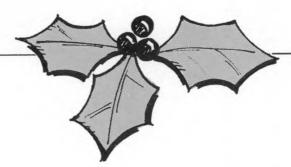
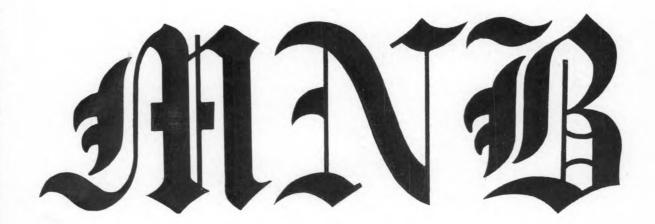
NORTHWESTERN 1500 1000



MAY YOUR HOLIDAYS AND THE NEW YEAR BE BLESSED WITH HAPPINESS AND GOOD HEALTH







To our many friends in banking...

Merry Ghristmas - Happy New Year



NORTHWEST CORNER LASALLE & MONROE
Chicago 60690 - Financial 6-5500 - Member F.D.L.C

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UKUMESTER

Oldest Financial Journal West of the Mississippi

for your DECEMBER, 1965, reading

71st Year No. 942

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NORTHWESTERN BANKER

306 15th Street, Des Moines, Iowa 50309, Telephone (Area Code 515) 244-8163

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gitized followestern Banker, December, 1965

ps://fraser.stlouisfed.org deral Reserve Bank of St. Louis Wins Mosler Contest

Jeannie Archer, an attractive drivein teller at the American Bank & Trust Company, Baton Rouge, La.,



JEANNIE ARCHER

has been named Miss Drive-In Teller in the eighth annual competition, sponsored nationally by The Mosler Safe Company.

As Miss Drive-In Teller, Mrs. Archer will reign during 1966 and will attend vari-

ous banking functions. The grand prize in the contest is an all-expense vacation for two at the Condado Beach Hotel in Puerto Rico with transportation via Trans Caribbean Air-

Mrs. Archer was selected by a national vote of bankers following the American Bankers Association Convention.

CONVENTIONS

Dec. 15-17 — Operations Research Workshop, Palmer House, Chi-

cago, Ill. Jan. 31-Feb. 1—18th National Credit

Conference. Americana Hotel, New York, N. Y.
Feb. 7-9—47th Midwinter Trust Con-ference, The Waldorf-Astoria, New York, N. Y.
Mar. 21-23—63rd National Savings

Conference, Sheraton-Chicago Hotel, Chicago, Ill.

April 4-6-National Instalment Credit Conference, Conrad Hilton Hotel,

Chicago, Ill. April 24-27—6th National Mortgage Conference, Leamington Hotel, Minneapolis, Minn.

April 26-28, 1966-Independent Bankers Association, 32nd annual convention, The Dunes Hotel, Las Vegas, Nevada. May 12-13—Nebraska Bankers Associ-

ation 69th annual convention, at Cornhusker Hotel, Lincoln, Nebr.

May 12-14—South Dakota Bankers Association 74th annual conven-

tion, at Aberdeen, South Dakota. May 30-June 3—A.I.B. National Convention, El Cortez Hotel, San

Diego, Calif.
June 5-8—National Automation Conference, Palmer House, Chicago,

June 13-15-Minnesota Bankers Association 76th annual convention at Hotel Radisson, Minneapolis.

July 2-6-Montana Bankers Association 63rd annual convention, at Banff Springs Hotel on Lake Louise, Alberta, Canada. Oct. 16-19—80th Annual Iowa Bankers

Convention, Fort Des Hotel, Des Moines, Iowa. Moines

Oct. 23-26-92nd Annual A.B.A. Convention, San Francisco, Calif.

Nov. 13-15-15th National Agricultural Credit Conference, Leamington Hotel, Minneapolis, Minn.



A JOYOUS CHRISTMAS AND EVERY GOOD WISH FOR A HAPPY NEW YEAR

Wallace L. Boss
Donald W. Buckman
David A. Shern
Laurence R. Kennedy
Henry N. Snyder
Richard C. Swanberg

Roger Cunningham
James T. Gowan
John F. Mullen
John D. Turner
Robert F. Dolan
Thomas T. Dwight

Roland W. Hohman

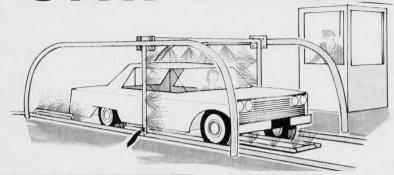
THE FIRST NATIONAL BANK OF SAINT PAUL

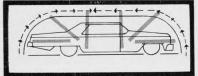
ST. PAUL, MINNESOTA 55101 • AREA CODE 612 • 221-9012 • MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Northwestern Banker, December, 1965

NEWEST IN THE NATION FOR PROFITABLE INVESTMENT, COMPLETE CUSTOMER SATISFACTION!

TWO MINUTE AUTOMATIC CAR WASH





U-shaped bar travels over car, washing quarter panels 12 times, front and rear 4 times. Triple-action washing is concentrated on hard-to-clean parts. Jets underneath clean the undercarriage.

Jet-Cit-Thru is brand new and uncopied. It stands alone, out in front, a tested and proved way to make substantial profits in the car wash business. Jet-Cit-Thru pre-spray applicator loosens dirt for a perfect wash job. Specially designed jet sprays clean the whitewall tires, using an exclusive tire cleanser. The same warm, soapy water that cleans the body sprays underneath—cleaning the entire undercarriage. Here is another important key to profits—double duty for the water—no waste! Jet-Cit-Thru is hard on dirt, easy on water bills!

DRIVER DOESN'T LEAVE HIS CAR!

Driver deposits coin, or pays attendant . . . drives in between guide rails . . . stops. Operator starts Jet-Cit-Thru's high pressure washing cycle, directs power wash to specific parts of car. After two-minute wash, driver pulls his clean car through high velocity air dryer. Keys to profit are here: simplicity, thoroughness, speed. In less than three minutes the driver pulls away in his clean, dry car! He is satisfied and pleased.

MORE THAN 50 JETS SATURATE AND KNOCK AWAY DIRT!

Complete car is washed, bumper-to-bumper,

top-to-bottom. Nothing is missed! Yet nothing but warm soft water and soap touch the car at any point. No mechanical scratching, brushing, scraping, or chain hook-up. No workers touch the car or get in it. Wax and finish are protected.

ENGINEERED FOR RUGGED PERFORMANCE . . . LOW OPERATING COST.

More than 15 years of experience in pressure cleaning have gone into the development of Jet-Cit-Thru. It is specifically engineered for trouble-free performance, minimum maintenance and low operating cost. All electrical circuits meet national electrical codes.

HIGH INCOME, SMALL LAND REQUIREMENT. EASILY ADAPTED TO EXISTING BUILDINGS.

One Jet-Cit-Thru bay takes little more space than a one-car family garage. High profit potential for one or two bay operations . . . even with small land requirement. Each bay can profitably wash 25 cars per hour.

INVESTORS, DISTRIBUTORS, OPERATORS:

Call, write, or wire for complete details and personal appointment to see Jet-Cit-Thru in operation.

JET-CIT-THRU, INC.

MANUFACTURERS OF AUTOMATIC PRESSURE SPRAY

CAR WASHING EQUIPMENT.

POST OFFICE BOX 658 • PHONE 515 / 752 - 3696 708 S. THIRD AVENUE • MARSHALLTOWN, IOWA 50158

Announce AIB Debate Theme

RESOLVED, That law enforcement agencies in the United States should be given greater freedom in the investigation and prosecution of crime" will be the subject for the 1966 national debate program of the American Institute of Banking.

A.I.B.'s debate topic is the same as that being used this year in intercollegiate debate tournaments.

The A.I.B.'s annual debate program gets underway this fall as individual chapters throughout the country begin qualifying debates. These qualifying debates are the first step in choosing the teams which will compete in the Robert C. Rutherford National Debate Contest. The finals of the contest will be held in San Diego, Calif., next June as a part of the Institute's annual convention.

Joins Correspondent Division

Douglas C. Mills has joined the correspondent bank division of the American National Bank and Trust Company, Chicago.



D. C. MILLS

Mr. Mills has been assigned to work with William Aldrich, assistant vice president, in contacting banks throughout Iowa, Kansas, Nebraska, Colorado, Montana, and Wyoming.

Galesburg, Ill., Mills received a B.S. degree in marketing from the University of Illinois in 1962, where he compiled a distinguished record in athletics. A seven-letter man in football, basketball, and baseball, he was named "Athlete of the Year" by the student body of the university in his senior year.

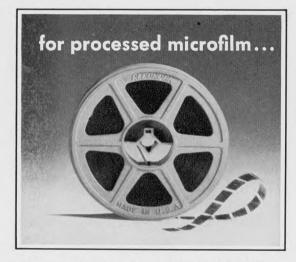
Following graduation, Mills served a year in the United States Army, after which he worked in sales management for a prominent proprietary drug company. He joined American National in June of this year, being assigned to the Personnel Division prior to his recent appointment.

Retires in Los Angeles

Thomas B. Williams, vice president and trust officer of Security First National Bank's head office trust department, has retired after more than 34 years of service.





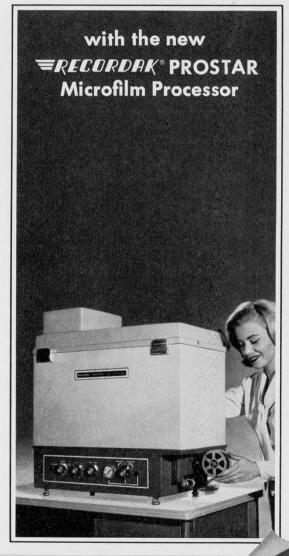


Now, you can save \$1 or more per 100 ft. roll of Recordak Microfilm. Simply order it without the processing charge included, and let the Recordak Prostar do the job <u>automatically</u> right on your premises. In addition to the \$1 plus saving on processing, you also eliminate postal and messenger charges. And you increase security too.

Now, you can see the pictures minutes after microfilming documents. The Prostar turns out 5 feet of film (with pictures of up to 1,450 checks) per minute.

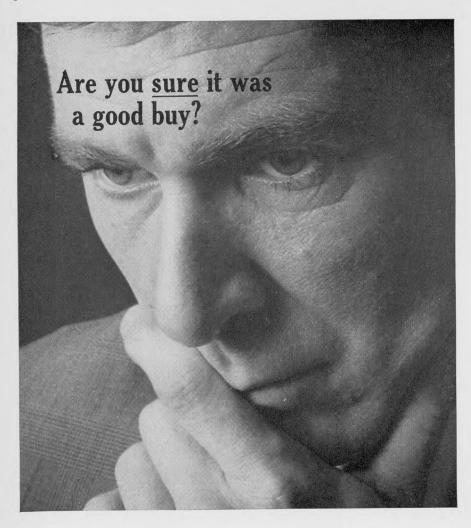
Now, you can get archival film quality right on the premises with the Kodak-built Prostar. Anyone can insert the film in this self-threading, "table-top" unit. It does the rest automatically.

Call your local Recordak office. Or write Recordak Corporation, Dept. O-12, 770 Broadway, New York, N. Y. 10003.





Kodak



Did you get the bonds for the best price? Do they really fill your portfolio needs? If you got them from a National Boulevard representative, you're sure on both counts, because along with knowing his bonds he's a trained portfolio analyst, too. He'll make an in-depth study of your investment portfolio before suggesting specific bonds. That way he can tailor bond recommendations to your needs and make other suggestions to strengthen your entire investment program.

Are National Boulevard representatives good portfolio analysts? Well, one correspondent bank increased net operating earnings by 46.3% the initial year after our in-depth study.

And where our skill in the bond market is concerned, take a look at National Boulevard's own performance. We have an impressive average of 4.9% pre-tax investment return over the past five years.

Are you interested in this kind of individualized attention? You can get the full story of our investment portfolio analysis services by calling Charlie Schoeneberger at . . .



NATIONAL BOULEVARD BANK of CHICAGO WRIGLEY BUILDING • 400-410 N. Michigan Ave. • Phone 467-4100

MEMBER FDIC

Plan NABAC Conventions

Merle V. Stone, president of NABAC, The Association for Bank Audit, Control and Operations, has announced the



dates for 1966 NABAC Conventions.

The 17th northern regional will be held in Omaha, May 8-11. F. Phillips Giltner, executive vice president of the First National Bank of Omaha, will be

F. P. GILTNER

general chairman. Sheraton-Fontenelle will be headquarters.

The 20th western regional will be held in Portland, Oregon, June 5-8. Charles Walker, assistant auditor of United States National Bank of Oregon, will be general chairman. Portland Hilton will be headquarters.

The 42nd national convention will be in New Orleans, November 6-9, at the Jung Hotel.

Joins Studley, Shupert

Peter V. Walker has joined Studley, Shupert & Co., Inc., of Philadelphia as investment officer and is assigned to



P. V. WALKER

the Studley, Shupert Trust Investment Council staff. The appointment was announced by William H. Shupert, president of the firm which specializes in trust services for a nationwide group of more than 230

community banks.

Mr. Walker most recently was assistant to the resident manager of the Philadelphia office of Van Strum & Towne, investment counselors, and previously was security analyst in the trust department of Fidelity-Philadelphia Trust Company.

Offer Time Chart

An up-to-date "World Time Chart" has just been published by the Manufacturers Hanover Trust Company, New York. It shows how to compute time differences in over 125 countries. Included also is a map of the time zones in the continental United States, Alaska and Hawaii.

Free copies of the brochure may be obtained from the public relations department, Manufacturers Hanover Trust Company, 350 Park Avenue, New York, N. Y. 10022.

A QUESTION FROM THE DIEBOLD MANUAL ON COUNTER INTELLIGENCE



WILL YOU LOVE WOOD IN DECEMBER AS YOU DO

Fine wood is like fine wine or fine leather. It has warmth, color and subtle luxuriousness. We've seen fine wood used for the fronts of teller counters and for furniture with handsome results no other material could match.
Unfortunately, we've also seen wood used for undercounter installations, and the results were only temporarily admirable. The reason is that a bank's needs . . . and its under-counter requirements . . . tend to change. And re-arranging a wood under-counter installation is somewhat like re-arranging a grand piano.
This is one of the most telling arguments on behalf of Diebold Modular metal under-counter equipment. Not only can you custom-design your installation, you can change and re-arrange the installation at will: there's no cutting or sawing involved. Everything fits. Everything works. And you choose the wood of your choice for your counter fronts.
If you're considering a wood under-counter installation, consider, too, the fact that one day you'll probably want to change it. With Diebold under-counter equipment, you'll be able to.



DIEBOLD, Incorporat	ed, Canton, Ohio	44701 Dept. B-
Gentlemen:		
Please send complet ular Metal Counter I		Diebold Mod-
Name		
Firm		
Address		
City	State	Zip



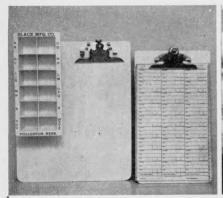
GROUNDEREAKING for new building for First Natl. Bank, Kansas City.

Ist National of Kansas City Will Expand Further

ROUND-BREAKING for a new 20-Story office building adjacent to the First National Bank building was held at Tenth and Main Streets in downtown Kansas City last month with considerable fanfare before an estimated crowd of 1,000 persons.

The project is part of the urban renewal that has been changing the skyline of downtown Kansas City in dramatic fashion. The 20 stories and lower levels will provide rental offices as well as in-building parking.

Participating in the ground-breaking was Barret Heddens, Jr., president of First National, since his bank will occupy a considerable part of the new building. It will be tied in with existing quarters of First National immediately next to the new building.





JET AGE SALE CLERKING

Requires Modern Supplies To Do the Job Right

Designed by an experienced sales clerk, this outfit combines all the features you require.

- * Receipts for Each Buyer
- * No Posting of Accounts
- ★ Speeds Up Settling
- ★ Combats Skip Buyers
- * No Additional Listing
- * Buyers Like It
- * Pays For Itself
- * Versatile-Compact-Practical

See how it works in the pictures above.

Plastic sorting cabinet is shown at left in left photo, mounted on steering wheel desk. Beside it is plastic, double clip listing board for the listing clerk. Photo at right shows sorting cabinet and writing desk mounted on steering wheel for convenience of sales clerk. Sold on a Money Back Guarantee.

BLACK SALE SYSTEM

Telephone Nos. 536-2651 or 536-2522

FULLERTON, NEBRASKA

Write Us for Sample Sheets and Information

First National has just recently completed a multi-story addition to its original bank building and will now expand further when the new structure is completed in 1967.

The project is being constructed by Robert P. Ingram and Associates.

Mosler Appointment

The appointment of Philip Zenner to the newly created position of director of marketing-systems products for The Mosler Safe Company has been announced by John E. Hampel, vice president-marketing.

Mr. Zenner has an extensive background in systems sales, computer applications engineering, market development management and sales management. He will office in Hamilton, Ohio.

Drew Brown

Drew Brown, 55, vice president of the Mercantile Trust Company, St. Louis, died last month. He had been with the bank for 33 years, and was most recently in the national accounts division.

United California Promations

Directors of United California Bank. Los Angeles, have elected nine vice presidents. They are: Kenneth E. Bell, Glen A. Gunderson, W. T. Johnson, B. J. Larsen, Hugh Magnum, B. M. Martin, Arch G. Meyer, Fletcher T. Scott, and I. Barry Thompson.

Four of the men, Messers, Johnson, Larsen, Mangum and Thompson, are assigned to the international division. The other men are assigned to offices of the bank.

Granite On Tower

A masonry material, possibly granite, may be used in the exterior of the \$80 million skyscraper of the First National Bank of Chicago, according to news sources in Chicago.

The bank has not ruled out other materials, including aluminum, painted steel and marble. A decision is expected before the end of the year.

The building, 60-stories in height, will use more than six acres of glass.

Comptroller Names Counsel

The Comptroller of the Currency has announced the appointment of Oscar Turner of Greenbelt, Maryland, as regional counsel for the 10th National Bank Region. Mr. Turner will take up duties at the regional office in Kansas City later this year.

Mr. Turner has been an attorney in the Washington Office of the Comptroller of the Currency since June, 1964.

SMILE.

THIS IS THE CREDITOR INSURANCE PROGRAM WITH A DIFFERENCE.



We know.

It seems like every day somebody comes in to offer you a Creditor Insurance Program and they're all about the same.

Nice neat packages that expect you to turn your accounting procedures upside down to suit *them*.

Not Red Shield.



Red Shield is carefully tailored to your market

We know no two parts of the country, no two lending institutions share identical needs. That's why Red Shield is designed on a special basis: it's uniquely flexible. With special plans to fit every special need, from car financing to mortgage insurance. Red Shield can do as much for you as you wish. Or as little. But wherever you use it it builds business.



This program is so trouble-free it even trains your people

When you sign up for a Red Shield creditor insurance program we work with you to analyze you and your customers. Then we offer professional assistance that can speed up and simplify your lending operation, provide help on procedures for credit insurance accounting, servicing, promotion, sales, and train your staff.

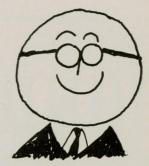
You get a full promotion package

The Red Shield program comes complete with ads for your local papers, direct mail, posters, brochures and folders ready for your imprint. It's all ready to go without extra staffing and expenditure on your part. You just put it to work earning profits for you. And it's easy to sell.



You can capitalize on its nationally advertised name

Your customers already know about Red Shield. They've seen it advertised in magazines like *The Saturday Evening Post.* They know its symbol.



THIS IS IT. IT'S
RED SHIELD CREDITOR
INSURANCE. IF YOU
HAVE IT YOU CAN
SMILE AT COMPETITION.



If you don't have it, write to any of these companies for more information:

The North Central Companies

335 Minnesota St. St. Paul 1, Minnesota

Maine Fidelity Life Insurance Co. Portland, Maine

North Central Life Insurance Co. St. Paul 1, Minnesota

Royal Oak Life Insurance Co. Pittsburgh, Pennsylvania

West Virginia Life Insurance Co. Huntington, West Virginia

Introduce Farm Analysis Book At 14th Ag Credit Conference

MORE than 700 bank agricultural credit officers attended the 14th National Agricultural Credit Conference in Denver last month.

The bankers were particularly interested in a new "Farm Credit Analysis Handbook," which is being published by the American Bankers Association on a regional basis to provide bank lending officers and agricultural representatives with guidelines for sound credit extensions to

farmers and ranchers.

The handbook is conveniently divided into six parts.

Part I, entitled Obtaining the Information, includes a newly designed, four-section financial record, consisting of a loan application, financial statement, supporting schedules and profit and loss statement. Also in this part are guidelines for farm visits and evaluating management.

Part II, entitled Analyzing Busi-

ness, covers major factors influencing farm earnings such as volume of business, efficiency and enterprise organization. This part includes a somewhat new departure in agricultural credit analysis—the use of basic financial ratios for analyzing adequacy of capital, performance and ability to service debt. This part also stresses the use of trend analysis of both financial and management factors. It includes a 10-year comparative analysis sheet listing important factors to be evaluated.

Part III advances to the Annual Farm and Credit Planning phase, providing instruments and guidelines for making annual crop and livestock projections and setting forth a cash flow schedule, family budget, budget summary and projected profit and loss statement. A seven-section form is included to facilitate the completion of an annual farm and credit plan.

Part IV covers Budgeting as An Aid to Decision Making. It provides a look at both complete and partial budgeting as a means of evaluating profitability of alternatives.

Part V pulls the analysis together for a Loan Decision. It stresses special points to be considered before final loan action is taken.

Part VI, entitled State Supplement, is one of the most unique features of the handbook. This supplement will be provided by the agricultural college in each state. It will consist of all available specific management and financial guidelines and will enable you to compare individual loan applications with "average" and "good" standards within your state.

BONDS for BANK INVESTING

The net income advantage offered by tax-exempt bonds continues to figure prominently in the investment planning of most banks. Our offering lists are well known as a source of these and other investment quality bonds, notes, debentures and equipment trust certificates—the obligations of well established public bodies and corporations.

HALSEY, STUART & CO. INC.

123 SOUTH LA SALLE STREET, CHICAGO 60690 • 30 BROAD STREET, NEW YORK 10004

AND OTHER PRINCIPAL CITIES

Joins Kansas City Bank

Richard S. Brigham has been elected a vice president of First National Bank, Kansas City. Barret S. Hed-



R. S. BRIGHAM

dens, Jr., president, announced the board action to become effective December 15, and indicated that Mr. Brigham's activity would be primarily in the bank's business development program for the greater Kansas

City area. He will also be active in the fields of advertising and public relations, in which he has served First National for several years through his capacity as executive vice president of Rogers and Smith Advertising.



In a Park Avenue conference room. A rare pause for a man on the road some 26,000 miles yearly.

THE COMMITTEE OF ONE

Most of the top 100 corporations use him. Smaller companies give him \$1 billion in business.

They say this is the age of committees.

If so, one of the world's largest banks, Chemical New York, is bucking the age in its approach to serving corporate customers. Our approach is the "committee of one"—and it may be one of the reasons our resources have increased two billion dollars in the last four years alone.

Each of our bankers serving business throughout the country is an *across-the-board banking expert*, rather than a limited specialist. The result: Your time with him can be spent getting things done.

Your Chemical banker serves not just one industry, but all

industry in your area. (50% of our business accounts are small-to medium-size companies outside the New York area.) Familiar with businesses widely diversified in size, products, and problems, he can cope quickly and thoroughly with yours.

If you could benefit from our kind of thorough banking knowledge and personal attention, why not meet with our "committee of one." All you need do is to contact our man serving your area, or National Divi-

sion, Chemical Bank New York Trust Company, New York, N.Y. 10015. The bank that works hardest for you.

Chemical New York

Northwestern Banker, December, 1965

New Record for Christmas Club

FIFTEEN million Americans saved one billion, eight hundred and fifty million dollars in 1965 Christmas Clubs and are now receiving checks from some 10,000 banks and savings institutions.

In announcing the largest accumulation ever, Christmas Club a Corporation also announced the results of a survey to determine the personal reasons that led these people to join the Club last November. Forty-six percent said that they joined because "Christmas Club gives me money for Christmas gifts just when I need it most." Another 45 percent stressed the fact that their Club check represented

money they would not have saved otherwise. Most of the members gave several reasons, such as the ease of putting aside a small sum each week; the convenience of Christmas Club as a method of saving for taxes, insurance, etc.; the freedom from unpaid bills after the holiday is over.

As in past years, the Corporation made a study of how the members will use the money and estimates that:

38% or \$703,000,000 will be used for Christmas Purchases

31% or \$573,500,000 will go into savings and investment

13% or \$240,500,000 will pay local and federal taxes

6% or \$111,000,000 will clean up year-end bills

12% or \$222,000,000 for miscellaneous expenditures

The new record in both membership and dollars saved again demonstrates that thrifty Americans want to prepare in advance for the year's biggest holiday.

To Sell Auto Licenses

Paul Powell, secretary of state, Illinois, visited The First National Bank of Chicago recently to tour the facilities the bank has constructed to sell 1966 Illinois passenger automobile license plates. First National is the first Illinois bank to make license plates available for sale to the pub-



NEW 1966 AUTO PLATE is displayed by Paul Powell, Illinois Secy. of State, right, and Herbert V. Prochnow, pres., First Natl. Bank, Chicago. The bank is the first in Illinois to assist in selling 1966 auto licenses.

lic, and the only source, other than the State Motor Vehicle Registration Bureaus, where license plates are available on an over-the-counter basis. The bank will begin sale of the plates on December 1, 1965. Herbert V. Prochnow, president of First National, commented that "The license plates are being sold as an additional service for the bank's customers.

