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CENTRAL WESTERN BANKER

Omaha

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Annual Convention

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Nebraska Bankers Hold Thirty-eighth Annual Convention

Nebraska Bankers Association concludes two-day meeting in Omaha

WITH a carry-over from last year of the same feeling of optimism and faith in the future of banking, Nebraska bankers gathered in Omaha on October 24 and 25 for their thirty-eighth annual convention. There were many early arrivals on the evening of the 23rd, and by the time the sessions were well started, upward of 700 registrations were on file. Everybody learned something new about his business, everybody had a good time, and Secretary Hughes is again to be congratulated on his arrangement and administration of another successful convention.

J. M. SORENSEN, vice president of the Stephens National Bank at Fremont, is the new president of the Nebraska Bankers Association. A wise choice, since Mr. Sorensen during the past few years has been untiring in his efforts to further Association interests, and is perhaps as close to Association activities as any banker in the organization. Many were the good wishes extended by his fellow-bankers upon his election.

THE CONVENTION opened on Thursday with the address of welcome extended by Arthur L. Coad, vice president of the Packers National Bank, and also vice president of the Omaha Clearing House Association. Acknowledgment was made by Mr. Sorensen, who commented, among other matters, on the ad-

By H. H. HAYNES
Editor
Central Western Banker

visability of a cooperative advertising campaign for Nebraska banks. In his opinion, such publicity would be of great benefit to all bankers concerned.

A CONVENTION speaker at the afternoon session on the first day, Congressman Henry B. Steagall also addressed the noon luncheon of the weekly

Omaha Chamber of Commerce meeting. After taking advantage of his opportunity to make a political speech, the congressman tried to tell the Omaha business men why there was so much government in business, telling them it was largely their own fault. There were a number of Nebraska bankers in the audience, and after the talk, one of them said, "All that is fine, but why in the hell didn't he tell us what to do with our surplus funds?" As surmised, Mr. Steagall dealt in generalities, and few specifics.

APPROVAL of Secretary Hughes report, as well as that of Treasurer Fred Thomas, was unanimous. Billy Hughes complimented the legislative committee on their excellent work, as well as the committee on Postal Savings. There are today, he said, 440 banks in Nebraska—394 of them are members of the association, and 29 of these are associate members. Membership in the Nebraska association is 87½ per cent, with 46 banks non-members.

DURING A PAUSE in the afternoon program, T. B. Strain of Lincoln, chairman of the Bank Holiday Committee, presented a resolution asking that all banks in the state observe as a holiday the second day of the annual convention, in 1936, and subsequent years. While not acted upon immediately, this resolution was adopted at a later session.

(Continued on Page 14)



J. M. Sorensen
President, Nebraska Bankers Association

CONVENTION RESOLUTIONS

Nebraska Bankers approve banking department investigation, condemn activities of production credit corporations, and amend association constitution

BE IT RESOLVED, that we commend our Superintendent of Banks, B. N. Saunders, for his able supervision of the state banks. His constructive policies are inspiring confidence in his department, and merit general approval.

BE IT FURTHER RESOLVED, that this Association appreciates the satisfactory progress and success of the constructive work as carried on by President Kotouc and the other officers of the Association, and it is especially appreciated that as a result of the untiring efforts of William B. Hughes and his force, that satisfactory and needed income has resulted from the adoption by many of the member banks of the full schedule of service charges recommended by the Association.

BE IT FURTHER RESOLVED, that this Association express its thanks to Dan J. Riley and those who have assisted him, who on their own time have so well represented the interests of this Association in the formation of laws affecting banks and banking.

BE IT FURTHER RESOLVED, that inasmuch as the State Legislature is investigating the past method of conduct of the various phases of the Banking Department, and discovery is made of apparent irregularities and misuse of the funds, which are collected from the individual banks as cost of administration, that this Association approve a thorough and complete report, to the banks and to the public. We believe that the interests of the banks and of the public will be served by a complete impartial investigation.

BE IT FURTHER RESOLVED, that we believe that the Production Credit Association has gone beyond the purposes for which it was organized and has come in direct conflict with the legitimate activities of the commercial banks and we recommend that this competition be removed.

BE IT FURTHER RESOLVED, that whereas the government's Postal Savings System is in direct competition with commercial banks, and that whereas under the present set-up of insurance of deposits, there is no further need for,

nor any reason why, the Postal Savings System should be continued,

THEREFORE BE IT RESOLVED, that it is the sense of this convention that the Postal Savings System should be abolished at the earliest possible date.

BE IT FURTHER RESOLVED, that the Association's Protective Committee and its Insurance Committee be directed to continue their efforts, to induce each member bank to purchase and use a second burglar-proof safe, in which to keep the main part of its cash and all bonds on hand, under the protection of a timelock for a full twenty-four hour period, in order to eliminate the risk of a total loss of cash and bonds, to the type of robbers who kidnap the banker during the early morning hours, and await the release of the timelock, and further, that these two committees be directed to continue their efforts, and redouble them, to impress upon the surety companies, that recognition in the way of a reduced robbery premium, should be accorded to banks that go to the expense of installing this extra equipment, to reduce the risk that the surety companies insure.

BE IT FURTHER RESOLVED, that the member banks of the Nebraska Bankers Association express to the President of the United States their strong support of J. J. Thomas of Seward, Nebraska, for appointment on the Board of Governors of the Federal Reserve System and respectfully urge his appointment. Mr. Thomas' close knowledge of agricultural conditions, plus his legal training, and his experience on the Federal Reserve Board, qualify him exceptionally well for the duties of the position.

BE IT FURTHER RESOLVED, that the preamble of the constitution of the Association be amended by adding the words "not for profit" after the words "co-operative enterprises," making the same read as follows: "In order to promote the general interests of our commonwealth and the welfare and usefulness of banks and banking institutions throughout the state, and to secure uniformity of action in banking practice

and usage in local districts, together with the practical benefits to be derived from co-operative enterprises not for profit," etc.

That by-law No. 1 of the Association be amended by addition to the schedule of membership fee, the following: "Banks with capital and surplus up to \$12,500.00, dues \$15.00. Banks with capital and surplus of \$12,501.00 up to \$14,999.00, dues \$18.75."

Further amend by-law No. 1 by adding at the end of the first paragraph after the word "year" the following sentence: "Any excess funds shall be retained to further the activities for the benefit of the members of the Association, and dues for the ensuing year shall be adjusted in lieu of any refund or payment."

BE IT FURTHER RESOLVED, whereas agriculture in all its phases, is the basic foundation of Nebraska's wealth and progress, we urge that by sound and effective national policies, all discrimination against the American farmer be removed, and full parity prices on agricultural products be brought about and maintained.

BE IT FURTHER RESOLVED, that inasmuch as provision is now made for abolition of the double liability on national bank stock and in order that the stock of national and state banks be placed on an equal basis in this respect, it is recommended that the double liability on stock of state banks be eliminated.

AND NOW IN CONCLUSION, to all those appearing upon the convention program, to the city of Omaha, to the Omaha bankers, and all who have assisted in making this thirty-eighth session of the Nebraska Bankers Association, both enjoyable and instructive, we express our thanks and appreciation.

Respectfully submitted,
COMMITTEE ON
RESOLUTIONS

A. N. MATHERS, *Chairman*
H. A. SCHNEIDER
R. O. BROWNELL
H. D. MILLER
FLOYD A. HANSON
O. W. JOHNSON

"We Can Face The Future With Confidence"

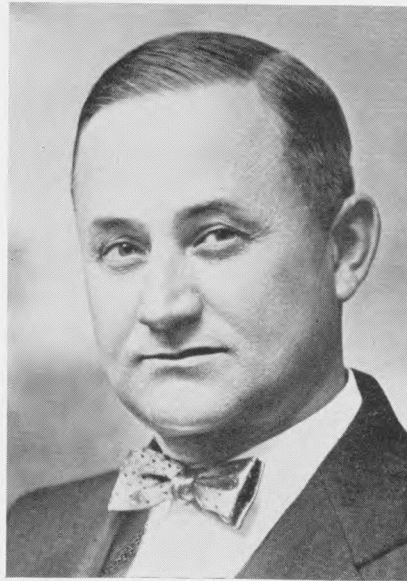
In his annual message to members, Otto Kotouc, retiring president of the Nebraska Bankers Association, voices his faith in the future

IT IS the usual custom for your president to make an extended report of the association's activities at the annual meeting. However, we have introduced a new procedure this year. Your officers attended the group meetings held late last spring and presented a detailed survey of the problems confronting us and the progress made at those meetings. It was felt that we could reach a larger number of bankers by bringing this information directly to them. This innovation met with general approval. Then, too, our secretary during the past year has mailed comprehensive reports to the member banks and has disseminated information upon all matters arising in the administration of his duties. Hence, at this time, it is not necessary for me to burden you with a prolonged discussion of our affairs.

The income from our membership of approximately 400, compared with a high of almost 1,200, did not permit us to cover all of the activities some of you might have desired. Our committees performed their duties successfully and with little expense to the association. Our executive council was most dependable and rendered valuable service upon every occasion. J. M. Sorensen, the chairman of the council, and E. E. Placek, our past president, have been untiring in their efforts to further the welfare of the association. Our secretary was the hub around whom all the activities revolved. With his characteristic energy, resourcefulness and wise counsel, he has accomplished his tasks to the utmost satisfaction of all concerned. To them and to all of you who have so loyally responded to promote the work in hand, I express my deep appreciation.

Legislation

While the activities of our association cover a broad field, the chief problems confronting us this year were legislative ones. Constructive laws to meet new and



Otto Kotouc

ever changing conditions were sorely needed in the state as well as in the nation.

We are fortunate that we have a very able and experienced legislative committee to handle our state legislation. The chairman, Dan J. Riley, and the members gave valuable time, without financial remuneration, to secure passage of laws benefiting you and I. Fortunately also, Senator Newman of Oakland was again a member of the Senate and tendered us much assistance in our legislative program. These men have secured for us needed legislation. I am sure that I express the sentiments of this association when I extend to them our sincere thanks.

