1935 Convention Calendar

- May 7-8—Oklahoma Bankers Assn., Biltmore Hotel, Oklahoma City.
 May 14-15—Missouri Bankers Assn., Elms Hotel, Excelsior Springs.
 May 16-17—Kansas Bankers Assn., Topeka.
 May 17-18—New Mexico Bankers Assn., Roswell.
 May 20-21—Illinois Bankers Assn., Orlando Hotel, Decatur.
 May 22-24—South Dakota Bankers Assn., Sioux Falls.
 June 3-5—Iowa Bankers Assn., Des Moines.
 June 10-14—American Institute of Banking, Omaha.
 June 14-15—Wyoming Bankers Assn., Evergreen.
 June 19-20—Minnesota Bankers Assn., Minneapolis.
 June 21-22—Colorado Bankers Assn., Denver.
 June 24-26—Wisconsin Bankers Assn., Lawsonia Country Club, Green Lake.
 June 24-26—Michigan Bankers Assn., Lansing.
 Sept. 9-11—Financial Advertisers Assn., Atlantic City.
 November 11-14—American Bankers Assn., Roosevelt Hotel, New Orleans.



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INSURANCE

Its Application to the Banking Fraternity

LIFE INSURANCE In the Business Structure

Excerpts from an address of Henry I. Harriman, president of the Chamber of Commerce of the United States, upon the occasion of the celebration of the one hundredth anniversary of the New England Mutual Life Insurance Company

ONE OF THE outstanding events of the last generation has been the growth and development of life insurance. In 1910, the amount of life insurance at risk was about seventeen billion dollars. At the end of 1934, it had multiplied nearly six times. During 1934, the people of the United States purchased approximately fourteen billion dollars of new life insurance, or more than ten per cent over the amount purchased in 1933. At the beginning of the twentieth century, just thirty-five years ago, the amount of life insurance in force in the United States was less than nine billion dollars. Twenty-five years ago the admitted assets of all life insurance companies were a little in excess of four billion dollars. Today, they are in excess of twenty-two billion dollars. More significant still, but 17 per cent of the people held policies on their lives thirty years ago. Now, the number of policyholders aggregates sixty-five million, representing about one-half of the country's population.

Statistics alone, however, cannot record the size of life insurance in America. The institution has become great, as well as strong. Commensurate with its stature, it has grown in spirit. Its material accomplishments have been crowned with an ideal of service that makes it outstanding among the great businesses of the day. This development has caused the American people to make life insurance an integral part of their national life. Public concern has given way to public confidence.

Investment

While the primary purpose of life insurance is protection, in giving such, investment becomes a most important factor. The massed wealth of insurance represents principally the small savings of many millions of people—generally a non-investing class.

By law, the investment of life insurance funds is limited to securities of the most conservative character, and the entire sum is used in upbuilding institutions of proven worth. The public is well justified in placing confidence in an institution which so conducts itself that its achievements count not for itself, but for the public themselves.

Through the instrumentality of life insurance, homes have been kept together, children educated, and poverty and suffering have been averted. The extent and scope of the service of life insurance in the main is in the protection offered policyholders and their families against the hazards incident to death and, in many cases, to accident and disease.

This protection is given by approximately three hundred companies which, since 1929, have disbursed to policyholders and beneficiaries a total of fifteen billion, seven hundred million dollars. Of the total, approximately ten billion, two hundred and fifty million dollars were disbursed or credited to living policyholders, and the balance of approximately five billion, four hundred and fifty million dollars was paid to beneficiaries of deceased policyholders. These

disbursements by life insurance companies have been of incalculable assistance in relieving distress during the past five years. If it were not for these payments the governmental agencies would have found it necessary to materially increase their disbursements for relief.

Saving

The factor of saving involved in life insurance likewise is of inestimable value. While it is impossible to express in dollars the vast sums which likely would be dissipated were life insurance savings unknown, and not practiced by so large a part of our population, it is quite certain that there are billions of dollars saved by and for the American people through the institution. These savings constitute life insurance an institution second only to the savings banks in the promotion of thrift.

Life insurance likewise more and more is becoming a contributing factor in enhancing the credit for business as well as for the individual. Commerce and industry have recognized that by insuring their key men they can indemnify themselves for business losses which may be incurred with the death of these officials and experts.