New AIB Courses

The American Institute of Banking, educational section of The American Bankers Association, has announced two new courses and an interim text-book for an existing course.

The new courses are: "Fundamentals of Bank Data Processing," which will be ready for the spring semester, and "Principles of International Banking," which should be ready before next summer.

"Fundamentals of Data Processing" will be available in early December at \$8.25 for the student workbook and required readings, from: American Institute of Banking, 90 Park Avenue, New York, N. Y. 10016.



As all businesses are, so was DELUXE founded upon the dreams of visionary young men

In 1915, with an idea and \$300 in borrowed money, W. R. Hotchkiss founded DeLuxe Check Printers. It is, therefore, with modesty and gratitude that we say we are 50 years old in this wonderful year of 1965.

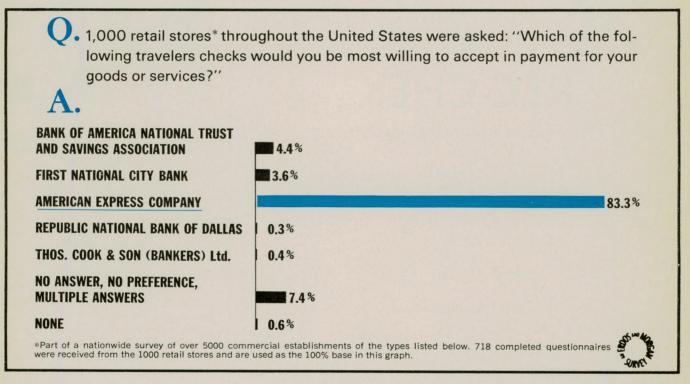
There is great temptation, when comparing the past with the present, to dwell on today's achievements and to recall with proud fondness that we were once very small. Physical growth is certainly a measure of success, but we have never wanted growth for the sake of growth itself. We are a service organization and it has always been our primary aim to provide fast, dependable service to our customers. This is why we have grown.

We hope that the DeLuxe of today is pretty much the same as the DeLuxe of yesterday. We are older and we are larger, but we are yet the same, still anxious to serve better in the future.

We express our gratitude to all those who have contributed to our 50 years of progress—our bank customers, our employees, and our suppliers of materials, equipment and services.

DELUXE CHECK PRINTERS, INC.

Are all travelers checks equally acceptable to retail stores across the country? Noted independent research company finds significant differences.





A survey was recently conducted by the noted independent research firm of Erdos & Morgan, Inc. Its purpose was to determine which one of five different

travelers checks was most acceptable to hotels, motels, restaurants, retail stores, gasoline stations, airline and steamship sales executives throughout the United States—with special emphasis on California and New York.

The findings are conclusive: when you sell your customer *American Express* Travelers Cheques, you can be *sure* he will be able to spend them for goods and services.

For a copy of the complete 26-page survey report "Documented Reassurance" send in this coupon.

To: Mr. M. E. Lively, Vice President American Express Company 65 Broadway, New York, N. Y. 10006 Please send a copy of the Erdos & Morgan, Inc. report "Documented Reassurance" to:	DOCUMENTO AND STATE OF THE PROPERTY OF THE PRO
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American Express Travelers Cheques

AMERICAN EXPRESS

Ag Data Processing Workshop Planned for St. Louis, March 14, 15

TO PROVIDE bankers with information by which they can evaluate the use of their automated equipment in providing services to agricultural customers. The American Bankers Association will hold an Agricultural Data Processing Workshop on March 14-15, 1966, at the Chase Park Plaza Hotel in St. Louis.

The workshop will expose bank data processing specialists, farm specialists, and correspondent personnel to the data processing needs of farmers and other agriculturally oriented businesses. Case histories will be presented by bankers already experienced in farm data processing, and provision will be made in the program for concurrent sessions on areas of special interest.

The workshop will include lectures, panel discussions, workshop sessions, special interest sessions and case histories. Outstanding authorities in agriculture and E.D.P. businesses will be asked to serve as speakers and session leaders.

Chicago Executive Change

Hans W. Wanders has been elected president of National Boulevard Bank of Chicago, effective January 1, 1966. He succeeds Irving Seaman, Jr., who will become chairman of the executive committee and will continue as chief executive officer.





I. SEAMAN

H. W. WANDERS

It was also disclosed that Hugh M. Driscoll, vice chairman, will retire at the end of this year after more than forty years of service.

In announcing the changes, Mr. Seaman cited the bank's growth in deposits, in assets, number of accounts, number of employees, and the continued growth of the near northside, a most dynamic and exciting part of Chicago.

Mr. Wanders, who has been elected a director of the bank, joined National Boulevard in February, 1965, as a divisional vice president in the commercial department. Prior to that time he had eight years of Chicago banking experience and is a graduate of Rutgers University School of Banking

Following graduation from Yale in 1947, he joined the General Electric Company and later was with the Plaskon Division of Libbey-Owens-Ford Glass Company. In 1955 he became an associate in McKinsey and Company, management consultants.

Mr. Seaman became president of the bank in November, 1961. Under his leadership National Boulevard has shown a substantial growth in all phases of its activity.

Portland Banker Dies

Frank Holmes, Jr., former senior vice president of the United States National Bank of Oregon, died in Portland last month. At the time of his retirement, April 1, 1965, Mr. Holmes was in charge of the business development department, and had completed 43 years as a U. S. National staff member.

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(The Modern Recordkeeping System)

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* Professional

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REC-CHEK is a proven recordkeeping system.

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DIVISION OF



GEORGIA-PACIFIC CORPORATION

B of A Plans Travel Card "Loan"

THE Bank of America has announced the introduction of a card of "avouchment" for valued customers of its travelers cheques seller bank correspondents. With the card a customer may draw up to \$250 in travelers cheques with a personal check.

Vern C. Richards, vice president in charge of the bank's world-wide travelers Cheques sales, said the convenience in the card lies with the person who unexpectedly runs out of cash away from home and has only personal checks to cover additional needs.

Mr. Richards said that Bank of America would assure payment of the personal check to any accommodating bank.

The avouchment card is good for \$250 of B of A travelers cheques for one time only. It must be surrendered to the bank accepting the personal check of the holder and will be held by that bank until the check has been cleared and paid.

Bank of America leaves it up to its seller correspondents to select customers eligible for such a card. The card has an expiration date of up to one year, set by the issuing bank.

Earlier this year the bank devel-



GLOBAL CASH—Pretty Carol Boedeker demonstrates the front and back side of Bank of America's new "avouchment card," a handy little item for the person running out of cash.

oped its VIP application for business executives too busy to obtain their own travelers cheques. Under the application system he signs for the cheques and sends his secretary to obtain them. He assumes full responsibility for the cheques until they are signed by him in his office.

Plan Operations Workshop

An Operations Research Workshop co-sponsored by The American Bankers Association and NABAC, The Association for Bank Audit, Control and Operation, will be held in Chicago, Ill., on December 15 through 17 at the Palmer House.

Registration materials have been mailed out to all banks with over \$50 million in assets. Applications will be accepted on a "first come" basis with a maximum of 150 registrations for the workshop.

Name Chase Senior Officer

Robert J. Pollock has been named a senior vice president by Chase Manhattan Bank NA., New York.

Mr. Pollock heads the systems and standards division of the bank operations department and has over-all supervision of the bank's automation program, which at present includes 28 computers.

He joined Chase National Bank in 1927 as a page. He was appointed an assistant treasurer in 1951, a second vice president in 1953, and a vice president in 1957.

Mr. Pollock is a member of the committee on automation of the American Bankers Association.

Elect Boatmen's President

David H. Morey has been named president and chief executive officer + of Boatmen's National Bank of St. Louis, succeeding Harry F. Harrington, who will continue as chairman.

Mr. Harrington had been president of Boatmen's since 1954 and chairman since 1961.

Arthur F. Boettcher, senior vice president in the commercial department, was named chairman of the executive committee. Hugh S. Hauck, vice president, succeeds Mr. Morey as senior vice president and trust officer.

David L. Colby and Ethan A. H. Shepley Jr. were promoted from vice president to senior vice president in the commercial department.

Boatmen's new president joined the bank in 1931 and has served as senior vice president and trust officer since 1958.

Christmas Club Totals 139,000 At Manufacturers

Over 139,000 New Yorkers received checks totaling \$17,657,000 in varying amounts from their Christmas Club accounts at Manufacturers Hanover Trust Company.

What is the Canadian Economic outlook?

The GNP in Canada last year increased by 9% over 1963 to \$47 billion. If you want to help clients expand into this fast-growing market, Bank of Montreal's informative monthly Business Review can help answer your questions. It's yours for the asking.

For details on the many other services offered American bankers by Canada's First Bank, visit our nearest U. S. Office.

The Bank of Montreal supplies the answers



CHICAGO: Board of Trade Bldg. 141 West Jackson Blvd.

New York • Houston • San Francisco • Los Angeles
940 OFFICES IN CANADA • ASSETS EXCEED \$4.5 BILLION



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FROM OUR HOUSE TO YOURS....





Chicago Adopts Freight Plan

STARTING January 1, 1966, some 80 Chicago area banks through the Chicago Clearing House association will adopt a freight payment system. It will permit Chicago firms to pay their freight bills automatically through their bank.

Freight payment plans are not new, however, the Chicago system is reputed to be the first time banks in a major center have agreed to clear freight bills among the banks.

Under the new freight payment plan, the carriers will deposit freight bills for shipper members of the plan in the carrier's bank. The bank will form and draft and the bank will immediately credit his account.

Advocate Chicago Branching

Chicago businessmen were told last week that branch banking is imper-

credit the carrier's account and prepare drafts to be exchanged to the shipper's account. These drafts will be cleared through the Chicago Clearing House in the same manner as checks, and copies of the bills will be mailed by the bank or the carrier to the shipper. In case of overpayment, the shipper will submit a correction

> St. Paul Bank Emphasizes International Banking Greater emphasis will be placed on

> international banking by the American National Bank and Trust Company, St. Paul, according to John F. Nash, president.

ative for Illinois if the city's financial community hopes to compete successfully with New York and California.

James E. Day, president of the Mid-

west Stock Exchange; Donald M.

Graham, vice chairman, Continental

Illinois National Bank & Trust Co.;

and Gaylord A. Freeman Jr., vice

chairman, First National Bank, Chi-

cago, all alluded to the branching

issue at a conference exploring the

city's growth as a financial center.

Heading the increased activity will be George Cobb, vice president of corporate development and international



SALUTE TO SWEDEN was attended by left to right: Sven W. Dahlman, dir. of International Affairs, Federation of Swedish Industries; John F. Nash, pres., American National Bank and Trust Company, St. Paul, and Elmer L. Anderson, chmn., H. B. Fuller Company, St. Paul.

services. He will be assisted by Tom Sample, assistant vice president.

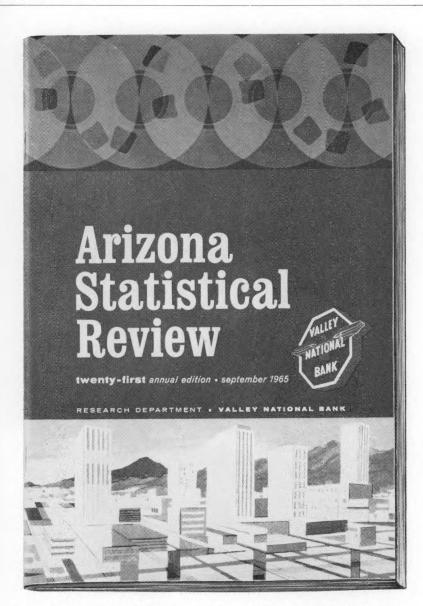
The bank's officers and directors hosted a luncheon recently honoring a visiting Swedish trade mission. Mr. Nash officially welcomed the members of the group.

Highlighting the program was an address by Elmer L. Anderson, chairman of the H. B. Fuller Company, St. Paul, and former governor of Minne-

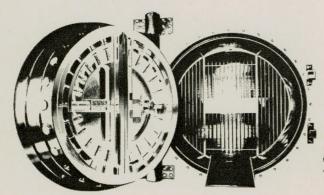
Acquires Mortage Firm

La Salle National Bank has acquired one of Chicago's oldest mortgage banking companies, Kransz-Neuses Mortgage Company, founded in 1885.

The purchase, for an undisclosed amount of cash, was reported recently by Harold Meidell, chairman. Three years ago La Salle bought D. R. Beaumont Company, a mortgage banking firm, and made Mr. Beaumont vice president in charge of the real estate loan department. Prior to that time La Salle had no mortgage banking operations.



Get up to the minute! Here's the very latest summary of information about Arizona ... just off the press ... current, accurate and dependable statistics. Data on agriculture, banking, construction, education, employment, housing, manufacturing, mining, population, real estate, retail trade, tourism . . . and much more. 48 pages of tables, charts and maps. FREE for the asking. Write: Research Dept., Valley National Bank, P. O. Box 71, Phoenix, Arizona 85001.



\$6.2 billion

in securities are kept in permanent <u>safekeeping</u> for the <u>2,150</u> of our correspondents who use this service.

MANUFACTURERS HANOVER



The Bank that is known by the correspondents it keeps

Member Federal Deposit Insurance Corporation

ACROSS the DESK from the Publisher

Dear James J. Saxon:

Comptroller of the Currency, Washington, D. C.

With the administrators in Wonderland, D. C. establishing guidelines for everything from the aluminum industry to diaper factories, perhaps it is time to reverse the procedure.

Viewing some of your more recent actions, it seems to us that your office might be a good place to start. Banks throughout America could well establish some guidelines for the office of the Comptroller, and in doing so they may wish to reconsider the benefits of a dual banking system with its builtin, self correcting mechanism to avoid monopoly. It is evident that you are continuing to do everything possible to thwart state laws, particularly in in regard to branching.

We were pleased to see that the second U. S. appeals court last month ruled that you are bound by the letter of state law in approving national bank branches.

The appellate court for the key District of Columbia agreed with an earlier decision that "the measuring stick of national branch banks is state law."

In a brief order, the court upheld a district court ruling that you exceeded your authority granting a de novo branch to First Security Bank of Utah NA, Ogden, Utah. The state law limits branching to offices resulting from mergers in all cities except Salt Lake City where a home-office bank operates.

The court did not write an opinion to accompany the order, which it handed down one week after hearing oral arguments in the case brought by Commercial Security Bank, Ogden.

The appeals court did, however, cite last month's opinion of the 10th Circuit Court of Appeals in Denver, which reversed a lower court ruling, where your position originally was upheld in an identical case. That case was brought by Walker Bank and Trust Co., Salt Lake City, against First National Bank of Logan and your office.

Legal observers view the ruling in Washington, D. C., as having national significance while the Denver ruling has only regional effect.

This is because the legal residence of the Comptroller, as a Federal Officer, is the District of Columbia, and you can be sued there no matter in which states any contested action occurs.

Therefore, if the two appeals court rulings are not contested in the Supreme Court, or if they are upheld by that body, any bank which believes a branch ruling of the Comptroller conflicts with state law can enter suit in the District of Columbia and have the force of the precedent-setting Commercial Security ruling working in its favor.

Dear Wright Patman:

Chairman, House Banking and Currency Committee, Washington, D. C.

Following the close of the first session of the 89th Congress, you are continuing your attack on banking. Now, you have called for "a full-scale investigation of all the lobbying activities of the American Bankers Association, as well as all six banks seeking retroactive exemptions from antitrust laws."

In a speech before the National League of Insured Savings Associations, you added, "lobbying activities of the ABA this year have been 'more blatant than anything I have seen in my 37 years in Congress.' ABA lobbyists were 'spending money like a bunch of drunken sailors.'"

Chagrined by what you termed a 'rump session' of your committee to illegally report out the bank merger bill, you warned that you would not allow your committee to be turned into "a puppet show for the ABA and its other big banker members or any other vested interests."

During the next two months, you will be calling on members of the banking industry to "join you in this investigation."

Knowing your background in attacking practically every other phase of the banking business, including the Federal Deposit Insurance Corporation and the Federal Reserve, it seems to us that bankers throughout the nation should think twice before backing your efforts. You may have difficulty in enlisting the support of your own committee members and your other colleagues in the House.



*Mr. Jack Miner Mid-Continent Division Manager

"You know Bank Building Corporation is the financial building expert,

but did you know...

that 80% of the cost of building the Pikeville National Bank and Trust was spent with local contractors?"



Bank Building Corporation did preliminary consultation, overall design, interior furnishing, and served as prime contractor in building the Pikeville National Bank and Trust, Pikeville, Kentucky. The cost of that project was money spent on *all* phases of its design and construction, from the most preliminary stage to opening day. And a full 80% of the total cost was spent among sub-contractors and suppliers in the Pikeville area.

The point is that you may employ the services of the world's largest, most experienced financial building specialist and still keep the greatest percentage of money spent in your own community. Furthermore, this is not an isolated statistic selected just for the ad... on a national average, 83.8% of the total cost of complete building projects handled by Bank Building Corporation remains in the community.

*Mr. Miner will be happy to furnish you with complete information about our company's operation. Write directly to him at 1130 Hampton Avenue, St. Louis, Missouri 63139. Or phone collect Area Code 314, MI 7-3800.

If the planning of new or remodeled quarters is imminent, consider these additional facts about Bank Building Corporation: You may select any one or combination of our services to suit your requirements. We, and we alone, guarantee all cost estimates regardless of your location.



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Happy Holidays



The Central National Choir

To You And Your Family From All Of Us At Central National Bank

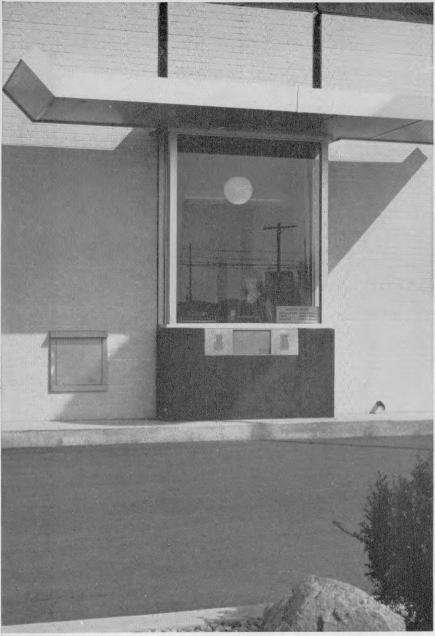


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FULL SERVICE TO THE FINANCIAL FIELD

Plan B of M Ag Awards

A competitive \$100,000 awards program, to develop 50 leaders in Canada's farming communities in all parts of the country, was announced by G. Arnold Hart, chairman and president of the Bank of Montreal.

Objective is to recognize and develop farm leaders. A total of 50 awards at \$2,000 each will be given.

Bankers Trust Appoints International Officers

Three appointments in the international banking department of Bankers Trust Company, New York, were announced by William H. Moore, chairman of the board of directors.

Max E. Gevers, first vice president, was named deputy head of the international banking department; Ellsworth Donnell, vice president, succeeds Mr. Gevers as head of the department's foreign division; and Loren D. Keys, Jr., vice president, replaces Mr. Donnell as head of the Far East group of the foreign division.

Joins Morgan Guaranty

John K. Sands has been named a vice president of the Morgan Guaranty Trust Company, New York.

Mr. Sands, 43, formerly a general partner in the investment banking firm of W. C. Langley & Company, is assigned to the unit that specializes in counseling clients on mergers and asquisitions. He was graduated from the University of North Carolina in 1948 with a bachelor of arts degree. Before entering investment banking, he was in the management consultant field.

Valley of Arizona Increase

Authority to increase Valley National Bank of Arizona's capital stock account from \$15,509,490 to \$16,604,398 by payment of a 10 per cent stock dividend will be sought from shareholders at the bank's annual meeting February 16.

Walter R. Bimson, Valley National chairman, said the proposed stock dividend, which is subject to approval by the Comptroller of the Currency, would raise the institution's outstanding capital stock total from 6,037,963 shares to 6,641,759 shares, par \$2.50.

Mr. Bimson noted that approval of the proposed payment in stock would mark the ninth consecutive year in which Valley National has issued a stock dividend, and the 10th such distribution in the last 11 years.

Valley National shareholders voted a 10 per cent stock dividend and a two-for-one capital stock split at their annual meeting last February.





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to toe.

From farming to retailing, mining to manufacturing, Bank of America is a working partner in every major field of California business. And this firsthand knowledge of the State's economy can prove invaluable to you. When you have questions about California business prospects, plant sites, credit, collections or investment opportunities, one of Bank of America's

more than 800 branches will be close to the answer. For *complete* correspondent service, get in touch with our National Division, 300 Montgomery Street, San Francisco or 650 So. Spring Street, Los Angeles.

BANK OF AMERICA

NATIONAL TRUCK AND CANANCE ACCOUNTION - NEMBER PERCHAI REPORT INCIDENCE CORPORATION

gitized North Western Banker, December, 1965

ps://fraser.stlouisfed.org deral Reserve Bank of St. Louis

New System Lets Bank Do Farm Bookkeeping

Rec-Chek® Adaptable to Other Accounts

COMPLETE record-keeping system for farms, small businesses and personal accounts has been devised by Nevada National Bank of Nevada, Iowa. This \$8,000,000 deposit bank in a town of 4,500 people in central Iowa has trademarked the name "Rec-Chek" and copyrighted a system that in practice is a by-product of the normal check clearance procedure.

When Nevada National set up its new computer center last fall, Sam McHose, president, and his associates began studying ways to further extend the facilities of the equipment to the personal needs of bank customers. Since Nevada National is the largest farm lender in predominantly agricultural Story County, it was logical that

attention was given first to accommodating farm cutomers. The service now has been extended to personal accounts and small business firms.

Records Are Farm Problem

For years one of the farm operator's biggest headaches has been proper maintenance of records, not only for his own use as a good businessman, but for tax purposes. Kermit J. Anderson, executive vice president and head of the Nevada National farm department, has first-hand experience with this knotty problem as owner of a farm that does livestock feeding.

Even if a bookkeeping or tax service prepares the farm operator's records for him, the farmer himself must

initiate the original material on which these records are based—checks, designating what the purchases are for; receipts, memos and other paperwork going into such bookkeeping. If he does this work himself, he must make all these entries generally by hand, relying on an accumulation of papers and his memory.

Nevada National pinpointed the problem accurately as one of input data—getting the necessary data on paper right at the source. So the Rec-Chek system keeps track of the farm customer's records through the easiest method of input, his checking account, and does the record-keeping through the bank's computer center.

Enter Code on Check

Each standard type of farm transaction receives an account number just as is done in most businesses. The names and numbers of the accounts are printed on the back of the checks and deposit slips he uses. When a purchase is made for the farm operation, the proper account number is looked up on the back of the check and entered in a specially printed boxed area at the bottom on the face of the check. If cattle purchased, for instance, would be account 309, he would merely enter 309 in the small box and give the check to the seller.

When the check clears Nevada National, this account number 309 is entered into the system on that customer's records. Each check is kept track of in similar fashion. At the end of the month, the farmer gets a complete categorized print out from the computer in addition to his monthly statement. It lists all check transactions by account number, with cumulative total if there is more than one purchase in a given category, as well as a total at the bottom of the column for all farm business checks written.