A resolution was passed by the last session of our legislature providing for a referendum vote on the abolishment of double liability on the ownership of bank stocks. This measure will be voted upon by the people of the state next year as a constitutional amendment. The provisions should be repealed. It is a relic of

that era following the Civil War when wildcat banking was a menace. Today commercial banks are adequately capitalized. Deposits are insured. Hence, the need for double liability has passed. The organization of banks with a sound capital structure in bankless towns should be encouraged. The Banking Act of 1935 provides for the abolishment of double liability on the ownership of stock in national banks. Certain state banks will be at a disadvantage as compared with national banks until this provision is repealed.

Robbery Coverage

Throughout the year, our secretary has been engaged in a heavy correspondence to bring about a great deal of publicity to insure a thorough understanding of robbery coverage under restrictions now attached to insurance contracts and to secure a proper reduction of counter exposure of cash and bonds. His work in this respect has been profitable. In the six robberies that have occurred since our last convention there was a total loss of \$48,000. While this amount is not excessive, it is still much higher than it should have been. Very few forgeries and swindles were reported. Our Bulletin is undoubtedly obtaining results by continuously cautioning our member banks not to be misled by such practices.

Surveys made during the year reveal that our banks have been reducing the rate of interest paid on savings accounts and certificates of deposit. Quite a number of banks have discontinued the payment of interest altogether.

Practically all of the banks in the state maintain adequate service charges to reimburse them for services rendered. With limited outlets for employment of idle reserves, it is almost mandatory for banks to charge a reasonable fee for their services in order to prosper and in some instances even to survive.

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About Men You Know in Nebraska

LOUIS S. CLARKE, president of the Nebraska Mortgage Bankers' association and also head of the Kloke Investment company of Omaha, found good feeling and better crops everywhere he went on an auto tour of Nebraska, from which he returned last month.

The picture is entirely different from that of last fall, he said.

In the heart of the Republican valley flood district of western Nebraska, he saw fairly good corn and an abundance of feed. The Sutherland irrigation and power project has boomed the city of North Platte, and high cattle prices have helped in that territory. Charles Liston, ranch owner, had sold 1,100 head of cattle, at good prices, the day Mr. Clarke was in North Platte. Some farmers near Sutherland said their corn will run 30 to 40 bushels an acre.

Kimball county's winter wheat crop, he was told by Winn Rodman, Kimball banker, will be the best in five years.

Up in Scotts Bluff county, the sugar beet crop is the best in years. Near Alliance, there is a huge hay crop. The potato crop is bumper north of Alliance, but most of the potatoes are being stored in anticipation of higher prices.

Cherry county was alive with cattle, he found. The sandhills of Nebraska are one of the few in the country which are well-stocked with cattle at this time. At a recent feeder auction at Merriman, 1,200 head were sold. Some of the steer calves sold as high as \$8.65.

WILL T. GRAHAM, former Omaha banker, has been made cashier and executive officer of the Polo National Bank of Polo, Ill., according to word to Omaha friends. Polo is a town of 1,800 in Ogle county, in northern Illinois.

Before Mr. Graham left for Illinois several years ago, he was associated in an executive capacity with the one-time First Trust company of Omaha.

A. H. "SCOTTY" CHISHOLM and Ernest Tanner of the First National Bank of Omaha spent their vacations

early in October getting members for the Omaha Chamber of Commerce in its "Be a Builder" drive.

CLARENCE L. LANDEN, vice-president and general manager of the Securities Investment Corporation at Omaha, was elected vice-president of the National Association of Sales Finance Companies recently. Mr. Landen had been treasurer of the national association for two years and is serving his second 3-year term as a national director. The association membership includes most of the larger financing firms in the country.

JAMES B. OWEN, president of the Stock Yards National Bank of South Omaha, who recently sold his home to Otis T. Alvison, vice-president of the Omaha National Bank, is building a new brick bungalow at 5137 Franklin street, Omaha.

MRS. W. B. MILLARD, JR., wife of the vice-president of the Omaha National Bank, entered St. Joseph's hospital in Omaha last month for a minor operation.

THE NEW RESIDENCE of Daniel Monen, trust officer of the Omaha National Bank, completed recently in Rockbrook, south of the Happy Hollow Country Club, west of Omaha, is built on a high knoll that affords a view of the surrounding countryside.

J. FRANCES McDERMOTT, vice-president of the First National Bank of Omaha, returned the first of October, with Mrs. McDermott and their small daughter, Emma, from a vacation in New York.

JAMES P. LEE, cashier of the Omaha National Bank, with Mrs. Lee, sailed from New York on a Panama Canal cruise that took them to Los Angeles. They visited relatives at Beverley Hills, Calif., and then went on to San Diego to visit former Omahans and to see the exposition.

ALVIN E. JOHNSON, president of the Live Stock National Bank of South Omaha, and also president of the Omaha Chamber of Commerce, laid the cornerstone of Omaha's first "New American" home, one of about a thousand homes to be built simultaneously throughout the country by the General Electric Company.

W. R. McFARLAND, Omaha realtor, was in French Lick, Ind., recently, attending the convention of the Mortgage Bankers' Association of America.

W. DALE CLARK, president of the Omaha National Bank, past president of the Omaha Chamber of Commerce and a director of the United States Chamber of Commerce, went to Sioux City, Ia., to represent the Omaha chamber at a dinner there honoring Harper Sibley, national chamber president.

Other Omahans who attended the dinner included Louis S. Clarke and C. J. Claassen.

VICTOR C. GRAHAM, secretary-treasurer of the First Federal Savings and Loan Association of Omaha, was approached the other day by a man who asked: "Is this the place where 20-year loans are made?"

Mr. Graham, seeking to draw the man out, asked a few questions himself.

"Yes," said the caller, "I owe a lot of bills and I want to group them, with a long time to pay."

Mr. Graham then commented: "Why, in 20 years you might be in heaven."

With renewed confidence that here was someone he could talk to, the man leaned over the desk and said, with evident relief: "Mister, that's just what I figured."

A PLOT TO obtain one million dollars through sale of forged Omaha municipal bonds was revealed by postal inspectors in Kansas City recently, with the arrest of four persons.

The brains of the scheme, postal inspectors charged, was Frank R. "Ponzi"

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The Big Problem of the Banker is the Banker Himself

The address of H. G. Pratt, president of the Hastings National Bank, before the recent convention of the Nebraska Bankers Association



H. G. Pratt

THIS DISCUSSION is not intended to be broad in its scope—rather definitely provincial and when I say “bankers,” my thought is of the thousands of bankers, of whom I am one, in the smaller towns and cities of this nation, whose experience is quite accurately described in the little boy’s essay on Benjamin Franklin. “Benjamin Franklin was born in Boston. When he grew old enough to have any sense he moved to Philadelphia. As he walked down a street in Philadelphia with a loaf of bread under his arm a girl laughed at him. Then he married the girl and discovered electricity.” The school of hard shocks is a thorough one, and it is safe to assume that those of us who are still in the banking business must have of necessity absorbed some of its teachings. If we are to stay in the banking business we must learn enough more to solve the two major problems which confront us today—direct government competition, and an unsatisfactory relationship with the public. To avoid confusion and uncertainty I believe that it will help if we will keep two ideas definitely in mind: First, that the reinstatement of banks and bankers to their former position of respect and prestige will automatically eliminate government as a *dangerous* competitor. You will note that I emphasize dangerous competitor because it does appear inevitable that some government institutions out of the dozens that have been organized during the past few years will be continued permanently. Second, that the reinstatement of banks and bankers to their former position nationally is dependent on

each individual banker being able to re-sell himself and his bank to the people of his own community.

History shows clearly that government has only been able to extend its influence over business in periods of financial disaster. During the depression following the stock market crash in 1929, which reached its climax at the time of the moratorium in March of 1933, the pages written by financial institutions in this country did not make very pleasant reading. The fact that many bankers and business men maintained their institutions intact through sound judgment, conservative methods, and many times at great personal sacrifice, was lost sight of in the frenzy of panic and despair that came with the closing of many banks and the losses sustained through the depreciation of all types of securities and real estate. The name “banker” became anathema to the public. While only a few short years before a customer took pride in bringing in his wealthy uncle to introduce him to his banker, he now crosses the street to avoid having him meet his mother-in-law. We cannot blame the public too much for this change in attitude, although it was not based on a fair appraisal of the facts. As the financial situation grew more acute, it became necessary for us to collect our loans to build up cash reserves. I was going to add, “and sell our bonds,” but this prized “secondary reserve” disappeared so fast that most of us could not even find it after a few months, although it did appear often enough in our dreams as a nightmare. During this period we were forced to say “No” just

as enthusiastically as we had formerly said “Yes” to our customers, and our popularity vanished just as fast as our cash reserves. We made our borrowers sweat blood to pay us and our depositors made us sweat blood to pay them. No one likes to pay notes when it hurts, even bankers—consider the rejoicing when the Banking Act of 1935 gave us a few more years in which to hack away at our old debts. So for some years we stewed in a brew of unpopularity, seasoned with a dash of hatred and positive ill will.

The Moratorium

Then came the moratorium. I do not know who was the most surprised and confused, the bankers or the public. In this period of confusion, just as in former times, along came government. It closed the banks of the country and kept them closed long enough to let the people get a first hand lesson in what a bankless nation is like. Then it administered synthetic courage to bankers through emergency legislation and hesitantly told them to open their doors a crack and see what would happen. Both the people and the bankers behaved. The crisis was passed, and although our sick financial structure was pale and weak from a long illness, it was definitely convalescent. People still wondered just what bankers were made of, with a sneaking feeling that it must be pretty poor stuff, but for the most part they kept their thoughts to themselves, and we could walk down the street without much danger of having someone take a shot at us. But government had stepped into the breach, and now was en-

trenched within our own fortress. As bankers, we had begged for, voluntarily accepted or been forced to accept the presence of government, and now the public demanded its continued presence and policing of the financial battlefield. The public had lost confidence in the banker and in an emergency and as a last resort transferred its affections to government. Since the moratorium, bank stock has been going up. I do not refer to the market, but to its standing in the eyes of the public, and we are forced to admit that this returning confidence has been based to a considerable degree on the knowledge that government has entered into our business with a vigor that makes the shivers run down our spines.

