

CENTRAL WESTERN BANKER

Omaha

Training Men for Trust Work

Page 5

About Men You Know in Nebraska

Page 7

Why the Banker and the Farmer
Should Pull Together

Page 10

What Shall We Do
With Our Surplus Funds?

Page 11

August

1935

the finest
NEWS
SERVICE
on the air

TODAY, we live in an Age of News.

Things are happening which are of vital interest to all of us. Europe hears another war scare . . . Washington tries to revive the Blue Eagle . . . France's Gold Standard appears shaky . . . floods lay waste to rich farm areas . . . and a hundred other things take place that make tomorrow's history.

In step with the times, Radio Station WHO has developed its own news-gathering department, which in conjunction with the world famous United Press, brings WHO listeners the finest news service available. If you would be well-informed may we suggest that you tune in WHO News Broadcasts regularly. WHO News can be heard at the following periods:

MONDAYS THROUGH SATURDAYS

- ★ 6:30 a.m.
- ★ 7:30 a.m.
- ★ 11:10 a.m. (Saturdays only)
- ★ 1:00 p.m. (except Saturdays)
- ★ 4:25 p.m.
- ★ 9:55 p.m. (except Wednesdays)
- ★ 10:30 p.m. (Wednesdays only)

SUNDAYS, One Time Only

- ★ 9:55 p.m.

News flashes are given throughout the broadcasting day, whenever important events take place

W H O

CENTRAL BROADCASTING CO.

DES MOINES, IOWA

J. O. Maland, Manager

Phone 3-7147

CENTRAL WESTERN BANKER

410 ARTHUR BUILDING
OMAHA

CLIFFORD DEPUY, *Publisher*

R. W. MOORHEAD, *Associate Publisher*

H. H. HAYNES, *Editor*

FRANK S. LEWIS, 511 Essex Bldg., Minneapolis

FRANK P. SYMS, *Vice-President*, 330 West 42nd Street, New York

Subscription, 25 cents per copy; \$2.00 per year. Entered as second-class matter at the Omaha postoffice.

VOLUME 30

AUGUST, 1935

NUMBER 8

THE BUSINESS OUTLOOK

BUSINESS during the first half of 1935 has been closely similar to that during the first half of 1934, and on the whole somewhat better. The outputs of manufacturing and of mining have been a little larger this year than they were last year, while industrial employment has averaged for the six months about two per cent ahead of last year, and payrolls nearly 10 per cent. The value of department store sales has been slightly more than in the first half of 1934, but the prices have been enough higher so that the volume of goods sold has been somewhat lower this year. Steel production, and the loadings of freight on the railroads, and the volume of new building have all been lower than they were last year.

These are perhaps the most important of the basic elements of business activity, and while they have not changed much from those of the first six months of 1934, some significant changes have taken place in at least two of them. Steel output has slightly decreased, but the automobile industry, which is its best customer, has advanced its production by about 50 per cent. This means that the other customers of iron and steel have materially reduced their purchases, reflecting further postponement of revival in the durable goods industries. Building construction as a whole has fallen to about three-quarters of the volume of the first half of last year, but the erection of new residences, while still slow, has been about half as large again as it was in 1934.

The most interesting and important of the problems involved in the relatively static condition of business is that of the failure of the combination of great accumulated shortages of goods, and great accumulated surpluses of capital to stimulate new business activity. Idle funds have become so large that interest

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

rates have fallen to the lowest levels ever recorded and corporations are busily calling their bonds and reissuing them with lower coupons, but save in rare instances they are not creating genuinely new issues. Few existing businesses are failing, but almost no new ones of importance are being started. It is a strange anomaly that huge shortages and accumulated idle capital are not being recognized as constituting opportunity.

1 1 1

THE VOLUME of industrial production has been declining during the first six months of this year, and despite the fact that the preliminary estimates for June are no lower than the figures for May it does not appear likely that the decline has as yet been checked. Probably the July figures will show some further shrinkage, but fortunately it does not seem probable that the coming quarter will make as bad a showing as did the third quarter of 1934 when labor difficulties and especially the textile strike seriously curtailed output.

1 1 1

THE RICHEST one per cent of those receiving incomes in this country appear to have received in 1932 about 10 per cent of the total national income, and in 1928 over 17 per cent. For the 18 years from 1916 through 1933 the richest one per cent appear to have received about 12 per cent of the national income.

The new taxation proposals now under consideration contemplate considerable increases in the taxation of the richest one per cent, and possibly some extensions of taxation among the 99 per

cent receiving the smaller incomes. The possibilities for increasing federal revenues through heavier taxation of the wealthy are smaller than one might suppose from noting the large total incomes of the richest classes. If the government had taken in 1933 the entire incomes of the richest one per cent in excess of \$3,930 per person, the additional amount taken would have paid hardly more than half the federal deficit of that year, and if it had distributed that excess among the remaining 99 per cent of the income receivers each one of them would have had his monthly income increased by less than five dollars a month.

1 1 1

THE MOST noteworthy fact about the iron and steel industry that is revealed by the half-year data is its increasing dependence upon the automobile industry. Automobile production of the first six months was about 50 per cent greater than in 1934, but steel production was fractionally smaller. The automobile industry has consistently bettered its product, lowered its prices, and increased its volume. The other great departments of steel demand are the railroads, construction, pipe, container, and miscellaneous industries. Of these the first three have been hampered by high costs, lack of confidence, and financial difficulties, while the last two have held up better.

The high point of steel production so far this year was in February, and since then the trend has been steadily and seriously downward. This is in sharp contrast to the trend of a year ago which was generally upward until the mid-year, at which time production collapsed. The prospects are that output will remain small for the next two or three months, and then will rise in response to the usual seasonal pattern.

Code or No Code—

There Should Be No Selling Below Cost

IF INDUSTRY wants to provide against selling below cost, is a code provision to that effect the only way of securing it? If the answer is in the affirmative, then it looks pretty bad for cost protection (the title the lumber code gave to such provision, and the one that will here be used for convenience). Its path was hardly strewn with roses for the year or so that it was on the books for some industries. True, in most cases it was NRA that delivered the final body blow, but the fact remains that the knockout was scored only after a good part of industry was rooting for just that result.

Whether cost protection broke down because of lack of enforcement or whether enforcement broke down because of any inherent defect with cost protection are questions that lend themselves to free for all argument with probably no conclusive answer. Whichever way the vote may go, cost protection as a code proposition is one of those things about which the description "as dead as a dodo" snugly fits. Fixed minimum prices, the alter ego of cost protection, have (with some possible exceptions) gone the way of all flesh as a matter of NRA legal philosophy.

Know Costs

But although the song of minimum prices may be over, if the melody of costs lingers on, the day will not only be saved, but also be a brighter one. To know costs is far better insurance against so-called destructive price cutting than jails can ever hope to be. After all, capital is not at it for philanthropic purposes. In the normal course of things, a business man does not seek to hand out his money to his customers through sales at a loss. True, there are times when losses are inevitable, if not desirable, but the wanton dissipation of capital arises by and large through hysteria induced in no small measure by ignorance. And the ignorance is in not knowing just where profit ends and loss begins. When an executive knows his costs, human nature can be relied upon to have him protect those costs to the last ditch. But when he doesn't know what the shooting is all about, to use the vernacular, business

By J. S. SEIDMAN, C.P.A.

*Seidman & Seidman
New York*

suicide, murder, or both, are a constant menace.

Until the advent of codes, many industries weren't hitting on even one cylinder, figuratively speaking, with respect to costs. Few and far between were the organizations with any, no less satisfactory, cost methods. To the codes, therefore, go the credit of stirring perforce a cost consciousness into industry, about the same way that income taxes aroused bookkeeping and accounting consciousness. To that extent, the codes are entitled to a badge of merit and permanent inscription on the credit side of the ledger, no matter how badly they may fare in other respects, and no matter how impermanent their own existence may be.

On the Right Road

But the codes only made — as they could only hope to make — small beginnings on the right road. They necessarily had to reflect a mere surface approach, and even then not much denting could be done. After all, cost sloth is not turned into cost perfection overnight, or over several nights. Striking a spark is an important step in ultimately generating heat, but unless there is a flame and the flame is kindled and nurtured, it turns out to be a case of lots of motion and activity but getting nowhere fast. It takes serious intent and assiduous attention to reach the goal in costs. To attempt it in one fell swoop is to gorge oneself with impracticalities to the acute indigestion state. Only by gradual, perhaps even painful, stages will the destination be reached. But once attained, cost protection is likely to be in clover.

If there is any merit to the point of view just outlined, doesn't it behoove industry to carry on with this matter of costs, for the individual and collective good. The trade associations may help in spurring on, prodding, or advising, but they cannot be reasonably expected, or perhaps permitted, to invade the office and provide and maintain whatever records are needed. The irony of it all is

that when the business man is sincere of purpose and gets right down to it, he finds that the task is neither as difficult nor as ominous as he may have prejudged to be the case. In doing the thing bit by bit, as recommended, the transition in terms of factory and office routine becomes almost imperceptible, in sharp contrast, however, to the noticeably increased power and control over the business and its policies the executive feels as a result of the increased light and knowledge the cost data begin to impart.

Assuming executives are sold on the idea and want to get going, then what? A word of caution is here in order. There rarely is such a thing as "the" cost system for a particular industry. Costs are not patent medicines. Nor are they akin to pulling a rabbit out of the hat. They must be individualized to mesh with the situation at each plant. This necessarily follows from the myriad of items entering into the ambit of production with its almost infinite permutations and combinations of material, size, quality, and general degree of manufacture or remanufacture. To talk in terms of "a" cost system for an entire industry is therefore to ignore realities. It plunges the approach into the same possible abyss as that in which code cost protection at times found itself — impractical rigidity. In criminology the slogan is the punishment must fit the crime. In cost determination, the slogan should be the system must fit the plant.