A second column lists all checks and money deposited, bearing account numbers reflecting the source of farm income. A third column gives a total for the year to date of all expenses

JOHN FARM R R 2 ANYFARM,			REC - C	by t	
PERIOD INVENTORY 14 693 00		NE	EVADA N		BANK, Nevada, Iowa
CODE CATEGORIES	MONTHLY EXPENSES	MONTHLY INCOME	YEAR-TO-DATE EXPENSES	YEAR-TO-DATE INCOME	PYRITE NEVADA MATIONAL BANK MEVADA, IDWA II
301 Ag. Program Payments	46 00	876 15		2542 15	
303 Breeding Fees	46 00		46.00	201210	
305 Car Expense	14 00		56 50		
307 Cash Rent					
309 Cattle Purchased					
311 Cattle Raised					
313 Conservation Expense			3 57		
315 Corn		3325 00		4325 00	
317 Custom Work	79 75		127 75		
319 Dairy Products					
321 Eggs				1	
323 Feed Purchased			763 01		
325 Fert. and Lime	903.73		903 79		
327 Freight and Trucking					
329 Gas, Fuel, and Oil					
331 Hay and Straw	21 00		115 00		
333 Insurance					
335 Interest		60 47	60 47		
337 Labor Hired	501 00		3054 73		
339 Miscellaneous	2 25		236 65		
341 Oats and Wheat					
343 Patronage Div.				19 80	
~~~~	And the Part of th		The same of the sa	March Company	
361 Supplies Purchased			213 14		
363 Swine Purchased			1125 00	825 48	
365 Swine Raised		1345 50	13 00	7281 21	
367 Taxes	196 33		392 66		
369 Utilities	22 45		269 82		
TOTALS	1786 57	5546 65	7381 09	14993 64	
391					
393					
395 Capital Investment	650 00		2620 00	5 00	
397 Mortgages and Notes	030.00		1700 00	1200 00	
399 Non-Farm Items	100 75	530 00		1200 00	
	750 75	530 00	2808 51 7128 51	1001.00	
TOTALS	100 /3	220 00	/128 01	1205 00	

**SAMPLE** monthly statement on Rec-Chek system lists all income and expense items, both for the month and year to date. Checks not encoded with the special expense or income account numbers are listed separately. The entire statement also lists such items (with account numbers) as poultry, repairs and maintenance, seed, storage and warehouse, veterinary and wages received, as well as several other items. Customer gets this statement each month as a printout from the bank's data processing system.

NEW SYSTEM . . .

(Turn to page 101, please)

Northwestern Banker, December, 1965.

#### Members of Financial Public Relations

### Are Short-Term New

ANY bankers are convinced that long-term programs are the "best" (and sometimes the "only") means of generating new business simply because that has been the accepted way of doing things down through the years. It is my contention that such a view is, for the most part, based upon the bankers' resistance to change.

For many years our industry was noted for its refusal to change. Our buildings were lined with marble and our tellers' windows were separated from their customers by prison-like steel mesh. This somehow made for a psychological distance between customer and employee that was more of a barrier than the physical separation.

When the great depression of the early 30's closed many banks (and remember, there was no deposit insurance in those days and bank stock ownership carried double liability) we were all tarred with the same brush. The politicians, and a large percentage of the public, were looking for a scapegoat. And where could you find a better one than a glassy-eyed ogre sitting behind a big mahogany desk who had never shown any interest in the common man? The banker was a "natural" and he bore the brunt of jokes which made the people forget Henry Ford and the Model T.

The monumental task of rebuilding public confidence in banks and respect for the people who operated them, brought the bankers to the realization that a sales job was necessary. And they did a good sales job. The banker has long since regained his place in the sun and banks are enjoying almost complete public confidence—it must be admitted that FDIC has not exactly hurt the cause.

The necessity to sell himself to the public has alerted the banker to the efficacy of selling the services of his bank. And, after all, that is the only thing we have to sell—service.

It is not enough that you render service which is better than your com-

YES

By HENRY C. COLEMAN

Chairman Commercial Bank of Daytona Beach, Florida

petitor's and to sell it in a superior manner to his. You must render more and better service and sell it more expertly than your own bank did ten years ago, or five years ago, or even one year ago.

How are we going to persuade the customer to use the myriad of services we offer today? We must sell. A recent magazine article, for instance, pointed out that the two most successful mass merchandisers - department stores and super markets continually re-examine their selling techniques. And that is exactly what we bankers must do. It is difficult to see how we can effectively sell our many services without the use of crash programs. It should be remembered, however, that one of the things involved in crash programs is advertising that makes crash programs work.

It has been aptly demonstrated by merchandisers of over-the-counter products—indeed, insurance, securities, automobiles, almost anything in the spectrum of American economics—that new products and new services can be "sales engineered," by proper advertising and marketing, to knock the old and reliable product or service into a cocked hat and become the thing the public wants.

More and more bank services become competitive, and a crash program that's well conceived and well organized will fail if it isn't properly

This, therefore, is a challenge to every member of FPRA. He must ask himself the soul-searching question:

"Am I opposed to crash programs because I don't think they will accomplish what management wants, or am I opposed because I don't have a skillful advertising and merchandising program that will justify management's belief that the program is a good one?"

Crash programs provide an opportunity for the advertising and merchandising people in banking and to extend their influence with general management, and such programs must be included as a part of the meat and potatoes of bank advertising and merchandising, and if programs promulgated by public relations directors—involving all the elements of people persuasion are successful—it follows that more and more public relations and advertising officers will become vice presidents and board members of the banks they serve.

In conclusion, I submit the following:

- 1. This is an era of change in our business world and banks, bankers and banking are a definite part of this changing picture.
- 2. Bank services are expanding rapidly, both as to type and number.
- 3. With change and expansion in banking, it behooves us to re-examine our advertising and selling methods.
- 4. Crash programs are not yet widely used because of bankers' reluctance to change.
- 5. Crash programs lend flexibility to the over-all advertising and public relations effort which simply is not available in the use of long-range programs.
- 6. Commercial bankers are rapidly becoming convinced that they can no longer afford to cater only to a few large customers. The masses must be served and the most effective way to get them to come into the bank is through crash programs.

The use of the crash program is a new challenge, and certainly it will widen our respective horizons if we accept the challenge and make it work in our own banks.—**End.** 

#### Association Discuss Some Pro's and Con's

# Business Campaigns Effective?

Banks have been criticized in the past for not utilizing many of the techniques of industry in the field of business development. Similar criticism could also be leveled at banks because of an inertia in utilizing developments in the field of behavioral science, particularly in the field of staff sales.

The use of short-term staff sales programs, highlighted by the rivalry of a contest, or sugar-coated by elaborate prizes, is the result of a belief that bank employees will perform well in the sales field only when there is a tangible reward in direct relationship to the individual efforts.

A short-term program that has a definite beginning, and usually a welcome conclusion, is a compromise between the ideal staff program and one with severe limitations. Usually a bank is convinced that it is impossible to maintain a never-ending sales effort and, because of this belief, a short-term program is selected.

All banks would prefer a continuous staff sales effort that prevails through the entire year. This is in sharp contrast to having employees involved in a contest with an ending date and a feeling of "Well, I don't have to sell any more—I'm glad that's over."

The question, therefore, is why banks are willing to accept the philosophy that they cannot motivate their employees to solicit business on a continuous basis. If this is so, and the result is a compromise through the use of short-term programs, bank salesmanship has a definite limitation with a contrast of periods in which employees are supposed to sell and periods in which they are not expected to sell.

To accept this concept of compromise is to reject the findings of behavioral scientists in industry who have determined that employees can be motivated in many ways. It is significant that banking has been willing to use the findings of behavioral scien-

NO

By LARRY RONSON Vice President First National Bank of Hawaii, Honolulu

tists in working areas other than staff selling. Well-designed machines, better working environments, scientific illumination, pre-hiring tests, work music are all the products of industrial research in behavior that have been accepted by banks. However, the flaw lies in the fact that these findings are primarily based upon the regard of a man as an adjunct of a machine, as distinguished from the more complex concept of an individual as a sales person.

Another disadvantage of the short-term program is the pressure to close a sale during the period of the contest. The eager individual who knows that he must consummate the sale within the next 48 hours so as to squeeze it in the contest period is going to use undue pressure that may drive a prospect away. This need doesn't exist where the program is continuous and the element of contest is missing.

Most short-term programs are based upon the concept of a contest. This very word implies that there must be winners and, consequently, losers. During the contest there are many who realize that they have no chance of winning and as a result, they stop trying. In these instances, the real selling effort dwindles down to the few who are in a strong leadership position.

Another disadvantage of a contest deals with the constant employee complaints. There are questions as to who really solicited the account (which is against the concept of team work) or questions as to whether the new account was really solicited or was walk-in business. In a full-time program these elements are not significant since even an unearned credit does not give an advantage to the person receiving the credit at the expense of the person who did not receive the credit.

Quite obviously, if there is knowledge at the staff level that a contest is about to be launched, those who are in a position to secure new business for the bank would tend to delay the acquisition of accounts until after the contest had begun so that they could receive the credits.

There are many banking transactions that do not lend themselves to a cut-off point. This promotes a tendency for employees to go after business which is of an immediate nature and disregard the more involved but often more profitable transactions.

The short-term contests also have a tendency to introduce temporary or transient funds, in contrast to a permanent program where this is not necessary.

Permanent programs can and should have rewards. These can come in the form of prizes that are earned, direct financial compensation, or, even more important, recognition.

Behavioral science tells us that individuals are goal seeking animals, and if the goals are defined and attainable, great effort will be exerted.

The continuous sales program lends itself admirably to employee motivation. Rewards can be tangible, they can be coupled with needed recognition, and they can be cumulative.

But, above all, a continuous sales effort defines business development as a basic, integral part of the job to be done. Once an employee becomes sales-minded he remains sales-minded in such a program, with ever-increasing alertness and sensitivity to business development opportunities. — End.

Northwestern Banker, December, 1965

# Operating Under the

Mr. Johnson, responsible for a detailed study of the Uniform Commercial Code prior to its becoming law in his state last September, is well-acquainted with the measure's provisions. Inasmuch as the Code will become effective in five-midwestern states in July, 1966, his comments should prove helpful to bankers looking forward to employing the benefits of the new law.

GREAT deal has been written and said in the last few months concerning the Uniform Commercial Code. In this article I am going to deal primarily with the completion of the forms necessary to perfect a valid security interest.

I believe that the very heart of the Code is covered in Article I-203 which is entitled "Obligation of Good Faith." This is probably the shortest article in the Code and very simply says, "Every contract or duty within this act imposes an obligation of *good faith* in its performance and enforcement."

The repealer section of the Code not only repeals the old chattel mortgage laws, which are badly outdated, but also does away with the volumes and volumes of Case Law which have perverted the old basic laws to the point where, in recent years, the average banker really had no idea at all concerning his position with reference to collateralized loans.

The banking fraternity now has a law whose basic principle is common sense, good faith, and intent. If, in our day to day work, we make some errors, we will not necessarily find ourselves at the mercy of an unfriendly court since every court up to this point seems to be willing to follow the guide lines set forth in the Code and to rely primarily on the intent between the parties.

In recent years, I believe that all of us have become somewhat lax in the taking of collateral. The adoption of the Uniform Commercial Code should supply us with the incentive to do our jobs properly in the taking of collateral. It certainly supplies us with the tools to do so.

The UCC provides us with the ve-

hicle for entering into financing which has been practically impossible in the past, such as inventory financing, and gives us additional versatility in the areas of accounts receivable and agricultural financing. However, each and every one of us needs to properly learn the mechanics of operation under the Code, and we certainly need to do our homework properly.

#### Security Interest

In order to obtain a security interest under the UCC three things must be present.

First, we must have a properly executed and filed Financing Statement. Second, we must have a properly executed security agreement. Third, there must be indebtedness. Anytime these three requirements are met we have a properly attached security interest as of the date of filing of the financing statement. (It should be noted that the order in which the three requirements come into existence is not important, and that any time the three requirements are met the security interest attaches as of date of filing of the Financing Statement.)

Since the filing date of the Financing Statement is the key to the attaching of the security interest, our first thought should be given to its completion and filing.

#### Financing Statement

Many complex forms have been designed to serve as Financing Statements; however, requirements of a Financing Statement are relatively simple and basically are as follows:

Financing Statement must contain:

- 1. Name and address of debtor.
- 2. Name and address of secured party.

- 3. Types of items of collateral.
- 4. Location of collateral if it is crops or fixtures attached to real estate.
- 5. Must claim proceeds or products of collateral if desired.
- 6. Signature of debtor.
- 7. Signature of secured party.

Article 9-402 of the Code says, "A Financing Statement substantially complying with these requirements is effective even though it contains minor errors which are not seriously misleading."

It should be noted here that the Financing Statement need not be dated since date of instrument means nothing and control is by date of filing.

Since there seems to be confusion in the minds of some people concerning "proceeds," we might look at Artile 9-306 of the Code which states the following: "The word proceeds means whatever is received when collateral is sold, exchanged, collected, or otherwise disposed of." The term includes the account arising when the right to payment is earned under contract rights. Whether the sale of collateral was authorized or unauthorized the secured party has a security interest in the debtor's cash and bank accounts equal to the amount of cash proceeds received and commingled or deposited. This right exists even in the case of bankruptcy proceedings provided the proceeds were commingled or deposited within 10 days before insolvency proceedings were instituted.

I would like to point out here that in the official comments on the Code they say, "A claim to proceeds in a filed Financing Statement *might* be considered as impliedly authorizing sale or other disposition of the collateral depending on the circumstances

gitized for FRASER Banker, December, 1965

ps://fraser.stlouisfed.org deral Reserve Bank of St. Louis

# Uniform Commercial Code



By ROBERT E. JOHNSON Vice President The Omaha National Bank Omaha, Nebraska

of the parties, nature of the collateral, the course of dealing of the parties, and the usage of the trade." Even taking into consideration the above comments on proceeds I believe that in the majority of cases proceeds should be claimed.

#### Filing

The biggest deviation in the Code among the states seems to arise in the filing requirements; therefore, I am not going to discuss filing location and instead suggest that you obtain filing instructions from your bank's attorney (see Article 9-401). I would, however, like to point out that the Code says, "Presentation for filing of a Financial Statement and tenderer of the filing fee or acceptance of the statement by the filing officer constitutes filing under this law." The Code also says, "When a secured party has in good faith attempted to comply with the filing requirements but has not done so correctly, Subsection 2 makes his filing effective insofar as it was proper and also makes it good for all collateral covered by the Financing Statement against any party who actually knows the contents of the improperly filed statement." This subsection rejects the occasional decision that an improperly filed record is ineffective to give notice even to a person who knows of it.

#### Security Agreement

Although there are in existence many types of security agreements, the basic requirements are few and simple. We should bear in mind that the Security Agreement is the actual contract between the debtor and secured party and may contain any special terms agreed to by the parties. However, in order to comply with the rules, the Security Agreement must contain:

- 1. Date of execution.
- 2. Borrower's correct legal name and address.
- 3. Complete description of collateral (use serial numbers or other identifying marks when available).
- 4. Complete legal description of location of collateral (where needed, i.e., crops, fixtures, etc.).
- 5. Signature of debtor.
- 6. Signature of secured party.

If the debtor is a partnership the correct legal name of the partnership should be inserted and at least one general partner should sign with the designation "general partner" attached to his signature.

With regard to the validity of the Security Agreement, Section 9-201 of the Code says, "Except for special provisions, Security Agreement is effective between parties against purchasers of the collateral and against all creditors."

As opposed to the broad general description of collateral used in the Financing Statement, Section 9-110 of the Code says that the Security Agreement must reasonably identify what it describes.

In cases where collateral is not owned by the debtor (collateral pledged by a third party), careful study should be made of Article 9-112, subsections a, b, c, d, and e, of the Code, and I would suggest that in these cases you obtain an opinion from your bank's attorney.

#### Notes

We should all bear in mind that the Code makes little reference to notes and refers instead to indebtedness. This reference to indebtedness includes notes, drafts, overdrafts, postage charges, attorney'e fees, collection costs, sale costs, etc. This basically is the reason why, in the requirements shown above, I have made no mention of the necessity of indicating the amount of indebtedness.

This specifically is not required under the Code, and in my estimation reference to the amount of indebtedness at any given time in the Security Agreement might well constitute a weakness in the instrument itself.

#### Special Benefits

The adoption of the UCC brings to us not only a good common sense method of obtaining a security interest in collateral, but also brings many side benefits. Among these are the floating lien on shifting stock, a priority position when goods are commingled, a lien on after-acquired property, and others.

Section 9-205 of the Code deals with the floating charge or lien on shifting stock and specifically refers to the case of Benedict vs Ratner and attempts to invalidate Case Law dealing with the control of collateral and pro-

#### COMMERCIAL CODE . . .

(Turn to page 90, please)

Northwestern Banker, December, 1965.

# Employee Compensation:

■ The following article is excerpted from a speech made by Mr. Foltz before the recent annual meeting of the Financial Public Relations Association.

RACH of your institutions may have a different philosophy about compensation and benefits. And what may be a recommended program or an answer for one bank may be entirely wrong for another institution.

Therefore, I'm going to use a "Hollywood" approach in presenting my remarks.

Now what is a "Hollywood Approach?" Prior to 1965, film producers were satisfied to make movies about various segments of the Bible—"David and Bathsheba," "Samson and Delilah" are examples.

If you've been reading the newspapers lately, you know Hollywood is now making a movie called "The Bible". They're doing the whole book.

So, I'd like to try and give you the whole book in highly condensed form on compensation and benefits in the banking industry. Perhaps together we can construct a meaningful profile of the banking industry's practices in this area and of how banking compares with other industries. This may help you in comparing your own bank's practices when stacked up against the industry norms.

But before we start putting a statistical skeleton together, let's answer some basic questions: What should compensation and benefit programs do?

The easy answer is "pay for services rendered." It's the easy answer . . . but not necessarily the correct one. Banking, like other industries, is faced with a number of problems. It is concerned with a "management squeeze" in a competitive industry where people and service are highly important.

This "management squeeze" is particularly critical today . . . and management must solve this problem for a firm to continue growing.

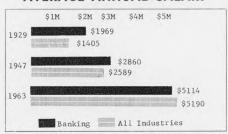
The compensation and benefit program is one answer to this problem.

But highly important to the success of the program are its construction and objectives.

Compensation and benefits must be looked at together . . . they must have a "total compensation" orientation. Because, while there is seldom a substitute for a good salary, the total compensation package which includes benefits, is important in helping management to attract, retain, motivate and reward high caliber employees.

The compensation program today must be a balance between salary and benefits—each working to fill specific needs. But how much is paid in salaries and how much is paid in benefits is as much a matter of management viewpoint as it is of employee necessity.

#### GRAPH I AVERAGE ANNUAL SALARY



In setting its compensation programs, for example, management must be attuned to the goals of its employees. Young employees are generally aggressive and restless—interested in top dollar and quick advancement. Older employees may be more interested in greater pensions and other benefits which build retirement "nest eggs."

Small, medium and large banks are different not only in size but also in the manner with which they approach these considerations. And even banks of the same size may have totally different compensation and benefit philosophies.

But how does banking over-all compare with other industries? Let's take a look.

With respect to salaries, banking generally has paid above or close to the average paid by other industries. In recent times, it has lost ground so that it is not always even holding its own. (See Graph I.)

#### Graph I

This graph, based on U. S. Department of Commerce statistics, shows the combined growth of average annual pay since 1929 in banking and in 13 industrial classifications as well as employees on the Federal payroll. Let me give you some insight into these comparisons.

In 1929, banking led all 13 classifications in paying an average of \$1,969. By 1947, a number of other industrial classifications were passing the banking average of \$2,860. And by 1963, more industrial classifications had passed the banking average. And this is as good a spot as any to go off on a tangent. I'd give about two to one odds that most people outside banking-and perhaps some within the industry - would guess that there's a much wider gap between salaries in banking and in other industries. In short, we have an image that's worse than that warranted by the facts. Perhaps you can help build a better image for your bank.

There were many reasons why pay in other industries went up faster. The growth of militant unionism, highly skilled job needs and more acute competition are just a few.

But now, let's take a look at the other side of the coin and another study—this one conducted by the U. S. Chamber of Commerce.

In its study, the Chamber surveyed 19 separate manufacturing and non-manufacturing classifications to determine the types of fringe benefits paid in various industries. It began these bi-annual studies in 1947. The last study was conducted in 1963 . . . so the figures for 1964 and 1965 have not been released.

First, let's take a look at what the banking industry as a whole does about benefits.

Benefits in the banking industry have been consistently high. The industry has, in fact, been the leader. Banking has paid amounts ranging

gitized for FRASER Banker, December, 1965

# How Banks Compare

By ROY G. FOLTZ

Vice President and Director of Communications Towers, Perrin, Forster & Crosby, Inc. Philadelphia, Pennsylvania

anywhere from 5 to 9 per cent more of total payroll in benefits than the average of all industries. And by 1961, the banks surveyed were paying an average of 33.5 per cent of total payroll in benefit costs. There was a drop of less than 1 percent in 1963. Many of us will be interested to see whether this drop continues when the Chamber's new study is released in 1966.

Now, let's take a look at exactly what is meant by the term "benefits" itself . . . and what the banks in the Chamber's study were paying for: (See Graph II.)

#### Graph II

All banks surveyed in 1963 had life insurance and medical plans. Almost all had sick leave and pension plans. Sixty-five per cent of the banks had a profit-sharing plan, although it's fair to say these plans range from thin to thick.

Profit-sharing is the plan most associated with banking. Only about 21 per cent of all companies represented in the study had any type of profit-sharing plan. And the publishing and printing industry was banking's nearest rival with 46 per cent of the firms

in this industry setting up profit-sharing plans.

There are other types of benefit costs, too, for paid holidays, vacations, bonuses, paid leaves of absence and tuition refund programs.

In all, 99 per cent of the banks surveyed have paid holidays and 96 per cent have paid vacations; 58 per cent paid bonuses—the high percentage suggesting that many undoubtedly retain the Christmas bonus variety. Pay for jury duty, military leave or for personal reasons was provided by another 64 per cent. And 73 per cent of the banks surveyed had some type of tuition-refund plan—an important benefit in many banks to assist in the training of potential executives.