This is a situation that disconcerts us. But should it? My contention is that government, after all, is nothing more nor less than the crystallization of the will of the people as a whole. If this theory is correct, and I think it is, our problem is to reinstate ourselves in the eyes of the public, and when we do government will retreat and leave the financial field again in the hands of a group of relatively independent individuals.

Regain Confidence

The first requirement is obviously to regain confidence in ourselves. This statement is a platitude of the first water, and would not bear repetition except in times like the present. I used it because we have something at least that is not controversial, something that we can all agree upon without reservation, that we all know is true. Confidence is a positive thing that grows within the individual as he works aggressively at his tasks. It cannot be developed by patting ourselves on the back and blaming the other fellow for our troubles. There has been a tendency to popularize the picture of the country banker as he stands at his window in the twilight, reminiscing on how he has been responsible for the development of his community, and a tear glistens in his eye because his years of sacrifice have not been appreciated. The lessons of experience are well worth remembering, but we must be careful lest our review of them lead to self pity and its consequent interference with our duties of today.

The next requirement is that the banker concentrate on running his own bank aggressively, capably, and honestly. Most of us can't set the world on fire with any startling campaign or devise any new and original method for correcting the financial ills of the country.

But as country bankers we can make good loans, insist on commensurate pay for the services we render, and render a service commensurate with the charges we make. We can be fair and just toward all of our customers, and in general run our banks along the old sound credit principles which we all know so well. By conducting our banks in this way, we will eventually regain the confidence and respect of our own customers. When this occurs, state and national politicians will find out that tirades and unfair attacks against banks and bankers no longer manufacture votes, then, and not until then, we will be safe from an increase in the pressure of the stranglehold government already has upon our business.

Old Grudges

We cannot re-establish ourselves by nursing old grudges against people for the treatment they gave us a few years ago when our backs were to the wall fighting to hold our institutions intact against the greatest odds. When Jim Jones comes into the bank, we should not make him feel that we still resent the time he rushed in, demanding currency for his deposit to pay off the mortgage on the old home farm—and we watched him hurry across the street to post office with the money. He is probably ashamed of the panic that caused him to do this, and, knowing his weakness, with some tact he may be made a safe and profitable customer.

We cannot re-establish ourselves by letting people know that we are not sure of our ground, even if at times we really cannot pierce the clouds that obscure the road ahead. People are most sensitive to bankers' reactions and the minute they feel that we are not sure of ourselves, they immediately become restless, suspicious, and a menace to our institutions.

We cannot re-establish ourselves by spreading the propaganda that times are not what they used to be—that there is no opportunity now for the display of initiative and talent. Whether we like it or not, today is the time the Lord has allotted us in which to carry on our work in this world. Our whole ambition should be to make the most of our opportunities and urge upon the people with whom we come into contact that they do likewise. There is a bright side to the picture and much in the way of encouragement. For instance, the competition of a few government agencies in our territory is much healthier than the competition of a multiplicity of pri-

vately owned bankers struggling desperately for volume in a territory where there was not enough business to go around. People would still rather do business with their local bankers than all the alphabetical agencies that have been invented, and it will be our own fault if we cannot hold our own against them. Our banks are in the best cash position that they have been for years. To be sure, we cannot use the money to advantage just now, but we are most favorably situated to make a profit when business picks up, and business is picking us. Furthermore, as an offset to its own competition, government itself has given us the opportunity to collect the interest from insured loans under NHA and has given us the Federal Deposit Insurance Corporation, which has had much to do with the returning confidence in our banking system. The use of the word "given" is certainly accurate as far as the country banker is concerned. When we realized that the capital of the corporation has been furnished by government and that 20 per cent of the yearly assessment for the whole nation is contributed by the New York banks alone, we should feel as happy as the Widow Jones when she receives her pension under the Townsend Plan.

Today the only big problem of the banker is the banker himself. We need to sweep away the clutter of suspicion, misunderstanding, and fear which has piled up around us in the past few distracting years, and when we do this the path ahead will be plain and easy enough to follow.

Out of the Experimental Stage

The farm cooperatives have passed out of the experimental stage. They have become as essential to modern agriculture as the plow.

They have demonstrated that only through cooperation can supply be adjusted to demand—that only through cooperation can the farmer obtain a fairer share of the final selling price of what he produces—that only through cooperation can scientific farming be extended to millions of farms, making smaller acreage produce better, more profitable crops.

The establishment of the first cooperative marked one of the greatest days since the dawn of farm history—though few realized it at the time. The cooperative ideal is the most dominant characteristic of farm activity today.



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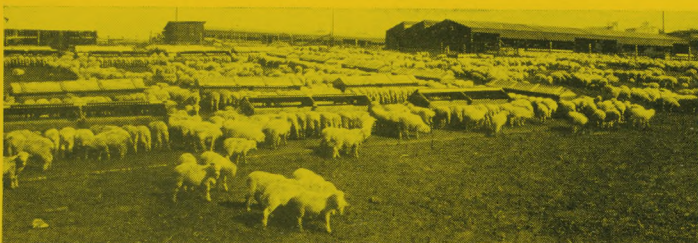
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Stock Yards National Bank of South Omaha

OMAHA, NEBRASKA



The Place and Purpose of the Farm Credit Administration

THE Farm Credit Administration as a national organization has attained such gigantic proportions that logically its place and purpose, both present and future, as an instrumentality of credit is worthy of serious consideration in the deliberation of this or any other financial group. One of the obligations of my position is to present the story of our system to various groups throughout the Omaha district. This I have done rather frequently the past year and one decided reaction in that experience has been the lack of understanding generally among all classes of people of the real basic plan of farm credit and the manner of its administration through our several units.

Fortunately, my task today is not as academic as is usual. You bankers of Nebraska, with few exceptions, I opine, have a pretty accurate knowledge of the functions of the several banks in our system. This knowledge makes my task more simple and permits me to turn to a phase of our work not heretofore the subject of public discussion, to-wit: "The Future of the Farm Credit Administration."

Let me briefly lay a foundation upon which to build and indicate my deductions therefrom.

First, the system set up is calculated to meet all the credit requirements of agriculture, that is,

- a) Long time farm mortgage loans with amortized principal payments;
- b) Short time credit for necessary farm operations;
- c) Adequate credit to cooperative marketing organizations; and,
- d) A rediscounting bank through which the latter two and other private loaning agencies may dispose of their paper.

That it is soundly conceived I think is generally admitted by disinterested minds. There are some who doubt and some who deny and denounce the so-called intrusion of government into this or any other type or form of business. In this respect, the legality of the National Farm Loan Act, which set up the

The address of F. A. O'Connor, general agent for the eighth district of the Farm Credit Administration, before the Nebraska Bankers Association Convention, held last month in Omaha. The eighth district comprises the states of Iowa, South Dakota, Nebraska and Wyoming.

Federal land bank system in 1916, was savagely attacked through all the courts by the mortgage companies of the United States, and only a few weeks ago, at French Lick, the resolutions adopted continued to find fault with governmental credit agencies. The issue as to whether the banks of the Farm Credit system shall or shall not continue to exist has been definitely settled, and such banks presumptively are here to stay.

Credit Agencies

Obviously the bankers of America, or more accurately speaking, the credit agencies of the country including bankers, have an interest in the system in that it gives an assurance of credit running into the billions of dollars to a class of borrowers, in the past partially at least, served by banking institutions. Our banking structure within the past twenty-four months has been reconstructed. As you well know it is a rather far cry from the functions of the bank of today to the bank of a decade or two ago. We are slow in this country to accept reforms, but usually the bugbears we have sighted in the distance turn out to be phantoms and when we reach the point of assumed disaster we are marching forward to security and safety. What sound American banker would today advocate that we go back in our banking to many of the practices of ten and twenty years ago?

So, gentlemen of the Nebraska Bankers Association, the banks of the Farm Credit Administration are a part of our fiscal system; and together we must work either in unison or in disorder. Is there any doubt of what our joint decision

should be? Common prudence and common sense dictate a common policy of cooperation and unity of purpose and action. It is not improbable there will be competitive points somewhere in the system at which we shall meet from time to time. Such meetings, though, do not justify conflict. Competition should not drive either force to unfair or unsound practices. These are the reasons for countless tragedies in the past, and they must not occur in the future.

Financial Giant

The Farm Credit Administration system in all its branches has loaned more than three billion dollars, and it is not inconceivable that it will ultimately own four billion dollars or approximately one-half of the farm mortgage indebtedness of the country, and a substantial portion of the short term loans of the American farmer. There is no such potential financial giant in this or in any other country. Truly its place in the economic life of the country is a matter of supreme consequence to all.

That its future is portentous for great good is obvious to those who understand its purpose and its plans, and that it may be the, or at least a, source of national disaster is to me equally obvious. That you may judge the soundness of my prophecy as to goodness or disaster let me briefly sketch the dangers that lie ahead, for only through analysis of weaknesses may we correct them and fortify ourselves against them.

Let me summarize the points of danger as follows:

- 1) Failure of adherence to the cooperative features of the system;
- 2) Excessive administrative costs;
- 3) Failure to adopt and follow sound loaning policies;
- 4) Failure to adhere to the merit system.