Protection

But regardless of principles or methods, the point postulated at the outset recurs. To be given cost knowledge is to be given cost protection. The battle against destructive price cutting need not be — and probably cannot be — fought in the field of legislated codes. The real stamping ground is right in the factories and offices of the various enterprises. Industry stabilization will be more effectively achieved — if it can be achieved at all — when everybody knows what the score is at all times, instead of floundering in ignorance. All the well meaning sentences of the law, no matter how strongly subscribed to and enforced, can-

(Continued on Page 12)

"The problems of the trust man of today and tomorrow are becoming more complex and external in character"

Training Men For Trust Work

RIGHT at the outset I want to make it perfectly clear that I am not an authority on trust education. To be perfectly frank, I cannot claim any great degree of familiarity with education in any of its branches. Consequently, I would be completely disqualified to deliver this paper were it not for one very important circumstance.

That circumstance is the deep and abiding interest of the Trust Division in the subject of training men for trust work. As a member of the Executive Committee of the Trust Division, I believe I am in a position to give you some reflection of this interest. Hence, the observations I am going to make will not offer ideas that I claim as my own but will be in the nature of a report of the views of thoughtful trust men who are active in the affairs of the Division.

Education

More than ever before the question of education for trust men is occupying the thoughts of leaders of the Trust Division. Trust education is in a period of great transition and is actually entering upon a new epoch. Perhaps it is not too much to say that the whole future of trust business as we know it in this country depends on the training of the men who as executive trust officers are to take charge of trust departments within the next few years.

Until quite recently a trust man who knew the mechanics of his trade—or his profession, if you prefer—who knew enough not only to seek the advice of counsel, but to take it, and who stuck to the legal list of securities approved for trust investment, could do a pretty good job. The problems of the trust man of yesterday were largely concerned with operations within the trust department. The problems of the trust man of today and tomorrow are becoming more complex and external in character.

Trust men will continue to have operating questions and it is safe to assume that when they arise they will meet them in the future as in the past. Furthermore, the trust man who is coming along, I think, has an opportunity for a better

The address of Samuel C. Waugh, executive vice president and trust officer of the First Trust Company, Lincoln, Nebraska, before the National American Institute of Banking Convention in Omaha.

training in the mechanics of his calling than his predecessor, for until the American Institute of Banking revised and expanded its courses on trust functions there were scant facilities anywhere for the study of practical trust work. Now the Institute can supply the trust man with the tools of his trade.

But that is not enough. Trust business today demands much more than mechanical training and its demands are increasing steadily. The trust man who is equipped with a knowledge of the fundamentals of trust business and a familiarity with operating policy and procedure is ready to meet the problems within the trust department. But is he trained to grapple with conditions and developments outside the trust department or apparently even outside the trust business?

National Institution

Trust business can no longer be conducted on the basis of a number of disconnected units each of which is performing its individual activities without regard to the other units. As in other phases of life, what affects any part of a whole, in due course, affects the whole. The trust man today is learning to think of trust business as a national institution instead of merely in terms of the affairs of his own trust department. He is faced not only with the immediate results of wholly new and unexpected conditions, but with the likelihood of having to steer a course through even more troubled waters. He must be equipped to meet

situations not yet described in the textbooks.

Precedent is no longer an infallible guide in the trust business. Adaptability is becoming an exceedingly valuable attribute for a trust man.

For instance, consider the present system of examination of trust departments by government authorities. In certain localities, until a year ago, except for a rather superficial "count the cash and verify the securities" sort of supervision, trust departments underwent no examinations worthy of the name. Since June, 1934, the Comptroller of the Currency and the Federal Reserve banks have started regular and comprehensive examinations of trust departments. This new element in the trust business has caused trust men to make various necessary adjustments to meet a factor hitherto practically unknown.

Real Estate Mortgage

Take the real estate mortgage situation. Where are there precedents to guide a trust officer through the difficulties experienced in that field?

Take the legal lists of authorized investments, formerly a bulwark of protection for the trust investment officer. Nowadays, these statutory requirements, with but few exceptions, offer little help in solving trust investment problems. In some states consideration is now being given to a revision of the legal list to provide greater elasticity, and other states will probably follow suit shortly. That job alone requires highly trained men.

Suppose we have inflation in this country. Even the supposition of inflation presents a problem never dreamt of by the trust men of the past generation.

Let us consider for a moment a less concrete but far-reaching question. We are living in a time of great social change. Trends are developing that may lead in many different directions. How far some of these new movements will go, no one can foretell. But there are sure to be reactions upon trust business in one way or another.

I am not proposing to give the answers to these questions. They are mentioned

only to illustrate the nature of the things outside the trust department with which the trust man must concern himself. Many other movements and events could be added to the list.

The trust man today has had to adjust himself to these external factors in the hard school of experience. Experience has taught him a lot in the past few years. As a result he now thinks in new terms and concepts.

More Complex

But the pattern of events is becoming increasingly more intricate and complex.

The trust man of the future will come upon a stage set with very different scenery from that which his predecessors occupied. As I said earlier, trust education is passing through a transitional period. It is emerging from the ranks of elementary schooling and is now entering the realms of higher learning.

No longer can the trust man's training for trust work stop when he has completed the technical courses. There must be a higher education to equip him with a breadth of vision that will permit of the fullest use of his technical knowledge. He must be trained to appraise economic

and social tendencies, as well as actual occurrences, and to relate them to trust business. He must be trained to utilize known factors in order to make adjustments to new conditions. He must be trained to apply his education in the fundamentals of trust work to a broader field. In a word, he must be trained how to continue his own education by himself steadily and persistently.

Can a trust man get such training? He can.

First, the courses in trust functions offered by the Institute will give him his training in the fundamentals. Nowhere else can be get so thorough a grounding.

Second, the trust course of the Graduate School of Banking will give him the higher education modern conditions require.

You are all familiar with the Institute's courses in trust functions. Doubtless you know something of the new Graduate School of Banking. But I should like to discuss very briefly, in the light of what I have said about the training of trust men, the work on trusts that will be carried on by the Graduate School.

Graduate School

The Graduate School offers a three-year course to trust and bank officers or those holding equivalent positions, who are Institute graduates or have the equivalent of Institute courses to their credit. The courses provided are Trust Business, Banking, Investments, Banking Law, and Economics. A student may elect Trust Business or Banking or Investments as a major course and either one of the other two as a minor subject. All students are required to take Banking Law and Economics.

Thus the student majoring in Trust Business will at the same time be studying allied subjects without concern as to their immediate relation to the operation of a trust department. During the three-year period two weeks each year will be spent in residence at Rutgers University, New Brunswick, New Jersey, and the remainder of the time will be devoted to extension work.

The first class of the Graduate School, the class of 1937, started in residence at Rutgers on June 17, 1935, with a total of 220 students registered. Of the total, 32 are majoring in Trust Business and 35 are taking the minor course in Trust Business.

The selection of the faculty for the courses on Trust Business is a brilliant

(Continued on Page 12)

Farmers Receive Huge Benefits

DURING the July 1, 1934, to June 1, 1935 period of the 1935 fiscal year, the Agricultural Adjustment Administration expended in rental and benefit payments, removal and conservation of surplus agricultural commodities, drought relief, administrative expenses, and other operations, a total of \$767,195,306 from funds available, amounting to \$918,045,135, leaving a balance available of \$150,849,829, according to the monthly Comptroller's report issued recently.

The report, which has been revised and will henceforth report expenditures on a basis of current fiscal year, instead of from date of organization as previously reported, lists expenditures for the period as follows: Rental and benefit payments to farmers cooperating in adjustment programs, \$535,547,698; removal and conservation of surplus agricultural commodities, \$10,043,550; drought relief, food conservation and disease eradication, \$145,595,764; trust fund operations, \$11,746,526; administrative expenses, \$34,401,654; disbursement expenses, \$737,005; and tax refunds, \$29,123,107.

The funds shown available by the new form of report include a balance of \$281,565,270 carried over from the 1934 fiscal year, ending June 30, 1934, from appropriations and trust fund receipts; and in addition to these funds receipts from appropriations and trust funds during the year amounting to \$111,900,020, making a total of \$393,465,290 available from funds NOT derived from processing taxes. At the beginning of the fiscal year a balance of \$71,572,151 in processing taxes was carried, to which collections since reported upto April 30,

1935, have added \$453,007,693, bringing the total of funds available from processing taxes to \$524,579,844. It was pointed out that processing tax collections shown in the report lagged a month behind expenditures reported chargeable against processing taxes.

Rental and benefits cumulative for the period of the report, were divided as follows among commodities: Cotton, \$102,503,017; wheat, \$97,503,986; tobacco, \$233,784,768; corn-hogs, \$296,435,801; sugar, \$15,320,123.

Removal and conservation of surplus operations included: Hogs, \$1,408,886; wheat, \$1,087,744; dairy products, \$6,507,373; sugar, \$365,536; and peanuts, \$674,008.

Drought relief, food conservation, and disease eradication operations are listed as \$120,583,408 spent for cattle, including \$9,586,637 for indemnities paid in the disease eradication program; \$7,702,288 for drought sheep and goat purchases; and \$17,310,068 for the purchase of seeds and their distribution in the drought area.

Trust fund operations included \$11,695,781 distributed to producers who pooled their excess cotton tax-exemption certificates for sale to producers with excess cotton; and \$50,744 from a rice trust fund set up under the southern rice marketing agreement.

During May, farmers cooperating in adjustment programs received a total of \$36,790,148 in rental and benefit payments, of which \$16,043,225 was paid cotton producers, \$2,877,272 to wheat growers; \$3,073,323 to tobacco producers, \$10,362,121 to corn-hog producers; and \$4,434,205 to sugarcane and sugar-beet growers.

About Men You Know in Nebraska

CLARENCE L. LANDEN, vice-president and treasurer of the Securities Investment corporation at Omaha, announced July 8, the sale of \$350,000, 4 per cent, one to five-year collateral trust bonds. He said the proceeds would be used to refund outstanding 6 per cent bonds and for general corporate purposes. Omaha and Lincoln investment bankers underwrote the entire issue.

W. DALE CLARK, president of the Omaha National Bank, is serving this year as president of the Omaha Community Chest. In an address, recently, he stressed the need of close cooperation between member agencies of the Chest and other social service groups.

OMAHA BANK deposits at the close of business June 29, in response to a national bank call, were 13 million dollars higher than on June 30 last year. The figures were \$116,279,670 and \$103,219,459 respectively.

Bank loans were \$26,424,540 on June 26, compared with \$26,919,866 a year ago. Loans, however, are slightly more than they were at the time of the previous call, March 4, when the total was \$25,809,591.