Credit

The credit features of life insurance to the individual who has no tangible collateral for borrowing, but is of such integrity that the lenders are willing to loan upon the assignment of a life policy for protection in case of death, are of unquestionable service. The young man

entering business or wishing a college education frequently may find someone willing to advance the necessary funds at the current rate of interest with no further assurance of repayment except the young man's reliability. There is, however, the contingency of death to guard against. A policy of insurance taken out on the life of the debtor, for an amount sufficient to cover total loans, and assigned to the creditor, covers the risk, with any difference reverting to the beneficiary or estate of the debtor in case of death.

Life insurance companies frequently are likened to great reservoirs into which flow countless small streams of capital—the life insurance savings of millions of policyholders. This capital, assembled in such a reservoir, is poured out again by way of company investments which, as larger streams, help to carry on the civic and commercial interests of our people.

On December 31, 1934, forty-nine old line insurance companies whose figures were assembled by the Association of Life Insurance Presidents, had total

admitted assets amounting to \$20,050,000,000, which was approximately 92 per cent of the assets of all the life insurance companies in the United States. These assets naturally are put to work for the best interests of the country in fields where financial support is required.

Of the total assets of the forty-nine companies referred to, 42.6 per cent were invested in bonds and stocks, 27.5 per cent in real estate mortgages, and 16.5 per cent in policy loans. The real estate mortgages held by the forty-nine companies amounted to \$5,507,000,000. Life insurance companies at the present time have as much invested in railroads, public utilities, and other business corporations as in total mortgages. Their present corporate holdings amount to \$5,578,000,000. Holdings in government securities, including states, counties, and cities of the United States, bonds of the federal government and those of foreign governments aggregated \$2,958,000,000, an increase of nearly \$90,000,000 during 1934. This figure represents about 14.8 per cent of total assets.

It is gratifying to note that there was a decrease in policy loans and premium notes during the year of \$104,000,000.

Economic Support

This survey of life insurance investments shows that where money is needed to support the fundamental economic needs of American life, life insurance funds are available. When railroads were expanding, they were financed by life insurance capital. When the world went to war, American life insurance increased its loan to its government to nearly one billion dollars. During the industrial expansion following the war, and during the housing shortage, the assets of life insurance institutions flowed into channel contributing to the productiveness of the nation and the comfort of the people.

Agriculture has found insurance playing an important part in its support. Other investments have been equally constructive and sound. Through its investments life insurance can truly be said to be one of the great economic forces of America.

Growing out of the fundamental purpose of life insurance—namely protection—we find group insurance which, during the last twenty years, has been the subject of rapid development. Its beneficial results in harmonizing relations of employer and employe have been established and are accepted among enlightened employers of labor.

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Each of your depositors who thus protects his account, reduces your risk. With this twofold security in mind, many bankers are cooperating with National Surety representatives in explaining Forgery Bonds to their depositors. You may find it profitable to do likewise.

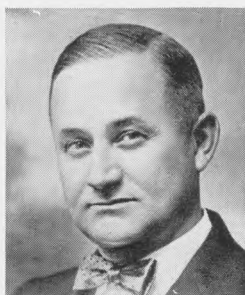
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**OTTO KOTOUC, President
Nebraska Bankers Association**

Nebraska News



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

Fred H. Davis Dies

Fred H. Davis, 81, chairman of the board of the First National bank of Omaha and one of the best known bankers in the middle west, died last month on a train en route from Atlantic City, N. J., to Washington, D. C.

Mrs. Davis and a daughter, Mrs. W. B. Roberts, were with Davis at the time of his death.

He suffered a heart attack shortly before the train reached Liberty, Pa. A physician boarded the train there, but Mr. Davis died before the train reached Harrisburg.

Mr. Davis was born in a covered wagon June 10, 1853, near Fairfield, Ia. His parents, Mr. and Mrs. Thomas Davis, had come to Iowa from Liverpool, England, in 1849. At the age of six months, Mr. Davis came to Council Bluffs; when a year old, to Omaha.

He attended the Omaha schools and was graduated from the Episcopal academy of Connecticut, at Chesire, Conn. He went to Indianapolis briefly, then returned to Omaha in 1872 and became a messenger for the First National bank, at \$41 a month.

Mr. Davis was connected with the First National bank for 63 years. He became president in 1913 and five years ago he took the post of chairman of the board. He remained active and spent each birthday at his desk.

County Meeting

More than 40 bankers from Otoe, Johnson, Nemaha and Richardson counties attended a dinner and the annual meeting of the Otoe county group at Talmage.

Principal speaker was Otto Kotouc, president of the Nebraska Bankers association, while W. E. Chapin, First National bank of Lincoln, and R. H. Kroeger, Live Stock National of Omaha, spoke briefly on banking problems.