#### The Whole Story

Now let's add the two parts of our story together—pay and benefits—even though different industries or companies were included in the respective studies.

Using this measure, we find that the average banking employee is nearly \$200 better off than the average for industry. And because many benefits include income tax advantages as op-

posed to cash compensation the "real" value of the spread is even greater. While this tax consideration is minor at lower income levels, it becomes increasingly major at the higher levels.

This, in a nutshell, gives you some insight into the compensation and benefits practices of banking. Generally, we can say that banking has slipped from the number one provider of pay in 1929 to just under the average in 1963. But we can also say that it retains the number one spot in providing benefits and in total compensation.

We said before that compensation and benefit plans should have a *total compensation orientation*—they must be a proper mix of cash dollars *and* benefits. And these plans must have specific objectives if they are to do the most effective job possible. Yet it's surprising to see how many firms have completely overlooked this total compensation approach.

A bank, or any business for that matter, is made up of old and young employees, executives, typists and clerks. While each may have his or her own particular goals, effectively designed benefit plans can be the motivating force that these people need.

Specific goals aside, most companies today agree that a total compensation approach is just pure good business practice. A good wage and salary structure helps the employee to pay for the groceries while the benefits help in time of necessity or in upgrading his own abilities. Together they help the employee keep his mind on the job. And in an industry like banking, where people and service are extremely important, it's vital to over-all growth and profitability.

I'd just like to make one other point -no bank can do a good job of attaining its compensation objectives unless the entire compensation and benefit program is effectively communicated. Outstanding employees can't be attracted, retained and motivated when they know little or nothing about plans and policies. All the careful planning and good intentions may go down the drain if employees don't understand or know about them. In fact, to gain the most favorable results, a bank's compensation and benefit program should be considered as having value not only for employees but also for families, the community and even the stockholders—and therefore, must be effectively and extensively communicated. And this, I am sure, is an area in which each of you can bring your expertise to bear and be of extra service to your own management.-End.

# GRAPH II PER CENT OF BANKS PROVIDING SELECTED BENEFITS IN 1963

Profit Sharing	65%
Pensions	95%
Sick Leave	95%
Medical	100%
Life Insurance	100%



#### Bankers You Know

# K. A. (Kay) Randall

Chairman of the Board Federal Deposit Insurance Corporation Washington, D. C.

PERHAPS one key to Mr. Randall's personality, and style of operation, lies in the fact that practically everyone on the FDIC staff who comes into daily contact with him calls him "Kay"—at his own request. He feels more comfortable in an informal atmosphere and he likes to stress the concept that the Corporation's activities are a team effort. Mr. Randall is young in appearance and has the informal approach which most westerners and Mountain States people seem to possess. It sets a "tone" for the whole Corporation.

He has said that, in his opinion, the professional staff of FDIC is its biggest asset. One of his major efforts since joining the Corporation has been to develop a strong "second team" in support of the senior staff, many of whom have grown up with the Corporation from its earliest days. As a consequence, some relatively young men have moved up rapidly to positions just under senior staff, and one or two have been elevated to senior staff.

The workload is crushing and 10- and 12-hour days are not uncommon, for either Mr. Randall or his top aides. He likes to get away for a day or two in the mountains, especially for skiing—but he went on a one-week vacation recently and found himself so busy seeing bankers and dropping into corporation field offices that the new rod and reel he packed and took along wasn't opened.

He strongly believes in industry self-help, and pushes the theme constantly in talks, formal and informal, with the industry. He feels that, whenever and wherever the industry can be persuaded to solve its own problems, rather than accept solutions imposed by regulation or

Mr. Randall, a native of Ogden, Utah, was elected F.D.I.C. cahirman April 21, 1965, succeeding Joseph W. Barr, who had been nominated for the post of Undersecretary of the Treasury. Mr. Randall had served as an F.D.I.C. director since March 28, 1964, when he had become President Johnson's first Republican appointment. In 1963, following a succession of promotions, he was elected president of the State Bank of Provo, Utah. The 38-year-old chairman received both a B.S. and M.S. degree from Brigham Young University.

by legislation, the industry is healthier and better served.

This leads him to an interpretation of the supervisor's role which is somewhat unusual. He looks upon the supervisor as a teacher, as a guide and as a disseminator of the best in banking techniques and policies. He feels that the examiner has a duty not only to criticize but to advise, not only to demand correction, but to teach technique and safeguards. His methods of operation, therefore, lead as far as possible to the use of persuasion rather than the imposition of dogma or inflexible and unanswerable orders. This leads to a low-pressure approach which may sometimes take a bit longer, but which leaves fewer scars.

Perhaps his biggest contribution to the Corporation has been his willingness to question procedures, methods and techniques. This willingness to re-evaluate has led the staff as a whole to a stimulating self-analysis and toward a less rigid approach. Changes—some quite small, a few of major importance—and above all, a change of attitude, are apparent to anyone who served through the change in administration within the Corporation.

"Yet, since this process is one which takes time, and since Mr. Randall is relatively new in the chairman's office, it is too early to say where this will ultimately lead. It can be said, however, that the Corporation's staff finds this an interesting place to work and likes the present atmosphere," according to one of Mr. Randall's aides.

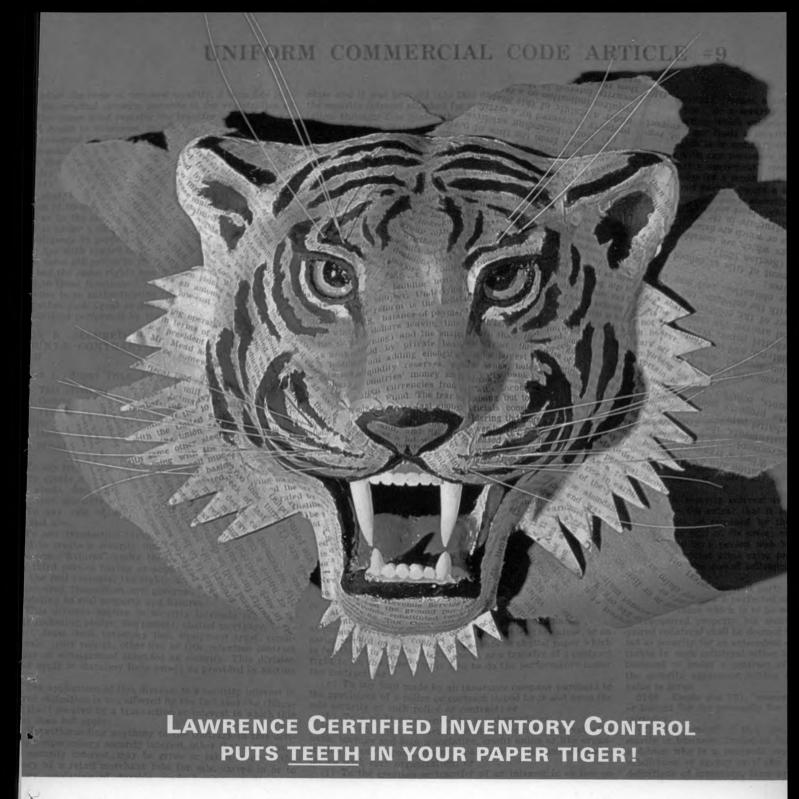
#### Bankers' Responsibilities

Mr. Randall places great emphasis upon the responsibility of the banker to his community and to his nation. Following, in his own words, are his feelings on several matters:

"Perhaps the single biggest fact of life for bankers today is that the world we live in is more competitive, more challenging and changes more swiftly than at any other period in history. The days of the horse and buggy banker concerned solely with the sleepy routine of his small town are long since past. Today's banker, even

BANKERS YOU KNOW . . .

(Turn to page 46, please)



The inventory lien provided under Article 9 of the Uniform Commercial Code is only a *paper* tiger since it does not guarantee that your collateral will be on hand. Lawrence does give this assurance through its exclusive Certified Inventory Control service, thus putting teeth in that paper tiger.

Certified Inventory Control establishes safeguards and reporting procedures, which, together with Lawrence's broad bond coverage, remove the risks implicit in financing inventory under the Code. In addition this new Lawrence service is effective when applied to goods-in-process, or inventories which are fast-moving... widely diversified... or incapable of segregation.

Expressly designed for use in Code states, but avail-

able everywhere, Certified Inventory Control is simple, economical and flexible. By providing complete collateral guarantees this innovation in loan protection is enabling commercial lenders across the nation to tap new sources of credit revenue with safety.

To learn more about Certified Inventory Control—or any of the other Lawrence Certified Collateral Control services—phone the nearest Lawrence office collect... or write for our brochure.

#### THE LAWRENCE COMPANY

NATIONWIDE FIELD WAREHOUSING



os://fraser.stlo@steenplete information on how to safeguard your loan collateral call Lawrence • New York, Chicago, San Francisco • Offices in Principal Cities deral Reserve Bank of St. Louis

# Bank Holdups Are Increasing

B ANK bandits are receiving about 10 cents an hour for their efforts, based on a 40-hour work week, according to the Insurance and Protective Committee of the American Bankers Association. This figure came to light earlier this year in a random sampling of sentences given to 63 bandits involved in 58 holdups. Their sentences totaled 933 years and one for a life sentence for having stolen \$190,919, or about \$3,030 per bandit.

This figures out at 15 years for each bandit, whose average age was 29 when sentenced, and each man's "take" averaged only \$202 a year or

\$3.88 per week!

This kind of statistic doesn't seem to be too great a deterrent to would-be bank holdup men for the crime rate against commercial banks has continued to rise throughout 1965. The number of bank holdups the first half of 1965 was 462, up 87 from the same period in 1964. This is almost a 20 per cent increase. The amount of money taken in these holdups jumped 25 per cent, up \$400,000 from \$1,600,000 to \$2,000,000, perhaps making an extra allowance for inflation.

#### Vulnerable to Holdups

The one salient point brought out in figures released by the A.B.A., the Federal Bureau of Investigation, insurance companies or any other pertinent source, shows that banks are increasingly susceptible to holdup attempts as opposed to burglary attempts after hours. (See accompanying chart.)

Responsible banking leaders, the FBI and other law enforcement officials are searching for the reasons for the continued increase, while at the same time trying to persuade more banks to follow crime prevention steps that are known to discourage holdups and burglaries.

#### Most Are Lone Bandits

The A.B.A. points out that 85 per cent of bank holdups are perpetrated by lone bandits. This has been the case almost exclusively in the midwest area served by the NORTHWESTERN BANKER. In Nebraska, for example, four major holdups have occurred in the past six months.

The worst for the entire nation, by far, was the tragic holdup of the Farmers State Bank in Big Springs, Neb., on June 4 when a just-graduated college youth from Kansas, Duane Pope, entered the bank at high noon, ordered the four employees to lie on the floor while he helped himself to the cash, then calmly put a pistol to the head of each employee and pulled the trigger. Three died instantly, the fourth miraculously survived and has since testified in court from a wheelchair that young Pope was the trigger man. Pope's trial is still in progress in Lincoln, where court appointed attorneys are pleading "not guilty by reason of temporary insanity" in order to avoid the death penalty being sought by the U. S. District Attorney.

#### Omaha Holdups

Three other bank holdups centered around Omaha within a 45-day period. On September 29 a bandit took more than \$8,000 from the Farmers State Bank in Elkhorn just west of the city, at a time when the staff was preparing to move into the bank's new building. On November 1 an armed robber entered the U.S. National Bank of Omaha, located at one of Omaha's main downtown intersections and at gunpoint took \$3,600 from a frightened woman teller. Scarcely two weeks later a 52-year-old transient from Chicago held up The First National Bank of Omaha directly across the street. He also wielded a gun while taking an estimated \$18,000 from a woman teller. Five hours later he was apprehended and had \$5,000 of the money with him. It was not determined what happened to the other \$13,000, although the bonding company had repaid the bank \$18,732 within a couple of days. The robbery occurred on Monday and the man was sentenced to prison on Friday of the same week.

Last month a Mason City, Iowa, man was sentenced to 10 years in the Federal penitentiary for armed robbery of the American State Bank of Mason City last April 30, when he made away with \$1,973.

Similar cases repeat the same pattern time after time—a lone man who threatens that he has a gun, explosive, or other such device on his person, enters a bank and usually approaches a woman teller. In about half the cases he extends a note of some kind demanding money. The "loner" was responsible for 661 of the attempted bank holdups in 1964 and was successful in 503 cases. A.B.A. records show, coincidentally, that 173 holdups were frustrated by alert bank personnel and protective devices, resulting in the immediate arrest in most of the cases.

Crimes of Violer	ice Agai: 3-1964	nst Banks	*	
100	1964	1963	Increase	'61 over '6
Total Crimes of Violence (Burglary and Holdup)	926	782	2 144	18½%
Total LossesAll Types\$4	,514,000	\$3,805,000	\$709,000	$18\frac{1}{2}\%$
Total Holdup Attempts	793	659	134	1 20%
Successful Attempts	620	529	91	17%
Unsuccessful Attempts	173	130	) 43	33%
Total Losses (Net)\$3	,924,000	\$3,371,000	\$553,000	16%
Total Burglary Attempts	133	123	3 10	8%
Successful Attempts	79	66	3 13	3 191/2 %
Unsuccessful Attempts	54	57	7 (3)	_5%
Total Losses†\$	590,000	\$ 434,000	\$156,000	36%

What will really deter, frustrate, or solve a bank holdup? There is no guaranteed method, but there are procedures developed from experience by banking and law enforcement officials that have proven to cut down the

The best way to eliminate bank holdup losses, of course, is to prevent bank holdups. Bankers can obtain professional advice in this area from several informed sources: the American Bankers Association, NABAC, Federal Bureau of Investigation, the local or state Bureau of Criminal Investigation, and the manufacturers of bank protective equipment.

Each of these groups have standard, practical procedures that can be followed by banks of any size for maximum prevention of holdups and burglaries. J. Edgar Hoover, director of the FBI, has written two special articles on this very subject in recent years for the Northwestern Banker.

The last of these, "Are You Forearmed Against Attack?" appeared in the April, 1964, issue and included a list of preventive suggestions by Mr. Hoover titled, "Bank Protection Quiz."

The Insurance and Protective Committee of the A.B.A. has regular file material available to all banks to assist in setting up proper safeguards against holdups and burglaries. The A.B.A. head office is located at 90 Park Avenue, New York, N. Y. 10016.

NABAC also has gone extensively into this problem. It has copyrighted a booklet "Your Bank and Armed Robbery" that serves as a manual for banks of any size in reviewing protective devices and procedures, as well as instructive chapters on what to do during and after a holdup if one should occur. NABAC is located at 205 W. Touhy Avenue, P. O. Box 500, Park Ridge, Ill.

#### New Equipment Available

Engineering assistance to coordinate a preventive program with tested and proven crime prevention equipment is available from the leading manufacturers of safe, vault and protective equipment. One device marketed in recent years that has proven spectacularly successful is the camera monitor. Placed in strategic locations, these cameras provide surveillance of vulnerable areas and are generally activated on a silent alarm by an employee. Completely unnoticed, the cameras take motion pictures with exceptional clarity of the holdup in progress. Still pictures made from movie film in several holdups have aided in the early capture of the bandits.

The list of protective equipment is lengthy, with each piece of equipment

engineered to meet a specific need for small banks as well as large. This equipment has frustrated enough burglars to the point where after-hours break-ins (133 in 1964) total only about 15 per cent of total crimes of violence against banks.

In other words, any bank is much more vulnerable to attack in daylight when the doors are open than at nighttime when mechanical and electronic devices maintain a near impregnability. The principal fault in the latter case is the banks who have not kept their protective equipment updated. In one bank, for instance, great care was taken to have an adequate vault door and alarm system installed, yet a window with no bars was left in an outside wall of the vault so fresh air could be brought in when needed!

#### Uniformed Guards Help

The daylight holdup is best prevented, according to the William J. Burns International Detective Agency, Inc., by the presence of uniformed guards. This could well be true, but the two holdups occurring in downtown Omaha in November were carried out with uniformed guards both inside the bank and at street level. Professionals probably do steer clear of such places since they present one more obstacle to overcome, but the

majority of holdups are perpetrated by "loners" who normally don't consider all these factors.

This uncertainty is the principal reason why bank and law enforcement leaders advise bankers to instruct employees to turn the money over in case of holdup in order to avoid bodily harm. No one can guard against the unforeseen, unprovoked attack that took place at Big Springs. However, these officials state, to help track down the bandit later, employees need to be trained to be observant during a holdup, to trip a silent alarm possible, and to include "bait money" with any cash given the holdup man. "Bait money" is marked money kept in the regular cash drawer for such an emergency. In many banks, lifting the "bait money" also trips a silent alarm that will alert guards inside the bank as well as local police, and this can also activate surveillance cameras if installed.

With the continuing increase in these crimes of violence against banks. it would be well for bank managing officers to review personally what steps are in effect in their own banks to prevent such holdups and burgaries, or to protect lives, cash and property if such attempts are made.-

When was the last time you said . . .

# "There must be an easier way!"

There is ... with

# Hawkeye-Security

HAWKEYE-SECURITY INSURANCE COMPANY • DES MOINES MEMBER OF FINANCIAL GENERAL INSURANCE GROUP

# How We Opened a "New World" of Banking

Commerce Trust Company opened a "new world" of bank service merchandising at the same time it opened its new Commerce Tower. Assistant Vice President Braude explains the reasoning behind the project and lists the steps taken to establish the institution's Family Banking Center.

HE Commerce Trust's Family Banking Center, which opened for business March 1, is the result of our conviction that our retail customers desire one place for transacting all personal banking business and one officer to counsel them on all Commerce Trust services. We feel, for example, that someone wanting to apply for an auto loan will appreciate doing so with the same officer who opened his checking and savings accounts.

In addition, cross-selling opportunities among our customers represent our greatest potential markets for retail banking business. Once we have sold a person on doing business with Commerce Trust, our next goal should be to make him a "total" customer.

By separating our commercial and retail service areas, we are able to provide faster, more efficient services for both types of customers. This, after all, is a general marketing trend evident in separate gourmet shops in super markets and separate college shops in department stores.

While we have attempted to create the ultimate in attractive surroundings, inasmuch as we believe that people want to bank in a pleasant, alive area, separation of commercial and retail services and the provision of beautiful surroundings are not enough.

To make it desirable for someone to switch to Commerce Trust, new marketing packages must be offered. These packages must save our customers money, time and effort. A new checking plan eliminating all service charges if a balance of \$200 is maintained and one-stop teller service coupled with statement savings are but the first of these marketing ideas.

Written Especially for NORTHWESTERN BANKER

By MICHAEL BRAUDE Assistant Vice President Comerce Trust Company Kansas City, Missouri



#### Physical Qualities

Our Family Banking Center occupies approximately one-half of the main floor of Commerce Tower. It is connected to the commercial lobby by a floating stairway.

Interior design, under the direction of Eleanor Le Maire Associates, Inc., New York, features a delightful harmony of colors, furniture, fixtures and lighting to add comfort and distinction to the Center.

#### Center Staff

The Center opened with six men occupying the desks in the Center's public area. All are young, aggressive, sales-minded bankers who realize that their future prospects hinge on the amount of retail business they generate. They have all been thoroughly trained in the various service departments of our bank and are able to intelligently counsel customers on our many services.

The Center also opened with 10 at-

tractive women tellers. These individuals were drawn from our standing teller force on the basis of sales-mindedness, competence and appearance.

Services offered by the Family Banking Center include the following:

- Opening of savings and checking accounts.
- Paying and receiving teller service.
- Installment loans (and collection of installment loan payments).
  - Real estate loans.
- Sales of traveler's checks, personal money orders and savings certificates.

#### Promotion of Center

A total of 3,000 persons work for tenant firms in the building and more than that number are employed by firms in buildings within a block of Commerce Tower. We feel that these persons constitute a prime market and our goal is for every employee of a tenant or neighbor firm to be a Commerce Trust customer.

Before the Center opened, staff members called on each tenant and neighbor firm with the following purposes in mind:

- 1. To obtain a list of all employees so that a letter of welcome from Commerce Trust's president and a folder describing all bank services could be sent to each person on the day a tenant moved into its new quarters.
- 2. To arrange group approaches, such as employee meetings either at their office or in Commerce Tower Auditorium, over coffee, where we could explain services we offer and answer questions.
- 3. To simply ask how the Family Banking Center could best serve their people.
- 4. Once situated in the new Center, intensive solicitation of tenants and neighbors continued. Every spare moment of staff members' time is devoted to making calls, conducting employee meetings and selling additional service to tenants and neighbors who open accounts.
- 5. On a continuous basis, contact is maintained with officers of tenant and neighbor firms and particularly with personal officers so that we can get more business from old employees and the accounts of new employees who join their firms.

#### Advertising and Promotion

The bank's advertising campaign in 1965 has stressed retail banking and has had as its theme, "A Wonderful World of Banking Is Yours at Com-

NEW WORLD . . .

(Turn to page 46, please)

# If you think all Travelers Checks are alike... Compare the important features of these major Travelers Checks... First National City vs. "Brand X"

(Then consider what these differences can mean in: (A) the positive guarantees you can make to your customers; (B) sales convenience and profit; and (C) continuing customer goodwill for you!)

	First National City	"Brand X"
Available and acceptable everywhere	YES	YES
Refundable if lost or stolen	YES	YES
A truly <i>global</i> refund system with over 20,000 refund points at home and abroad offering <i>immediate</i> , "on-the-spot" refunds even for <i>transients</i>	YES	NO
Oldest travelers check in America	NO	YES
Backed by capital accounts in excess of \$1,150,000,000 and more than \$14 billion in assets	YES	NO
Issuer a Member of Federal Deposit Insurance Corporation	YES	NO
Fully-staffed banking branches in 43 countries	YES	NO
Your share of selling commission	90%	662/3%

# Logical conclusion:

You can sell First National City Travelers Checks with complete confidence. They offer your customers the very best in travelers check service and convenience. And they have the full backing of First National City, the leader in world-wide banking. If you're not offering all the benefits of First National City to your customers now, write for full information today to: Travelers Check Dept., First National City Bank, 399 Park Avenue, New York, New York 10022.

FIRST NATIONAL CITY BANK

Member Federal Deposit Insurance Corporation

#### At 1st of Chicago Conference

#### 1966—Good, But Slower Growth

By LARRY NOTHWEHR
Associate Editor

B ANKERS from across the country were presented with a well organized and capably presented review of the current business situation, plus a look at several important areas of bank management, by the First National Bank of Chicago at their Conference for Bank Correspondents held last month

This 19th Annual Conference was attended by more than 1,400 bankers, and the hosts very ably mixed business with pleasure during the two-day affair.

Robert D. Murphy, chairman of the board of Corning Glass International, closely held the attention of those in attendance at the annual dinner as he reminisced on his days as a diplomat. A veteran of 39 years in the United States Foreign Service, Mr. Murphy spent his early career in Western Europe. During the 30's he was assigned to the Paris Embassy and subsequent transfers have taken him throughout most of the world.

Mr. Murphy discussed his early reactions and contacts with Adolph Hitler, traced World War II as it directly touched him and closed with some observations on the national scene today. All this was illustrated with his own experiences, making it a most effective presentation of United States foreign policy over the past 40 years.

In his discussion of the current world situation, Mr. Murphy urged strong understanding and support of the American foreign policy by the American people. "It is the disaffected and unconvinced right here at home that may provide our Achilles Heel."

The traditional look at 1966 was provided by the vice presidents in charge of the 11 lending divisions of the First National Bank. In brief, here is what they anticipate for the coming year:

Spring farrowing is expected to be up slightly next spring, but hog prices are anticipated to hold strong most of next year with a possible weakening late in the fall. Cattle feeders can look to narrowed profits during 1966 as compared with 1965 because record crops and increasing cattle numbers will exert a downward pressure on the fat cattle market. The auto industry is looking toward another record year. Steel and aluminum industries are facing narrowing profits and will attempt to raise prices. Installment sales continue to expand and consumer finance companies can expect another good year. Weather problems are expected to lessen the supply of some canned fruits and higher prices can be expected on selected items. The liquor industry con-

tinues to grow with rising incomes. Housing will hold next year at current, rather low levels, but mortgage debt will continue to rise. Truck, rail and air transportation industries all look bright, with commercial airlines showing the way. Freight shipment and passenger travel continues to increase and all three industries will benefit. With the elimination of price wars and other internal problems, the petroleum industry is heading toward a record year with outlooks even better for 1966. Construction expenditures will increase about 3 per cent over last year and will continue into the coming year with public construction leading the way. The areospace industry, really just getting started. faces low profits because of high research costs. Merger and consolidation will become important in months and years ahead. Expenditures of state and local governments will continue to rise by about 7 per cent annually to meet the demands of more people desiring more services.

Discussing the Trend in Banking, Charles F. Newhall, vice president in charge of Division F serving Banks and Bankers, said, "Earnings gains of all commercial banks for 1965 will range widely, with average earnings showing an increase of about 8 per cent for the year compared to the average gain of 10 per cent in 1964." He went on to say that earnings for commercial banks for the first few months of 1966 should increase at about the same average rate as in 1965.