Figures of June 29, by individual banks: Omaha National, deposits \$39,858,012, loans \$10,474,128; First National, deposits \$29,552,492; loans \$7,021,349; U. S. National, deposits \$25,628,235, loans \$3,123,941; Live Stock National, deposits \$10,007,807; loans \$1,350,633; Stock Yards National, deposits \$6,987,828, loans \$3,238,681; Packers National, deposits \$2,537,387, loans \$568,068; South Omaha Savings, deposits \$878,783, loans \$335,620; Douglas County Bank of Benson, deposits \$532,701, loans \$129,598; Bank of Florence, deposits \$296,426, loans \$182,522.

ARTICLES OF INCORPORATION were filed July 11 at Lincoln, Neb., by the Bank of Leigh, Neb., after efforts of citizens of the town had been halted, in their efforts to organize the bank, by a temporary injunction issued June 19.

The case was to test the validity of an act of the 1935 Nebraska legislature, seeking to give cooperative credit associations preference in issuance of commercial bank charters. Notice of the injunction proceedings was a climax of two days of hearings before Banking Director Ben Saunders on application of J. J. Delay of Norfolk, Neb., and J. B. Hines of Wisner, Neb., for a commercial bank charter. Directors of the Leigh Cooperative Credit association opposed the application.

GUY KIDDOO, former vice-president of the Omaha National bank, now a banker in Chicago, returned to Omaha recently with Mrs. Kiddoo for a short visit. They were widely entertained. During his stay, Mr. Kiddoo played golf with a group of men who were his golf partners when he lived in Omaha.

A 10 PER CENT DIVIDEND for the State bank of Chester, Neb., amounting to \$5,285 was announced July 15 by the state banking department. The dividend brings total payments to 40 per cent or \$21,140.

TWO MORE of the forged Omaha street improvement bonds have come to light. The bonds were sent to Omaha from Oklahoma City by the Fidelity National Bank for verification. The deputy county treasurer at Omaha spotted them as forgeries. So many of the forged bonds have turned up in the past year that a rubber stamp was made to facilitate the labeling process. Officials have no way of knowing how many of the forged bonds are still in circulation.

GEORGE S. ECCLES, president of the First Security Bank of Ogden, Utah, and affiliated institutions, and brother of Marriner S. Eccles, chairman of the Federal Reserve Board at Washington, was the guest recently of Fred W. Thomas, vice-president of the First National Bank of Omaha. Mr. and Mrs. Eccles were en route home from an eastern trip.

THE EMERGENCY is over, Albert S. Goss, of Washington, Federal

Land bank commissioner, declared when he arrived in Omaha July 13 to accompany Omaha land bank officials to West Point, Neb., July 14, for a picnic celebrating the growth of the 10 million dollar National Farm Loan association at Dodge, Neb., to the point where it is the largest of its kind in the nation.

Mr. Goss related that the average number of appeals to the government from mortgage foreclosures had dropped from a peak of seven hundred a day to a present average of 25 to 30 daily. "We are definitely on the way out of the depression," he added.

"More than a million farms were facing a delinquency that threatened their future," he stated. "All looked to the farm credit administration for immediate aid, but of course it could not be given immediately. It took 18 months to catch up with the demand. We took care of \$1,750,000,000 in loans."

He said the public has come to recognize the importance and soundness of the setup. The federal farm loan bonds which a few months ago were in the low 70's now are selling at 108. The first part of July, an issue of 239 million dollars, said to be the largest bond issue ever floated in this country except by the federal government itself, was five times oversubscribed.

Mr. Goss was principal speaker at the West Point picnic.

T. L. DAVIS, president of the First National bank of Omaha; Mrs. Davis, Lawrence Brinker of the National Company of Omaha, Mrs. Brinker, Mrs. Davis Bohling, sister of Mr. Davis, and Mrs. G. A. Meyer of New York City, have returned from the Davis summer home at Miltona, Minn.

ALVIN E. JOHNSON, president of the Live Stock National bank of South Omaha, became president of the Omaha Chamber of Commerce for the fiscal year beginning July 1. He had served during the past year as vice-president and chairman of the executive committee.

Mr. Johnson has been active in affairs of the chamber for many years and also a leader in South Omaha business.

He is a regent of Omaha Municipal university, a former president of the Omaha Y.M.C.A., and a former president of the Omaha Clearing House association.

With the exception of W. Dale Clark, president of the Omaha National bank, Mr. Johnson, at 42, is the youngest president ever to serve the Omaha chamber. Mr. Clark was only 39 when he was elected in 1931.

Soon after Mr. Johnson's election as chamber president, Charles E. Hall, chairman of the Douglas county relief forces, erected a huge thermometer on the court house lawn to impress on the people of Omaha the need of doing something to decrease the heavy relief load. Mr. Johnson disapproved the idea on the ground the results are misleading.

"Our bank deposits are off less than

1 per cent," said Mr. Johnson. "The thermometer will give visitors the wrong impression of conditions here."

W. B. Millard, jr., vice-president of the Omaha National bank, called the thermometer the "dumbest piece of advertising for a city I ever saw."

Countering, Mr. Hall wrote a letter to Mr. Johnson, suggesting that the chamber erect a huge thermometer on top of the 20-story Woodmen of the World building, listing thereon the new industries obtained and new payrolls established by the Chamber of Commerce during Mr. Johnson's administration as president.

VICTOR CALDWELL, vice-president of the United States National bank of Omaha, and Mrs. Caldwell are home

from an outing at Lake Okoboji, Ia., favorite summer spot for Omahans.

THE NEBRASKA banking department announced the payment of \$129,395,395 in dividends to depositors of failed state banks during June. On July 2, a 5 per cent dividend, totaling \$2,610, was announced for depositors of the Bank of Avoca, and a 4½ per cent dividend for depositors of the Citizens State Bank of Benkelman, amounting to \$16,234.

S. R. KIRKPATRICK, head of Kirkpatrick - Pettis - Loomis Investment company of Omaha, re-entered an Omaha hospital July 9 for treatment.

MRS. CHARLES SAUNDERS and Mrs. Robert Hall are now being referred to as the "cheer leaders" for the First National bank kittenball team at Omaha. They have scarcely ever missed a game this season to watch Mr. Saunders, First National officer, and Mr. Hall, cashier of the Bank of Florence, First National affiliate, in action as members of the team.

CHARLES R. GARDNER, JR., son of the Eppley Hotels company official, who for a number of years previously was known throughout the middle-west as Omaha's secretary of Ak-Sar-Ben, has left Omaha for Chicago to be associated with Dun & Bradstreet, Inc. He has been associated with the Omaha staff of a large oil refining corporation.

A TEN MILLION dollar increase in Omaha bank clearings was recorded in June, compared with the same month of last year. Totals were \$118,916,560 and \$108,829,363, respectively.

LIQUID ASSETS are greatly to be desired by banks, but "too much is enough," Cashier Fred Maas of the Cones Bank of Pierce, Neb., believes.

It was a regular deluge of liquidity the other day at that bank. It seems that somebody had forgotten to turn off the valve, after filling the furnace tank for the night, and the water dripped . . . dripped . . . dripped the night through until the basement wouldn't hold the man-made "flood."

FRANK PETERSON, cashier of the Bank of Stapleton, Neb., hadn't had much practice in using crutches until this spring.

It was enforced practice, however. He was kicked in the shinbone by a horse.

(Continued on Page 21)

Residential Building Recovery

THE RISE in residential building which has been in progress in recent months seems definitely to have reversed a downward trend which started in 1928 and an improvement of several years' duration may reasonably be expected, according to an analysis of "Residential Building—One of the Main Recovery Hopes" published by Moody's Investors Service.

"The chief factors warranting such a conclusion," says Moody's, "are the definite shortage in American housing revealed by Government surveys, the improvement in rents and in the mortgage market, the alleviation of distress-conditions and readjustment of debt through HOLC and other measures, and the upward trend of national income."

The analysis points out the great improvement brought about in house financing and construction methods since the 1920's. In that period, speculative building and inferior construction were rampant and the short term 3 to 5 year mortgage, amounting to 45 to 55 per cent of the appraisal values, was the accepted form of financing. As few buyers could furnish the balance of the funds necessary, second and even third mortgages were adopted, involving heavy financing charges which so seriously weakened the financial condition of the borrower as to weaken all of his obligations.

Financing Methods

"At the present time, however," the survey continues, "financing methods have

been completely changed by the Administration so that now 80 per cent of the appraised value of the property can be loaned on a long term amortized mortgage at a more favorable rate than hitherto available. Furthermore, the mortgages are insured so that, during the next two years, any lender can make a mortgage loan with the maximum risk of a 3 per cent Government bond will be given him if the loan proves a bad one. In order to secure such a loan, certain standards in construction must be adhered to, so that the quality of building is automatically improved. The prefabricated house is still largely in the experimental stage, and, at least for the next year or two, the major portion of building will be of standard construction."

It is admitted that buildings costs are still high in relation to rents, but this is being offset by the advance in rentals and the relative desirability and attractiveness of new homes which can be built today. The improvement in national income, which this year is expected to exceed the 1932 low year by about 40 per cent, is also distinctly favorable to residential building as it is true that ease of long term borrowing and confidence of continuance of income are more important, generally speaking, than the level of building costs.

"To investors, a recovery in residential building should have a broader meaning, as a rise in building stocks can hardly take place without a rise in value of stocks as a whole," concludes Moody's.



*Designed and Operated for the Service
of a Fundamental and Essential Industry.*

*A Banking Service
Complete for Your Needs.*



Stock Yards National Bank of South Omaha
OMAHA, NEBRASKA



Why the Banker and the Farmer Should Pull Together

THIRTY-TWO million people living on American farms produce food for nearly three times that number living in towns and cities. The farm group includes over 21 per cent of our people gainfully employed. Since food is essential to every human being, it stands to reason that there must be a close relationship between the food producer and the food consumer—a vital relation between agriculture and industry.

Recognizing that their interests are mutual, many bankers are teaming up with county agent on a long-time constructive agricultural program. Together they are making a steady pull for results that will confer lasting benefits upon their communities.