Election of officers of the county association resulted in the selection of Charles E. Wood, Bank of Talmage, president; Julien Stevenson, Farmers Bank of Nebraska City, secretary-treasurer.

Not Banks

Protests against classification of co-operative credit associations as banks for state taxation purposes was made by Nebraska Co-operative Credit Associations league delegates before State Tax Commissioner W. H. Smith.

Members of various associations in Omaha met and voted to oppose a recent ruling of the state attorney general providing for taxation of their capital stock at the 8 mill rate.

Henry G. Meyer, president of the Nebraska league, declared the associations are not "banks," and should not be assessed as such.

Meet at Gordon

The bankers of Group Six met in Gordon recently. The group includes those from Valentine to Harrison, and every bank, with one exception, was represented. J. V. Webster of Chadron is president of the group and he presided at the meeting.

After dinner at the Merchants Hotel, a business meeting was held in the dining room. They discussed their problems and decided upon a schedule of service charges which will go into effect on May 1.

Named Cashier

Eugene Pratt, who has been connected with the First National bank of Syracuse for the past 18 years and for the past 10 years assistant cashier, was named cashier at a meeting of the officers of the bank, after receiving the resignation of James Fairhead, cashier. His new position took effect April 1.

Mr. Pratt accepted a position with

the bank in 1917 and except from September until June, when he was serving as a soldier in the World War, he has continued with the institution.

Laurel Meeting

Bankers in Cedar, Wayne and Dixon counties gathered in Laurel last month, with the officials of the Security National bank of Laurel as hosts. This tri-county meeting constituted a series of similar gatherings held throughout the year.

Rollie Ley of the State National bank of Wayne acted as chairman during the meeting.

An impromptu program was carried out, current banking problems being the subject for general discussion.

On A.B.A. Council

Dan V. Stephens, Fremont banker, has been named member-at-large on the council of the American Bankers' association to succeed the late Eugene Black, former governor of the federal reserve.

Mr. Stephens, former member of the state PWA advisory committee, received notification of his appointment from R. S. Hecht, New Orleans, president of the national association.

No Interest

By a vote of 83 to 2, the Nebraska house passed S. F. 122, by Neumann, relieving depositories of state and county funds from paying interest and the state and its several subdivisions from paying service charges to banks. It further provides that the state treasurer may invest surplus funds in United States bonds and that county treasurers may, with the consent of county boards, invest in United States bonds, treasury notes or certificates of indebtedness maturing not more than one year from purchase date, or certificates of deposit not to exceed \$5,000.

Elected President

The death of L. A. Worden, president of the Tryon State bank, left that institution without a high officer, no vice president having been elected at the last meeting of the board of directors.

A directors' meeting was called, and Mike David, one of the six directors, was elected president. His name was the only nomination made and all cast favorable votes for his election.

C. of C. Director

Election of W. Dale Clark, president of the Omaha National bank, as a director of the United States Chamber of Commerce from the Eighth district is assured. Mr. Clark is unopposed.

Fifty Years

D. V. Blatter of Albion completed on April 1st, fifty years of active service with the Albion National bank. On April 1, 1885 Mr. Blatter entered the employ of Thompson & Baker, bankers. This banking institution later became the Albion National bank, the change being made in 1889.

Beginning at the bottom of the banking ladder, Mr. Blatter worked his way up to the head of the institution, having been elected president of the bank in 1916.

Kotouc Address

Otto Kotouc of Humboldt, president of the Nebraska Bankers association delivered an address last month before bankers of the middle west at French Lick, Indiana.

In his address, Mr. Kotouc urged the discontinuing of the postal savings system. The system has served its purpose, he said. With the coming federal deposit insurance, there should be no further intrusion along competitive lines by the government.

Approximately 75 executives of the Central States Bankers association attended the meeting.

Cashier

Clyde Sudman, who has been associated with the Guardian State bank, Alliance, for several years, is now cashier. He was promoted to that position at the first of the year, succeeding Le-Roy Abbott, who is vice president.

Consolidated

Following recent negotiations between Dr. F. M. Knight and Frank Abegg, majority stockholders in the Alliance National and Nebraska National banks, respectively, a deal was closed for the National bank and building by the Alliance National bank.

The Alliance National will move into the Nebraska National bank building, one of the largest and best equipped bank buildings in the western half of the state, and the consolidated business will be carried on under the ownership and management of the Alliance National of which Dr. F. M. Knight is president, F. E. Holsten, vice president, F. W. Harris, cashier, and R. E. Knight, assistant cashier.