Mr. Newhall went on to warn that the Federal Reserve might have no alternative but to apply more credit restraint in 1966 to avoid a further weakening in our balance of payments and an imbalance in the economy. It would be wise for banks to anticipate such action and prepare to alleviate the resulting bind, he advised.

Seminar sessions were run on three topics: Outlooks, Management and Investments. Through the three sessions of the Conference, bankers had the opportunity to attend all three.

Officers of the First National Bank presided and, for the most part, spoke at the sessions. Morris A. Schapiro, chairman of the board of M. A. Schapiro and Company, New York; C. Richard Youngdahl, president of Aubrey G. Lanston & Company, New York; Frank L. Griffin, Jr., vice president and actuary, the Wyatt Company, Chicago; and Paul S. Nadler, associate professor of finance, New York University, were the guest speakers.

William J. Korsvik, vice president of the First National Bank, summed



AT THE FIRST OF CHICAGO'S Conference for Bank Correspondents, Vic von Meding, v.p. (third from left), reviews some of the information gathered at the seminars with Nevin G. Bowser, a.v.p., First Natl., Chicago; Ernest A. Kenny, Jr., v.p., Burlington Bk. & Tr., Burlington, Iowa; and C. R. Bailey, exec. v.p. and cashier, Jasper Co. Sav., Newton, Iowa. This was Mr. von Meding's last Conference as he retired November 30 after many years of service in First National's northwest division of the correspondent bank department. This division, which Mr. von Meding headed for several years, embraces the states served by the NORTHWESTERN BANKER.



# Can you translate this line? Helga Müller can.

One indication of the scope of our activities in international business is the fact that we have more translators than there are letters in the alphabet. Thirty-four, to be exact. These translators in our International Department, working in eleven languages, handle more than 45,000 foreign items and letters a month.

Chase Manhattan's extensive involvement in overseas trade and financing provides a specialized background of experience and knowledge which you, as a correspondent, may call on. Through our world-wide network of branches, affiliates, representatives and correspondents, Chase can help you help your customers with *any* international service, from credit information on foreign firms to the actual handling of specific overseas transactions.

The line above? It's German for "You have a friend at Chase Manhattan" — a fact we'll be glad to demonstrate to your bank in *any* appropriate language.

#### THE CHASE MANHATTAN BANK



National Association 1 Chase Manhattan Plaza, New York, N. Y. 10015

Member Federal Deposit Insurance Corporation

up the entire outlook question with the following three broad points:

- 1. The immediate outlook for business is excellent . . . and it seems highly probable that it will continue good well into 1966;
- 2. The rising trend of capital spending, the most dynamic recent force in our economy, is likely to level off to a more modest total and rate of advance in the not too distant future, and
- 3. Economic growth in the years ahead—say to 1970—is likely to average nearer our historical trend of 3 per cent in contrast to the gains of 5 per cent we have enjoyed recently.

#### Corporate Pension Study

Corporate pension plans have become more liberal in recent years in their provisions governing vesting rights, early retirement disability benefits and normal retirement pay, according to the "1965 Study of Industrial Retirement Plans" conducted by Bankers Trust Company, New York.

The 263-page book, prepared by the bank's Pension Trust Division, contains a detailed study of 241 pension plans adopted or amended between 1960 and 1965.

Vesting, for example, which allows an employee to quit his job without losing all his pension rights, now is



# TYPICAL TRUST PROBLEM RECOMMENDATIONS

These practical investment suggestions (based on actual cases) are among the tools regularly supplied Studley, Shupert Trust Investment Council Members. An invaluable aid for developing trust account policies. Community banks from coast to coast regard Council Membership "a must." Write for details.



#### STUDLEY, SHUPERT Trust Investment Council

860 Suburban Station Bldg. Phila., Pa. 19103

permitted in 97 per cent of conventional plans, compared with 75 per cent in 1953.

#### Mercantile Trust Promotions

Two correspondent bank men from Mercantile Trust Company, St. Louis, and a member of that bank's Division F were named officers. Dale F. Fagot and Urban F. Myers III, both of the banks and bankers department, and F. Dean DeOgny were all named assistant cashiers.



D. F. FAGOT

U. F. MYERS III

Mr. Fagot came to Mercantile from a Lincoln, Neb., bank where he had been assigned to the correspondent bank department. For 10 years previous to this he was self-employed in farming and cattle feeding. A former student of the University of Nebraska, Mr. Fagot returned this summer to attend the School of Basic Banking in that University. For some time he has been the bank's agricultural representative assigned to banks and bankers.

Mr. Myers was associated with a Chicago bank for eight years, two years as management trainee and six years in the international department. Since coming to Mercantile he has worked in banks and bankers department.

Mr. DeOgny came to the bank as a trainee in national accounts, and was transferred this year to Division F as a representative.

#### Bank Merger Pamphlet

Chairman Wright Patman of the House Banking and Currency Committee has released a "Question and Answer" document detailing the highlights of the issue of bank mergers. It is entitled, "The Truth About the Bank Merger Bill." A total of 66 questions and answers are presented. The hearings against pending bank merger legislation are expected to continue early in the second session of the 89th Congress.

#### Continental-Illinois Elects

Continental-Illinois National Bank and Trust Company, Chicago, announced its directors have promoted two officers and elected three new ones in its trust investment division. Joseph Alaimo and William J. Young, Jr., were promoted to second vice presidents from investment officers.

Lynwood J. Larson, James D. Mc-Williams, and Franklin H. Pierson were named investment officers.

#### Computers for FDIC

The Federal Deposit Insurance Corporation is embarking on a computer program designed to provide additional tools with which to carry out its responsibilities.

Through computerization the Corporation plans to develop information which can be used in the analysis of market penetration and concentration, for cost studies and comparative studies of financial institutions by type, size, or area, and in many other areas pertinent to bank supervision.

#### Open New York Office

Bank of America's bank investment securities division has opened a correspondent office at 45 Wall Street in New York City.

In announcing the opening, Alan K. Browne, division vice president, said C. Edward Pierson is heading the new office.

Mr. Pierson began his career in the bank's international banking department in San Francisco in 1946.

#### Promote Former Iowan

Chauncey E. Schmidt, a native of



C. E. SCHMIDT

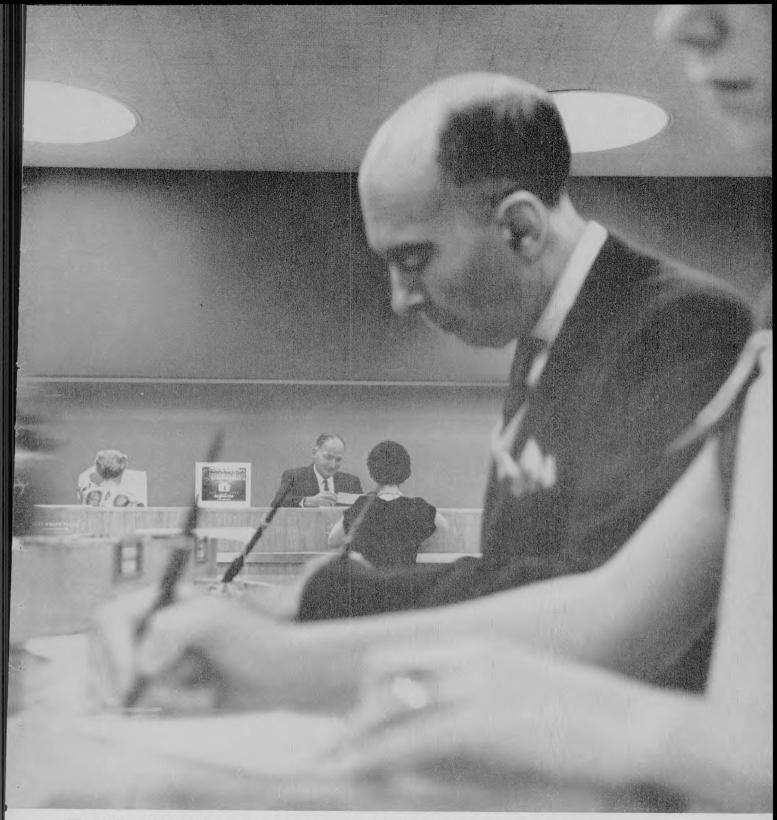
Oxford, Iowa, has been promoted from assistant vice president to vice president of the international banking department of the First National Bank of Chicago. He will be transferred to bank's London branch.

#### Allied Mutual Agency Head

Arthur E. (Ed) Carty has been named superintendent of agents by Allied Insurance Group to fill the vacancy occasioned by the death, last month, of James Dunlop. Mr. Carty has been field supervisor in Nebraska.

Dale Foltz, executive vice president and director of Standard Reliance Insurance Company, Lincoln, before it was merged with Allied Mutual last June, has been appointed manager of Allied Insurance Group's branch in Lincoln.

Gaylord Johnson, formerly a field supervisor for Allied Mutual in Nebraska, has been promoted to Nebraska branch agency manager.



Ted Bosfield just received his Christmas Club check. Now he's putting some of it in his savings account.



#### BANKERS YOU KNOW . . .

(Continued from page 36)

in the smallest of farming communities, must be able to relate his activities and his community's activities to the whole world.

"The banker today more than ever must be the economic leader of his community. A community stands or falls on its economic health, and the banker who is positive in his leadership, whose bank does all it can to discharge the financial needs of the community, can be the greatest force possible for prosperity. Unfortunately the banker who is satisfied with a highly liquid situation and refuses to make necessary credit advances, can prove to be a tremendous drag on any community.

"Today's fast-paced world requires every banker to utilize as far as possible the new techniques available both for service and for protection. At FDIC we are directly concerned with the safety of a bank. We feel that the day has long since passed when a bank can do without sound programs of internal controls, preferably buttressed by an internal audit program. Not only will such programs help prevent loss for a bank, but they give the banker an excellent cost-accounting tool, and cost-accounting in this competitive age is becoming in many instances the difference between full and profitable operation, and a high-cost operation which can eat up all earnings.

"We feel strongly that internal control and internal audit should be buttressed by programs of direct verification. . . .

"The Corporation feels it must always seek to upgrade its own performance. Our justification for existence lies in service—to the public, to the industry, and to the economy.

"We support fully the concept of the dual banking system, and it is only by strong state banking departments, backed up by effective Federal organizations in a supportive role, that such a system can be effectively continued

"I have found my two years with the Corporation to be broadening, stimulating, and provocative. I know of few more challenging and exciting positions than that I came from, serving as an officer of a small bank intimately connected with the economic life of the community it served. My years on an officer's platform, handling every type of problem and service the small town banker may be called upon were rewarding, and I hope someday to return to that life. But the contacts this new position have given me, with bankers all over the nation, and with banking areas of thought, big city and small town alike, have been rewarding and continue to be rewarding."

#### "NEW WORLD" . . .

(Continued from page 40) merce Trust." Television, newspaper

and outdoor advertising have ben coordinated to stress the beauty and freshness of our Family Banking Center and the money- and time-saving

features of our new services.

A letter from the bank's president has arrived for each employee of a tenant firm on the day his firm moved into Commerce Tower. The letter welcomed him and invited him to bank at the Family Banking Center.

A new coordinated series of folders describing all Commerce Trust retail banking services was prepared to be included with the president's letters. They have also been given to gain new customers as part of our cross-selling effort and they were distributed at the group meetings held for tenant and neighbor firms.

Personalized photographic cards for all Family Banking Center tellers and new accounts personnel were made up, featuring a candid photo of the teller or officer in the upper left hand corner. After the first time one of our people waits on a new customer, he or she sends one of these cards with a "welcome" message to that customer.

This helps us achieve our goal of making every customer feel that he has not only an officer with a personal interest in him, but also a teller with that same interest. Our officers and tellers also use these cards to congratulate customers on important events in their lives and to sell them

Preview emblems were also worn by all Commerce Trust officers and staff members prior to the opening of the Family Banking Center. These were attractive globe-shaped pins an-

World of Banking Is Coming." Signs of the same design were posted in the bank's quarters.

Sales orientation meetings were held to encourage all bank employees to do a complete selling job for the Family Banking Center.

Informal sales contests have been conducted to encourage public contact with people in their cross-selling efforts in the Center.

Finally, records of accounts opened by all Family Banking Center staff members, and of loans introduced by them, have been maintained so that proper recognition may be given in order to foster a sales conscious attitude on the part of every staff member.—End.

#### William F. Kelly

William F. Kelly, president of First Pennsylvania Banking and Trust Company, Philadelphia, and past president

of the American Bankers Association, died recently. He was 58.

Mr. Kelly had been ill for the past three months

He served as vice president of ABA in 1962-63, and president in

W. F. KELLY 1963-64. He organized the association's consumer credit committee in 1939. He was recognized in the industry as one of the first exponents of retail banking.



on additional services. Other Promotional Items nouncing that "A Wonderful New



# The First National Bank of Chicago

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

## Name Regional Advisory Group

THE Comptroller of the Currency James J. Saxon has named regional advisory committees to assist in a continuing review of bank regulations.

Committees of 12 bankers in each of the 14 national bank regions will complement the work of a national advisory committee of 27 bankers announced in October.

Chairman, vice chairman and members of the regional advisory committee for the Northwestern Banker area are listed below:

#### Region 9

Chairman: Joseph R. Hartz, president, First National Bank of Stevens Point, Wis.

Vice chairman: A. M. Eriksmoen, president, Dakota National Bank of Fargo, N. D.

John A. Moorhead, president, Northwestern National Bank of Minneapolis; Ora G. Jones, Jr., president, Goodhue County National Bank of Red Wing, Minn.; C. Glenn Rye, president, Northern City National Bank of Duluth (First Bank Stock Corp.), Minn.; Mrs. E. A. Nachtwey, president, First National Bank, Dickinson, N. D.; Fred R. Orth, president, First National Bank in Grand Forks, N. D.

A. E. Dahl, chairman, American National Bank & Trust, Rapid City; C. C. Lind, president, First National Bank of Aberdeen (Northwest Bancorp.), Aberdeen, S. D.; Thomas P. Hudson, president, First American National Bank of Wausau, Wis.; Richard J. Lewis, president, American National Bank & Trust Company, Eau Claire, Wis., and John M. Rose, president, Kellogg-Citizens National Bank of Green Bay, Wis.

#### Region 10

Chairman: John B. Mitchell, president, First National Bank in St. Louis. Vice chairman: Charles Young, pres-

ident. City National Bank & Trust Company of Kansas City, Mo.

Calvin W. Aurand, president, Iowa-Des Moines National Bank, Des Moines: R. L. Kilgore, president, National Bank of Waterloo, Iowa; Robert Bunten, chairman and president, Merchants National Bank of Topeka, Kan.: Clarence Coleman, president, Union National Bank of Wichita, Kan.; B. L. Lohmuller, president, First National Bank of Centralia, Kan.

Nation Meyer, president, First National Bank, Hutchinson, Kan.; L. R. Reynolds, Jr., president, First National Bank of Joplin, Mo.; James B. Cooper, president, Plainview (Neb.) National Bank; Morris F. Miller, president, Omaha National Bank, and Burnham Yates, president, First National Bank & Trust Company, Lincoln, Neb.

#### Region 12

Chairman: Melvin J. Roberts, president, Colorado National Bank of Den-

Vice chairman: Frank O. Papen, president, First National Bank of Donna Ana County, Las Cruces, N. M. H. A. McEvoy, president, Continental National Bank, Phoenix; Robert D. Williams, president, First National Bank of Arizona, Phoenix; J. D. Ackerman, chairman and president, Exchange National Bank of Colorado Springs, Colo.; Robin B. Bailey, president, First National Bank of Pueblo, Colo.; R. K. Schumann, president, West Greeley (Colo.) National Bank.

W. M. Gallaway, president, Farmington (N. M.) National Bank; Roy W. Simmons, president, Zion First National Bank of Salt Lake City; D. M. Crouse, president, American National Bank of Riverton, Wyo.; Jackson F. King, president, First National Bank of Casper, Wyo., and A. H. Trautwein, president, Cheyenne Wyo.) National Bank.

#### Region 13

Chairman: William E. Irvin, president, Idaho First National Bank, Boise.

Vice chairman: Baker Ferguson, president, Baker-Boyer National Bank of Walla Walla, Wash.

D. H. Cuddy, president, First National Bank of Anchorage, Alaska; L. A. Frazier, president, Fidelity National Bank of Twin Falls, Idaho; Forrest C. Hedger, president, Great Falls (Mont.) National Bank; John E. Tenge, president, Midland National Bank of Billings, Mont.; Theodore Jacobs, chairman, First National Bank of Missoula, Mont.

E. J. Kolar, president, U. S. National Bank of Oregon, Portland; C. Henri Labbe, president, Great Western National Bank, Portland, Ore.; Maxwell Carlson, president, National Bank of Commerce of Seattle; James E. Phillips, president, First National Bank in Port Angeles, Wash., and Dewitt Wallace, president, Old National Bank of Washington, Spokane.

#### Goes to National **Boulevard Bank**

Robert E. Kishler has joined National Boulevard Bank of Chicago as an assistant cashier in the commercial

department, according to an announcement by Irving Seaman, Jr., president.

A graduate of Loyola University, Mr. Kishler



tended John Carroll University and the American Television Institute and is presently working toward his graduate certificate in A.I.B. studies.







# "E una grande banca con una piccola banca dentro." In any language, the big bank with the little bank inside becomes a land of enchantment at Christmastime. Our annual exhibit "Traditions of Christmas" depicts Christmas customs around the world, and will be on display for the pleasure of grown-ups and children alike, from December 6 through 31. Come visit. CONTINENTAL BANK Continent little state Christmas Continent Bank and Trust Company of Chicago

#### Plan St. Louis Holding Company

A GREEMENT has been reached on a plan for the consolidation of the interests of St. Louis Union Trust Company, First National Bank in St. Louis, and General Bancshares Corporation into a newly named bank holding company—First Union Bancorporation—it was announced by officers of the three institutions.

The announcement was made by David R. Calhoun, president of St. Louis Union Trust Company; James P. Hickok, chairman of First National Bank, and Preston Estep, chairman of General Bancshares.

It is anticipated that David R. Calhoun would become chairman of the board and chief executive officer; James P. Hickok would become president, and Preston Estep would become chairman of the finance committee of First Union Bancorporation. Vice Presidents of First Union Bancorporation would be John B. Mitchell, president of First National Bank; Jack G. Butler, president of Bank of St. Louis (a GBC Bank), and Eugene F. Williams, Jr., executive vice president of St. Louis Union Trust Company.

First National Bank has total resources in excess of \$806,000,000 and

traces its origins back to 1856. General Bancshares Corporation, youngest of the three firms, had its beginning in 1912. It has 10 banks in Missouri, Illinois and Tennessee and total resources of over \$378,000,000.

The headquarters of First Union Bancorporation would be in the offices of the St. Louis Trust Company at 510 Locust Street.

#### Six LaSalle Changes

Six official changes have been made by the LaSalle National Bank, Chicago.

In addition to the appointment of five new officers, Paul Davies, Jr., an assistant cashier in the international department, was promoted to assistant vice president. He will continue in the administration of international banking activities. The new officers, all named assistant cashiers, are Patrick G. Anderson, Jr., manager of the credit department; Edwin K. Balster, who heads the auto dealer section of the bank's installment credit department; James Hamilton of the regional loaning group and two members of the bank's data processing op-

eration, Bruno Marczyk and Eugene Mroz. The latter two will serve as assistant managers, systems and planning, and manager, data processing, respectively.

#### Massey-Ferguson, Inc. Expands

Massey-Ferguson Inc., as a further expansion of its activities in the corn belt, will undertake manufacture in Wisconsin of a new suburban or garden-type tractor.

In making the announcement in Des Moines, J. G. Staiger, president, said production of the tractor will begin



GARDEN-TYPE TRACTOR by Massey-Ferguson, Inc.

next month in the Algoma, Wisconsin factory of Badger Northland Inc., a subsidiary of MF Inc.

"This will be the first time," he said, "that we have produced a tractor in North America outside of our Detroit, Michigan tractor plant." The garden tractor, a 10-horsepower unit known as the MF 10, will be sold by MF in both the United States and Canada.

#### Elect 10th Fed Directors

Stanley Learned, president and chief executive officer of the Phillips Petroleum Company, Bartlesville, Okla., and Burton L. Lohmuller, president of The First National Bank of Centralia, Kan., have been elected to the board of directors of the Federal Reserve Bank of Kansas City for three-years terms beginning January 1.

Mr. Learned succeeds K. S. Adams, chairman of the board of Phillips Petroleum, who has been a Federal Reserve board director since March, 1954, and did not wish to be a candidate for re-election. Mr. Lohmuller, a director since January, 1960, begins his third term. Election of both directors was by 10th District Federal Reserve member banks having capital and surplus of \$300,000 and under.





#### First National's Bond Department Offers Convenience and Speed

With just one phone call to our bond department, you can get a quote; buy or sell and arrange for payment and safekeeping of securities. You don't even need to pick up a pencil. First National does all the work.

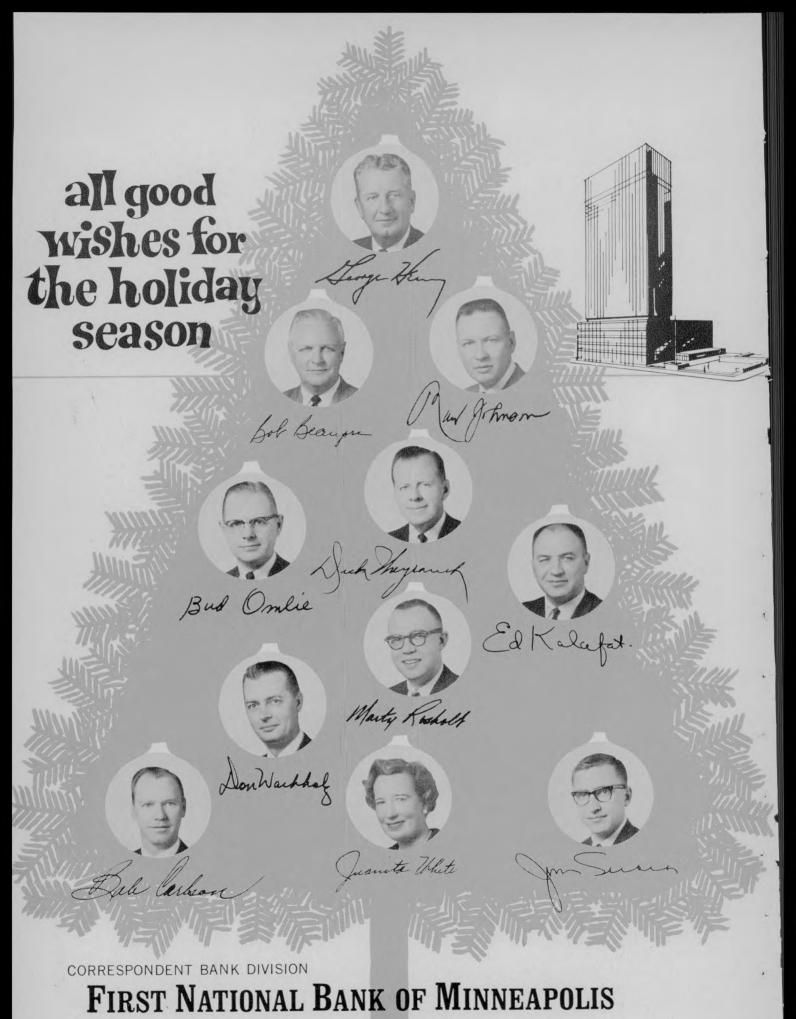
Our bond department now has its own computer which can give you, on short notice, the net advantage of a tax trade. In addition, the department can keep you informed on market changes and trends; appraise your holdings and make timely, pertinent recommendations.

Are your municipal holdings adequate? If you want a prompt, thoroughgoing evaluation and analysis of your position, we'll be glad to review your portfolio and give you our suggestions. This service is available for the asking.

When you call the bond department, the man you talk to is an "answer man"—a qualified investment specialist who will give immediate attention to your needs. For added convenience, dial our bond department direct. The number is area code 314, GA 1-1362.



Northwestern Banker, December, 1965



gitized for FRASEDER Federal Deposit Insurance Corporation ps://fraser.stlouisfed.org deral Reserve Bank of St. Louis

# Minnesota NEWS

D. H. GREGERSON

President

K. A. WALES

Secretary

Minneapolis





## MBA Plans "School of Banking"

**Uniform Code Meetings Also Scheduled** 

By MALCOLM FREELAND, Publisher Northwestern Banker

PRELIMINARY plans are being made by the Minnesota Bankers Association for a "School of Banking" for Minnesota bankers.

Kenneth Wales, executive secretary of the MBA, made the announcement about the school from the platform of the 16th annual Junior Bank Officer and Staff Conference held in St. Paul last month. It has not as yet been approved by the MBA executive coun-

Although there are over 800 students in AIB study groups in Minnesota, a survey has shown that very few of the smaller banks throughout the state are sending personnel to the Graduate School of Banking at Madison, Wis. The Minnesota school would, therefore, complement the Graduate School at Madison and AIB studies rather than conflict with them.

Mr. Wales explained that the MBA school would run for one week over a period of two years. Enrollment would be held to about 50 students, and the courses would cover basic information on banking. Registrants would be required to have two years'

banking experience.

Uniform Code Meetings

Touching on other MBA activities, Mr. Wales explained that the Area TV Program is now being sponsored by some 550 banks over 10 stations, with a current annual budget of \$320.-000. Plans are being made for a series of meetings on the Uniform Commercial Code in January, February and April in conjunction with the Minnesota Bar Association and the University of Minnesota. A separate series will also be scheduled on Article Nine of the Code. The Code becomes effective in Minnesota in July,

Mr. Wales told the junior bank officers that the MBA was concerned about many legislative problems, including the certificate of title bill, the truth in banking bill, and action to strengthen the state banking department in Minnesota. Currently the Minnesota banking commissioner is appointed for a six-year term. Salary is \$12,500 per year, and during the past six years Minnesota has had four different commissioners.

The 16th annual conference was packed with top name speakers, including Arthur Erpelding, district 10 AIB executive councilman; Donald Gregerson, president of the MBA; George Wasem, immediate past president of the ABA Savings Division; Rudolf Fichtel, director, AIB, New York; Merle Stone, president of NABAC; Dr. A. Reuben Gornitzka, executive director of Direction, Inc., Palm Desert, Calif.; Ray Monsalvatge, management consultant from Dayton, Ohio; Robert W. Beaupre, vice president of the First National Bank, Minneapolis, and Mr. Wales.

Mr. Beaupre presented a highly informative talk on the subject of "Bank Ownership—Chances and Prices." He stated that increased interest on time money has not slowed the demand for the purchase of bank stocks. Currently, there are still about 25 buyers for every seller, and most banks are selling for a premium of 10 to 20 per cent above book, according to Mr. Beaupre's experience. He explained that regardless of whether you use the "book value" approach or the "liquidation" approach in evaluating bank stock, you should look at the return on your investment after salaries and all expenses are paid. He expressed concern over the McClellan bill (S. 2575), which would limit borrowing on bank stock to 30 per cent of the purchase price. He elaborated by warning delegates that there are not enough bankers who are concerned about federal legislation. He made a strong point for independent banking and the individual enterprise system, suggesting that all bankers take an active interest in bills affecting banking now before Congress.-End.

#### Northfield Bank Officer

Donald E. Hanson has begun new duties as assistant cashier at the Northfield National Bank. A native of Rochester, he had previously been employed at Mankato.







LEFT-Ray Monsalvatge, management consultant, Dayton, Ohio, and J. P. Delmore, chmn., MBA-A.I.B. Educ. Comm., and v.p., Olmsted County Bk. & Tr. Co., Rochester. CENTER—Arthur A. Erpelding, Dist. 10 A.I.B. exec. councilman, and asst. treas., Farmers and Mechanics Sav. Bk., Minneapolis, admires

special award presented to him by Truman Jeffers of Minnesota Bankers Assoc. RIGHT—Kenneth Wales, exec. secy. of Minnesota Bankers Assn., and Robert W. Beaupre, v.p.; First National Bank, Minneapolis. Mr. Wales, Mr. Monsalvatge and Mr. Beaupre were featured speakers at the Conference.



MAJOR new service has been offered by the Federal Reserve Bank of Minneapolis to its member banks, according to Hugh D. Galusha, Jr., president. The service—The Functional Cost Analysis Program - has apparently interested the banks, he reported, inasmuch as 65 per cent of them have indicated a willingness to participate in meetings at which the program is to be explained in detail.

During the next two months, such meetings will be held in four cities in Montana, two in North Dakota, four in South Dakota, two in Michigan, one in Wisconsin and seven in Minnesota. Details of the dates and places of the meetings will be forwarded to the member banks in the near future.

Under the proposed program, initiated in the First District approximately eight years ago and recently introduced within the Seventh District, bankers provide the Fed with various data compiled on worksheets provided by the Fed. Electronic data processing machines are subsequently employed by the Fed to print out individualized reports for each of the participating banks. In addition to providing each bank with computerized costs, the analysis will compare each bank's figures with 10 additional banks selected by the computer — five immediately higher and five immediately loweron the basis of their similarity within each area studied.