Credit Extension

Both the banker and the farmer are helped by intelligent credit extension. This is also good for the community. The best results are obtained when both talk intelligently about the advantages and dangers before entering into a credit program. Banks cannot be made successful by acquiring farms through foreclosure routes. It is much better to bring about conditions where it is possible for the farmer to repay the loan which reflects the creation of new wealth to the community.

Recognizing the interdependence of agriculture and industry, many business organizations, including great industrial, manufacturing, and transportation corporations, have inaugurated effective and extensive campaigns for better farming.

Bankers have been sponsoring important agricultural projects for four years and have joined forces with the Colleges of Agriculture in extending them. Fine progress has been made. Bankers have encouraged farm accounting in one form or another and have furthered the national project to promote farm inventories and credit statements. In these times of uncertainty and readjustment, credit judgment must be based on facts. Farmers have been misled, and some ruined by unwise credit. They as well as bankers must consider facts. The farm inventory is a necessary factor in

understanding the farm business and in establishing and maintaining a good credit rating.

Pressing Problems

There are still other pressing problems demanding attention. The Erosion Service of the U. S. Department of Agriculture has confronted us with some

Summary of a talk by Dan A. Otis, director of the agricultural commission of the American Bankers Association, at the recent convention of the Wisconsin Bankers Association

astounding facts. It is estimated that erosion removes not less than 126 billion pounds of plant food material from the fields and pastures of the United States every year. This is more than 20 times the amount removed by crops. In support of this statement the Soil Erosion Service gives the following facts:

Three billion tons of soil, enough to fill a train of freight cars girding the earth 37 times at the equator, are washed and blown from the fields of this country every year.

Four hundred million dollars is the annual toll of erosion in terms of money value.

Thirty-five million acres of once fertile farm land, an area almost equal to the combined extent of Pennsylvania, Massachusetts and Connecticut, has been completely destroyed and abandoned.

One hundred twenty-five million acres are being abandoned every year because erosion has rendered them barren and unfit for productive cultivation.

Concerted action is needed. This does not consist in telling each other how to

run his business, but each being as sympathetic and helpful as possible, realizing that the load is too much for any one agency.

Depression Causes

Discovery of the long-sought cause of business booms and depressions is claimed in an economic monograph recently published by the Cleveland Trust Company. The publication is entitled "The Chief Cause of This and Other Depressions," and the author is Col. Leonard P. Ayres, vice president of the bank. The monograph is one of a series on economic subjects which Col. Ayres has written and the bank has produced from time to time during the last ten or fifteen years.

The most important conclusion of the study is formulated in the statement that: Trade cycles are chiefly caused by changes in the volume of purchasing of durable goods by business enterprises, actuated by changes in the prospects for profits.

This conclusion is based on new data covering the production and distribution of goods which show that the volumes of finished goods bought by business enterprises, as contrasted with individual consumers, are far greater than has ordinarily been assumed.

For the most part the purchases of consumers goods are obligatory, because they cannot be long postponed, but the buying of durable goods is optional, because it can be postponed, since the existing goods can be made to yield extended service. This is why there is not much unemployment among producers of consumers' goods, but a great deal among makers of durable goods.

Too Busy

The small girl met the doctor near her home.

"You brought a little baby next door, didn't you?" she inquired.

"Yes," he answered: "Shall I bring one to your house?"

"No, thanks," came the prompt reply. "Why, we've scarcely time even to wash the dog."



BONDS AND INVESTMENTS

What Shall We Do With Our Surplus Funds?

"Let us remember the lessons of a few years ago, and not gamble with these surplus funds, so that we lose them all"

THE investment banking business is so highly professional and investment credits so entirely unrelated to commercial bank credits that it is not surprising that the bank affiliate system of a few years ago was so disastrous to the average country bankers. After twenty years in this business, I freely admit there are a lot of things I don't know about "what to do with surplus funds," but there are a lot of things that I do know about what *not* to do with them.

I'm now going to take the liberty of changing my subject to "What shall we *not* do with our surplus funds." If I can successfully answer that, then by the process of elimination, we can arrive at what to do with these mounting reserves that we are unable to loan locally. You notice I say funds that we are unable to loan locally, for after all a commercial banker's first consideration should be to make all the safe local loans that he possibly can and so keep his surplus invested that his time and mind are free to develop his local business to the fullest extent.

"Don't" Number One

The first don't that I want to offer you is don't buy securities from every Tom, Dick and Harry that is a grand fellow and buys good liquor and comes around wanting the pleasure of doing some business with you. I know lots of young graduate doctors that are grand fellows, but if my wife's life was at stake I certainly would call in the experienced surgeon that had had years of success-

By J. CLIFF RAHEL

*Manager Corporation Department
Wachob, Bender & Company
Omaha*

ful operations behind him. After all, the investment banking business is just about as highly professional and should be as ethical as the medical profession.

"Don't" Number Two

The next don't in my dictionary is—"by all means, don't play the bond market with your depositors' funds." You are gambling just as surely as though you were tossing the dice if you do. If you wish to have the fun of gambling with your own funds then go ahead, but you certainly do not have the right to gamble with your depositors' money. Now what do I mean by gambling? I mean, in the first place, buying long term, high grade bonds, governments and municipals included, at prices which everyone knows is ridiculous hoping that someone else will soon pay us a profit on them. If there is a portion of your funds which you feel you can employ more or less permanently in long term, high grade bonds at a rate of return that is better than the shorter maturities, then I would say go ahead.

In the second place, I mean trying to find a bargain by buying weak speculative bonds either long or short maturity, hoping by some miracle that the bond is underpriced. Gentlemen, in almost twenty years in this business I have never seen a bargain in the bond market. "Twenty million Frenchmen can't be wrong" and the price that a low grade security is selling for is determined by what several

millions of investors think it is basically worth, and a great many of them are in a much better position to judge the value than we are. I know some of you are saying "but I have made money buying cheap bonds which have since gone up." I know some grain speculators, too, who have temporarily made money, but do you know that out of every hundred men that play the grain market consistently that only three of them make money, two of them break even and 95 of them lose money?

Number Three

My next don't is "Don't buy basically unsound securities." If you are buying a mortgage bond, get the first mortgage and be sure the mortgage is not excessive. Be sure the property is occupied by a concern that can earn consistently enough to amply pay the interest and retire a portion of the debt periodically. Be sure that the property is a basic necessity or one that can be profitably used by someone else if the present owner is unsuccessful. If you buy a debenture be sure that the property can not be mortgaged ahead of you or the property dissipated.

If you are buying a short maturity, be sure the obligation is self-liquidating. In other words, be sure the earnings are ample to pay the maturity or be sure the net liquid assets are at least twice the total short term debt, or in the case of municipal bonds, be sure the tax levies and collections are ample to pay the maturities. Don't ever buy a short maturity when the funds are being invested in fixed property and the payment of

the bonds depends on the ability of some investment dealer to sell new bonds. You wouldn't loan a farmer money on a six-months note to buy a farm with and depend on him to "borrow from Peter to pay Paul"; then why loan money to public utility or industrial concerns on the same identical set-up.

Be very wary of a bond, the proceeds of which are used to pay off bank loans. I don't believe any of you want to bail some other bank out of a bad loan.

Number Four

My last don't is "Don't try to beat the going rate on sound security." I have known bankers who maintained they couldn't live on the return prevailing on high grade bank paper and insisted on buying six and seven per cent bonds. They are all broke today. A bank is a merchandise establishment just as surely of a grocery store. A profit can only be made by buying the merchandise, which in your case is "deposits and service" for less than it can be sold for safely. If the going rate on prime bank paper is 3 per cent, then buy your deposits for 2 per cent or less or whatever margin you must have.

Don't try to maintain your purchase price and whoop the selling price, for you will go broke just as effectively as your grocer will, trying to do the same thing. Many of you are saying "but we can't lower our rate on time money." My answer is—I know of plenty of banks which are doing it, and so can yours.

Present Markets

Now just a word as to how we view the present markets. The bond market, due to conditions for the most part artificial, is at the highest point that we have ever seen in our twenty-five years in the business. We see very little basic difference between the bond market now and the bull stock market of 1929. There was outstanding at the last year end \$31,542,000,000 of Government and Government-guaranteed debt—60 per cent or \$18,000,000,000 of this debt is held by banks. About 40 per cent of the deposits of the sixteen clearing house banks of New York City is in Government securities and if this same average holds true throughout the country, then the new deal Government has practically appropriated about 40 per cent of the total bank deposits of the country. It isn't hard to imagine what would happen to the high grade bond market if the banks began to find a demand for their funds with the resultant liquidation of their bond accounts.

"New deals may come and new deals may go, but economics go on forever," and we know that sooner or later bond prices will seek a level consistent with the return on other types of investment. Just what that level is and when it will come, only time will tell. As to the policy of our firm toward bank investments, it has not changed one iota from that conservative policy which carried us and our bank friends through the recent trying period free from headaches. We prefer from our own standpoint and the

standpoint of our bank friends to play the game safely and be content with the smaller return.

THERE SHOULD BE NO SELLING BELOW COST

(Continued from Page 4)

not make economic light out of utter darkness. But even if it were within the power of the law to perform such miracles, the blunt fact is that cost protection in the law and as a code proposition "ain't no more." Industry should welcome the removal of the crutch and the opportunity afforded to make industry stand solidly and permanently on both feet without artificial props.

To know costs is to blaze the road to that happy day when cost protection in industry can be a forceful and meaningful reality by the very nature of things, and not a repudiated legalistic target or strait-jacket. It is for each enterprise in industry, and all in the aggregate, to determine whether the dark middle ages or the enlightenment inherent and available in business civilization shall be the order of things.

TRAINING MEN FOR TRUST WORK

(Continued from Page 6)

example of choosing the ideal men for the job. Gilbert T. Stephenson, vice president of the Equitable Trust company, Wilmington, Delaware, and Austin W. Scott, professor of law at Harvard University Law school, conducted the trust courses.

In the light of the external problems of the trust man let me review the subjects of the major course which will be studied by the lecture-discussion method under Mr. Stephenson's direction. They will be: national aspects of trust business, the customer relations of trust institutions, the trust institution and the community, government relations in trust business, industrial and institutional trust and agencies, underlying principles governing compensation for trust services, current developments in the taxation of estates and trusts, administration of common funds, extraordinary obligations assumed under a Statement of Principles of Trust Institutions, ethics of trust men, trust business as conducted in other countries, trends in the trust field.