Under the purchase, the Alliance National takes over the deposits and loans

Your Radio Program

Beginning Saturday evening, May 4th, the "Financial News and Views" feature over Station WHO, Des Moines, sponsored and presented by The Central Western Banker, will be advanced one hour and fifteen minutes. This is because all the larger broadcasting stations will be operating on daylight savings time after April 27th.

Our new time will be 5:30 to 5:45 p.m.

of the Nebraska National together with sufficient cash and bonds to equalize the two. Both banks were operating under the Federal Deposit Insurance corporation, which insures all deposits in full up to \$5,000.

Elected to Board

John Frederick Davis has been elected to the board of directors of the First National bank, Blair, to fill the vacancy occasioned by the death of his grandfather, the late Frederick H. Davis.

The new director represents the third generation of the family to be associated with the management of the institution. He is the son of T. L. Davis, president of the bank, and was born in Omaha. He was educated in the Omaha public schools and at Creighton university, later attending Yale.

Buy Bank

Luther Bonham, president of the First National bank of Fairbury, and H. B. Jennings of Davenport, Iowa, have purchased the stock of B. M. Hensen of Plymouth in the Farmers State bank of Plymouth. They announce the appointment of George Apking of Daykin as cashier of the bank, who will divide his time between the Plymouth bank and the Jefferson county bank at Daykin. There will be no change in the policies of the Plymouth bank.

Dies in Omaha

Miss Jennie Y. Smith, 65, died last month at her home in Omaha after an illness of six weeks. She had lived in

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C. W. BATTEY, Asst. Cashier
ELMER DEKAY, Asst. Cashier
FRED S. ALDRICH, Asst. Cashier

Omaha 30 years, and for 28 years was employed by the Stockyards National bank. Surviving are a brother, Henry J. Smith of Omaha and two nephews and a niece in Denver.

Burns Are Fatal

James W. Pokorny, 58, president of the Oak Creek Valley bank and prominent Valparaiso hardware merchant, was fatally burned when the gasoline torch he was using to kindle a fire at his store exploded and covered his body with flames. He died at a local hospital.

Co-op News

The Fordyce Co-operative Credit association opened its new bank recently. The officers are Tony Thoere, president; Chas. Tigges, vice president; and Frank Suing, secretary and treasurer. The office of this bank is in the old Fordyce State Bank building.

A meeting of those sponsoring the Sutherland Co-operative association was held last month. Practically all of the business men were in attendance as well as several others who are interested in the matter. Rules and regulations of such an organization were read and the plan of doing business explained.

A board of directors with H. P. Wiig as president; E. C. Uhlig, vice president; J. W. Emery, Berton Shoup and P. N. McKinley was then elected. Chas. R. White, L. E. Arnold and Geo. C. White were chosen for the supervisory committee. Lou Jochum, R. I. Shappell and C. L. Hoatson were placed on the loan committee.

Kansas News

Dies in Hutchinson

Mrs. Maude E. Smith, 58, assistant cashier of the American National bank, Hutchinson, died recently at a local hospital following a recurrence of pneumonia. She was stricken in January with flu, which developed into pneumonia, but was believed to have recovered.

She came to Hutchinson in 1916 to visit her sister, Mrs. H. K. McLeod and family and soon after became identified with the Reno State bank of which Mr. McLeod was president. When the bank was nationalized and became the American National bank she was made an assistant cashier.

Now Open

The Citizens National bank of Eureka opened for business recently. During the day hundreds of people called to offer congratulations and to transact business affairs. The lobby was decorated with flowers received from business associates and personal friends in Eureka and from out of town. Mr. Norris Broadus, president of the Stock Yards National bank of Kansas City, was a visitor during the day. Numerous congratulatory telegrams came from banking houses in Kansas and Missouri.

County Meeting

The Doniphan County Bankers association was host to the Bankers Association of Atchison and Brown counties on Wednesday, April 22nd. The meeting was held in Troy, and a banquet was served in the dining room prior to the session. The topic of discussion was the recent legislation in regard to banking which has been up before the state legislature at the last session and also proposals for new legislation in Washington, D. C.

F. D. I. C.

The Pilsen State bank is now a member of the Federal Deposit Insurance corporation. The bank has qualified for membership and individual deposits up to \$5,000 are guaranteed.