Failure to adhere to the cooperative features of the system. The system is purely cooperative. If we depart from this basic virtue we endanger the whole structure. In the foreclosure frenzy of 1933 and 1934 farmers rushed to the

(Continued on Page 15)

The Evolution of The Banking Act of 1935

Excerpts from an address of Harold V. Amberg, vice-president and general counsel of the First National Bank of Chicago, delivered at the recent Nebraska Bankers Association Convention

AT THE beginning of 1935 the prospect was that federal legislation for the year would be confined to three general spheres. The first was to be clarification and practicalization of the deposit insurance law. As expected, this appeared in Title I of the Banking Bill of 1935 which, after free and intelligent discussion, emerged as Title I of the Banking Act of 1935. The second sphere was to be clarification and, to some extent, amelioration of the provisions of the Banking Act of 1933—the attempt in 1934 in this regard having failed. As expected, this appeared as Title III of the Banking Bill of 1935. Commonly referred to as “technical” amendments of the banking laws, it dealt with such items as elimination of accidental holding company affiliates from the affiliate provisions of the 1933 Act, modification of the bar on receipts of deposits by unregulated institutions, termination of double liability on national bank stock, interlocking personnel of banks, conditioning the transfer of stock on the transfer of stock of another corporation, examination of trust departments of national banks, limitation of the purchase of investment securities of any one unit, direct loans to industry by the Federal Reserve Banks, classification of deposits for reserve purposes, clarification of provisions in regard to loans to executive officers and loans to affiliates, further provisions in respect of conversion of state banks into national banks, voting of bank stock held in trust by the bank, limitation on loans by national banks to one borrower on government securities, expansion of powers of liquidating agent of a national bank, security for deposits by receiver of a national bank, accumulation of surplus equal to common stock, and rights of dissenting stockholders on consolidation of



Harold V. Amberg

national banks. These provisions ultimately emerged as Title III of the Banking Act of 1935 and involved little discussion or argument because the ground had been covered to a great extent in 1934. A study of the so-called Title II of the Banking Bill of 1935, after it was introduced in the Senate and the House on February 5, 1935, disclosed, however, that the third sphere of expected legislation had been expanded to include provisions which increased the powers of the Federal Reserve Board to an extent sufficient to involve a fundamental change in the banking structure.

Major Changes

Time does not permit of a detailed analysis of the particular forces which led to particular results. The cross currents of conflicting forces were myriad. A consideration of the full impact of this

proposed legislation on our political, social and economic life is not within the scope of this paper. A recital of a few of the major changes, as proposed and as finally adopted, will suffice to indicate the nature of the ultimate compromise.

It was proposed to shift the formulation of open market operations from a committee consisting of representatives of each of the twelve Reserve Banks (whose recommendation was subject to the approval of the Reserve Board) into the Federal Reserve Board itself (subject to consultation with a non-voting advisory committee consisting of representatives of five of the Reserve Banks). As finally adopted, the Open Market Committee is composed of the seven appointive members of the Reserve Board and five representatives of the Federal Reserve Banks, to be selected on a regional geographical basis. The committee is required to keep a record of its open market policies and operations and make an annual report to Congress in respect thereof.

It was proposed to give the Reserve Board power, regardless of the existence of any emergency, to change by regulation, without limit either up or down, the requirements as to reserves to be maintained at the Reserve Banks against demand or time deposits or both by member banks.

It was proposed to shift the right to fix rates of discount to be charged by the Federal Reserve Banks from the banks themselves to the Reserve Board. As finally adopted, the power to fix rediscount rates was left with the Reserve Banks, respectively, but each bank is required to establish such rates, with a view of accommodating commerce and business, every fourteen days or oftener if deemed necessary by the Reserve Board.

In respect of eligibility for rediscount, the existing law, as established by emergency legislation in 1932, restricted rediscounting by member banks at the Reserve Banks to paper of short maturity, the proceeds of which had been used for agricultural, industrial or commercial purposes or for the purpose of carrying or trading in obligations of the United States. It was proposed to broaden this field of eligible paper so as to include, subject to such requirements as to maturities and other matters as the Federal Reserve Board might prescribe, any commercial, agricultural or industrial paper. This proposed change was rejected.

Governor Appointed

It was proposed to consolidate the office of governor and agent in the Reserve Banks with the requirement that the governor should be appointed annually by the board of directors of each bank, subject to approval by the Reserve Board at the time of initial appointment and subsequently, in substance, each three years—initially it had been suggested that the appointment of the governor of a Reserve Bank should be subject to annual approval by the Reserve Board. As passed, the law does not consolidate the

office of governor and agent, but changes the name of the governor to "president," making him chief executive officer of the Reserve Bank, and makes his appointment subject to approval by the Reserve Board initially and every five years thereafter.

It was proposed that, in respect of the selection of the governor and members of the Reserve Board by the president, the president, in selecting such members, should "choose persons well qualified by education or experience or both to participate in the formulation of national economic and monetary policies." This was rejected and the law retains the old provision that the president, in making such selection, should "have due regard to a fair representation of the financial, agricultural and commercial interests" of the nation. A proposal that the governor of the Federal Reserve Board should hold office at the pleasure of the president, which, in fact, was inspired for reasons other than its import would indicate, was not adopted.

What happened is quite apparent. The search for a central institution to coordinate and integrate banking was just as dominant as it was in 1791 when the First Bank of the United States was

organized, in 1816 when the Second Bank of the United States was organized and then, after a long lapse, in 1913 when a central bank was proposed by the Aldrich Commission. In 1913 the idea of the commission or so-called Federal Reserve Board was adopted. In the twenty-two years that have elapsed since 1913, the idea of regulation through a commission has gained in stature. It was natural, therefore, when the need of more centralization for integrating purposes was disclosed by the history of the depression, to turn to the only available unit—that is, the Federal Reserve Board. It is also equally apparent that the Congress was not ready to allow unlimited regulatory banking power in a politically appointed board, to the exclusion of the experience and judgment acquired by private individuals in actual banking. It is also equally apparent that the Congress was unwilling to centralize all power in a central board, regardless of regional requirements. In other words, the "regional voice" is still to be heard.

Immediate Future

What does the Federal Banking Legislation of 1935 offer in the immediate future? Potentially it furnishes a medium, if wisely used by the governors of the Reserve System and private bankers in a spirit of cooperation, with an irreducible minimum of political interference, for more intelligent handling, within prescribed limits, of the fiscal requirements of the nation and the economic needs of the nation, insofar as they may be influenced through an integrated banking system. In a second aspect, we now have, with the addition of the Federal Deposit Insurance Corporation to the Bureau of the Comptroller of the Currency and the Federal Reserve Board, a complete medium, so far as the federal side of the picture is concerned, for an attempt at improvement and strengthening, both in financial structure and management, of all the banks in the country, be they city or country banks, national or state, members or non-member. This coordinating influence would seem to be potentially very promising. It would seem also to offer an alternative for the much disputed and contested attempt at unification of banking through compulsory membership in the Federal Reserve System. As you know, the date of membership in the Reserve System, as a condition to the benefit of the Federal Deposit Insurance, was extended under Title I of the Banking Act to 1942. Whether, out

(Continued on Page 20)



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BONDS AND INVESTMENTS

THE BUSINESS OUTLOOK

THERE have been no wide fluctuations in the rate of business activity in 1935. As we enter the third quarter it seems entirely probable that this year will be recorded in the business annals of this country as one of the most nearly stabilized 12 months periods in our entire history. There was a moderate decline in activity during the first quarter, and since then almost no change, and it does not now seem likely that there will be much in the remaining months. There is a state in New England that is often referred to as being a land of steady habits, and a similar description would be appropriate to 1935 among business years.

It seems strange that this should be so, for there has been this year a great increase in the output of the automotive industries, and an important improvement in agriculture. In the second quarter we had the suspension of NRA, which might well have been expected to cause sudden and important business changes, and now we have the outbreak of war in Africa. Nevertheless, despite these portentous developments, and many others of lesser consequence, the flow of general business has continued to move steadily forward in almost unchanging volume. There have been few serious labor disputes, only moderate price changes for most commodities, and no minor business boomlets, or intermediate collapses.

THERE can be no real doubt that business sentiment and general confidence are better now than they have been during the autumn of any previous year of the depression. Nevertheless, these improved attitudes are still rather of the short term variety than for the long pull. They have resulted in freer vacation spending, better support of sports and entertainments, more travel, and a great-

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

er volume of consumer purchasing at retail. They have not as yet affected a reopening of the capital markets for the flotation of new long-term corporation bond issues. Private corporate refinancing has gone forward on a large scale to refund debts at lower interest rates, but there has been almost no new money going into the expansion of enterprise. Capital and labor still seek security rather than opportunities to take new risks in the hope of profiting thereby.

DURING the past six months of this year the volume of industrial production has remained so nearly unchanged that in only one month has there been any variation. Production declined during the first quarter, and has been almost stabilized since then. The level at which this has taken place has been almost exactly half way between the low records made in 1932 and again in 1933, and the computed normal level. It is about the level reached in the autumn of 1930, and the spring of 1931.

PROBABLY we now have in use in this country as many trucks as we had in the earliest years of the depression, but that was not true a few months ago, and it may not be true even yet. This fact is the best of evidence that the troubles of our railroads are not in the main caused by the diversion of railroad freight to the highways. During the months of this year the freight car loadings of the railroads have been running at about 55 to 60 per cent of what they were in the corresponding months of the prosperity years just before the depression. Clearly if the great shrinkage in rail freight could be accounted for by

the loss of traffic to the trucks there would have been an enormous increase in the number of trucks in use, and that has not happened.

IN ORDER to attain a fairly satisfactory restoration of railroad freight we need to produce in this country about twice as much iron and steel, and lumber, and cement as we have been making this year and last year. This means that we need a revival of construction, not merely in residences, but in the equipment of public utilities, the building of lake freighters, the making of cranes and bridges, the creation of new loading docks for coal and ore, and the building of pipe lines. Real recovery depends on a renewed flow of capital in the form of corporation bond issues to finance expanding enterprise. That would solve the recovery problem, and the employment problem, and incidentally the railroad problem.

THE PRESENT depression began some 10 years after the close of the world war. It began in the autumn of 1929 and this month it has been under way for 72 months, so it is already longer than any of its predecessors. It has been most severe, and during 1932 and 1933 business activity fell to about 46 per cent below normal. It combines many of the features of the earlier long depressions. It came 10 years after the close of a great war. It followed a period of bank credit expansion, real estate speculation, and security speculation. It has resurrected the ancient faith in inflation, and brought powerful demands that we should do something for silver. It is interesting to note that the depression area of this period is already some 10 per cent greater than those of the four earlier long depressions combined.