Professor Scott is perhaps the outstanding authority in this country on the law of trusts. As draftsman of the Restatement of the Law of Trusts for the American Law Institute, he has put his lasting imprint upon trust business. Pro-

GMAC SHORT TERM NOTES

*available in limited amounts
upon request*

GENERAL MOTORS ACCEPTANCE CORPORATION

Executive Office -- BROADWAY at 57TH STREET -- New York, N. Y.

OFFICES IN PRINCIPAL CITIES

fessor Scott will direct the part of the course devoted to the legal aspects of trust business.

The topics which fall within Professor Scott's province are: the pitfalls resulting from the statute of wills, testamentary trusts, the pitfalls resulting from the rule against perpetuities, the duties of the trustee, the duties of the trustee with respect to co-trustees, the duties of the trustee where a power of direction is conferred upon another, the powers of the trustee, abuse of discretionary powers, liabilities of the trustee, exculpatory provisions, effect of advice of counsel, the investment of trust funds, duty of trustee with respect to successive beneficiaries.

The training of men for trust work should start with the institute courses, Trusts I and II. They will give the trust student his bachelor's degree, so to speak. Then should come his seasoning by work in the trust department. After that, when he is an officer, he is ready for the Graduate School, where he will get the equivalent of a doctor's degree in trusts.

The trust man who gains that background of experience and education will be trained in the complete sense. He will be ready to guide the destinies of a trust department, safeguarding and protecting the estates under its administration, through the uncertainties of the years to come.

And when this trust man of the future has rounded out his training, we hope he will be generous and share his knowledge through the media of his local fiduciary association and the Trust Division of the American Bankers Association.

Recent Bank Sales

The Charles E. Walters Company of Omaha, bank stock brokers, report the sale of banks as follows:

R. H. Barber, executive vice president of the Fort Kearney State Bank of Kearney, Neb., has purchased a substantial block of stock in the Citizens National Bank of Boone, Iowa, and has been elected executive vice president of that institution.

J. A. Canning, president of the Peoples National Bank of Albia, Iowa, has sold his stock to J. E. King of Mediapolis, Iowa, who has been elected president to succeed Mr. Canning.

Ray G. Stevens of Sioux Falls, S. D., has purchased the interests of J. J. Mc-

Guire in the Rock Rapids State Bank of Rock Rapids, Iowa, and succeeded Mr. McGuire as cashier.

Harry A. Laird has resigned as cashier of the Citizens National Bank of Boone, Iowa, to accept the cashiership of the American National Bank of Pe-kin, Ill.

The pastor was examining one of the younger classes, and asked the question, "What are the sins of omission?"

After a little silence, one young lady offered: "Please, sir, they're sins we ought to have committed and haven't."

Housekeeper: "Are you really content to spend your life walking around the country begging?"

Tramp: "No, lady, many's the time I wished I had a car."

What would your wife say if you bought a new car?"

"Look out for that traffic light! Be careful now! Don't hit that truck! Why don't you watch where you're going? Will you never learn? And a lot more like that."

MANUFACTURERS TRUST COMPANY

*Condensed Statement of Condition as at close of business
June 29, 1935*

RESOURCES

Cash and Due from Banks	\$ 63,780,516.33
U. S. Government Securities	222,593,872.25
(Includes Bonds Guaranteed by the United States Government)	
State and Municipal Bonds	24,568,340.35
Other Securities	53,908,729.27
Loans and Bills Purchased	152,557,432.24
Mortgages	25,085,595.23
Banking Houses	15,172,500.00
Other Real Estate Equities	4,357,309.20
Customers' Liability for Acceptances	14,437,139.94
Accrued Interest and Other Resources	3,346,255.83
	\$579,807,681.65

LIABILITIES

Capital	\$ 32,935,000.00
Surplus and Undivided Profits	10,297,483.19
Capital Notes	25,000,000.00
Reserves	18,003,409.94
Dividend (Payable July 1, 1935)	411,687.50
Outstanding Acceptances	15,647,992.25
Deposits	477,512,117.76
	\$579,807,681.65

HARVEY D. GIBSON, *President*

Head Office: 55 Broad Street, New York City

Member Federal Reserve System

Member New York Clearing House Association

open hand



TWENTY years ago a little group of men had the idea that through cooperative effort, financial advertising and relations with the public could be improved. Five months later the Financial Advertisers Association was a going concern and at the first convention in 1916 forty-seven of the 106 members were in attendance. The open hand of fellowship has been characteristic of the Association. New members are strangers only once. The fully developed facilities and service of the Association are theirs just as much as they are a charter member's. The open hand is extended to banks and trust companies, investment houses and other financial institutions which feel that their advertising and relations with customers and the public may be bettered.



Write Preston E. Reed, 231 South La Salle St., Chicago, for information regarding the Association and its 20th Annual Convention at Atlantic City, September 9 to 11.

INSURANCE

Its Application to the Banking Fraternity

HOW TO AVOID Costly Barn Fires

**E. A. Taylor, Deputy Fire Marshal for the State of Oregon, tells farmers
of that western state what to do to prevent spontaneous
combustion in hay**

WE ARE in the season for spectacular and costly barn fires. Seemingly without any reason we are suddenly aware that the new crop of hay so recently stored is on fire. Last year there were 27 such fires in Oregon which were reported to the state fire marshal department and the loss to the farmers was about \$31,000. This figure, however, represents only a part of the loss, as this department receives only reports of fires in which insurance is involved, and that does not take into consideration the losses involved from overheating. Heating in many cases proceeds to a point where the hay is ruined for feed but has not actually become ignited.

The storing of cut grass for winter feed for domestic animals was practiced almost as far back as we have records. The fact that green grass, when piled in heaps, undergoes heating with danger of ignition was also undoubtedly noticed long before any study was given the subject and before any rules of agriculture procedure were reduced to writing. A proper method of curing the cut grass intended for winter feeding was only evolved as a consequence of frequent fires or much spoiled hay, with the result that Columella, a Roman writer of the first century A. D. wrote the following statement:

"The best time to cut hay is before it dries up. First, because it gives a larger yield, and, second, because it furnishes a product that is relished better by animals. There must, however, be a certain means observed in curing hay in order that it may not be gathered either too

dry or too green. In the former case, if it has lost all its juice, it is good only for bedding; in the latter case, if it retains too much of its juice, it rots and when it has become hot often ignites and catches fire."

Another Roman writer (Pliny) of about the same period wrote the following rule in an early encyclopedia of natural history:

"When the grass is cut it should be turned towards the sun and must never be stacked until quite dry. If this last precaution is not carefully taken a kind of vapor will be seen arising from the stack in the morning, and as soon as the sun is up, it will ignite to a certainty and be consumed."

It would seem that this writer believed that the sun was the final cause of ignition.

It was also believed by early observers that different combustible substances contained minute particles of heat or fire which, under certain favorable conditions, were liberated as in the cause of friction setting fire. This belief was inherited from the Greeks of the later Roman and Medieval periods and has persisted even until comparatively modern times. Bacon explained his idea as follows:

"All herbs and green and most vegetables seem to contain some secret heat, though so small as to be imperceptible to the touch in small portions; but when many are joined and closely shut up together, so that their spirit cannot breathe out into the air, but the parts must mutually foment and cherish each other, a

manifest of heat is produced, and sometimes a flame if the matter is disposed thereto."

These theories were largely believed as late as 1644.

Since that time many theories have been advanced and it is doubtful if any topic in chemical literature is in a more controversial state. However, it is known that moisture is responsible for the heating regardless of what the exact chemical reaction is. It is also known that the amount of moisture necessary to produce ignition is fortunately confined to fairly narrow limits. If there is too much moisture, the heat developed is used in evaporation of the water, and if the moisture content is too low, sufficient heat for ignition will not be developed.

False Security

These opposing conditions may give us a feeling of false security. In a large quantity of hay there is a fine opportunity for a wide range of moisture content in different parts of the pile and a much better chance to obtain the conditions necessary for spontaneous ignition than in a smaller mass. In such a pile, especially during the sweating or curing period, there is a displacement of moisture from the warmer to the cooler parts of the mass with the result that zones of higher moisture content are produced and then begin to heat. Then the whole pile of hay is thrown into a state of unequal moisture distribution with some parts over moist and others over dry, but with intermediate zones where the conditions are ideal for spontaneous ignition.

Alfalfa, clover, vetch and similar kinds of hay with heavy stems that retain considerable moisture after the leaves appear to be dry are considered especially dangerous in this respect. Naturally, this danger is most common when the haying season is rainy and there is difficulty in proper curing in the field. The farmer is faced with two problems: one of losing the crop or part of it in the field and the other of danger of losing the barn as well as the hay by storing it in an uncured or damp condition. Of course it would be best to lose the hay in the field than to lose the hay and the barn too.

If the moisture content is not too great, the danger may be lessened by salting during the storing. This is a safe and practical method for retarding spontaneous heating and igniting and it also keeps down the growth of mold. It is also claimed that the feeding value is increased.

When salting hay, the most approved method is to sprinkle salt over each 12 to 16 inch layer, using from 5 to 15 pounds to the ton.

After storage, make frequent inspections. Use your nose. You can generally smell excessive heating. Many barns have been saved by removing the hay.

Care should be taken in digging into a hot pile of hay as it may burst into flame when exposed to the air. Have plenty of water at hand; and keep it saturated if this tendency prevails; otherwise you may, in a few seconds, have a fire entirely out of control.

Business Briefs

Here are some business briefs of interest:

EMPLOYMENT: Has gained 60 per cent in heavy industries since March, 1933; shown a lesser advance in consumer industries. The unemployed are now estimated at about 9,000,000.

INDUSTRIAL ACTIVITY: Has fooled the forecasters, by holding up better this year than was anticipated. Was at 85 per cent of the 1923-25 average in May, and the first half of 1935 was five per cent better than the same period last year.

AUTOMOBILES: First half production was 35 per cent over same period in 1934, represented the highest volume since 1929.

STEEL: Steel makers are hopeful, and the usual summer decline has been less severe than in the past. Structural steel business is good, due to government orders.

MINING: Copper prices recently took a sharp drop, following the elimination of NRA price-fixing. Silver values also declined lately, due largely to the Treasury's refusal to buy additional silver stocks in large quantities.