The Pilsen State bank is the sixth bank in Marion county to be admitted

to membership in the Federal Deposit Insurance corporation. Other banks on the list are The Farmers and Drovers National bank, The Marion National bank, The State Bank of Commerce of Marion, The First National bank of Hillsboro, and The Tampa State bank.

To Remodel

Contracts were let recently to the American Fixture company of Kansas City and to the Ellis Construction company of Wichita for the remodeling of the Stock Exchange Bank building in Caldwell.

Many changes are noticed in the arrangement of the inside fixtures as well as the outside construction of the building in the plans for remodeling. A new front of beautiful black granite, Indiana Bedford stone of a buff color and black vitrolite panels trimmed in white metal will be used in the construction of the new front.

Named President

Senator H. M. Beckett was elected president of the Patrons Co-operative bank, Olathe, at a meeting of the board of directors. Senator Beckett had served as vice president of the institution since its reorganization three years ago. R. P. Houghland was elected vice president and Ralph G. Beckett was reelected cashier. Charles A. Hyer was elected as a director to take the place of F. R. Ogg. All were chosen by unanimous vote of the board.



Statement of Condition, March 4, 1935

**LIVE STOCK NATIONAL BANK
OMAHA**

RESOURCES		LIABILITIES	
Loans and Discounts	1,215,312.78	Capital Stock (Common)	450,000.00
Bonds and Securities	18,339.66	Surplus	100,000.00
Stock in Federal Reserve Bank	16,500.00	Undivided Profits	115,202.44
Stock in Federal Deposit Insurance Corporation, Par Value (\$8,818.77)	1.00	Unearned Discount	12,888.41
Banking House	36,000.00	Reserve for Taxes, Interest, etc.	47,069.72
Furniture and Fixtures	None	Dividends Unpaid	10.50
Other Real Estate	1.00	Circulation	285,000.00
5% Redemption Fund	14,250.00	Deposits:	
U. S. Gov't Securities	7,866,632.29	Public Funds—	
Cash, Sight Exch. and due from Fed. Res. Bank	2,210,951.14	Secured	395,972.10
	10,077,583.43	Other Deposits	9,971,844.70
			10,367,816.80
			11,377,987.87
			11,377,987.87

Dividend Payable March 30, \$6,750.00

This Bank Has NO Affiliated Companies
Convention — American Institute of Banking, Omaha, June 10th to 14th

Bank Merger

Effective with the close of business recently, the Farmers State bank of Speed was merged with the First National bank of Logan. Since there is no bank at Kirwin, this merger leaves but one bank in the south part of Phillips county.

New Vault

The Garden National bank, Garden City, has completed the construction of a new safety deposit box vault in its bank. The vault, protected from fire and theft by concrete and steel, is one of the most modern in this section of the state.

To the owner of each box will go two keys, but before entrance can be gained, a bank employe with a master key must turn a second lock on the box. Only box owners are allowed to enter the boxes, unless on written order by the owner and each time the safety deposit box is entered the owner signs a record of the entrance.

Lighting System

A new indirect lighting system has been installed at the First National bank of Thayer. The new lighting effect gives a soft light and does not cast shadows.

The ceiling of the bank has been repainted and redecorated to blend in and give the desired reflection from the larger watt lamps used.

Colorado News

Consolidation

The Bennett National bank has been merged into the First National bank of Strasburg, the latter bank taking over the deposits and notes of the Bennett bank. This leaves Bennett without a bank, but the consolidation makes the Strasburg National one of the strongest banks in Eastern Colorado.

Deposit Gain

Gaining more than \$2,000,000 the past year, Colorado Springs bank deposits on March 4 totaled \$17,194,759.58. Every bank showed an increase over the past quarter.

Clearings Ahead

Denver bank clearings are running about 8.3 per cent ahead of 1934, it was disclosed recently. In the week ended April 13, 1935, Denver clearings were \$20,865,820.72. This compared with \$19,266,200.87 in the corresponding week of 1934. This showing is better than the national figures for last week in twenty-two cities, which were off 11.6 per cent compared with last year.

Returns to Colorado

Charles W. Dorney, former Monte Vista resident, who has been associated with the Drovers National bank of Kan-

sas City, Missouri, will move back there to become Colorado representative of the Interstate National bank, which recently was consolidated with the Drovers National.

Mr. Dorney left Monte Vista 10 years ago to take a position as cattle and sheep inspector of the Drovers National. He is widely known among Colorado bankers and livestock men.