Nebraska Bankers Hold Thirty-Eighth Annual Convention

(CONTINUED FROM PAGE 3)

WE ARE THE recipients of a "Triple Heritage," according to R. F. Patterson, a professor in the department of history of Tarkio College, who divided our heritage into three parts—hard work, ambition and initiative—liberty through a constitutional government—and that small-town neighborliness that permits us to call our friends and business associates by their first names. As long as these typical American traits endure, and they will endure, he thinks, just so long will we have nothing to fear from depressions and politicians.

We might say here that this November issue of *CENTRAL WESTERN BANKER* carries in full several of the addresses delivered at the convention, consequently in this general coverage of the convention proceedings we make little or no reference to those talks which appear elsewhere in print.

A HIGH SPOT of the convention program, both from the standpoint of himself and his listeners, was the address of Congressman Henry B. Steagall. The early part of his talk smacked greatly of politics, including generous praise of his party, but noting the distinctively unresponsive attitude of his audience, he finally got around to his subject of "The Banking Act of 1935." Mr. Steagall discussed many phases of the banking act, and with reference to Federal Reserve membership, made the statement that the time will never come when insured banks will be forced into joining. The new act has postponed to 1942, at least, the time when banks with deposits in excess of one million dollars must join the Federal Reserve System, and according to the speaker, this section of the law will probably be repealed before lapse of time permits it to become effective. He sees no reason, he said, why 7,000 state banks, more or less, should be Federal Reserve members if they don't want to be. Were he an officer of the Federal Reserve, he would be ashamed to use the banking act as a club to force membership.

Mr. Steagall voiced the opinion that the features of the banking act which deal with changes and regulations in the Federal Reserve System, through proper

manipulation should enable that body to prevent the extreme lows and highs which the recent years have made so familiar. Speaking of deposit insurance, he made the statement that some day this country will pass laws to insure one bank against another.

The administration, said Mr. Steagall, has no desire to have the government in business, but he believes that such government interference will be necessary until business men of the nation rise up and take the recovery reins into their own hands.

ONE OF MANY such gatherings during the convention, the Live Stock National Bank of Omaha was host at a noon luncheon in the main dining room of the Paxton Hotel on the second day of the meeting. About fifty bankers, and at least one editor, enjoyed the genial hospitality of Alvin Johnson and Dick Kroeger, president and cashier respectively, of the Live Stock. Needless to say, everybody present thoroughly enjoyed the occasion.

ANNOUNCEMENT of the names of those making up the nominating and resolutions committees was the first order of business at the opening session Friday morning, followed by an address on "Federal Housing" by Jonas W. Graber, who is deputy regional director for the FHA at Topeka, Kansas. Mr. Graber said the housing administration was not especially disappointed that its program was moving rather slowly, since it was the desire to build soundly as it went along. He urged bankers to take advantage of the benefits to be derived from their part in the handling of federal housing loans, saying that he believed they would find such loans a profitable and sound investment.

H. G. PRATT, president of the Hastings National Bank, next spoke on "Bankers Today," and was followed by a discussion of "The Evolution of Banking Legislation," presented by Harold V. Amberg, vice president and general counsel for the First National Bank of Chicago. The addresses of both Mr.

Pratt and Mr. Amberg are published on another page of this issue.

William A. Irwin, dean of Washburn College of Topeka, spoke on "The Economic Outlook; A Westerner's Viewpoint." He appeared as the final speaker on the two-day series of programs, and as then President Kotouc said, the best had been saved until the last, with which we agree. Dean Irwin spoke from notes only, but promised us a copy of his talk. If received in time, it will appear in this November number—otherwise you will have an opportunity to read it in a coming issue of *CENTRAL WESTERN BANKER*.

"WE CAN FACE THE FUTURE WITH CONFIDENCE"

(Continued from Page 5)

Postal Savings

Our Postal Savings Committee has been active in an effort to eliminate the Postal Savings System. This agitation on the part of our committee and the various committees of other states in conjunction with the committee of the American Bankers Association has finally brought some results. The Banking Act of 1935 now declares each postal deposit to be a "Savings Deposit" and provides that interest shall be credited once each quarter beginning with the first day of the month after the deposit. No interest shall be paid for any period of less than three months. The rate of interest is not to be greater than the rate payable on savings deposits by member banks of the Federal Reserve System. As the Postal System has been engaged in paying an excessive rate of interest on deposits, and that obtainable on demand of the depositors in violation of the Banking Act of 1933, it remains to be seen if it will continue to do so in violation of the Banking Act of 1935. Since bank deposits are now insured and the depositor has nothing to fear, the need which prompted the establishment of the system has passed. It is not only unfair competition for the commercial banks, but the constant withdrawal of funds from the channels of trade is disturbing to business and is accordingly retarding recovery. The system should be abolished

and the deposits that are nothing more than checking accounts should be returned to the commercial banks where they properly belong.

New Banks

It is gratifying that some of our larger bankless towns are gradually being served by new banks established in such communities. Our superintendent of banks, Ben Saunders, understands Nebraska's needs and has faith in the future of our state. Under his able supervision small banks are being organized with a sound capital structure to serve our rural communities. They are vital to the welfare of these communities. In the past they have been instrumental in building them up and in bringing our agricultural states to their present high state of development.

Pension Plan

I feel the time has come when our association should consider plans for old-age pensions. The promotion of the state-wide old age pension plan under the auspices of state bankers' associations has progressed in the United States despite the enactment of the Federal Social Security Act. Provision can be made for the reduction of the bankers' pension plan to the extent of the payments made to and the benefits of the government plan. The employees of our small banks should have the same advantages in this respect as the employees of our large institutions. This can be accomplished through a state-wide cooperative plan.

Although we have passed through a severe depression and have to cope with serious and difficult problems, the banking structure of our state and of our nation is more sound today than it has been at any time in our experience. Stronger because of our trials and tribulations, we, as bankers, can continue to render constructive, conscientious service to society. We can face the future with confidence and reap the reward that comes to those who have the courage and the ability to survive. If we will but meet the responsibilities that come with the new day in the same faith and fortitude we dealt with the problems of the past, the future is ours.

**ABOUT MEN
YOU KNOW IN NEBRASKA**

(Continued from Page 6)

Beddow, now at the Springfield, Mo., hospital for defective delinquents.

The plot was frustrated when a Dallas, Tex., broker noticed a small typographical error in the printing of the

bonds. He informed postal authorities, who eventually arrested the sellers. In their rooms, postal inspectors found coded letters from Beddow giving instructions on how to dispose of the bonds.

On three previous occasions, Beddow has been accused of selling forged Omaha bonds.

IN ONE WEEK of October, Omaha bank clearings soared to \$35,808,683.99 to reach the highest level since the week of August 22, 1931, when the total was \$38,814,558.78, according to Omaha Clearing House association records.

The week's total also was more than \$5,500,000 greater than clearings of \$30,251,707.89 for the corresponding week of last year.

**THE PLACE AND
PURPOSE OF THE FCA**

(Continued from Page 10)

only haven of help—the Federal lending agencies. There was little deliberation and the borrower gave small thought to his entry into a great cooperative organization and possibly less thought to the responsibilities assumed.

The borrower's subscription of five per cent to his local association provides the permanent capital structure for the bank. He should be impressed with the necessity of prompt return to the government of its advancements. Each should be encouraged to demand sound loaning policies to the end the structure may be self-supporting and borrower owned and borrower controlled. A failure on our

part of this accompaniment will endanger the system.

Excessive administrative costs. Necessarily not a single employee of the system has a dollar invested in it (unless he be a borrower). Experience has taught us that frequently in such cases the administrators have little regard for costs. In fact, there is almost universal belief that excessive expenditure is a virtue in the minds of public servants. This widespread opinion is not entirely unfounded, but on the contrary is frequently only too true. If this system is to endure—if we are to repay our debt to the government and pay dividends to our stockholder borrowers, who indirectly own our stocks, we must administer the system economically and efficiently.

Failure to adopt and follow sound loaning policies. If there is any one thing we learned in the crisis through which we have recently passed it has been how to loan or possibly how not to loan money. Passing for the purpose of this point the loaning of money for short terms on current collateral or live stock, I refer particularly to long time mortgage loans. The accepted basis of loaning outside our system, generally, was value as distinguished from production. That is, the loaner determined the value of the land and loaned money thereon. The Federal Land Bank system fixes production as the base. And how foolish it now seems to all of us that we ever accepted value as the basis for loans. Value is a constantly fluctuating and unsound measure—production is a

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constant factor. That is, over a period of years it will be reasonably constant. To illustrate: You may price a farm at \$50 per acre or \$2,000 per acre, and it will raise the same amount of corn or wheat or other product. So, out of the tragedy of agricultural grief we have learned our lesson.

Failure to adhere to the merit system.

If our ideal in this mighty institution is to be consummated we must dedicate our organization to "the merit system." Merit is all embracing and all important. It is the very "milk in the coconut." It must be the base of sound loans, sound management, sound everything connected with our operation.

In conclusion let me invoke the aid of our fellow bankers of Nebraska in the building of this mighty instrumentality of national security (because a successful agriculture is a fair assurance of national prosperity), there is need for united effort, not alone among farmers, but every type of business man should respond to our call for help. An indispensable requirement for a successful financial institution is confidence. Above all things else the Farm Credit Administration, dealer in billions, needs this public confidence. Any fair consideration of the marvelous record thus far made merits this confidence. Once the public becomes fully conscious of the contribution the Farm Credit Administration has already made to national recovery and what it will continue to do in this respect, there will be no lack of that regard and opinion which is the basis of confidence.

Through the instrumentality of this great quasi-governmental cooperative association, American agriculture is on the way to freedom. The great farming industry of the United States calls to business men and industry to aid it in this advance to economic emancipation.

And as a last word I express the personal opinion that a secure and sound agriculture will be a guarantee of success and happiness to those who bank in this agricultural region—and if any group in America will welcome success and happiness I am sure it will be the banker.