AGRICULTURE: It is estimated that the farmers' 1935 income will be about the same as in 1934, which registered a billion-dollar jump over 1933. Crops will be larger this year than last, but prices will probably be lower.

LABOR: Latest trouble has occurred in New England textile mills, where the union recently called a strike on one large operator, is threatening others. It is said to be inevitable that there will soon be a strike of cloak and suit workers in the east. Potential labor troubles have most big industries nervous.

Were You?

"And what did the insurance agent say when he came to the door while you were in your bath, madam?"

"He wanted to know if I was fully covered."

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO

Statement of Condition, June 29, 1935

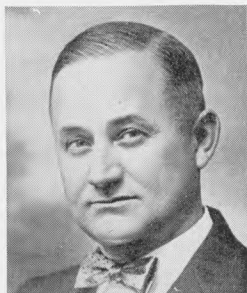
RESOURCES

Cash and Due from Banks	\$291,283,794.68	
United States Government Obligations, Direct and Fully Guaranteed:		
Unpledged	\$357,235,356.68	
Pledged*	123,950,950.98	481,186,307.66
Other Bonds and Securities	52,857,746.60	
Loans and Discounts	216,321,009.54	
Stock in Federal Reserve Bank	3,000,000.00	
Customers' Liability on Acceptances	1,363,817.62	
Other Banks' Liability on Bills Purchased	15,711.35	
Income Accrued but Not Collected	3,659,595.46	
Banking House	13,950,000.00	
Real Estate Owned other than Bank- ing House	1,149,716.42	
Other Resources	230,043.88	
		<u>\$1,065,017,748.21</u>

LIABILITIES

Deposits:		
General	\$866,709,753.85	
Public Funds	90,397,736.07	\$957,107,489.92
Acceptances		1,365,240.37
Other Banks' Bills Endorsed and Sold		15,711.35
Reserve for Taxes and Interest		5,097,744.86
Income Collected but Not Earned		295,891.93
Capital Account:		
Preferred Stock	\$50,000,000.00	
Common Stock	25,000,000.00	
Surplus	11,000,000.00	
Undivided Profits	3,635,669.78	
Reserve for Contin- gencies	11,500,000.00	101,135,669.78
		<u>\$1,065,017,748.21</u>

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



**OTTO KOTOUC, President
Nebraska Bankers Association**

Nebraska News



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

New Bank

Cedar Bluffs has a new bank. Fourteen stockholders met there recently, elected a board of directors and made plans for starting business. Directors were elected as follows: H. D. Black, John Murren, F. W. McCaw, Art Rasmussen and A. F. Vasina. Officers will be elected at a meeting later. The bank will start with a capital of \$10,000 and a surplus of \$2,500, being organized under a law passed by the last legislature. The town has been without a bank for several years.

Investigation

State Auditor W. B. Price recently said he hoped to close the investigation of the state banking department by September 1.

"I am surprised," Price said. "I thought from all the campaign talk and all the legislative charges that I would be overwhelmed with complaints. So far I have had three and one of those was settled."

The investigation was ordered by the 1935 legislature and \$20,000 was granted to carry it on. Price said he would not spend more than half the appropriation.

Three auditors have almost finished their checkup in the department, Price said. Former Representative W. J. Williams of Saunders county, an outspoken critic of the method in which receiverships are handled, is assisting them.

"About all that has been uncovered," Price said, "are a few minor irregularities, some cases of misjudgment and few errors in the records. Those things are to be expected in the operation of such a large department.

"I found some things to criticize, however, and I'll make some recommendations.

Banker Dies

Word has been received in Falls City of the death at Los Angeles of Joseph

H. Miles, 84, who came to Richardson county seventy-three years ago and was a former president of the First National bank. He was actively engaged in the cattle business on the Miles ranch near there. The ranch for many years was involved in court litigation.

Miles lived in Los Angeles since 1903, but maintained a residence in Falls City and was associated with the bank until a few years ago. He made annual trips to Falls City until prevented by ill health.

Pension Plan

The United States National bank, Omaha, has announced a pension plan for its employes and officers, fixing the retirement age for men at 65 and for women at 60.

The plan contemplates each employe will pay in 3½ per cent of his average monthly wage, and the bank will add a payment of 1½ per cent each month.

In addition, the bank has paid into the pension fund the sum of \$145,000 as aggregate back payments. This amount equals the amount the bank would have paid in had the pension plan been started as each employe was hired.

Subscriptions

Stock subscriptions are being taken to assure the transfer of ownership of the Wakefield National bank to J. D. DeLay of Norfolk and a group of Wakefield stockholders. As announced several months ago, Mr. James F. Toy expects to dispose of the country banks of the Toy chain, including the one in Wakefield. Mr. DeLay of Norfolk, interested in a bank in Norfolk and one at Beresford, S. D., has been sufficiently interested to subscribe for shares carrying a controlling interest in the Wakefield institution provided the remaining shares are sold locally.

First Charter

The first bank charter under the new 1935 small-capital banking law has been issued to the Security State Bank of Edgar, according to a statement by Ben N. Saunders, state banking superintendent.

This new bank will start with an authorized capital of \$15,000, a surplus of \$2,500 and undivided profits of \$500. B. F. Scroggin of Oak will be president of the new bank with J. L. Scroggin of Oak as vice-president and E. D. Hedcock of Nelson as cashier. Stockholders other than the officers are H. G. Springer and C. H. Merrill of Edgar.

Edgar has been without a bank since the early part of May, 1934.

Hold Meeting

A meeting of the stockholders of the Leigh Cooperative Credit Association was held recently. The meeting was called for the purpose of discussing the matter of converting the institution into a commercial bank. R. H. Olson presided at the meeting.

A motion to convert the credit association into a commercial bank was not brought to vote as insufficient stockholders were present to constitute a quorum. One hundred ten votes are necessary to bring the question before the electorate of the organization.

Co-operative

The Co-operative Bank of Dunning opened for business June 1 and early last month had \$700 on deposit. J. G. Fountain is secretary and treasurer and the office is located in his building on Main street.

Charter Granted

Thomas Mortimer, Charles Botsch, Louis Hahn, A. A. Aukerman, Leonard L. Hobel, Otto C. Weber and Rudolph G. Henry were in Lincoln recently in the interests of the application for a charter for a bank in Leigh.

Organization of the new institution has been in progress for the past several weeks, and before the state authorities were in court for three weeks because of injunction proceedings instituted by the Leigh Co-Operative Credit association.

Officers of the new bank are: J. J. DeLay, Norfolk, president; Thomas Mortimer, vice-president; Joseph B. Hines, cashier; directors, Louis Hahn, Charles Botsch and A. A. Aukerman.

The former First National bank building will serve as a home for the new bank.

Questions Law

A declaratory judgment on the constitutionality of H. R. 258, the small capital bank stock bill, will be sought from the supreme court, C. A. Sorensen, attorney for numerous co-operative credit associations, said recently. Sorensen seeks to have the law declared void in its entirety.

"We object to the chartering of banks with less than \$25,000 capital," Sorensen said.

Buy Bank

A deal was closed recently whereby M. D. Keller and his son M. G. Keller of Grant and J. J. Geisert and Henry Gesert of Ogallala purchased the entire stock of the Citizens Bank, Ogallala.

M. D. Keller is president of the institution, J. J. Geisert vice president, Henry J. Geisert will continue as cashier and M. G. Keller will be assistant cashier.

Mr. Keller, a resident of Perkins county since 1894 has been connected with the Farmers' State Bank in Grant since 1915. He recently sold his interests in this institution which was changed to the Farmers National Bank in 1930.

Regular Meeting

The regular meeting of the Fourth Regional Clearing House association was held in Humboldt recently. The meeting opened with a dinner.

C. C. Neumann, cashier of the Farmers and Merchants National Bank of Oakland, delivered his noted chart lecture of "Changing Economics and Country Banking," Charles E. Wood, president of the Otoe County Bankers association, R. R. Calkins and G. U. Richmond of St. Joseph also gave brief talks.

John Barr, Joseph Barr, H. C. VanHorne and A. C. VanHorne of Pawnee City, and bankers from Table Rock, Burchard and DuBois were in attendance.

New State Bank

At a meeting of the stockholders and directors of the First National Bank of Randolph, a resolution of voluntary liquidation was passed and signed. At a session of directors of the First State Bank of Randolph, a resolution was passed whereby all deposit liabilities of the old First National Bank will be assumed and all assets will be possessed.

The First National Bank is reorganizing under a state charter and will be known as the First State Bank of Randolph. Every dollar of the \$35,000 capital and surplus of the new bank is

paid up in cash. The new organization and its assets are approved by the banking board of Nebraska. The charter has been issued and the bank opened for business.

Incorporators of the bank are James F. Toy, president; F. S. Stegge, Ralph Bacon, H. L. Peck and J. M. Liewer. Stock subscribers are Randolph business men and farmers.

Annual Meeting

Following the annual meeting of Crete State Bank shareholders recently, organization of the board of directors was affected with the election of all old officers, as follows: W. S. Collett, president; J. G. Miller, vice president; Thomas J. Aron, cashier; Robert Belohlavy, and W. H. Collett, assistant cashiers; Franklin Aron and Philip Collett, bookkeepers.

Banking School

Henry E. Ley of Wayne was the only Nebraskan attending the graduate school of banking held at Rutgers university, New Brunswick, N. J., for two weeks. The 220 enrolled represent 37 states. Able instructors, bankers and attorneys conducted instruction in special fields of banking, and Mr. Ley studied bank management, investments, banking law and economics. The plan is to hold the school each summer for three years. Mr. Ley made a short stop in New York before returning.

Sells Interest

A change was made in the management of the Farmers National Bank of Grant, when M. D. Keller, former president of the bank, sold his entire interest in the institution to E. E. Jackman, formerly cashier.

H. G. Brainard, who has been assistant cashier of the bank for several years, is now the cashier, and Mr. Jackman is the new president.

Colorado News

Goes East

James Ringold, vice chairman of the board of the United States National bank, Denver, has been elected president of the First Mechanics National bank of Trenton, N. J., one of the oldest banks in the east. He has taken over his new position. The bank has resources of around 43 million dollars and is one of the most important in New Jersey.