Deposits Increase

A thirty-five per cent increase in the deposits of the First National bank in Boulder from March 28, 1934, to March 4, 1935, is reported by E. C. Hickman, cashier, in an interesting printed statement that he has had issued. He says in part:

"On February 26, 1934, your bank opened for business, closing the day with deposits of \$876,624.50. For the next thirty days there was a gradual shrinkage of deposits, until on March 27, 1934, a low of \$721,252.62 was reached. From that time on there has been a steady gain. On March 4, 1935, the date of this statement, we find our deposits totaling \$974,702.62. From the low point on March 27, 1934, to March 4, 1935, there has been a gain of \$253,450 in deposits, or a 35 per cent increase.

To Wichita

William E. Lester, young Denver lawyer, has gone to Wichita, Kansas, to accept a position as attorney with the Federal Land bank.

Lester has practiced in Denver for three years and has been associated with Carl Cline. Four articles written by him appeared in the Rocky Mountain Law Review. He gained recognition throughout the state with an annotation of all Colorado decisions regarding fraud on contracts.

Buys Bank Stock

The Reconstruction Finance Corporation has acquired 300 shares of Bank of Manitou preferred stock according to a statement filed with the county clerk and recorder. The statement was filed with a certificate of amendment of the bank's articles of incorporation.

The stock was acquired by the RFC some time ago, according to an announcement by J. Frank Campbell, president of the Bank of Manitou. Through the transaction the corporation took about \$30,000 of the bank's surplus. As a result of the transaction the bank's capital stock was increased about \$30.

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000, or from \$20,000 to \$50,000. This left a surplus of about \$10,000.

Moves to Craig

Removal of the Simla State bank of Simla to Craig, northwest Colorado town, on May 1 was announced by V. C. Downing, president of the institution.

Downing declared the bank is not closing, as reported.

"The facts in the case are that the bank is paying off its deposit liability without disposing of its assets and is moving to another location," he explained. The bank is prepared to pay depositors in full and has asked them to withdraw their deposits if they do not care to have them changed to the new location.

Sells Bank Interest

The stock in the First National bank of Ordway held by the Beaty family, of Manzanola, has been purchased by A. M. Ward and J. C. Buell.

Mr. Ward is the president of the bank and one of the directors. J. C. Buell, who has been the cashier for several years, is now vice president and cashier and a member of the board. Edd Whitney, one of the board members, retains his position, and Miss Iona Ward has been elected to fill one of the vacancies.

Closer Supervision

Representative Otis E. McIntyre of Colorado Springs introduced a bill in the state legislature to bring industrial banks under closer supervision, which was passed on second reading by the house. It specifies as to the organization and operation of the banks, so that loan sharks cannot hide under that title. The state bank commissioner is given authority to examine the books.

Penalties of a maximum fine of \$300 or six months' imprisonment, or both, are fixed for violation of the act.

Banker Dies

Funeral services were held recently for Thomas J. Everett, veteran banker and retired farmer of the San Luis valley, who died in a Salida hospital from a complication of ailments following an emergency operation for appendicitis.

Everett came to Colorado in 1879 with his family and lived in Denver until he moved to Leadville at the time of the mining boom there. After several years in Leadville, he moved to the San Luis valley and settled on the Excelsior farm, 13 miles south of Alamosa. Later he moved to Mosca, where he farmed until his retirement from this occupation to live in Alamosa.

He became president of the First State bank, which position he held for many years. For the past half decade he has not been connected with the bank, but has kept close contact with its directors.

Deposits Gain

Colorado Springs bank deposits on March 4 were more than \$2,000,000 greater than at the same time a year ago, totaling \$17,194,759.38, according to reports made in answer to a call of the comptroller of the currency.

The total is \$2,083,539.14 higher than that for a year ago, and \$531,620.41 more than the total December 31, 1934. Every bank showed an increase over the last quarter standing.

Cripple Creek Boom

The "best bank statement ever issued in Cripple Creek" reflected today the boom that has come to this mine-pocked country that has produced many millions in wealth.

The statement, showing the largest deposit ever held by any bank in the history of Cripple Creek, was issued by the First National and indicated it held \$3,040,873 in deposits.

Both deposits of mining companies and individuals have shown increases during the past year, bank officials said.

Government securities and \$2,000,000 in cash and cash due from other banks are behind the deposits the statement said.

New Mexico News

To Hear O'Connor

J. F. T. O'Connor, comptroller of currency of the United States, will deliver the principal address of the 25th annual convention of the New Mexico Bankers association to be held here May 17 and 18, Floyd Childress of Roswell, president of the association, announced recently.