Re-election of two directors of the Federal Reserve Bank of Minneapolis was announced recently by Atherton Bean, chairman of the board. The directors are Curtis B. Mateer, executive vice president, Pierre National Bank, Pierre, S. D., and John H. Toole, president, Toole and Easter Company, Missoula, Mont.

Metropolitan Airport State Bank, Minneapolis, has been authorized to change its name to Metropolitan State Bank. In addition to changing its name, the bank has changed its loca- Johnson to assistant cashier in the

tion. The bank was moved from 4943 34th Avenue S. to 4930 34th Avenue

John R. Montgomery, vice president and trust officer of Midland National Bank, has been presented his diploma

as a Chartered Life Underwrit-

Following a course of study during the past four years, Mr. Montgomery qualified for the C.L.U. diploma after successfully passing the fourhour examina-



J. R. MONTGOMERY

tion in each of the five parts of the C.L.U. program.

Mr. Montgomery, who heads the Midland National's trust department, is the only Chartered Life Underwriter on the staff of any bank in Minnesota.

President Gordon Murray of First National Bank of Minneapolis has announced the promotion of three commercial department officers and the advancement of five other staff members to officer status.



COLESWORTHY CLARKE

Named assistant vice presidents by the board of directors were Newton R. Fuller and Paul F. Colesworthy, both of the bank's Commercial Division C, and Gordon F. Clarke of the Installment Banking Division G.

Others advanced were: David R.

Savings and Customer Service Division: Stanton M. Jorgens, to assistant personnel officer in the Personnel Department; Glenn S. Birkeland and Kenton L. Grave to assistant secretaries in the Trust Department, and C. Kirby Scroggins, to assistant manager, St. Anthony Falls Office.

John W. Noble, Sr., president of both the Normandy Motor Hotel and Noble Realty Company, has been named a director of University National Bank, Minneapolis.

C. Bernard Jacobs, executive vice president, National City Bank of Minneapolis, has been appointed treasurer of Discover America, Inc., a private industry effort to encourage travel in the United States.

The estate left by Edward G. Bremer, president of the board of the Commercial State Bank, St. Paul, has been set at \$882,029. Mr. Brewer died May 4, at the age of 67, in Pompano Beach, Fla.

He was the central figure in a celebrated kidnapping case in 1934 when, on January 17, the gang led by Alvin Karpis and Doc Baker held him for \$200,000 ransom. He was released unharmed February 7, 1934, in Rochester, Minn., following the payment of the ransom by his family.

John F. Nash, president, American National Bank, St. Paul, has been named general chairman of a public fund drive to build a new lakeshore Home of the Good Shepherd for girls in North Oaks.

Arthur J. Helland, assistant vice president, Farmers and Mechanics Savings Bank, Minneapolis, has been elected to a three-year term as governor of the Society of Real Estate Appraisers. He will take office effective January 1, 1966.



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#### New Building for Preston Bank



**NEW HOME** of Farmers & Merchants State Bank, Preston. Officers and employees recently moved into the new quarters, and last month held an open house celebration.

THE Farmers & Merchants State Bank of Preston last month moved into its new building and opened for business in its new quarters.

The new bank offers several new services, including a drive-in window and an after-hour depository facility. The new single-story structure has a basement and includes 4,000 square feet of area on each level.

The bank had been housed in its former facility since 1916.

Open house was held in the new quarters Saturday, November 20, according to W. A. Garratt, president.

A. H. Langum is chairman of the board and A. L. Christianson is vice president and cashier.

#### Grant E. Anderson

Grant E. Anderson, director of the American State Bank in Mankato, died recently at the age of 48 years.

#### New Rochester Officer

Larry E. Muldoon has been elected an assistant cashier of the Rochester State Bank. He will be managing officer of the installment loan department.

#### Join Winona Board

At a recent meeting of the board of directors of The First National Bank of Winona, action was taken to increase the board by two members and to increase the capital of the bank by \$500,000 by issuance of a capital debenture.

Added to the board were Donald W. Gray, manager of H. Choate & Company, and Royal G. Thern, president, Thern Machine Company.

#### New Kenyon Officers

Two employees of the Security State Bank of Kenyon have been elected assistant cashiers, according to Arthur M. Ellingson, president.

Duane Schaper, employed by the bank since November 1, 1960, was named assistant cashier and farm representative and David Redfield, an employee since July 31, 1962, was named assistant cashier and teller.

#### Carlton Open House

A remodeling and modernization program begun several months ago at the First National Bank of Carlton has been completed and an open house was recently held to celebrate the accomplishment. The bank building was renovated inside and was also given a new exterior.

#### Rochester Banker Charged

A preliminary hearing was set for late last month for Joseph S. Cotter, vice president, First National Bank of Rochester, charged with theft by false pretenses.

The original report concerning Mr. Cotter was made by the state public examiner's office. Examiner Robert A. Whitaker told the Olmsted County Board of Commissioners that the bank executive had admitted embezzling \$75,000 in county funds during the past seven years, in addition to \$40,000 from other accounts.

At the hearing in St. Paul Federal Court he pleaded guilty. Judge Edward J. Devitt referred the case for presentence investigation.

#### **Buys Redwood Falls Building**

The State Bank of Redwood Falls has purchased the Redwood Turkey Hatchery building in Redwood Falls and has announced plans to open a drive-in facility on the site. The bank will take possession of the building March 1, 1966.

#### Charter Denied

The charter application for the proposed Southwest Fidelity Bank & Trust Company at Edina was denied last month by the Minnesota Commerce Commission.

Chief objection to the application was presented by Donald Judkins, president of the First Southdale National Bank, Edina. He pointed out that only 24 per cent of his bank's present volume came from the proposed bank's trading area because it is undeveloped and not densely populated.

Northwestern Banker, December, 1965 gitized for FRASER ps://fraser.stlouisfed.org deral Reserve Bank of St. Louis

#### New Drive-In Facility Opened



G RAND opening of the newly-completed drive-in banking facility constructed by Western state Bank, Marshall, was held last month in conjunction with the bank's 30th anniversary.

The two-window drive-in facility, which features a pneumatic tube connection with the main bank building, is located adjacent to the city's main parking lot.

The two-day open house celebration was held Friday and Saturday, November 26 and 27. More than 3,000 people attended, it was reported by A. E. Persons, president.

#### To Brownsdale Bank

Robert L. Smith, Jr., Austin, has joined the State Bank of Browndale where he has been elected an assistant cashier.

#### New Ulm Open House

State Bank, New Ulm, last month held a two-day open house marking the completion of an extensive remodeling project for both the exterior and the interior of the bank.

An adjoining business establishment was taken over as part of the project, nearly doubling the bank's area.

#### Lindstrom 50th Anniversary

The Security State Bank in Lindstrom celebrated its 50th anniversary last month with an open house for customers and friends.

#### **New Rochester President**

Ray L. Roberts has been elected president of the First National Bank of Rochester, effective January 1, 1966, succeeding Robert A. Bezoier, the bank's president for the past 11 years. Mr. Bezoier, 65, will retire according to the bank's established policy. He will, however, remain on the bank's board of directors.

Mr. Roberts, 52, has been an employee of the bank for the past 16½ years. He was named an assistant vice president in 1955 after having managed the time pay department for

a total of six years. He was named vice president in January, 1957, executive vice president in January, 1962, and was elected a member of the bank's board of directors last January.

#### Faribault Open House

State Bank of Faribault held open house late last month to celebrate completion of the bank's new expansion program which included a new addition to house an enlarged savings department and offices for the agricultural and real estate departments.

#### Celebrate 50 Years

An open house will be held December 18 to mark the 50th anniversary of the Peoples State Bank, Milan, according to President I. M. Thompson.

#### Capital Increases

Capital funds of Northwestern National Bank of Hopkins were increased \$500,000 as a result of action by the bank's stockholders and directors last month, according to John J. Tarasar, president.

Stockholders approved a board recommendation to issue \$500,000 in 4% per cent capital notes due in 1990. Completion of the capital notes transaction was completed between the bank and Northwest Bancorporation. The \$500,000 involved is part of the proceeds of the \$30 million in debentures recently issued by Northwest Bancorporation.

The State Bank of Worthington has also been authorized to increase the amount of its capital stock from \$250,000 to \$300,000 by stock dividend.

#### **GOP** Fund-Raiser

Clifford Sommer, president, Security Bank & Trust Company, Owatonna, is the state chairman for a \$100-a-plate Republican dinner scheduled for January 25 in St. Paul. Mr. Sommer, a veteran fund-raiser, also headed the \$100 "Dinner with Ike" in 1960 and was party chairman for the "May Day" fund drive earlier this year.

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#### Commission Approves Removal Of Bank Charter to Fairmont

THE State Commerce Commission The State Commerce Commerce That has approved the move by the Northrup Peoples State Bank to the community of Fairmont, approximately six miles from Northrup.

The bank's proposed name change, to State Bank of Fairmont, was also approved following a recent hearing.

As was reported in last month's NORTHWESTERN BANKER, petitions had been circulated in the Northrup vicinity in opposition to the application for permission to move the bank and to change its name.

The State Commerce Commission. before which the hearing was held, is composed of the commissioners of banking, insurance and securities.

The bank will move its charter to Fairmont where it will be located in the projected Madsen Shopping Cen-

Presenting the petition for the move and the change of name were Joseph

G. Horvei, executive vice president and cashier; Attorney Charles R. Zierke and members of the bank's board of directors.

All three Fairmont banks - Fairmont National Bank, First National Bank and Martin County National Bank - were represented by officers and attorneys opposed to the change. Their objections were based on the premise that current banking facilities in Fairmont are adequate for the community.

#### To Madison Lake Board

Ben Fasnacht, Madison Lake, has been named a new director of Peoples State Bank there. His father, the late John Fasnacht, was a member of the board for many years.

#### 20 Years in Ogilvie

The Ogilvie State Bank last month celebrated its 20th anniversary of service to the community and the surrounding area. A. Dan Fiala is president of the bank.

#### New Ulm Board Member

Donald J. Gollnast, vice president of Citizens State Bank, has been elected a director of the bank. He will complete the term of the late Elmer Backer. An employee of the bank for the past 16 years, Mr. Gollnast was promoted to cashier in 1960 and to vice president upon the retirement of Herb H. Prahl approximately two years ago.

#### Banker Replies When Council Suggests Bank

A resolution to investigate "the possibility of establishing another bank in the village of Rush City" by the village council has brought a rebuttal from H. R. Hommedal, Sr., president of the State Bank of Rush City.

According to the minutes of the meeting, the council was approached by residents of the community who felt there was "inadequate banking" in Rush City. The resolution said, "The Village

Council feels it would be for the economic benefit of the Rush City area to investigate the possibility of establishing another bank in the town."

According to Mr. Hommedal, no council member had approached him to investigate the bank's policies. He cited figures which reflected a growth from \$335,000 in loans and discounts in 1947 to \$1,412,000 at the present time. He said that, during the same period, deposits rose from \$2,384,000 to \$3,338,000. "It seems we're taking pretty good care of the community,' he commented.





JOHN HAVER







BEN HOLTDORF









R. M. McGREGOR

# LIVE STOCK NATIONAL BAN SIOUX CITY

# South Dakota NEWS

R. H. WALRATH

President

Watertown

R. W. TERWILLIGER

Secretary

Huron

#### State Banking Actions

The South Dakota Banking Commission, at its regular monthly meeting in November, approved a request for change of location for a detached drive-in facility for the Farmers and Merchants Bank of Watertown. The new location is at the corner of Highway 212 and Second Street S. W.

Approval was granted to the Minor County Bank, Howard, to amend its articles of incorporation to extend its corporate charter to February 15, 1986.

The First State Bank, Armour, was given approval to amend its articles of incorporation to operate branch banks. The application to operate a branch bank at Delmont will be acted upon at a hearing to be held December 16 at the office of the Superintendent of Banks.

#### New President at Pierre

Pictured here is Clarence E. Neu-



C. E. NEUHARTH

harth, whose election as president of the First National Bank of Pierre was reported in last month's issue. Mr. Neuharth had been executive vice president of First National since 1960. As president, he suc-

ceeds Lyle L. Branch, 80, who died recently.

#### Joins Yankton Bank

Delton Aasland has joined the staff of the First Dakota National Bank, Yankton, as a note teller. A native of Wilmot, he graduated from the University of South Dakota in 1958. He was employed by a Sioux Falls bank from 1958 to 1962 and from 1962 until 1965 he was employed by banks in





San Diego, California. Mr. Aasland's wife, Sara, is the daughter of Mr. and Mrs. Hugh C. Danforth. Mr. Danforth is vice president and cashier of the First Dakota National Bank.

#### Joins Bank in Salem

Ralph Dybdahl, a native of Volga, has joined the staff of the McCook County National Bank, Salem, according to Harvey Eichinger, executive vice president. Mr. Dybdahl came to Salem from Mitchell where, for the past five years, he had been loan manager for Associates Finance Company.

#### Former State Superintendent Yankton Vice President

The board of directors of the Valley State Bank of Yankton have announced that Oscar Brosz, Sioux Falls, has assumed the position of vice president of the bank. Mr. Brosz was formerly executive officer of the State Bank of Bellingham, Minn. From 1961 to 1965. Mr. Brosz served as South Dakota superintendent of banks.

#### Watertown Open House

Nearly 8,000 persons attended the Farmers and Merchants Bank of Watertown two-day open house party recently. The event marked the completion of a new bank building.

#### Tyndall Project Set

Plans to remodel and modernize the Security State Bank, Tyndall, have been revealed by Donald P. Laird, president of the bank. The project will include construction of a new doorway, night depository and new windows on two sides of the building.

#### To Sioux Falls Board

Robert W. Ode, Brandon, has been named to the advisory board of the Stock Yards Branch of Northwestern National Bank. For the past 13 years, Mr. Ode has been in a farm partnership with two brothers.

#### SBA-Banker Conferences

Nearly 100 South Dakota bankers attended Banker Small Business Administration Conferences in Sioux Falls and Rapid City recently. Principal speaker at the Sioux Falls conference was Tim Armstrong, loan specialist, and at the Rapid City meeting, George Saunders, area administrator, both from Denver.

The Sioux Falls meeting was opened with a welcome from Curtis Lovre, president, Northwestern National Bank, Charles Undlin, executive vice president of the First National Bank of the Black Hills, opened the Rapid City meeting, according to Gerald A. Bruget, loan specialist, Sioux Falls.

#### Sioux Falls Manager

Erling Haugo, president of Valley National Bank of Sioux Falls, has announced the election of H. G. Mosby



H. G. MOSBY

as manager of the New Park Ridge Branch of Valley National Bank and of R. C. Hersrud as manager of the Harrisburg Branch.

Mr. Mosby is vice president of Valley National and has been manager of the

Harrisburg Branch. His successor, Mr. Hersrud, is assistant cashier and has been in the main office of the bank for the past eight years.

#### Hot Springs Hits Mark

The American National Bank and Trust Company, Hot Springs, last month recorded deposits in excess of \$3 million, after five years in the community. The bank opened its Hot Springs Branch October 24, 1960.

#### Francis G. Hyde

Francis G. Hyde, 72, lifelong resident of Vermillion and former assistant cashier of the National Bank of South Dakota there, died recently. Mr. Hyde had been assistant cashier at the bank for 43 years prior to his retirement in 1958.

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#### Farewell Tribute for Gullickson

MORE than 200 bankers ended a one-day bank management seminar at Huron last month with a farewell tribute to A. S. (Barney) Gullickson, executive secretary of the association who retired effective December 1.

Mr. Gullickson was succeeded in the post by Roy W. Terwilliger, a native South Dakotan, who had previously served as secretary to the Greater South Dakota Association.

Mr. Gullickson, who has accepted a position as an assistant vice president of the First Bank Stock Corporation, where he will be in charge of public affairs, was the object of several compliments paid by R. H. Walrath. Watertown, president of the South Dakota Bankers Association.

Mr. Walrath paid tribute to the accomplishments of Mr. Gullickson's term and noted that both the association and the banking industry throughout the state were benefited by his leadership.

The association presented Mr. and Mrs. Gullickson with a monogrammed silver tray as a going away gift.

#### Sioux Falls Reception

An open house reception was held last month at the new Park Ridge branch of the Valley National Bank, Sioux Falls.

#### Harris Bank Promotions

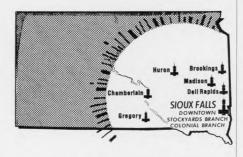
Harris Trust and Savings Bank, Chicago, has announced the appointment of eight new vice presidents and the addition of a planning officer.

The new vice presidents are: John R. R. Roser, international banking department; V. Scott Rice and George R. Slater, banking department; C. Russell Cooper, operations department; Preston T. Luney and Geoffrey W. Disston, investment department; James E. Mandler and William H. Spitler, trust department. All of the new vice presidents have been with the Harris as assistant vice presidents with the exception of Mr. Roser, who was with Empire Trust in New York as vice president and head of the foreign banking department.

Robert F. Rebeck, formerly with International Minerals & Chemical Corporation, is a new planning officer for the bank.

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of Progressive Banking in South Dakota



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ALVIN A. SCHOCK, President, Terrace Park Dairy, Sioux

Falls
CARL E. VOIGT, Sloux Falls
CARL E. WILSON, Chairman of the Board, Wilson
MAURICE B. WILSON, Sloux Falls

#### ORTHWESTERN NATIONAL BANK

SIOUX FALLS - DELL RAPIDS - BROOKINGS MADISON - HURON - CHAMBERLAIN GREGORY - STOCKYARDS - COLONIAL

#### Promoted at Northern Trust

Two officer promotions have been announced at the Northern Trust Company, Chicago.

Edward D. McGrew, officer in charge of the bond department, was appointed a senior vice president, and Ronald A. Palmer, an operating department officer, was named manager of the check processing division.

#### Bank of America Promotions

Peter M. Nelson has been promoted to vice president in the national division in Bank of America's San Francisco head office. A veteran of 10 years with the bank, he holds nationwide credit responsibilities in the construction, electronics and communications industries.

gitize Northwestern Banker, December, 1965 ps://fraser.stlouisfed.org

deral Reserve Bank of St. Louis

# North Dakota NEWS

GORDON H. WEBER

President

Lisbon

W. J. DANER

Secretary

Bismarck





#### **Hold Ag Credit Conference**

THE Fourth Annual North Dakota Bankers Association Agriculture Credit Conference was scheduled for Thursday and Friday, December 2 and 3, at Oak Manor Lodge, Fargo.

Among those featured on the program was Ted P. Axton, chairman of the American Bankers Association Agricultural Committee and president of the Lafayette Savings Bank, Lafayette, Indiana.

G. C. Anderson, chairman of the NDBA Agricultural Committee and executive vice president of The Bank of Tioga, presided at the conference. Also in attendance was Gordon Weber, president of the NDBA and president of the Farmers State Bank, Lisbon.

Warren F. Vaughan, vice president of Security Trust and Savings Bank, Billings, Montana, was also on the program to discuss the "Uniform Commercial Code in Farm Lending." The Code goes into effect in North Dakoto July 1, 1966. Mr. Vaughan was also a featured speaker, on the subject of the Code, at the NDBA annual convention earlier this year.

Fred Sobering, extension economist with North Dakota State University, discussed the "Outlook for Agriculture in North Dakota."

Guest speaker at the noon luncheon Friday was Senator Milton R. Young who considered "Federal Farm Legislation." The Friday afternoon session was devoted to a panel discussion of "Credit Problems of Farmers." Moderator of the panel was H. M. Holte. agricultural representative, Red River National Bank, Grand Forks. Members of the discussion group were the following: Roy H. Johnson, assistant vice president, Foster County State Bank, Carrington; Clark Jenkins, agriculture department manager, Merchants National Bank and Trust Company, Fargo; Ray Skorheim, assistant vice president, First National Bank, Minot; S. D. Jacobsen, president, First State Bank, Sharon; and Arden Burbidge, Park River farmer.

Presiding at the Friday evening banquet was Henry Ness, agricultural representative, Fargo National Bank. Chairman of the entire event was Warren DeKrey, assistant vice president, National Bank and Trust Company, Fargo.

#### Native Son to Return To Grand Forks Bank

H. F. Buegel, Jr., vice president of the Jamestown National Bank, Jamestown, has been named to succeed



H. F. BUEGEL, IR.

Lyle W. Anderson as vice president and a director of the Red River National Bank of Grand Forks. Mr. Buegel, a native of Grand Forks, was elected last month by the board of directors of the Red River National Bank.

Mr. Beugel attended grade and high school in Grand Forks and was graduated from the University of North Dakota with a degree in business administration in 1950. He joined the staff of the Red River National the same year and, in 1952, became cashier of the First State Bank, Cando. In 1954, he joined the staff of Jamestown National where he was to hold positions of assistant cashier and vice president.

#### Bank President Reports On Minot's Improved Crops

George M. Johnson, president of the First National Bank of Minot, last month reported to the directors of Northwest Bancorporation, parent holding company, that last August, before five weeks of extremely wet weather set in, it appeared that the dry land farm crop in the Minot vicinity would set new production records.

As it turned out, the crop was even better than anticipated.

Mr. Johnson credited the cool weather and tough stubble, which kept the mown grains high and relative dry, with preventing a major loss through sprouting.

"We were pretty pessimistic, but, in spite of the wet September, in our six-county area, the 1965 crop value is estimated at \$33.3 million. Income from the 1964 crop was \$27.9 million," Mr. Johnson reported.

#### Heads Hereford Association

Lorin Duemeland, veteran Hereford breeder and co-owner of Patterson Land Company, Bismarck, is the new



L. DUEMELAND

president of the American Hereford Association. Mr. Duemeland was elected at the organization's annual business meeting during the American Royal Livestock Show. "No greater honor in the cattle business

can come to a man than to be elected as an officer or director of this organization that represents the most popular beef cattle in the United States," Mr. Duemeland said.

Mr. Duemeland, 49, and his father, George, in 1937 purchased the Patterson interests in three ranches located in central North Dakota covering an area of 24,000 acres. The land is now owned by Mr. Duemeland and his son, Skip. They run a 300-head herd of registered Hereford cows and about 1,500 commercial Herefords.

#### Heads New York Office

Paul E. Balog has joined the New York office of the First Wisconsin National Bank of Milwaukee. The appointment was made to facilitate expanding operations of the bank's municipal bond department in eastern markets. The office in New York is located at 26 Broadway.

The bank also announced a new vice president in Milwaukee. He is James E. Liek in the home loan division.

#### Cooperstown Merger

The F.D.I.C. has approved an application for the Binford State Bank, Binford, to merge with Security Trust Company, Cooperstown, under charter of Binford State Bank with the title of Farmers and Merchants Bank in Cooperstown. Approval was also granted to change the location of the main office from Binford to Cooperstown and to convert the present main office of the Binford State Bank to a paying and receiving station.

Northwestern Banker, December, 1965

# Your man At the American!



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## Montana NEWS

C. H. BROCKSMITH

President

R. C. WALLACE

Secretary

William H. Williams William H. Williams, 62, former president of the First Chouteau County Bank, Fort Benton, died last month shortly after suffering a stroke.

Mr. Williams, who was born near Marysville, grew up in Helena and began his banking career there as a messenger for the Conrad bank at the age of 15 years.

In 1929, when the Helena banks merged, he became a teller for Montana Trust and Savings Bank and later was associated with the First National Bank. In 1932, he transferred to National Park Bank, Livingston.

From 1935 until 1941, he was cashier of the First National Bank in Miles City. He then became assistant cashier of the First National Bank in Great Falls and, 10 years later, accepted the presidency and managership of First Chouteau County Bank in Fort Benton. He held that position until his retirement in July, 1959.

#### Moves to Chester

Elmer Lindstrom, cashier of the Farmers and Merchants Bank, Rudyard, last month succeeded Bruce Miller as cashier of the Liberty Bank of Montana, Chester.

Mr. Miller, who had been cashier and second vice president of the Liberty Bank, was transferred to Chinook where he became managing officer of the Blaine Bank of Montana. Mr. Lindstrom had been cashier of the Rudyard bank since 1963. Prior to that time, he was with the Citizens Bank of Montana at Havre.

#### New Yellowstone Bank

The state banking department has approved a charter for the First Security Bank of West Yellowstone, ground has been broken for the construction of the new building and officials report that the bank will hopefully open for business in May or June, 1966.

The proposed bank will have a capital structure of not less than \$150,-

Incorporators of the institution are Joe G. Eagle, Eugene W. Cheatley, Calvin W. Dunbar and Donald J.





Heath, all of West Yellowstone, and Philip R. Sandquist of Bozeman.

The new bank will provide West Yellowstone with its first direct banking and will be the only bank adjacent to Yellowstone Park.