In his step up, Ringold, one of the best known bankers in the Rocky Moun-

For
**SPEEDY
TRANSIT
SERVICE**

Use

The Continental National Bank
LINCOLN, NEBRASKA

E. N. VAN HORNE, *Pres.*
T. B. STRAIN, *V. Pres.*
EDWARD A. BECKER, *Cashier*
W. S. BATTEY, *Asst. V. P.*



R. C. JOHNSON, *Asst. V. P.*
C. W. BATTEY, *Asst. Cashier*
ELMER DEKAY, *Asst. Cashier*
FRED S. ALDRICH, *Asst. Cashier*

tain district, follows other important Denver and Colorado men into the eastern financial field. E. C. Stokes, widely known eastern financier, is chairman of the board of the Trenton institution.

Good Progress

The first statement of Craig's new bank, the Moffat County State bank, has been issued, and officers of the organization say that the showing far exceeds their expectations.

The statement includes the first 40 working days of the bank and, starting from scratch, now shows deposits in excess of \$105,000.

The bank opened for business on Saturday, May 11, 1935, with Frank Bleser as president, V. C. Downing, vice president and A. H. Poppen, cashier.

Deposits Up

Bank deposits in Fort Collins leaped upward \$354,106.60 over last year, according to annual statements of the Poudre Valley National and First National banks.

Both demand and time deposits increased during the past year with the former increasing \$159,572.50, and the time deposits increasing \$194,534.06.

Total combined deposits for the two banks now total \$2,912,544.87.

Prospering

The statement of the First National Bank, Boulder, shows a most happy progress in this institution organized a year ago in place of the defunct First National. Increase of deposits in about half a million dollars and a creditable net earning prove both that there was wisdom in reinstating the bank and further shows the advancement in the financial status of the community, both showing the return of prosperity.

Highest in Years

Colorado Springs banks responded to the call of the comptroller of the currency for the condition of national banks as of the close of business June 29, revealed the highest total of deposits in the last seven years. The four reporting banks reported deposits amounting to \$17,725,798.58. This compares with \$15,726,045.59 for the same period a year ago and with \$17,194,759.33 for the report of last March 30.

The report by banks follows:
 First National\$7,730,296.44
 Exchange National 6,582,285.30
 C. S. National 2,011,308.40
 Colorado Savings 1,401,908.44
 Total\$17,725,798.58

Dies in Michigan

M. W. Turner, former president of Lyons State bank, died suddenly at his home in Grand Haven, Michigan, last month, according to word received by friends in Lyons from his son, Lynn Turner.

Mr. Turner had resided in Lyons for 25 years, but moved to Michigan four years ago.

Besides the son, surviving relatives include a daughter, Louise Stellwagen.

Promotions

Several promotions among the personnel of the First National bank, Colorado Springs, were announced following a meeting of the board of directors.

Carl P. Mechling has been named trust officer while E. S. Peck becomes assistant trust officer.

Announcement also was made that F. W. Toerge and H. Chase Stone have been named assistant cashiers of the bank. Toerge is one of the oldest employes in point of service, becoming associated with the bank in 1898. Stone joined the bank more recently.

An Increase

Deposits in the First National Bank of Glenwood Springs showed an increase of \$173,000 at the close of business June 30, 1935, over deposits at the same time in 1934, according to a report made in response to a call of the comptroller of the currency last week.

While total deposits are some \$3,000 less than were shown in the report of

March 30, 1935, savings deposits are more by \$8,000 than they were at the time of the March report.

The report for June this year showed \$364,427.94 in demand deposits and \$593,574.22 in time deposits. Last June the report showed \$248,087.59 in demand deposits and \$563,865.20 in savings accounts.

Kansas News

To Winona

The Farmers State Bank of Page City has moved to Winona and opened up under the name of the Farmers State Bank of Winona. The Winona State Bank was taken over by the State Banking Department May 1 and a receiver appointed. Only two banks remain in Logan County. The Farmers State Bank of Oakley and the Farmers State Bank of Winona.

Banker Dies

David Binns, for more than thirty years connected with the Ottawa County Bank of which he was president for some time, died at his home in Minneapolis last month. He had been ill for many months, so his death was not unexpected.

David Binns was born in England on August 29, 1860. He came to America at the age of twelve with his parents, and they settled on a farm southeast of Bennington, Ottawa county, Kansas.

Live Stock National Bank

OMAHA

Statement of Condition, June 29, 1935

RESOURCES		LIABILITIES	
Loans and Discounts	1,350,633.56	Capital Stock (Common)	450,000.00
Bonds and Securities	14,111.32	Surplus	200,000.00
Stock in Federal Reserve Bank	16,500.00	Undivided Profits	36,461.89
Stock in Federal Deposit Insurance Corporation, Par Value (\$8,818.77)	1.00	Unearned Discount	14,504.33
Banking House	32,000.00	Reserve for Taxes, Interest, Etc.	45,641.43
Furniture and Fixtures	None	Dividend Payable June 29, 1935	6,750.00
Other Real Estate	1.00	Deposits:	
U. S. Gov't Securities	6,855,818.13	Public Funds—	
Cash, Sight Exch. & Due From Fed. Res. Bank	2,492,099.86	Secured	524,393.71
	9,347,917.99	Other Deposits	9,483,413.51
	10,761,164.87		10,007,807.22
			10,761,164.87

CONSULT WITH US ABOUT YOUR REQUIREMENTS FOR FEED LOT FINANCING

All Collections Given Prompt Attention

Here he grew up. In preparation for his life-work, two years of his young manhood were spent as a student in the Kansas Teachers' college at Emporia; he taught school for another two years in a district near Bennington. Then, he entered the George Parker General store as a clerk, and continued in that position for some time. Subsequently, in recognition of young Mr. Binns' capability and promise of a business career, he was chosen as cashier of the Bennington State Bank, where he continued up to October 1, 1902, at which time he removed to Minneapolis. He has resided here, and has been connected with the Ottawa County Bank in an official capacity since then, up to the time of his removal by death.

Named President

At a meeting of the board of directors of the First State Bank of Mullinville, V. A. Sherer was elected to the presidency, the office formerly held by his father, the late J. A. Sherer. V. A. Sherer had been vice president for a number of years.

Mrs. Leona Perry of Fowler was selected to the board of directors to fill the vacancy existing.

Directors' Meeting

Judge D. C. Hawk and Edgar Miller of Anthony, G. W. Guthrie of Wakita, and W. E. Babb, directors of the Bluffs City State Bank, Caldwell, held the regular directors' meeting at the bank.

New Officers

The death of William A. Matson, long president of the Citizens State Bank, Jewell, brings about several changes in the bank's officers. At a director's meeting, W. M. Green was elected president of the bank and John Kemmerer vice president. Mrs. M. C. Matson was elected to the board of directors.

Cashier Elected

E. F. Nelson, who has been cashier of the Farmers & Drovers National Bank, Marion, was elected president of the institution. The cashier is now E. A. Brunner, who comes from Hope, where he has been engaged in banking for several years. Mr. Nelson and Mr. Brunner have purchased a part of the stock owned by Mr. T. M. Spachek, who retains enough to remain on the board of directors, and also the stock owned by Mr. William Dwelle, who has been assistant cashier the past year.

Dividend Checks

A 5 per cent dividend from earnings during the last six months was voted by the board of directors of the First National bank, Chanute, and the dividend checks were issued to the bank's 61 stockholders.

In addition, B. S. Cofer, vice president, reported that earnings during the period have increased the surplus and undivided profits accounts to more than \$72,000. The surplus was increased from \$25,000, on last December 31, to

\$40,000 on June 29. The undivided profits account was \$32,098.05 on June 29, compared with \$24,401.14 on December 31.

A Director

J. S. Hart, Kansas City, has been elected to the board of directors of the Home State bank.

Hart is a member of the Kansas City, Mo., grain firm of Hart, Bartlet & Sturtevant and a former Kansas state senator.

New Cashier

C. B. Pearson, cashier of the First National Bank, Quinter, resigned at a recent meeting of the board of directors. C. M. Larson, of Lenora, was elected by the board to take the place made vacant by Mr. Pearson's resignation.

Mr. Larson, who was associated with the Exchange Bank of Lenora for 13 years, comes to Quinter highly recommended by that institution.

Wyoming News

Deposits Increase

Bank deposits in Cheyenne increased nearly \$700,000 between March 4 and June 29, published statements of the Cheyenne Clearing House Association disclosed today.

At the time of the national bank call March 4, deposits in Cheyenne banks totaled \$10,215,499.87. At the time of the last call, June 29, deposits had increased to \$10,901,088.78, a gain of \$685,588.91, the reports showed.

Bank resources also showed an increase during the period, rising from a total of \$11,290,491.95 on March 4 to \$11,954,396.28 on June 29, the published report indicated. This represents an increase of \$663,905.33.

Annual Convention

Ray F. Bower, vice president of the Farmers State bank of Worland, was elected president of the Wyoming Bankers association, succeeding J. A. Guthrie, president of the First National bank of Laramie.

Other officers chosen at the association's annual convention here included:

Don H. Wageman, Cheyenne, vice president; Miss Kathleen Snyder, Casper; secretary; D. C. Meyer, Sheridan, treasurer. The executive committee named comprises the following: Wilbur Holdt, Buffalo; Robert D. Murphy, Rock Springs; J. E. Foreman, Wheatland.

• FONTENELLE • FONTENELLE • FONTENELLE •

Genial Nebraska Hospitality

HOTEL
FONTENELLE
OMAHA, NEBR.

Every city has one outstanding hotel . . . Omaha's is the Fontenelle. Here you'll find genuine western hospitality, together with the famous service, courtesy and comfort found in all Eppley Hotels. Excellent food at sensible prices in our two luxurious dining rooms.

\$2⁵⁰
UP

EPPLEY HOTELS COMPANY

• FONTENELLE • FONTENELLE • FONTENELLE •

The legislative committee includes A. V. McIvor, Cheyenne, chairman; R. C. Cather, Casper; Wageman; N. R. Greenfield, Rawlins, and C. D. Williamson, Hanna.

Agricultural committee—W. J. Otto, Riverton; A. L. Kendig and George Muirhead, Worland; Osgood Johnson, Wheatland, and H. H. Hume, Lander.