Bank Office

Bank fixtures have been moved into the recently completed Speakman building in Ft. Sumner, preparatory to opening an office of the Citizens Bank of Clovis. Mr. Rayl, now assistant cashier of the bank in Clovis, will have charge of the branch bank in Fort Sumner.

Gain in Deposits

The American National bank of Silver City showed a gain in deposits in its statement called for March 4, over the December 31, 1934, statement. Total resources and liabilities of the bank are \$1,129,624.37, and deposits \$976,180.30.

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

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Increases Capital

The International State bank of Raton has filed with the state corporation commissioner an amendment to its articles of incorporation increasing its capital stock from \$25,000 to \$35,000.

The Continental Leases Co. of Santa Fe has been chartered. The authorized capital stock is \$10,000 and the company begins business with \$1,000. The incorporators are W. R. Given, Frank Staplin and W. S. Patterson.

Wyoming News

Increase in Debts

Cheyenne's two banks, the American National and the Stock Growers National, for the first three months in 1935, show an increase in debits of \$4,680,952.86 over the same period in 1934, according to a report by G. C. Jennings, secretary of the Cheyenne Clearing House association.

The debits for the first three months in 1935 total \$18,397,078.46 as compared with \$13,716,125.66 during the first three months in 1934.

Total clearings for the first three months of this year show an increase of \$1,623,784.35. In 1935 the total clearings for the first quarter were \$6,373,532.15 as compared with \$4,747,747.80.

To Collect

It is understood that State Examiner A. E. Wilde of Cheyenne will start to execute the filing of liens upon properties held by stockholders in the defunct Riverton State, to collect on unpaid stock payments. Converting of these liens to judgments will be in order, is the step about to be taken, following two other such recent actions, when action was taken against stockholders of a defunct Douglas bank, and later a Laramie bank, with the Riverton State bank being next in order.

GROUP TWO BANKERS HOLD SUCCESSFUL MEETING

(Continued from Page 5)

it should be said, but say it with a smile and a word of explanation. Mr. Taylor feels that lack of proper information being given to the public has been the cause of most banking ills.

A liberal banking policy will build good will, he said, but at the same time the banker must keep within the rules of good banking practice. He cited seven rules for sound banking—knowledge of business, conservatism, promptness and accuracy, compensation for services, fairness in customer dealings, sincerity, and friendliness toward all.

THE CLOSING address of the morning session was given by Edwin Van Horne, president of the Continental National Bank of Lincoln, whose subject was "National and State Banking Legislation." Like all thinking bankers, Mr. Van Horne voiced his opposition to Title II of the Banking Act of 1935, wherein the Federal Reserve System, should the bill become a law, would be a mere political football—the last thing that should happen to any phase of banking.

Mr. Van Horne said that one hundred and five bills had been entered in the Nebraska Legislature which either directly or indirectly affected banking—some of them worth while, and of course many of an opposite nature. He mentioned Senate File 122, the public funds bill, which has been signed by the Governor, and will save Nebraska banks some interest money. He also mentioned a bill now in Congress which would permit postoffices to do a limited banking business. This bill, if passed, he said, would be the death knell for the smaller banks. While perhaps there is some change necessary in our State and National banking laws, stated Mr. Van Horne, these contemplated changes

should be closely studied, and not put through as hasty legislation that would later be regretted.

THE AFTERNOON session of the meeting started off with a most interesting discussion of "Finance and Personal Loans" led by C. W. Battey, assistant cashier of the Continental National Bank of Lincoln, and manager of the personal loan department of that institution. An article on this subject, based on the experience of his bank with such loans over the past three years, is published elsewhere in this issue of THE CENTRAL WESTERN BANKER.

THE QUESTION BOX, led from the floor of the convention by W. H. Dressler, cashier of the Stock Yards National Bank, of Omaha, created some lively discussion by the bankers themselves regarding the legal angle of many of their daily business and banking transactions. A number of questions were submitted, and it was unfortunate that time did not permit Mr. Dressler to bring them all before the Group members.

IT IS A WISE Governor who knows what not to talk about, depending on the nature of his audience, and Roy L. Cochran, Governor of Nebraska, verbally skirted the subject of banking in a most graceful manner. As close as he came to it was in his praise of Mr. Saunders, Nebraska banking commissioner, stating that he feels Saunders is just the man for the job.