Fighting Two Evils

Who has eyes, let him look. Who has ears, let him hear. Two new weapons for use against two threats to the lives and pocketbooks of our people have just been released by the National Bureau of Casualty and Surety Underwriters. These are the National Bureau's Visomatic talking picture productions, "Death Takes No Holiday," and "Stop That Thief!"

The first deals with the motor traffic problem and has been prepared as a guide for the accident reduction activities of civic groups throughout the country. The second exposes to public view the fraudulent accident claim racket.

Both pictures present their story and their message in 15 minutes, and are adapted to presentation before any sized audience. They are talking-slide-films, dramatically integrated pictures with the voice accompaniment recorded on synchronized discs.

"Death Takes No Holiday" portrays compactly the whole traffic safety problem and seeks out the basic course which it accurately defines as "You, the average person, not only when you are driving but when you are walking." It depicts by a vivid method the way in which automobile accidents most commonly occur. It describes the automobile safety work that has already been done and the

organizations actively engaged. It presents what must be done and how it is to be done, a comprehensive program which is "up to you," aimed at the vitals of the automobile accident evil.

"Stop that Thief" outlines how the fraudulent claim racket has grown from a negligible status to the point in 1930-31 when thousands of claims had the taint of suspicion on them. The picture describes in detail the way fake claim rings work and the economic and social consequences to all business and to all individuals. It tells what the insurance companies and the police are attempting to do and shows what groups and persons working together can do to rid society of the cancer of fake and fraudulent claims.

There is not a community in the entire country which does not desire to take action against the haunting menace of death, injury and destruction on the street and highway.

Every community should be willing to extend itself to crush those parasites in its midst who made a rat-like living on money they extort from their honest fellows.

Many times in both cases the only lack is a force that is at once motivating and cohesive. These pictures hope to fill this lack. They can and are intended to be used to arouse a community—through showings to interested groups—to take concerted and determined action.

Only in such a way can the rising curve of automobile deaths, which in 1934 touched a new and awful high of 36,000, be turned downward.

Only in such a way can the grasping hands of the fraudulent claim racketeers be kept from the millions of dollars which they dishonestly appropriate to themselves every year.

Short Term Notes

Rates and Maturities Upon Request

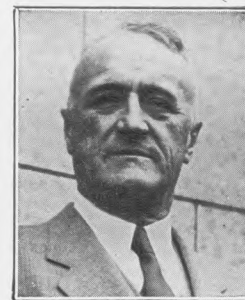
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**J. M. SORENSEN, President
Nebraska Bankers Association**

Nebraska News



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

New Bank

With a capital of \$50,000 and a surplus of \$10,000, according to bank statements, the First Bank of Scottsbluff opened its doors for business last month. V. C. Redding of Minatare is president, G. A. Etre of Minatare, vice president, and W. M. Barbour, T. F. Neighbors, Dr. T. E. Riddell and H. S. Stark, all of Scottsbluff, directors. Stark is cashier.

Improvement

W. E. Barkley, president of the Lincoln Joint Stock Land bank, reported improvement in the bank's condition for the first nine months of 1935.

In his annual report to the bank's directors at their annual meeting, Barkley said 17 farmers canceled out by voluntary deed this year while there were 85 in 1934. Foreclosures, he said, total 48 this year and 359 the first nine months last year.

The company's loans, Barkley reported, have been reduced from \$8,800,000 on January 1 to \$5,800,000 October 1.

Bank Liquidates

Nebraska Banking Superintendent Saunders announced the Bloomington State Bank, a \$25,000 capital institution, has completed voluntary liquidation and paid all deposits in full, including redemption of \$10,000 capital stock pledged to the RFC for a loan. Capital stock remains the property of stockholders. U. H. Bienhoff was president of the bank, W. A. Cole was vice president, C. H. Moffett cashier and Julia H. Moffett assistant cashier. Bloomington, six miles from Franklin, now has no bank.

Vacation

Howard H. Mielenz, cashier of the Wahoo State Bank, accompanied by his wife, returned home recently from a week's outing down in the Ozarks. They visited their farm near Albany and went

on down to the Lake of the Ozarks. This is a very large lake setting in amongst the hills that is the playground for all of Missouri. Mr. Mielenz says colorings of the leaves and foilage in that part of the state is most beautiful at this time of the year.

Change Personnel

The Security National Bank of Laurel has changed its personnel. E. R. Sutherland has been succeeded by Charles Ebmeier as president. Earl Schuler, former president, becomes vice-president, and C. W. Fahnstock of Omaha, cashier. Miss Emma Haisch, bookkeeper, and Elmer Chederquist, clerk, will retain their former positions.

A. B. A. Officers

C. J. Mortensen of Ord was elected Nebraska state vice president for the American Bankers' association at the closing session of the Nebraska bankers' convention.

M. M. Taylor of Columbus will represent Nebraska in the A.B.A. savings bank department, W. S. Rodman of Kimball in the national bank division, Paul Ude of Deshler in the state bank section and Dan J. Monen, Omaha, in the trust company division. J. R. Cain, Jr., Omaha, was named Nebraska member of the nominating committee.

County Meeting

Fritz Nicklas, Eugene Pratt, Charles W. Andrews, and Perry Andrews drove to Nebraska City recently to attend the semi-annual meeting of the Otoe County Bankers Association.

Charles Woods of Talmage presided over the meeting. There were delegates present from Nemaha, Johnson, and Cass counties. During the business meeting, a discussion was held about establishing a uniform check exchange charge but no definite action was taken.

Annual Meeting

The annual meeting of the Cass County Bankers association was held at Alvo, where a fine program had been arranged and fine hospitality shown by the members of the staff of the Farmers and Merchants Bank, of which S. C. Boyles is president and Carl D. Ganz is cashier.

Several very interesting addresses on timely topics were given during the afternoon session. Otto H. Stuve, assistant cashier of the Farmers and Merchants Bank gave the welcome, while Charles H. Boedeker, II, of Murray State Bank gave the response.

The annual election of officers resulted in the following being elected: President, Elmer Hallstrom, Avoca; vice president, Charles H. Boedeker, II, Murray; secretary-treasurer, Carl J. Schneider, Plattsmouth.

The association voted to meet in Avoca for the 1936 meeting.

Killed by Train

J. B. Kramer, cashier of the Thayer County Bank of Hebron, was killed last month when his automobile was struck by a Missouri Pacific freight train at Andale, Kans., about 22 miles north of Wichita. Mr. Kramer moved to Hebron from Goodland, Kans., about four years ago.

Audit Ready

Announcement was made recently that the audit of the receivership division of the state banking department had been completed and was ready for presentation to the legislature.

State Auditor Ayers said the audit would be presented to the special session inasmuch as the fiftieth legislature authorized it.

The cost of the audit was about half of the \$20,000 appropriation made by the last legislature. A separate audit of

the remainder of the banking department, however, is incomplete.

Testimony

An admission from R. H. Downing, head of the receivership division in the Nebraska banking department, that multigraphed letters bearing the signature of Charles W. Bryan, then governor of the state, were sent out through the division to depositors in failed state banks during the primary campaign of 1932, promising they would receive the money due them if he were re-elected, was brought out in testimony taken at the hearing before the special committee in charge of the banking department investigation.

Downing did not know how many of these communications were thus distributed in the mails, or how the postage was paid upon them.

Disappears

Mystery shrouds the disappearance of \$1,500 in currency from one of the teller's cages at the First National bank in Omaha.

The possibility that the money was taken by a sneak thief, who reached into the cage and grabbed the bills, is being investigated by officials.

The bank has reported the matter to its bonding company.

One employe of the bank told officers he saw a man of suspicious appearance loitering near the teller's "pen" where the money was missed.

Position

Duane Black has accepted a position as assistant to E. H. Henderson in the Commercial State Bank of Cedar Bluffs.

Deposit Boxes

The Dawson Bank is installing a modern system of safety deposit boxes for the convenience of their patrons, and will have them ready for use soon. The boxes fit into the large vault at the bank and have all the latest safety devices.

Bank Position

Members of the Associated Chambers of Commerce of the North Platte valley, meeting recently, adopted a resolution to aid "securing the renomination and re-election of F. S. McCaffree, Scottsbluff, director of the Omaha Federal Land bank."

Bookkeeper

Mrs. Bernard Phelan, former cashier of the Nebraska National bank, has taken a position at the Alliance National bank, as bookkeeper. She replaces Mrs. Mildred Spencer, who has accepted a position in Minatare.

Kansas News

Group Meetings

A. C. Ellis, president of the Citizens State bank of Hiawatha, was elected president of Group 1 bankers of north-east Kansas at a meeting held at Valley

Falls. Chester Jones, of the Morrill & Janes bank of Hiawatha, was elected secretary. Most of the banks of the district were closed for the meeting, allowing good representations to attend. Those from Hiawatha were: Mr. and Mrs. Ellis, Mr. and Mrs. Stanley Moser, Miss Blanche Dowell, Miss Ernestine Duehn, of the Citizens bank group; Mr. and Mrs. Frank Morrill, Mr. and Mrs. Chester Jones, C. D. Lamme, Frank Smith, of the Morrill & Janes bank. Next year's group meeting will be held in Hiawatha in October.

Group 4 of the Kansas Bankers association were guests of the Lincoln County Bankers association at the annual group meeting, which was held in Lincoln. Group 4 of the K. B. A. comprises the following counties: Jewell, Republic, Washington, Mitchell, Cloud, Clay, Geary, Riley, Saline, Ottawa, Lincoln, Ellsworth, and Dickinson. There were 281 registered at the city hall and at the Princess theater at 3 o'clock. The bankers gathered in Lincoln early for registration which began at 9, and at 10:30 the first meeting of the day convened.

The nominating committee announced the election of I. C. Rush of the First National bank of Washington as chairman for the coming year and A. M. Solter of the Washington National bank secretary. They succeed Chairman D. B. Marshall of the Saline Valley bank and Secretary J. C. Kaul of the First National bank of Barnard. The convention will be held at Washington next year.

W. F. Hughes, president of the Stockton, Kans., National Bank, was chosen as next year's chairman for Group Six of the Kansas Bankers association; Van Da Bruton, of Woodston, cashier of the Rooks County State Bank, for secretary, and J. A. Mermis, president of the First National Bank of Hays, as member of the executive committee. Stockton was chosen as next year's meeting place.