W. E. Pearson, Lovell, was chosen Wyoming vice president of the American Bankers association and Guthrie was named a member of the nominating committee of the A. B. A. with John A. Reed, Kemmerer, alternate.

State vice president for the various divisions follow: National bank, Henry Bolln, Douglas; state bank, V. J. Facinelli, Rock Springs; trust, McIvor.

The executive committee will select the site for the 1936 convention.

The bankers adopted a resolution presented by the Wyoming Stockgrowers' association condemning a proposed trade treaty permitting importation of South American livestock and meat products.

New Mexico News

New Bank

A new bank will be opened in Carlsbad early in August, David T. Beals, executive vice president of the Interstate National Bank of Kansas City, assured a group of local men.

Beals, who heads one of the strongest banks in Kansas City, will be president of the new institution. E. M. Brickley, cashier of the First National Bank of Carrizozo since its organization in 1917, will be the cashier of the new bank. Local men will be selected for the board of directors.

The bank will be opened with \$50,000 capital and a surplus of \$10,000, it was announced.

The financial institution will be located in the McLenathen building, formerly occupied by the Piggly-Wiggly store and plans have been completed for remodeling the building, it was announced. A new front will be constructed.

All new fixtures will be installed in the bank.

The application for a charter was approved several weeks ago.

Beals has been actively engaged in the banking business in Kansas City for many years; he also has large cattle and other interests in several Western states.

ABOUT MEN YOU KNOW IN NEBRASKA

(Continued from Page 8)

BANKERS IN Nebraska are feeling better these days and are beginning to spruce up their places of business again.

Security State Bank of Sumner, Neb., is building a new brick bank building that was scheduled to be completed by the middle of June.

Seven Valleys State Bank of Callaway, Neb., has purchased the building formerly occupied by the Farmers State Bank there.

First National Bank of Chadron, Neb., and Nebraska State Bank of Valentine, Neb., are redecorating their banking rooms. The Chadron institution's deposits passed the million-dollar mark recently.

WALTER, young son of W. Dale Clark, president of the Omaha National bank, is a believer in thrift.

His mother recently gave him a shiny new dollar to buy a birthday present for a friend. Walter handed the little friend a 50-cent piece and told him to get what he wanted.

HAROLD LANDERYOU of the Omaha investment firm of Smith-Landeryou & Co., and Mrs. F. E. Watters, also of Omaha, tied with F. E. Watters, Omaha, and C. W. Parks, Council Bluffs, Ia., for runnerup in the pair tournament, played for the Weinberg trophy, as a feature of the recent bridge tournament held at the Crescent Beach hotel, Lake Okoboji, Ia.

SUIT HAS been filed at Fairbury, Neb., against the First National bank of Fairbury by Deputy Sheriff W. S. Davidson as an outgrowth of the 150 thousand dollar robbery of the bank two years ago. He seeks to recover the value of several jewels which were stolen in the robbery. The jewelry was given as collateral for a loan. Jess Doyle, suspect in the Fairbury robbery, was returned there recently from St. Paul, Minn., and was held at the state penitentiary at Lincoln pending preliminary hearing.

IT REALLY WAS the "investment bankers' trio" when Guy Gadbois, DeWitt "Duke" Tucker and Harold Brown, all of the Omaha office of Harris, Upham & Co. (formerly Boettcher & Co.), sang hillbilly songs in a very professional way at the annual cabaret dinner staged at the Omaha Country club June 29. The program featured a takeoff on Major Bowes' "amateur hour."

The gong was sounded freely.

A Turning Point

The recent decisions of the Supreme Court in the Frazier-Lemke Farm Mortgage Moratorium Act and NRA cases, mark a turning point in American history, according to Herbert K. Lindsey, president of the American Life Convention.

AUSTRALIA BANK OF NEW SOUTH WALES

ESTABLISHED 1817

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

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

Aggregate Assets 30th September, 1934, £ 116,995,921.13.7.

AGENTS—FIRST NATIONAL BANK, OMAHA, NEBRASKA

GENERAL MANAGER, ALFRED CHARLES DAVIDSON

HEAD OFFICE, GEORGE ST., SYDNEY

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

710 Branches and Agencies in All Australian States, Federal Territory, New Zealand, Fiji, Papua, Mandated Territory of New Guinea and London

In Mr. Lindsley's opinion, the chief threats to recovery—inflation, excessive limitation of corporate profits, and growing labor disturbances—have been eliminated by the Court. That has brought new assurance, new confidence, new incentive to that legion of business men who felt that trade, commerce and industry were being strangled by bureaucratic domination and political red-tape.

So far as life insurance is concerned, the Frazier-Lemke decision was a veritable boon. That act, along with other government policies, had practically done away with farm mortgages as an investment for the bulk of companies. Now that the High Court has unanimously spoken against the principles involved in the bill, declaring them to be contrary to Constitutional guarantees that property will not be taken without due recompense, life insurance companies will again invest in farms.

Other commentators are today speaking of the improved morale that seems to extend through all businesses. If that feeling continues, and government does nothing further to dampen it, we will really be on our way to recovery.

The Seeds of Progress

The only worthwhile progress comes from efforts of the individuals concerned.

The farmer is learning this truth.

The much-heralded government farm relief program may not have collapsed—but it has certainly not justified the high hopes that were held out for it.

On the other hand, organized groups of farmers are showing agriculture what can be done through their own work, their own thought, their own tenacity.

During the depression real and permanent farm progress has been made—by farmer-owned, farmer-controlled co-operative marketing associations.

These associations have gained in membership. They have made striking progress in trying to balance supply and

demand, and in forwarding more scientific production methods. They have disseminated information that individual farmers were not in a position to obtain. Result: A start toward farm recovery.

It has long been said that self-help is the best help. It is likewise the only kind of help that amounts to anything in the long run.

The Bill is Coming Due

Have you ever noticed how easy it is to establish a charge or term-payment account in a department store?

But no matter how easily the credit is obtained, or how small the payments, they come due regularly and if not paid—well, the law just takes its course and the debtor suffers.

The people of the United States are just now waking up to the fact that they have been on a gigantic spending spree. Never did they use their public credit so freely. But the day of reckoning is here. The charge accounts are coming due and the payments will have to be made.

Just as the unwary customer is talked in to spending more than he can afford by the super-selling ability of the expert clerk, so have an unwary people been talked in to spending more than they can well afford to pay, by the silver tongues of the politicians.

In the latter case, however, the people thought they were going to be given something for nothing—that the billions of dollars handed out in the name of "relief" and "recovery" would be taken from somebody else's pocket.

But the dream has ended. The tax-gatherer's hand is going right down into John Jones' pocket to take out the money to pay the charge account, for the "gifts" to Jones.

A new tax-raising bill has been thrown into the lap of Congress, that will have a tremendous effect on the earnings, the savings and the estates of every citizen. For camouflage and publicity purposes, it is designated as a "share the wealth"

or "soak the rich" tax program. The *Portland Oregonian* says:

"This is but the beginning. . . . The government Santa Claus is about to be withdrawn. . . . Gradually he is to become overshadowed by another figure. This one will appear to the taxpayer ere he plays out his part, like a government Shylock. There is no other way.

"Good old Uncle Sam is going to make the rich pay and pay. Nothing is said about making other people pay. But that will come later. We are all going to pay—pay through the nose and pay till it hurts, in increased federal taxes down through the lower brackets. Our tax bill during the next generation is going to be a thing high, wide and handsome, and at the same time fearsome. It is not going to fall lightly anywhere. It is going to fall heavily on all who have incomes, in whatever brackets."

Charge accounts of the government (tax bills) become due just as do charge accounts of stores (private bills). There is no difference whatever in principle—but there is a great difference in fact, in that the government, if you fail to pay your tax bill, can use more harsh and ruinous methods on the individual to force payment than can the private store. There is no leniency shown by the tax collector. He collects your taxes, or he takes your property.

A Big Job

The Treasury's silver-buying policy has encountered adversity.

As the price of silver reached new highs, it became profitable for persons living in some foreign countries to melt silver coins and sell them as bullion to the American government. Further, the high price offered by this government tended to draw silver away from silver-standard nations, such as China, thus imperiling their monetary stability. Foreign protest resulted.

As a result, it seems that the Treasury will have to make changes in its silver program—it has already reduced its buying—in order to prevent prices from going higher. Various metal experts are now supporting the proposed Dies plan, under which the Treasury would not buy silver in the world market for six months or a year, and thereafter would buy only from nations which agreed to reciprocate by buying an equivalent amount of our surplus commodities. The Dies plan applies only to foreign silver, and would not affect Treasury buying of new domestic-mined silver.

Central Typewriter Exchange, Inc.

(EST. 1903)

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

REBUILT MIMEOGRAPHS, STENCILS AND INKS

LOWEST PRICES

ALLEN-WALES

THE FINEST "HEAVY DUTY"
ADDING MACHINE MADE

1820 Farnam St.

Omaha, Nebraska

"Extremely Useful"

Hundreds of Nebraska Bankers have already written to us telling how "extremely useful" the Nebraska - Iowa Bank Directory is to them.

Just recently William B. Hughes, Secretary of the Nebraska Bankers Association, wrote us as follows:

"Please allow me to compliment you highly upon the arrangement and make-up of the new 1935 Nebraska-Iowa Bank Directory.

"I think this is published in a most convenient form and I know it will be extremely useful, not only in our organization, but also in every bank in the two states."

If you have not already received your Nebraska - Iowa Bank Directory, send for your copy now.

Just use the convenient coupon at the bottom of this page — fill it in, mail it to us today and we will send you this new directory at once.

Nebraska-Iowa Bank Directory

Contains:

1. Officers of Nebraska Bankers Association.
 2. Names of all Group officers in Nebraska.
 3. The officers of the Nebraska County Bankers Associations.
 4. The latest information about the personnel and financial statement of each bank in Nebraska.
-
-

.....

NEBRASKA-IOWA BANK DIRECTORY

410 Arthur Building , 1935
Omaha, Nebraska

Gentlemen:

Please send.....copies of your 1935 Nebraska-Iowa Bank Directory to us, and we will remit at the rate of \$2.00 per copy upon receipt of your Directory.

Bank

Officer

City..... State.....



The Omaha National Bank

Complete Banking Service