To an outsider looking in, the Nebraska legislature this year seems to be getting nowhere fast, and Governor Cochran, in commenting on the slowness of his law-making body, excused their frozen condition with the remark that it was perhaps better to pass no laws than to have quick passage of poor laws.

OTTO KOTOUĆ, president of the Home State Bank of Humboldt, and president of the Nebraska Bankers Association, praised the members of the Association for the valuable assistance and support they were giving their officers and several committees, especially along the lines of legislative activity. The Nebraska Bankers Association now has three hundred ninety-one members, said President Kotouć.

The speaker also mentioned the possible expansion of the postal savings system as a dangerous move from the banker's standpoint.

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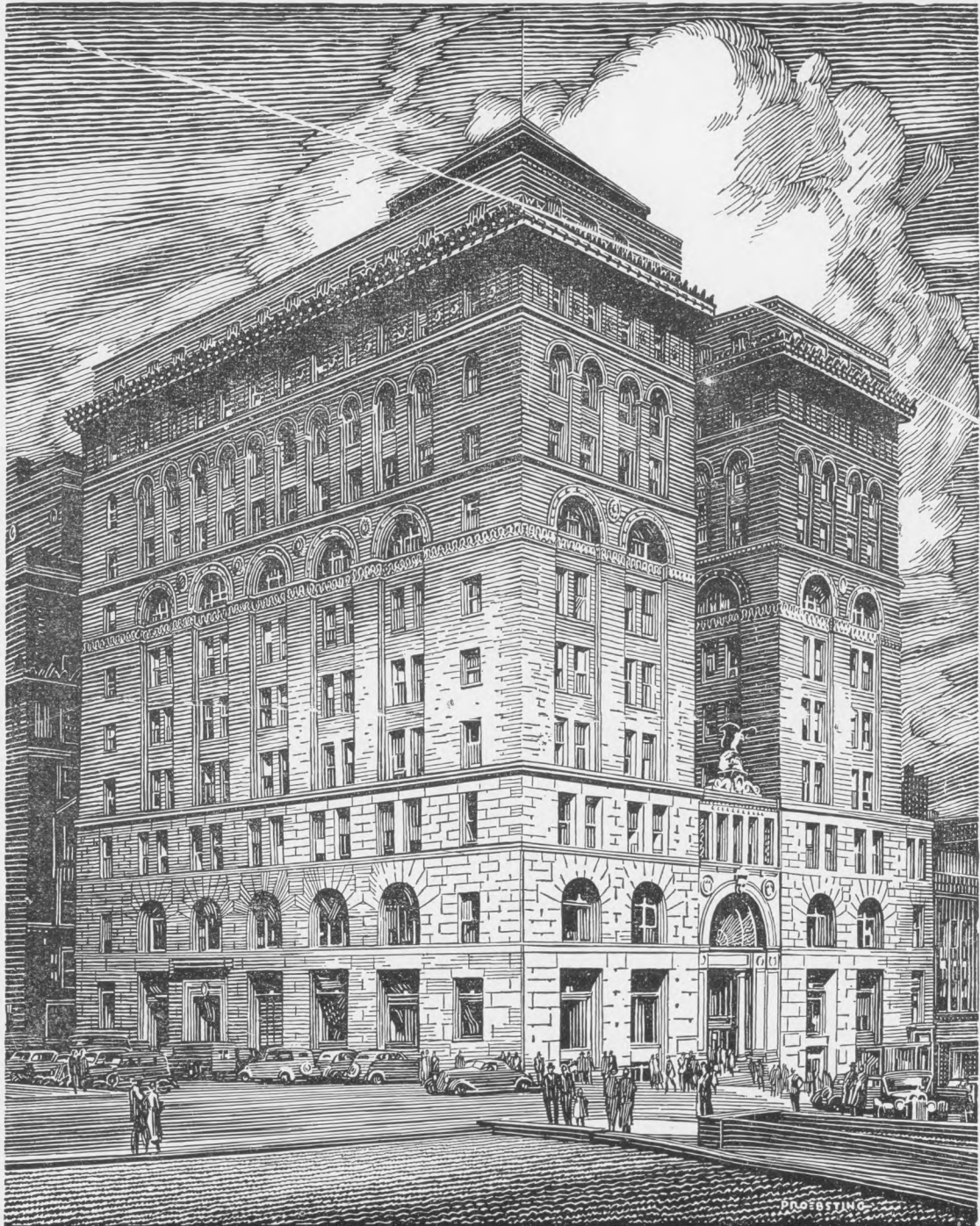
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