#### NABAC Meeting Held

The Glacier Conference of the Association for Bank Audit Control and Operation met Saturday, December 4, at the Holiday Inn in Great Falls. The meeting featured the following

Jack Dano, vice president, First National Bank of Great Falls. "What a Bank Examiner Looks for in Internal Controls"; R. T. Smith, president, First Madison Valley Bank, Ennis, "Problems in Starting a New Bank"; Norman Johnson, assistant vice president, Montana Bank of Great Falls, "Death of a Customer;" and an address concerning control by an agent of the Federal Bureau of Investigation.

A panel discussion was held following the scheduled speeches. Featured as the luncheon speaker was Richard B. Reinholtz, educational consultant for School District One in Great Falls.

#### **Head Canadian Regions**

The Canadian Imperial Bank of Commerce has announced the appointment of C. M. Laidley as regional general manager international at Toronto, and of R. D. Fullerton as regional general manager, Saskatchewan at Regina. Both men at times have been attached to the bank's New York agen-

#### Offers TV Commericals

The Foundation for Commercial Banks will offer "Full Service Bank" television commercials to banks for local cooperative campaigns as well as for individual use for the first time this year, Richard B. Beal, executive director, announced.

Two series of commercials are available under the plan and will be leased to banks on a first-come first-served basis. Rental rates and other information can be obtained from Foundation headquarters in Philadelphia.

# She Needs Your Love

Little Kim was abandoned by her mother in an alley of Seoul, Korea. She was found curled up behind a box, shivering, hungry and frightened.

Her G.I. father probably doesn't even know she exists. And since Kim is a mixedblood child, no relative will ever claim her.

Only your love can help give little Kim, and children just as needy, the privileges you would wish for your own child.

Through Christian Children's Fund you can sponsor one of these youngsters. We use the word sponsor to symbolize the bond of love that exists between you and the child.

The cost? Only \$10 a month. Your love is demonstrated in a practical way because your money helps with nourishing meals . . . medical care . . . warm clothing . . . education . . . understanding housemothers . . .

And in return you will receive your child's personal history, photograph, plus a description of the orphanage where your child lives. You can write and send packages. Your child will know who you are and will answer your letters. Correspondence is translated at our overseas offices.

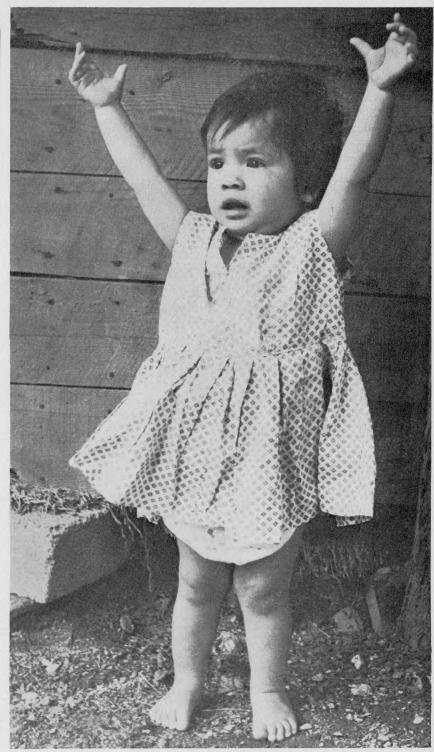
(If you want your child to have a special gift-a pair of shoes, a warm jacket, a fuzzy bear-you can send your check to our office, and the entire amount will be forwarded, along with your instructions.)

Will you help? Requests come from orphanages every day. And they are urgent. Children wrapping rags on their feet, school books years out of date, milk supplies exhausted, babies abandoned by unwed mothers.

Since 1938 thousands of American sponsors have found this to be an intimate, personto-person way of sharing their blessings with youngsters around the world.

Little Kim and children like her need your love-won't you help? Today?

Sponsors urgently needed for children in: India, Hong Kong, Korea, Japan, Formosa, Brazil.



Write today: Verbon E. Kemp

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I wish to sponsor a 🗆 boy (Country)_

☐ Choose a child who needs me most. I will pay \$10 a month (\$120 a year)

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"that's the bank for my money!"



DENVER U.S. CENTER Denver 17, Colorado



#### Colorado News

P. L. RICE Loveland President Colorado Bankers Assn.

#### Possible Denver Fed District

CREATION of a new Federal Reserve Bank district, with head-quarters in Denver, was reported last month to be a definite possibility by John W. Snyder, vice president in charge of the Denver branch of the Federal Reserve Bank of Kansas City.

The new building which will house the Denver branch is scheduled to be under construction early next year. Mr. Snyder disclosed that the building may be constructed to serve as a district headquarters.

While expansion of the Federal Reserve System's 12 present banking districts has been a topic of discussion for several years, nothing official has ever been announced and Mr. Snyder emphasized that such an expansion remains only a possibility.

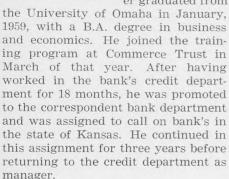
#### Echtermeyer to Denver

Don Echtermeyer, former assistant vice president and manager of the credit department of Commerce Trust Company, Kansas City, has been added to the staff of The Central Bank and Trust Company, Denver, according to

Max G. Brooks, chairman and president of Central.

Mr. Echtermeyer has been elected assistant vice president and assumed his new duties December 1.

D. H. ECHTERMEYER Mr. Echtermeyer er graduated from



A native of Omaha, Mr. Echter-

meyer is the son of Herb Echtermeyer, senior vice president of the Omaha National Bank. A brother, James R. Echtermeyer, is vice president of American State Bank, Yankton, S. D.

#### Durango Bank Hearing

Members of the Colorado Bank Board last month opened a hearing to determine whether Durango should have a third commercial banking institution. The hearing is on the application of the owners of the Turner Industrial Bank of Durango to convert the institution into a full-service commercial bank.

The move is opposed by the town's two other banks—the First National Bank of Durango, controlled by the well-known Pueblo banking family of William M. and Helen Thatcher White, and the Burns National Bank, whose president is Don F. Delano, Denver, former Central Bank vice president.

#### Wheat Ridge Appeal

A court decision, which ordered the Colorado banking commissioner to issue a charter to the proposed Wheat Ridge Bank, will be appealed to the state's supreme court, according to Harry Bloom, bank commissioner.

As was reported in last month's NORTHWESTERN BANKER, District Judge George G. Priest had claimed, in his ruling, that the board and former Banking Commissioner Frank Goldy had acted arbitrarily in denying the charter a year ago.

The proposed bank would be headed by Herman F. Feucht, retired senior vice president of the American National Bank, Denver.

#### New Bear Valley Bank

Ground breaking and construction began last month on The First National Bank of Bear Valley's new building. Part of the \$5.5 million expansion of Bear Valley Shopping Center, the bank building will be contemporary in design with a semi-formal circular theme featuring a colonnaded courtyard and pool.



Aksel Nielsen, pres., Mortgage Investments Co.; Douglas Johansen, James Sudler Associates; Gerald H. Phipps, pres., Gerald H. Phipps, Inc., and Thomas P. O'Rourke, exec. v.p. & cash., The First National Bank of Bear Valley, participate in groundbreaking ceremonies for the bank's new building.

The bank, an affiliate of The National Bank of Denver, opened in temporary quarters in the Bear Valley Shopping Center June 15, 1964. Thomas P. O'Rourke, vice president of The First of Denver, is executive vice president and cashier of The First of Bear Valley.

#### **Investment Bankers Elect**

Thomas P. Owen of Francis I. Du Pont & Company's Denver office, has been elected chairman of the Rocky Mountain Group of the Investment Bankers Association of America.

Mr. Owen succeeds Paul W. Gorham of the Denver office of Hornblower & Weeks-Hemphill, Noves.

J. William Sorensen, Boettcher & Company, was elected vice chairman; Richard Muir, Schwabacker & Company, Salt Lake City, was named vice chairman and James Coughlin, Coughlin & Company, was elected secretary-treasurer.

#### Reserve Bank Cashier

Dan S. Spencer, Jr., Omaha, was named last month as cashier of the Federal Reserve Bank's Denver branch.

Mr. Spencer succeeded Harvey L. Stempel who retired November 30. Succeeding Spencer is Robert D. Hamilton, now planning department manager at the Omaha branch.

Mr. Stempel joined the Denver branch when it opened in 1918 and had been cashier since 1952.

#### Honor and Promotion

Harley N. Patton, Jr., vice president of Central Bank and Trust Company, Denver, and head of the bank's installment loan department, has been appointed to the advisory board of the American Bankers Association installment credit committee for the 10th

Northwestern Banker, December, 1965

Federal Reserve District.

Dale Brooks, manager of the loan and discount department of the bank, has been elected an assistant cashier. A full-time employee of the bank since 1959, he will continue as manager of the loan and discount department.

#### To A.B.A. Committee

C. Joe Liller, senior vice president, The First National Bank of Denver, has been appointed chairman of the A.B.A. Mortgage Finance committee, according to Archie K. Davis, A.B.A. president.

#### Tidvall to Nevada

Preston E. Tidvall, a banking official for 25 years and a deputy Colorado bank commissioner for the past 10 years, has been appointed to the \$15,000-per-year position of superintendent of banks for Nevada with head-quarters in Carson City.

#### New Directors, Officers

Four new directors and five officers have been named by the Colorado State Bank of Denver, according to Elwood M. Kullgren, president.

The new directors, all added since the bank consolidated with Citizens Savings Bank October 15, include the former president of Citizens Savings, Ralph E. Nelson.

Others are Finlay M. Robinson, Richard E. Pate, Jr., and William Tempest.

Mr. Nelson was also named senior vice president and four additional former officers of Citizens Savings were named officers. They are: Robert S. Anderson, vice president; James K. Garrett and George R. McGeorge, assistant vice presidents, and W. Wayne Jackson, assistant cashier.

#### Two Englewood Officers

Robert Frank, president of the Englewood State Bank, Englewood, has announced the election of Roland Muhrer, 42, as vice president in charge of business development and Robert L. Casler as vice president in charge of the bank's newly-created real estate loan department.

Seek Academy Bank

Plans for opening a commercial bank at the U. S. Air Force Academy's community center were disclosed last month with the filing of an application for a national bank charter with the regional comptroller of the currency at Denver.

The proposed bank would be known as the Academy Exchange National Bank and would be an affiliate of the Exchange National Bank of Colorado Springs.



#### **Wyoming News**

R. L. FERRIL Buffalo President Wyoming Bankers Assn.

New Lovell Building

The First National Bank of Lovell moved into its new building at the corner of Nevada Avenue and Third Street last month. Five days later, to celebrate the move and the bank's nearly 60 years of growth, officials and employees were hosts at an open house.

Torrington Bank Gift

President A. C. Conger announced recently that the First National Bank of Torrington had donated a valuable business machine to the Goshen County Community College. The machine will be used to teach students the operation of a technical machine used in many business firms.

#### Advance Newcastle Officers

Elmer E. Mohl, president of the First State Bank of Newcastle, has announced the advancement of three of the bank's staff.

Andy Hansen, a veteran of 44 years in banking and 42 years with the First State Bank, was advanced from vice president to senior vice president; Robert E. Caudel, cashier, was named vice president and cashier, and Don Howell was elevated to the position of assistant cashier.

The bank also again sponsored the 4-H Leaders Banquet last month at Gulleys. Awards were presented to the 91 volunteer leaders by the Junior Leaders.

#### Named Pinedale Director

Donald W. Jewett has been elected a director of the First National Bank of Pinedale. Mr. Jewett, a resident of the area for 51 years, has been a rancher for the past 35 years and is president of the Jewett Land and Livestock Company.

#### Rawlins Bank Honored

The First National Bank of Rawlins has received an award honoring its efforts in promoting the Diamond Ju-

#### Buy Lamar Bank

Four Lamar businessmen have announced their purchase of controlling interest in the Valley State Bank of Lamar from the corporation which acquired it from James W. Egan and

bilee Year in Wyoming.

Among the promotions which earned the award for the bank was an open house birthday party, in conjunction with the bank's 75th anniversary, complete with 1890 costumes, a re-enactment of the delivery of the bank's charter and a huge diamond display piece which was later given to the state.

(A picture relative to the birthday celebration was featured on the cover of the August, 1965, issue of the Northwestern Banker.)

#### Bank Changes Charters

A recent announcement from the State Bank of Wheatland revealed that, effective January 1, 1966, the name of the bank would be changed to the First National Bank in Wheatland.

#### New Powell Bank

Construction was scheduled to begin last month on the American National Bank's new \$195,000 home in Powell.

A total of 240 days has been allowed for the contractor to complete the project, which would place the completion date for the new bank at July 15, 1966.

George Cooke, president, reported that the new structure will have 5,700 square feet of floor space on the ground level and will feature a full basement with a hospitality room which will seat approximately 125 persons. The new, fully-carpeted bank will feature a drive-in window and a separate insurance agency office.

#### To Gillette Board

E. W. Record has been elected a director of the Stockmens Bank of Gillette, according to Kenneth C. Naramore, bank president. Mr. Record has

#### WYOMING NEWS . . .

(Turn to page 76, please)

his associates in October, 1964.

Mr. Egan was named by a federal grand jury in the collapse of the Brighton National Bank.

The four are Leon C. Butler, Phil Gilbert, John Y. Brown and Terry Turner.

Northwestern Banker, December, 1965

ps://fraser.stlouisfed.org deral Reserve Bank of St. Louis

# This is The Salem National Bank and Trust Company of Salem, New Jersey



# This is their "office" **New York**





Mr. George L. Hill President and Trust Officer The Salem National Bank and Trust Company Salem, New Jersey

Like many banks of all sizes, The Salem National Bank and Trust Company of Salem, New Jersey, has a New York "office" through its correspondent relationship with First National City. Not only in New York but in 43 countries on 5 continents where First National City branches are

located, the experience and know-how of our staff are always ready to help The Salem National Bank and Trust Company serve its customers. How can your bank get these same benefits? Write or call our Correspondent Bank Department (212-559-4832) and we will be pleased to visit you.

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# of the Joys of the Season

the opportunity to express our thanks to our old and new friends for their loyalty and good will. We sincerely hope that we will have the opportunity to extend our help toward making the year ahead a most successful and prosperous one for you.

Season's Greetings from...











Ed Lyman Myse Phonelyte Jay Bardewick shower Aiken

and all of your other friends at the United States National Bank

# Nebraska NEWS

W. W. COOK, SR.

President

Beatrice

HARRIS V. OSTERBERG Exec. V.P. Omaha

#### **Charter Applications**

The application of W. W. Joekel of Lewiston to form the Lewiston State Bank in that town to replace a cooperative credit association has been denied by State Banking Director Henry E. Ley.

Mr. Ley held a hearing in Lincoln last month on another application. This one was for a state charter made by Gerald H. TeKolste, of Firth, to organize the State Bank of Firth. It would replace the Firth Cooperative Credit Association. The application was supported at the hearing by a Firth businessman who said he was a spokesman for other business people in the community.

An objection was filed by letter from W. R. Judah, president of First State Bank in neighboring Hickman. Both towns are in Lancaster County. Mr. Judah said Firth is adequately serviced for banking needs by his bank and those in Panama, Adams, Martell and Hallam.

Mr. Ley's decision is expected this month.

#### Joins Rising City Bank

John F. Bates has joined the Farmers State Bank of Rising City in an advisory capacity and has been elected assistant vice president, according to H. F. Garhan, president. Mr. Bates has been a Nebraska banker for many years. After a number of years of banking experience, he then served as a state bank examiner for 24 years. He resigned in 1955 to join the First National Bank of Omaha in the correspondent bank department. He retired from that post in 1960 and has been living in Rising City.

Silver Anniversary

Russell L. Harris, senior vice president of the First National Bank in Holdrege was presented a watch by L. J. Titus, president, upon the occasion of Mr. Harris' 25th anniversary with the bank. The presentation was made at a staff meeting honoring him on the occasion.

#### Heads Alliance Kiwanis

Don Lichty, vice president of the Guardian State Bank, Alliance, was





elected president of the Alliance Kiwanis Club for 1966. He will take office in January.

#### Open House at Holdrege

Residents of Holdrege and surrounding area were invited to open house at First Security Bank from 10 a.m. to 4 p.m., December 11. Out of town guests were entertained at dinner at the Elks Club in the evening.

President Ralph Misko said the open house was scheduled to afford the public an opportunity to tour the bank's new building and modern facilities. A drive-in addition is a feature of the new bank building.

#### Break Ground at Atkinson

Ground was broken last month for the construction of the new building to house the First National Bank in Atkinson. Turning the first shovel of dirt was Mrs. Hugh Birmingham, vice president of the bank, whose husband, the late Hugh Birmingham, was president of the bank for many years.

The new 45 by 75 foot building will have driftwood stone exterior walls. Completion date for the project is May 1, 1966. General contractors are Max Hamik and Roy Ries of Atkinson. Architect is Martin Aitken, Lincoln.

Norfolk Expansion

Work on the remodeling project undertaken by the DeLay First National Bank at Norfolk is progressing on schedule, according to B. M. DeLay, president. The building adjacent to the bank on Main Street has been taken over and is being remodeled completely, utilizing only the "shell" of the old building.

This portion of the project should be completed soon, reports Mr. DeLay, at which time the wall between the present bank and the new addition will be opened so both sides can be used while remodeling of the existing bank quarters can continue without interrupting the daily bank routine.

#### Start O'Neill Building

Work began early last month on the new building for the First National Bank of O'Neill. John Watson, president, said the structure will be one story, about 50 feet wide and 76 feet long, with full basement. A drive-up teller window will be installed at the rear of the building where a parking lot will be hard-surfaced.

The building exterior will have white precast concrete aggregate concrete with black granite base. Charcoal gray windows will have recessed lighting for a special night effect. A time and temperature sign will be installed on the corner of the new building.

Interior features will be six teller stations, two private offices, officer area, vault, two coupon booths and bookkeeping area on the main floor.

The building will be on the same location that the First National has occupied since it was established in 1884, according to Mr. Watson. He also announced that Abbott Construction Company of Salina, Kan., had been awarded the contract to erect the building. Architect is Martin Aitken, Lincoln.

#### On Kimball Advisory Board

Named to the board of the Bank of Kimball recently were Robert Sherred, George Haines and James Eamon, all of Kimball.

#### **Buys Oxford Bank**

Controlling interest in the Security State Bank at Oxford has been sold to Dan Huff, Ord implement and auto dealer, by J. P. Allen, Jr., president. Mr. Allen is retiring and he and Mrs. Allen will spend much of their time in Bermuda.

Mr. Huff succeeds Mr. Allen as president. Other staff members will continue in their present positions. Mr. Huff has been associated with International Harvester and Oldsmobile agencies in Ord, as well as an insurance agency there.

#### Open House at Aurora

The Farmers State Bank at Aurora held open house Saturday, December 11, so the people of the town and surrounding area could inspect the bank's new drive-in facility. W. Ed Coblentz, president, also announced that Mrs. Alyda Zehr and Mrs. Ethel Titman have been promoted to assistant cashiers.

#### Joins Norfolk Bank

Kenneth G. Nelson has been elected cashier of the National Bank of Norfolk. He has moved to Norfolk from Hoyt Lakes, Minn., where he was cashier of the First National Bank. Both banks are members of Northwest Bancorporation.

Northwestern Banker, December, 1965



LLSWORTH MOSER, 70, retired E chairman and president of the United States National Bank of Omaha, suffered a heart attack Thursday evening, November 25, at the Burlington railroad station in Omaha and was

> pronounced dead on arrival at Clarkson Hospital.

Mr. Moser had just returned from Lincoln where he saw the University of Nebraska football team complete its first undefeated football season



E. MOSER

since he helped do the same feat as an outstanding center in 1915.

Mr. Moser served with the U.S. National organization 32 years. He joined the staff of United States Trust Company in 1928 and this was later absorbed into United States National Bank. He was elected executive vice president and director in 1937. In January, 1949, he was advanced to the presidency and served in that position for 10 years, moving to the post of chairman of the board in December. 1959. He retired on August 31, 1960, at the age of 65. He continued until his death as a director of the bank and was still a member of the executive committee and directors' trust committee.

Following his retirement, Mr. Moser joined Harris, Upham & Company, Omaha investment firm, as manager of the investment department, continuing in that capacity until his sudden death.

Mr. Moser was a native of Oberlin, Kan. He moved to Omaha with his family in 1909, and completed school at Central High where he was allstate center. He then attended the University of Nebraska and was one of the Cornhuskers' all-time great centers on the football teams of 1914-1915.

His civic services in Omaha were legion. He was King of Ak-Sar-Ben in 1956. Another important task was serving as chairman of the correlating and finance committee of the first Mayor's Citywide Planning Committee, and steering and coordinating committee member of a succeeding Mayor's Planning and Development Committee. These early committees are credited with laving the groundwork for much of the business and industrial expansion that has accelerated Omaha's solid growth in post-World War II years.

Mr. Moser was a director of the Omaha Printing Company and the Chicago, Burlington and Quincy Rail-

He is survived by Mrs. Moser. The couple had no children.

The promotion of Gilbert J. McAllister to vice president of the United States National Bank of Omaha was announced last month by Edward W.

G. J. McALLISTER

Lyman, president. Mr. McAllister has been affiliated with the bank for 38 vears.

A native of Carroll, Iowa, he joined the bank as a messenger in 1927. He was first elected an officer in 1951,

and later was elected assistant vice president in 1956. Since that date, Mr. McAllister, who continues as manager of the bookkeeping department, took on greater responsibilities in bank operations, including a great deal of the work in implementation of U. S. National's electronics and automation program.

Donald J. Murphy, president of the South Omaha Stockyards National Bank, with the assistance of Miss Creighton, this year's Queen of Ak-Sar-Ben, presented to F. J. Chedsey of Coalmont, Colo., a trophy for the latter's exhibit of the Grand Champion Calves at Omaha's annual Calf Show. The calves averaged 436 pounds at \$48 for a pen of five.

As a service to the livestock industry and to help encourage breeding of superior cattle, each year's winner will receive a replica of the large trophy such as the one held here by Mr. Chedsey, winner of the show. The



Donald J. Murphy (right), pres. of South Omaha Stockyards Natl., and Miss Creighton, this year's Queen of Ak-Sar-Ben, present trophy to F. J. Chedsey.

large trophy will be on display in the lobby of the bank and will have each year's winner's name engraved on it.

Gregory Albert White, 52, became a four-time loser for committing major crimes when he was sentenced November 19 to 15 years in a Federal penitentiary for armed robbery of the First National Bank of Omaha.

The robbery was committed by the Chicago itinerant on Monday, November 15, when he thrust a gun at a woman teller in the bank and demanded the cash. He made off with \$18,000. but when he was arrested a few hours later he had only \$5,000 on him. He told the Federal District Court judge that he threw the other \$13,000 away while being chased, but he couldn't remember where.

A bonding firm reimbursed the First National for its loss.

The prisoner said he has served six years in Illinois and 12 years in Louisiana for armed robbery and 22 months in Colorado for burglary. The sentence imposed by the judge per-



The Omaha National Bank

itized for FRASER bs://fraser.stlouisfed.org deral Reserve Bank of St. Louis

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mits him to become eligible for parole before he has served five years.

Robert D. Hamilton has been promoted from manager of the planning department to assistant cashier of the Omaha branch of the Federal Reserve Bank of Kansas City. Mr. Hamilton



R. D. HAMILTON

D. S. SPENCER, JR.

succeeds Dan S. Spencer, Jr., who was elected cashier of the Denver branch of the Fed bank. In that post he replaces **Harvey L. Stempel**, who retired at Denver, November 30.

Hal F. Childs, vice president of Chiles and Company, Omaha investment firm, has been elected secretary and director in addition to his former duties. Mr. Childs has been with the firm six years and is widely known among Nebraskans. He has been a specialist in municipal bonds for many

At the Ames Plaza Bank, James L. Brumfield has been elected assistant cashier in the installment loan department and Robert Jacobson has been elected assistant cashier and auditor.

Mr. Brumfield formerly was with the Sidney National Bank at Sidney, Neb. Both banks are owned by the Brodkey family of Omaha. Mr. Jacobson previously was with the state banking department in Lincoln.

J. Cliff Rahel and Company, Omaha investment firm, moved last month from First National Bank building to 1605 Howard Street to a ground floor location in the corner of the Aquila Court building. Cliff R. Rahel, president, said the move affords the firm more room to accommodate a growing volume of business.

New lines and other services have been installed. The firm has branch offices in Lincoln, Council Bluffs and Sioux City.

Mr. Rahel also has announced that **John J. Bohrer** has joined the firm as senior vice president. Previously, Mr. Bohrer was vice president and secretary of Chiles and Company.

The First National Bank of Omaha has announced that March 24 has been selected as the date for its first annual "Chuck Wagon Roundup," to be held at the Ak-Sar-Ben sales pavilion. The event was first announced at the bank's recent Conference for Correspondent Banks by **Don R. Ostrand**, vice president in charge of the correspondent bank department.

Two Omaha bankers have been elected to the Omaha Chamber of Commerce board of directors. **Kermit R. Hansen**, vice president of the United States National Bank, was one of two

men elected to take office immediately filling vacancies on the board. **F. Phillips Giltner**, executive vice president of The First National Bank, was one of nine men elected to take office January 1 for three-year terms of service on the board.

Officials of the Southwest Bank of Omaha celebrated the bank's fourth birthday on December 4 by holding a grand opening of the bank's new building at 88th and Center Streets. It was located formerly two blocks further west at 90th Street. **Perry Francis**, president, said two lots north of the new building also were purchased by the bank for future expansion.