More than 300 bankers were in Hays City to attend the meeting. Present at the conference were 40 bankers and government representatives from Kansas City, Topeka, New York, St. Louis, Wichita, Chicago and Washington, D. C., a scouting party, members of which are making a tour of the group meetings of the organizations to call on their "banker customers" in Kansas and discuss financial problems with them.

Bankers of Group 9 of the Kansas Bankers association convened in Dodge City. The meeting was held at the Lora

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*

Locke hotel there and the presiding officer was M. R. Young, cashier of the First National bank of Dodge City, chairman of Group 9.

Both the Garden National bank and the Fidelity State bank were closed all day so the officers and employees of the banks could attend the meeting.

Study Classes

The employees of Lyon county banks are scheduled to do considerable fireside school work this winter. At a meeting of the Lyon County Bankers association, plans were formulated for conducting four personnel clinics, the first to be held in November.

W. M. Price, president of the Lyon County State bank, explained the American Bankers association program for a customers relations enlightenment standpoint.

Second Birthday

The Security National Bank of Kansas City, Kansas, recently observed its second birthday anniversary.

A comparison of the financial record of the present with two years ago shows the rapid rate at which the bank has grown. Deposits in 1933, when the bank was established, were \$2,248,065.75; today, the approximate figure is \$3,766,400.40. Total resources two years ago were \$2,780,350 and today are approximately \$4,069,423.24.

James G. Hall, president of the Security National Bank, has been selected as instructor for the Cowley County Bankers' association. The association met in the Chamber of Commerce rooms in Winfield for the first of a series of bank employees' clinics which will be held once a month through the winter.

Forty-Five Present

Forty-five bankers and bank employees of that vicinity attended the Douglas County Bankers' meeting held in Eudora. The Altar society of Holy Name church served the banquet. The meeting was held in the Catholic parish hall.

Cashier

At a meeting of directors of the Farmers State Bank of Bucklin, J. A. Patton, of Enid, Okla., was elected as cashier. The meeting was attended by J. H. Collingwood of Topeka, Lee Collingwood of Hutchinson, and A. E. King.

Assistant Cashier

R. N. Dean, a former Norborne business man and postmaster, has recently

been elected as assistant cashier at the Citizens Bank, to succeed the late Raymond H. Viles. Mr. and Mrs. Dean, who have made their home in Kansas City for the past several years, plan to move to Norborne soon.

Colorado News

Reserve Bank Notes

Eighty-one national banks in Colorado are said to be affected in the removal from circulation of bank notes signed by the president and cashier of a bank. Under orders of the federal treasury, these notes are being taken out of circulation. It is said that few of them are left and no more will be issued.

For many years, national banks which met certain requirements were permitted to issue their own engraved notes, or paper money. The money was engraved by the United States bureau of engraving in Washington, with the issuing bank paying the cost.

In the future all bank notes will be issued by the federal treasury.

Regional Meeting

A meeting of the first Colorado Regional Clearing House association was held at the Northern Hotel in Fort Collins immediately succeeding a dinner at 6:30 o'clock.

The Honorable Alva B. Adams, U. S. senator from Colorado, spoke on the Banking Act of 1935, giving valuable

information as to the new regulations concerning same. Senator Adams is an experienced banker and his talk was of great interest.

Raymon B. Handy, cashier of the Loveland National Bank of Loveland, was re-elected president of the association; T. C. Phillips of the Greeley-Union National at Greeley was named vice president; E. C. Hickman, former Windsor banker and now cashier of the First National bank in Boulder, was re-elected secretary-treasurer.

The election of officers was made by the newly elected directors of the association, which included: N. C. Warren, president of the First National Bank in Fort Collins; L. B. Flanders of the First National of Longmont; Holt McKeirnan of the Longmont National; T. C. Phillips of Greeley; Raymon B. Handy, of Loveland; E. C. Hickman, of Boulder; and William Wiles, of Erie.

Twenty-Five Years

The First National bank of La Jara observed on October 18, the twenty-fifth year of continuous business operation.

O. A. Garris was elected cashier on July 6, 1921, which position he still retains, having served more than 14 years.

The present officers and directors are W. A. A. Braiden, president; John W. Shawcroft, vice-president; O. A. Garris, cashier; H. C. Hall and J. Frank Gallegos, assistant cashiers; W. A. Braiden, John W. Shawcroft, Frank W. Russell, J. Luis Rivera, Peter Peterson and Fred T. Christensen, directors.

Live Stock National Bank

OMAHA

Statement of Condition, November 1, 1935

RESOURCES		LIABILITIES	
Loans and Discounts	1,906,834.76	Capital Stock (Common)	450,000.00
Bonds and Securities	8,844.08	Surplus	200,000.00
Stock in Federal Reserve Bank	19,500.00	Undivided Profits	68,780.81
Stock in Federal Deposit Insurance Corporation, Par Value (\$8,818.77)	1.00	Unearned Discount	18,594.42
Banking House	30,000.00	Reserve for Taxes, Interest, Etc.	50,713.13
Furniture and Fixtures	None	Dividends Unpaid	79.50
Other Real Estate	1.00	Deposits:	
U. S. Gov't Securities	7,145,456.77	Public Funds—	
Cash, Sight Exch. & Due From Fed. Res. Bank	2,484,116.92	Secured	639,496.54
	9,629,573.69	Other Deposits	10,167,090.13
	<u>11,594,754.53</u>		<u>10,806,586.67</u>
			11,594,754.53

Dividends paid first three quarterly periods in 1935 total \$20,250.00

This Bank Has NO Affiliated Companies

This Bank specializes in the financing of feeder loans—
Will handle in co-operation with our correspondents

Meet in Sterling

Members of the Northeastern Colorado Clearing House association, which comprises the counties of Logan, Washington, Phillips, Yuma, Sedgwick and Morgan, held their annual meeting at the Graham Hotel in Sterling last month.

Dinner was served at 6:30 p.m., after which J. H. Bloedorn, of Fort Morgan, gave a talk on the Banking Act of 1935. This talk was followed by an address by Ray L. Sauter, of Sterling, touching on constitutional laws and legislation.

The election of officers for the ensuing year resulted as follows:

H. B. Bloedorn, Fort Morgan, president; C. W. Emerson, Brush, vice president; Conrad Keebler, Brush, secretary and treasurer.

The next quarterly meeting will be held January 1st, 1936, at Fort Morgan.

One Bank Withdraws

Withdrawal of one bank from the insurance fund of the Federal Deposit Insurance corporation has left 142 insured banks in Colorado, the corporation announced.

Out of a total of 143 insured banks in the state 86 were members of the federal reserve system required to be insured, leaving 57 banks to whom the option of continuing as insured banks remained. Of this latter class only one chose to discontinue its insurance within the period for such action set by the banking act of 1935, the FDIC reports.

A. B. A. Speaker

An invitation has been received by Claude L. Stout, vice president of the Poudre Valley National bank, Ft. Collins, from officers of the American Bankers Association to speak before the bank management division of the American Bankers Association at the annual convention of the nation's bankers which will be held in New Orleans, November 11 to 14.

Mr. Stout is one of six bankers over the nation who has been asked to speak on phases of the subject, "Bank Earnings and Expenses and What to Do About Them."

Liquidated

Completion of the liquidation of two Colorado banks—Fort Collins and Craig—was reported today by J. F. T. O'Connor, comptroller of the currency.

O'Connor said depositors and other directors of the Fort Collins National

bank which went into receivership, February 23, 1933, were paid 100 per cent principal with interest in full amounting to an additional dividend of 9.333 per cent.

To the Convention

Twenty-five leading bankers of Colorado and Wyoming left Denver in two special cars on November 7 for the annual convention of the American Bankers association at New Orleans, November 11 to 14. Several government officials addressed the meeting, which is regarded as one of the most important gatherings of bankers in years.

New Bank

A new bank to replace the defunct Rubey National Bank of Golden is being promoted by H. W. Pratt and his associates, a committee of the Golden Chamber of Commerce. Mr. Pratt was formerly vice-president of the Rubey National. The proposed bank is being organized as an accommodation to the student body of Mines as well as the community in general.

In order to facilitate this organization and get the new bank off to a flying start, it is proposed to have depositors of the Rubey bank assign their claims to Mr. Pratt less a commission of five per cent of face amount of the receiver's certificates to be paid out of future liquidating dividends.

Wyoming News

President Dies

Thomas Francis Wright, 62, prominent cattleman and vice president of the Stockgrowers bank in Evanston for the past 10 years, died recently. During the past 38 years, he had operated a ranch 10 miles south of Evanston, where he lived, and prior to that, labored as a coal miner and blacksmith.

Heads Bank

J. C. Gans, for eight years assistant farm loan commissioner in the Wyoming land board office at Cheyenne, has been elected head of the State Bank of Wheatland, it was announced. Gans succeeds D. W. Brice, who died recently.

Increase in Deposits

An increase of 16.3 per cent in all types of deposits in 59 insured commercial banks in Wyoming was reported by

the Federal Deposit Insurance Corporation for the year that ended June 30.

Deposits in Wyoming banking institutions at that time totaled \$51,281,000, the corporation statement disclosed. Both national and state banks are included.

New Mexico News

Directors

Fred Luthy, of the Albuquerque National Bank, and Cale Carson, of the First National, have been elected directors of the Albuquerque Civic Council, it was announced today.

Mr. Luthy and Mr. Larson succeed to positions formerly held by H. O. Strong and Allen Bruce, who have resigned.

Deposits Higher

The Federal Deposit Insurance Corporation reported deposits of 40 insured commercial banks in New Mexico increased to \$39,547,000 in the year ended last June 30. The total of all types of deposits was 31.4 per cent greater than at the same date last year.

Capital funds of New Mexico insured commercial banks were shown to have a book value of \$3,948,000. Cash in vault and other items in reserve account totaled \$16,679,000 while loans and discounts amounted to \$10,661,000.

THE EVOLUTION OF THE BANKING ACT OF 1935

(Continued from Page 12)

of a total of 15,000, the 7,500 non-member state banks have any economic place in the Reserve System, is a matter of argument. Compulsory membership, regardless of economic advisability and solely for the purpose of unification, is not open to argument if banking integration can be acquired by any other means. Possibly we now have the other means. If I may express one hope it is now, when after a long period of travail and dispute national banks and state banks are approximately on a parity in respect of powers, that the old animosities be buried and that the federal and the state supervising authorities may come into a closer harmony and, by cooperation, work to assure sound units only in the banking system. This end should be attainable and, if reasonably attained, possibly the perennial question of compulsory membership in the Reserve System

may solve itself or be accommodated on some rational basis. Substantial progress to this end must be made if the integrity of deposit insurance itself is to be maintained. Fortunately, a good start has already been made in this respect.

Thus from a kaleidoscopic whirl of forces, mostly old but some new, vitalized by a few vivid personalities, emerged out of the humidity of several summer months in Washington the banking legislation of 1935. Who may say with assurance that the new legislation, in the light of our constitutional structure and alternatives possible of attainment, does not hold at least potentialities for the future good of the nation? Who can say that the Board of Governors of the Federal Reserve System and its constituent committees now have too much or too little power? What one individual, ensconced in a vacuum, has the temerity, in the light of our banking history and the eternal human equation, to pronounce this legislation all good or all bad? Only time will give us the answer. In the meantime, it should be consoling to all points of view that in the ultimate analysis the step forward was relatively moderate. When shall we take the next step and how violent will it be?

Vital to the Public Welfare

The cost of food is the largest single item in the average family budget. And, the lower the total family income, the higher becomes the proportion needed for food.

Any sound means of reducing retail food prices, thus liberating money for other purposes, is obviously in the interest of the entire country.

It is in the interest of the consumer who, if his food costs him less, will have more to spend for clothes, amusements, a thousand luxuries and necessities.

It is in the interest of the producer, who has a great deal to gain from cutting the spread between the wholesale and retail price of farm products. If foods are cheaper, the consuming market is automatically increased. More quality foods are bought. Home truck gardeners produce less, and turn to commercial source of supply.

It is in the interest of every industry, which will receive its share of the money liberated. The man who cuts his food budget, for example, may use a month's savings to purchase a pair of shoes. Workers are employed — transport systems receive more business — tax payments rise — dividends are earned by stockholders — advertising budgets are increased. And so it goes, all along the industrial line.

Much progress has already been made in reducing the spread between wholesale and retail food prices by doing away with needless overhead and middleman costs. Much remains to be done, and progressive food retailers are working on the problem. Today, with food prices tending to rise much faster than the average income, that work becomes constantly more vital to the public welfare.

As if by Magic

A small Oregon newspaper, in an editorial entitled "Folks, Be Prepared for the Magic Trick," describes an amazing bit of legerdemain that its town is being promised by the proponents of a municipal light plant which would take the place of the existing private plant.

The private plant has a total yearly revenue of about \$24,000. Its local taxes come to about \$11,000—\$21 each for the 521 families it serves in the community.

The proponents of the municipal plant promise to cut the current light bill in two, pay an offset for city and school taxes, pay for the cost of the plant, along with operating expense, out of revenue, and show a handsome profit besides.

The local paper analyzes these promises and the result is strange and wonderful indeed. Cutting the total electrical revenue in half, would limit the municipal plant's "take" to \$12,000. Offsetting the local taxes that will be lost if the private utility is forced out of the city, would require another \$11,000. This would leave the vast sum of \$1,000 yearly with which the plant managers would pay all the expenses of operation, pay for the cost of the plant, and, finally, show a profit.

That would be a good trick if it could be done—unfortunately it can't. As the local paper observes, the chances are that a municipal plant would neither reduce the local light bill nor make up for the lost taxes. It might even go into the red, thus forcing the taxpayers to cough up more dollars. And the chances are that when the bonds, issued to pay for the plant, came due, the taxpayers would face another sizable assessment—to pay for the magical plant which was to produce and distribute power for practically nothing.

You can't get dollars out of a hat. You can't pay taxes and wages and plant upkeep by waving a magician's wand. Those are the facts that thousands of communities have discovered to their sorrow and loss, long after they had given the magicians a chance to demonstrate their medieval art.

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 8,750,000
RESERVE FUND	6,150,000
RESERVE LIABILITY OF PROPRIETORS	8,750,000
	£A 23,710,000

Aggregate Assets 30th September, 1935, £ 116,995,922.

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

HEAD OFFICE, GEORGE ST., SYDNEY LONDON OFFICE, 29 THREADNEEDLE ST., E. C. 2

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

Taxes Exceed Dividend

In a letter to stockholders, the president of a representative large American merchandising corporation, points out that it pays a dividend of \$1 a share—while its taxes amount to \$1.12 a share. The letter says, in part: "Your thoughtful consideration of tax figures will bring to you a realization of the burden of your company's tax bill and will perhaps indicate the present tendency toward excessive taxation, which obviously must be borne, directly or indirectly, by Mr. and Mrs. John Citizen."

Hundreds of other businesses, large and small, find themselves in a position such as this. For a while it may be possible to meet increased taxes by lowering the return to stockholders. But sooner or later, the tax burden must be reflected in the cost of whatever the company sells, whether it be a locomotive or a can of beans.

The entire public must always eventually foot the bill caused by reckless, extravagant and wasteful government.

Business Better

How does business compare with a year ago? It depends on where you live—but for the majority of people, it is better.

In all but six states of the union September business activity was greater than it was a year before, according to the U. S. News. In three of those states—New York, Virginia and Louisiana—it was worse. In the other three—Nevada, North Carolina and Texas—it was unchanged.

Throughout the country, reports show that improvement is continuing, and at an accelerating rate, in almost every industry.

The Trend Toward Social Securities

The most striking recent trend in life insurance is the increasing popularity of policies of the guaranteed future income type.

A generation ago the great bulk of all life insurance was of the pure protection type. It guaranteed that the widow or other dependents of the policyholder would have a certain sum in the event of his death. Relatively little attention was paid to the investment side of life insurance, and the industry did not offer, as it does today, an exceedingly varied assortment of policies designed to fit almost any conceivable case.

At present, life insurance buyers want protection for dependents, as in the past. But they want more. They know that the majority of men are penniless in their old age, and must obtain subsistence from relatives or organized charity. They know that many of these men were wealthy, that many more had good jobs and seemingly good investments. They passed the age when they could work—their estates or their investments were destroyed through some unlooked-for happenings—and old-age poverty was the tragic result.

So these modern life insurance buyers, in constantly increasing numbers, are obtaining policies that will assure them living incomes in their declining years, as well as money to leave their dependents. Millions of Americans are thus, through their own foresight and thrift, achieving social security.

Forward-Looking Policies

At the recent annual convention of the Food and Grocery Chain Stores of America, resolutions in opposition to selling below cost and in opposition to sectional price cutting designed to suppress competitors, were adopted.

Another resolution urged members of the organization to maintain good wages and reasonable working hours for employes and said, "We believe that one of the most valuable assets any industry can have is happy, well paid and contented employes."

These are forward-looking policies, definitely in the public interest, that deserve the emulation of all industries.

Farm Relief that Means Something

There seems to be no end to the various schemes proposed for "farm relief."

Friends of the AAA claim it is the perfect medicine. Those who believe in the departed Federal Farm Board regret that it has gone. A legion of others put in periodic appearances with farm relief ideas that are new and novel.

It is true that government should do all it can, within the realm of practicality and sound economics, for agriculture. It is also true that government has achieved the best result when it has helped farmers to help themselves, rather than simply doling out money for nothing.

Government, for instance, has aided in the development of farm cooperatives, and fine things have been done. These cooperatives, most of which are now solid on their financial feet, are bringing the farmer many benefits. They show him how to better his crops—how to operate more efficiently—how to balance supply and demand—how to get a fairer share of the final selling price of his products. They are putting millions in the farmers' pocket—millions that are honestly and intelligently earned.

That's the kind of "farm relief" that means something.

Publisher's Statement

Statement of the Ownership, Management, Circulation, etc., required by the Act of Congress of March 3, 1933, of the CENTRAL WESTERN BANKER, published monthly, at Omaha, Nebraska, for October 1, 1935.

1. Name of Publisher, Clifford De Puy, Des Moines, Iowa. Associate Publisher, Ralph W. Moorhead, Des Moines, Iowa. Editor, Henry H. Haynes, Des Moines, Iowa.

2. Owner: Clifford De Puy, President, Des Moines, Iowa. De Puy Publishing Co., Des Moines, Iowa.

3. That the known bondholders, mortgages and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: None.

CLIFFORD DE PUY, Publisher.

Sworn to and subscribed before me this 1st day of October, 1935.

EARL S. LINN, Notary Public.

(SEAL)

(My commission expires July 4, 1936).

Central Typewriter Exchange, Inc.

(EST. 1903)

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New 1935 Nebraska-Iowa Bank Directory . . .

(Published by the DePuy Publications, including
the CENTRAL WESTERN BANKER, Omaha,
and the NORTHWESTERN BANKER, Des Moines)

THE NEW 1935 EDITION of the Nebraska-Iowa Bank Directory is now ready for distribution. In it you'll find the most complete and latest information on Nebraska and Iowa banks, including personnel, capital, surplus, deposits, loans and discounts, bond holdings, correspondent banks and other valuable data.

The Directory Contains . . .

- Complete list of all Association Officers.
- Latest official personnel of all Nebraska and Iowa Banks.
- All material obtained direct from the banks.

Because of the many changes in banking figures and personnel during the past few years, the new 1935 Nebraska-Iowa Bank Directory will be most valuable to every banker in those states. Be sure to order a copy of this directory, so that you may have up-to-date information on your desk.

Unless you've already done so, send us your order at once for the number of bank directories you'll need for your organization.

Price, \$2.00 Per Copy

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Name _____ Address _____

Town _____ State _____



The Omaha National Bank

Complete Banking Service

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