The one-story building features extensive use of glass. It has a basement bookeeping room. A drive-up teller window also is in use.

Mr. Francis said the move was necessary because the bank has grown about twice as well as had been hoped for, and now has assets of \$9,400,000. Eugene J. Zaloudek is vice president and cashier, and Don V. Newberg is assistant vice president.

#### Assumes NABW Office

Mrs. Amy Reiss, cashier of the Bruning State Bank at Bruning, formally assumed her office as president of the Nebraska group of the National Association of Bank Women at the recent NABW national convention. Mrs. Reiss had been elected to the office earlier at the Nebraska meeting which was reported previously in the NORTHWESTERN BANKER. The Nebraska group had 12 women bank officers present for the national meeting.

#### Start St. Paul Work

The St. Paul National Bank at St. Paul, Neb., has let contracts for its new building to Mid Plains Construction Company, Grand Island, for general contract work and to Preisendorf Plumbing, Grand Island, for all the plumbing work.

Work began immediately after contract signing early last month and completion is expected by June 1, 1966. The new building will feature drive-in banking and off-street parking.

#### Ag Man at Kearney Bank

Keith A. King has been appointed to the agricultural loan division of the Platte Valley State Bank, according to Wayne R. McKinney, executive vice president. Mr. King engages in general farming, hog finishing and cattle feeding through the Lazy K-4 Angus Cattle Company.

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#### Next 2 Years Good for Cattle

A BRIEF analysis of "The Cattle Situation" appearing in the November issue of *Corral*, published monthly for its correspondent banks by The Omaha National Bank, Omaha, provides interesting reading for all midwest bankers. This report, prepared by The Omaha National staff, follows:

"During the past several years, the total numbers of cattle in the United States have increased annually. Enough cattle will have been slaughtered during 1965 so that by this year end the numbers will probably be down as much as 1,500,000 head. Last year, cattle numbers totaled 106,915,000 head, and by the end of 1965 the numbers are expected to be approximately 105,415,000 head.

"For the year to date, cow slaughter is considerably ahead of that of a year ago. During the June-September period cow slaughter was up 31 per cent, and in October it increased 7 to 8 per cent. For the first time in many years, beef calf crop prospects for the year ahead are downward rather than upward. If imports are not increased and if slaughter of cattle during 1966 is down 1 per cent from that of 1965, the cattle numbers may be reduced to 104,355,000 by January 1, 1967.

"As of this writing, cattle continue to move to market at lighter weights than they did last year. Indications are that the numbers of fed cattle being marketed during the October-December period will increase about 6.1 per cent over the total for a like period in 1964. This increase should tend to hold weights down so that there should be no "weighty" supply of beef during the next few months. These two factors, together with a 12 per cent decrease in this year's pork supply, lead many operators to expect a substantial advance in fat cattle prices sometime during the next seven or eight months. In general, the next two years should be good ones for the industry.

"The building of additional packing plants throughout the country is continuing in spite of the anticipated reduction in numbers of cattle during 1966 and 1967. The pressures created by these additional plants could bring about an increase in packer cattle feeding."

#### Scottsbluff Bank Opens

Permission to commence operations of the newly-chartered Western National Bank of Scottsbluff was granted recently by the Comptroller of the Currency. It opened for business at 27th Street and Avenue C in the city.

President is H. D. Kosman, who is also president of Scottsbluff National Bank. Managing officer is Jack Selzer, executive vice president. Gary Hall is assistant vice president and cashier. Mr. Selzer has been with Scottsbluff National four and one-half years and has been assistant vice president and assistant trust officer there. Mr. Hall, who was with Scottsbluff

National for five years previously, left there to be vice president and cashier of the Farmers State Bank at Lyman, another bank affiliated with Scottsbluff National. He served three years at Lyman before joining the new Western National.

Grand opening for the bank is planned for this month. The building has 1,500 square feet of space and basement. A drive-up window has been provided in addition to other modern banking services.

#### 60 at NABAC Meeting

The Cornhusker Conference of NABAC met last month in Wahoo to hear Robert Guenzel, Lincoln attorney, discuss "The Uniform Commercial Code. There were 60 men from banks in South Central Nebraska at the meeting. Officers of the chapter are: Merlyn H. Hinderman, cashier of Gateway Bank, Lincoln, president; K. N. Barnard, cashier of Farmers & Merchants Bank, Milligan, secretary, and Ray J. Fiala, cashier of First National, Wahoo, treasurer.

#### Plan Opening at Elkhorn

The Bank of Elkhorn has moved into its new quarters and E. L. Peterson, executive vice president, announced that open house for the public was planned for some time in December after all interior furnishings are in place. Shortly before moving into the new building the bank was held up by a lone gunman, who made off with \$8,300.

#### Retires at Schuyler

Fred M. Mundil retired last month as vice president of Farmers & Merchants Bank at Schuyler. He joined the bank in 1905 when it was located at Linwood. It was moved to Schuyler in 1952.

Mr. Mundil was cashier of the bank until 1945, then served as president for the next 10 years. In 1955 he became vice president, the position he held until his retirement.

Harold Qualsett, president of Farmers & Merchants Bank, last month announced that Paul Johnston will join the bank December 31 as agricultural representative. Mr. Johnston had been Colfax County Extension Agent since 1959.

". . . and a

PROSPEROUS

New Year!"







John Van Horne

## Vam Morme

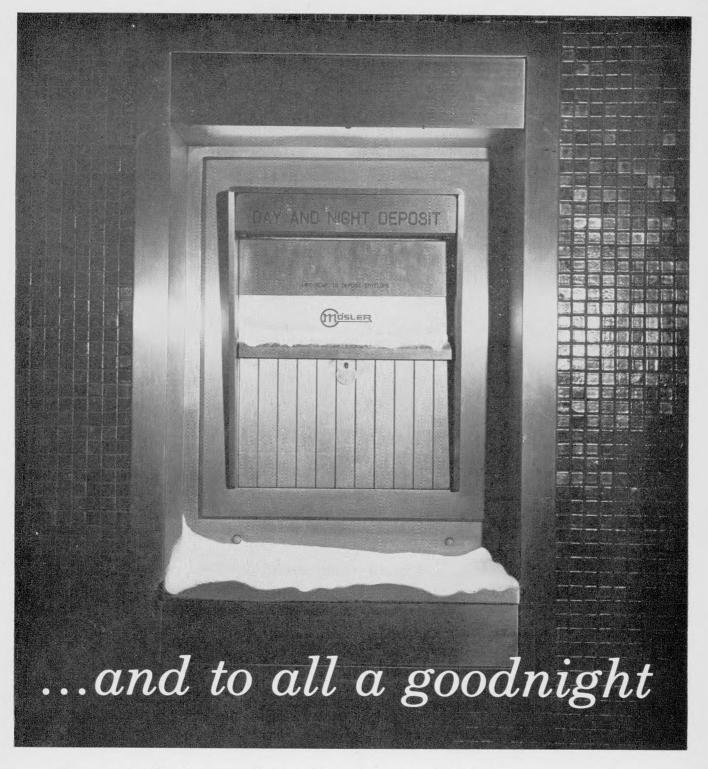
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#### James H. Pollock

A fishing trip by three friends ended in tragedy last month when James H. Pollock, 37, executive vice president of the Farmers National Bank at Pilger, and Dr. A. V. Brunke, 52, Plainview veterinarian, were declared by the coroner to have died from accidental drowning. Lone survivor of the boating accident, which occurred on the Missouri River near Niobrara, was Eldon Fox, 43, executive vice president of the Plainview National Bank.

After the boat swamped, Mr. Fox was washed up on a sandbar where he was found the next morning suffering from exhaustion.

Mr. Pollock also was vice president of the Plainview National Bank.

#### Joseph M. Rogers

Joseph M. Rogers, 70, who had been with the Schuyler State Bank in Schuyler for 52 years until his retirement last January 1, died last month. He was vice president at the time of his retirement. Mr. Rogers also had served as U. S. weather observer for 45 years.

#### Sponsors Pasture Clinic

As part of its 75th anniversary year, The First National Bank of Belden sponsored a Pasture Clinic last month that was attended by nearly 400 persons from northeast Nebraska. President G. E. Barks told those in attendance, "We in agriculture have improved our crops, but our pasture land remains 'forgotten areas.' The

bank sponsored this clinic in hopes that it will focus attention on the importance of productive pastures."

The program speakers then proceeded to carry out this hope. Master of ceremonies Dr. Dale Dlowerday, extension agronomist, also led a panel discussion that included audience participation in a question and answer period. Dr. Elvin F. Frolik, dean of the College of Agriculture and Home Economics at the University of Nebraska, spoke on the subject, "College of Agriculture at Our Doorstep."

Jim Wilson, a Polk farmer who is a strong advocate of native pastures, discussed, "Pasture Legumes and Grasses"

"Renovation of Unproductive Pastures" was the topic selected by Dr. Don Burzlaff, associate professor of agronomy on the University of Nebraska staff.

Dr. Walter R. Woods, professor of animal science at the university, had as his subject, "Growing Cattle on Pasture."

A luncheon was served by the bank following conclusion of the evening meeting.

#### St. Paul F & M Promotions

Four officers were promoted and one new officer elected by the directors of The St. Paul Fire and Marine Insurance Company, President Ronald M. Hubbs announced in St. Paul.

Advanced to vice president was Denver W. Swanson, head of the agency division.

In the bond department Ralph B. Clark was promoted to assistant vice

president; Walker Groetzinger to secretary; and James J. Mock elected an assistant secretary.

H. John Badenhoop, in charge of the property personal lines department, was made a secretary.

Just recently, following the retirement of Charles Taylor, Ralph Clark, formerly a secretary in charge of bond underwriting, was named to head the bond department. He has been with The St. Paul in its bond department since 1931.

#### Protect Credit Card Holders

American Express Company has announced that its more than 1,500,000 Credit Card Members are now protected by unlimited liability coverage against loss of the card, with a \$100 deductible provision, at no additional cost to the cardholders.

#### WYOMING NEWS . . .

(Continued from page 66)

been employed by the bank for the past two and one-half years and is a former prominent Gillette businessman and Campbell county rancher.

#### Special Meeting Called

Robert L. Ferril, president of the Wyoming Bankers Association, last month called a joint meeting of the executive council and the legislative committee in Casper to review progress made in the various W.B.A. programs initiated at the state convention and to discuss the feasibility of possible revision of the State Banking Code.

Soon after the convention, a committee from the association met with the governor and the state examiner to discuss the problems involved in the branching of Savings and Loan Associations. A member of the S&L League requested to be heard at the meeting and presented the case for the savings and loan associations.

Resolutions passed by the membership at the W.B.A. convention have been presented to the governor and the state examiner. Further steps to be taken were discussed at the special meeting in Casper.

#### Credit Conference Success

The Second Annual Installment Credit Conference held recently in Casper was hailed by those in attendance as an excellent meeting. Increased interest in the program was reflected by the fact that approximately 30 bankers took advantage of the conference.

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To you, whom we have had the privilege of serving . . . and to those of you whom we hope to serve in the future . . . we at the South Omaha Stockyards National Bank send all good wishes for the holiday season and for a happy and prosperous new year.



Member, Federal Deposit Insurance Corporation

N NOVEMBER, 1961, the Farmers State Bank in Elkhorn, Neb., conducted its first direct verification audit with the assistance of a firm of Certified Public Accountants. The bank's officers learned a great deal in the process, including the fact that customers were appreciative of the service.

Elkhorn, situated near Omaha, in the middle of the cattle feeding belt, has a bank which serves its cattle-feeder customers to the extent of approximately \$1.1 million in loans on its own books and an additional \$800,000 in overlines. Farmers State has deposits of approximately \$2.4 million. Its name has just been changed to Bank of Elkhorn.

According to Elmer L. Peterson, executive vice president of the bank, "The bulk of the loans are to cattle feeders and, as a result, are necessarily large loans to each borrower." It was this fact, he relates, which first sparked the idea for a "good audit" conducted apart from the bank and the bank's board of directors.

#### An External Audit

W. E. Moor, president of the bank, and Mr. Peterson felt that, although they could well have conducted such an audit themselves, it would not, under such an internal arrangement, "accomplish the end the state and federal authorities are now looking for"—an external, unbiased and complete audit which would give a true picture of the bank's position.

The Hanson Audit Company of Fremont, Neb., headed by James Hanson, was called in to make the necessary audit.

"The board of directors had felt for many years that an independent audit by outside auditors would be desirable from the point of view of prudent banking, but the matter had never gone past the 'talk about' stage," Mr. Peterson relates.

He recalls that the direct verification aspect had also been discussed by the board. "It was subsequently decided that this would be the only feasible manner in which a true audit could be accomplished," he says.

#### Coverage and Cost

Mr. Hanson and President Moor discussed the procedures to be followed in the proposed audit, with emphasis upon the cost to the bank.

It was decided, within the framework of the budget proposed for the project, that a spot check of 30 per cent of all the commercial loans, installment loans, individual demand deposits, time deposits and savings and all accounts of over \$30,000 would be audited by means of direct verification procedures.



## Getting the "Jump" On Direct Verification

This was to be accomplished by the auditors coming at an unannounced time, counting the vault and counter cash and listing all the books, such as the examiners do. However, the auditors would then choose the accounts, according to the percentages suggested, and ask that they be cut off and given to the auditors to be mailed directly to the corresponding customers. The results of the customers' investigations were to be mailed directly to the auditors in enclosed, addressed envelopes.

Mr. Peterson had prepared a letter in advance which explained the purpose of the audit and which contained the request for information. Corrections were to be noted by recipients and were mailed to the auditors. It was requested that all queries, whether corrected or not, be returned to the auditors.

The income accounts were also checked to see whether the correct amounts had been collected and to see that the proper distribution had been made of collections. Discrepancies were called to the attention of the managing officer and the checks were examined on the bank's microfilm and comparisons were made with book entries

#### Customer Problems

"Of course, there were some questions by our customers," Mr. Peterson says, "but they seemed to understand what was going on."

The one problem which did arise, due to customers' misunderstanding, came in the form of borrowers and depositors checking note balances and bank balances directly with the bank.

"If this had been done in volume," Mr. Peterson asserts, "the audit could, of course, break down completely."

However, those who entered the bank to make direct checks were a very small minority, Mr. Peterson says, and mention was made of the situation only as a matter of interest.

The response from bank customers was more than satisfactory by virtually any standard. Approximately 90



per cent of the queries mailed were returned to the auditors.

Started in November, 1961, the audit covered the period from January 1, 1961 through November 21 of the same year.

"There were no adverse comments from any of our customers," Mr. Peterson reports. "As a matter of fact, the bank was commended at many points for its action. Customers felt it was protection for themselves as depositors," he says.

#### A Very Long Stride

"While direct verification may not be the whole answer to proper bank audits, it was felt by our board that it represents a stride—a very long stride—in the proper direction," according to the executive vice president of Farmers State.

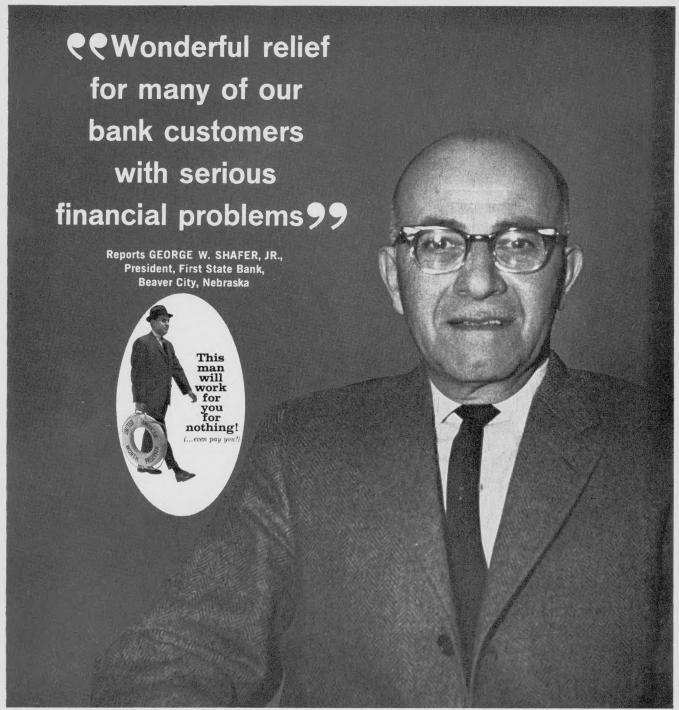
The cost, to a bank of relative size, varies from \$1,000 to \$1,500 for such a direct audit, according to Mr. Peterson, depending upon what is required of the auditors.

Subsequent study of the situation left the Farmers State board with the impression that the auditors could more effectively "take up where the examiners left off." It was felt that the money was well spent when consideration was given to the adverse publicity received by the banking industry in recent years. It was also felt that, for a bank the size of Farmers State, it was more economical to hire outside auditors rather than to hire a full-time auditor for the bank.

Future audits will be refined, particularly in the area of what is to be accomplished by the auditors, and

DIRECT VERIFICATION . . .

(Turn to page 80, please)



"My experience with United American Life's new 'Worth Preserver' Plan has been wonderful...giving so much relief to many of our depositors who had some serious financial problems. Excellent training enables United American specialists to work hand in hand with us, providing our institution with a really valuable service." Practical Midwestern bankers like George Shafer know that a service is only as good as the people who must make it work. And Mr. Shafer knows that the United American 'Worth Preserver' Plan works well for his bank! It can for yours, too...offering an entirely new and helpful financial tool to depositors, while at the same time creating a significant new source of revenue. Our people handle the work—nothing extra for you to do. Yet you pay nothing for this service, nor do your customers. We pay you! Learn more about this great new participating profit opportunity from one of our experienced bank plan specialists. Write or wire Mr. W. W. Wilson, Jr., or call collect now: (Area Code 303) 825-1331.

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Northwestern Banker, December, 1965

#### Floyd A. Hansen

Funeral services were held in Hastings last month for Floyd A. Hansen, 67, president of the City National Bank of Hastings.

A native of Mapleton, Iowa, Mr. Hansen first started in banking as bookkeeper with Farmers State Bank in Brush, Colo. In 1914 he helped organize City National in Hastings, becoming cashier at that time. In later years he served as executive vice president, then was president from January, 1960, until his death.

Surviving are Mrs. Hansen and two sons, Donald Hansen, president of Security National Bank in Superior, Neb., and Robert Hansen, president of First National Bank in Wray, Colo.

#### Officer Changes at Lyman

Carroll Couch has been elected vice president and managing officer of the Farmers State Bank at Lyman. Jerry R. Wharton has been advanced from assistant cashier to cashier. They succeed G. W. Hall, who was vice president and cashier. Mr. Hall has moved to Scottsbluff to be cashier of the new Western National Bank. H. D. Kosman is president of both banks.

#### **Retires From Security First**

Arthur M. Gaines, vice president of Security First National Bank's head office banking department in Los Angeles, retires at the end of this month to conclude a banking career of more than 44 years.

The veteran bank official started in banking as a messenger in 1921. In the years that followed he managed the transit and collections departments and was appointed assistant vice president in 1948. He was elected vice president in 1952 and in 1960 helped merge the bank's Fifth and Spring and Sixth and Spring offices into what is now Security's head office banking department, Los Angeles.

Mr. Gaines was born in Newport, Neb., and moved to Los Angeles in 1919. He graduated from Loyola High

#### At Trust Meeting



GREETING — Undersecretary of the Treasury Frederick L. Deming (right) is greeted before addressing the 34th Mid-Continent Trust Conference in St. Louis last month by Hugh A. Logan (left), conference chairman, and vice president and secretary, St. Louis Union Trust Company, St. Louis, and William A. McDonnell, chairman of the finance committee, St. Louis-San Francisco Railway Company, who introduced the speaker.

School and attended Loyola University and Creighton University in Omaha, Neb. He furthered his banking education by attending AIB, receiving a standard certificate.

#### Chase Plans Purchase of Diners Club, Inc.

Directors of Chase, Manhattan Bank NA and Diners' Club, Inc., last month approved "a memorandum of intention" under which the bank would purchase all the credit card firm's stock at \$33.50 a share—a \$56.5 million transaction.

For the 1,685,731 shares of Diners' Club stock, Chase agreed in a memorandum to pay the total cash price of approximately \$56.5 million, a bank spokesman said.

#### **Heads Mortgage Bankers**

Ewart W. Goodwin, president, Percy H. Goodwin Company, San Diego, Calif., was elected president of the Mortgage Bankers Association of America at the third general session of the Association's 52nd annual convention held in Chicago. He succeeds C. C. Cameron, president, Cameron-Brown Company, Raleigh, N. C., as head of the 2,000-member association.

#### **Vote Stock Dividend**

National Bouelvard Bank of Chicago shareholders have ratified a proposal authorizing a 25 per cent stock dividend through the issuance of 25,000 additional shares and the transfer of \$500,000 from undivided profits to the capital stock account. This action is subject to approval of the Comptroller of the Currency.

President Irving Seaman, Jr., explained that upon distribution of the dividend, the bank will have capital and surplus totaling \$8,000,000.

#### **Predict Record Earnings**

Ray R. Eppert, president, Burroughs Corporation, said recently that "1965 after tax profits will be at least 50 per cent greater than last year," amending an earlier prediction that earnings would be 40 per cent ahead of 1964.

"Net earnings will be in excess of \$15 million and will exceed by a substantial margin any previous profit record in the Corporation's long history," he said.

#### DIRECT VERIFICATION .

(Continued from page 78)

costs, it is expected, will be correspondingly trimmed. It was also determined that more should be asked of the auditors in regard to checking of stocks and cash values of collateral held as security for some credit.

In addition, "verification of vault and counter cash, along with listing of bank books, may be an unnecessary chore for the auditors, as this is done by examiners," Mr. Peterson says. The time spent in such activity may be better spent in checking a higher percentage of accounts by means of direct verification, he suggests.

#### Long Way to Go

"We realize that we have a long way to go as far as audits are conerned," Mr. Peterson notes, "particularly in the area of economical procedures which will make such audits feasible for more banks. It is just a matter of time before many unnecessary items can be safely left out of the audit. The threat of an audit is really quite a deterrent to defalcation and probably serves that purpose effectively," Mr. Peterson suggests.

In conclusion, Mr. Peterson says that it is the bank's feeling that an outside audit with direct verification is worth the cost and serves the needs of prudent bankers. "We plan to continue this method until we discover a more efficient method or until someone comes up with a better idea," he says.—End.

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## At Christmas

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#### Iowa NEWS

E. H. SPETMAN, JR. President Council Bluffs

FRANK WARNER

Secretary

Des Moines

**DeWitt Bank Application** 

A group of five persons last month applied for a charter to form a new state bank at DeWitt. The organizers are Ted George, Rex Peters, E. A. Ellingsen, Everett Rogers and John R. Crowley.

Mr. Crowley recently resigned as assistant cashier at DeWitt Bank & Trust, where he had been employed

for 15 years.

Mt. Pleasant Drive-In

Official opening of the new drive-in facility of Mt. Pleasant Bank and Trust was held recently.

#### Joins Mason City Bank

John M. Powell, Clear Lake attorney, has been elected vice president and trust officer of the First National Bank, Mason City.

Mr. Powell, who will continue to make his home in Clear Lake, for the past nine years has been a partner in the law firm of Sondrol and Powell. He first began the practice of law in 1938 when he was associated with Bourke B. Hickenlooper. Following World War II, he practiced law in Tipton until 1956 when he joined Thorkel Sondrol, Jr. in the Clear Lake law partnership.

He is a past director of the Community National Bank in Clear Lake.

#### Pancakes for 86th Birthday

Approximately 600 persons were served pancakes at the First State Bank, Diagonal, last month in honor of the 86th birthday of J. I. Roberts, chairman of the board. Mr. Roberts, who had been confined to his home prior to the event, went to the bank during the afternoon where he greeted guests in attendance.

#### Change Office Address

The Des Moines office address of the St. Paul Terminal Warehouse Company has been changed to Room 617-620, Empire Building, West 6th and Walnut streets, Des Moines.

#### Accountants Ask Ban

The Accountants Association of Iowa, meeting in Des Moines last





month, has urged support of a bill in Congress prohibiting banks from offering professional accounting services.

A resolution adopted at the group's convention objected to banks performing "clerical, administrative, bookkeeping, statistical, accounting and other similar services."

#### Christmas Clubs

Clear Lake Bank and Trust Company, Clear Lake, reports that Christmas Club checks at the bank totaled more than \$40,000. City State Bank, Ogden, reported checks totaling \$11,000 were mailed last month.

#### Plan Fort Dodge Building

New banking facilities, featuring a TV motor bank, will be constructed by The State Bank, Fort Dodge. Contracts have been awarded, work on the site is underway and completion is anticipated by September, 1966.

An added feature will be a 46-foot pylon tower bearing a large, illuminated weather ball.

#### Trust Powers Approved

Application for consent to exercise trust powers have been approved by the F.D.I.C. for the Iowa State Savings Bank, Clinton.

#### **Annual Feeders Meeting**

The 1965 convention and business meeting of the Iowa Livestock Feeders Association was scheduled for



John Hejinian, a.v.p., Chase Manhattan, holds scissors he used to cut the ribbon officially opening the new home of Citizens Savings Bank, Anamosa. Also on hand for the ceremony were Anamosa Mayor Henry Furino (center) and E. J. Buresh (right), pres., Citizens Savings. Mr. Hejinian's father, Dr. A. G. Hejinian, was formerly a president of the bank.

Tuesday and Wednesday, December 7 and 8, in Des Moines. Ervin J. Burrack, Arlington, is president of the organization.

#### Insurance Organizer

Sam B. McHose, president of the Nevada National Bank, Nevada, is one of several organizers of the Iowa Surety Company, Des Moines, incorporated last summer as a casualty insurance company for underwriting fidelity and surety bonds in Iowa. The firm is offering 320,000 shares of its stock to Iowans at \$3 per share to raise \$864,000 in new funds after payment of commissions.

#### Peter Huendling

Peter Huendling, 78, a director of the Breda Savings Bank, died recently in a Sioux City hospital where he had been a patient for approximately one week following a stroke.

#### To Davenport Bank

Gerald R. Waters, 31, formerly associated with Burroughs Corporation, has accepted a newly-created post in the correspondent division of Davenport Bank & Trust Company.

His duties will revolve around a newly-installed computer system and its automated service to the bank's customers.

#### Fort Dodge Trailer

A trailer bank service was opened recently by the First National Bank, Fort Dodge, according to Earl J. Underbrink, president. The trailer is located at an intersection near the entrance to the Crossroads Shopping Center. The trailer will be used until the new First National Plaza building is completed approximately a year from now.

#### Plan Fairfield Drive-In

Fairfield's first drive-in bank facility will be completed and open to the public by mid-summer, 1966, according to officials of the Iowa State Bank and Trust Company there.

Three residential buildings must be removed to make room for the improvement, according to Ralph Eastburn, president of the bank.

#### Approve Stock Dividend

First Bank of Brighton stockholders have taken action making possible a one-for-five stock dividend. Stockholders will receive one new share for each five held and the total outstanding will be raised to 12,000 from 10,000 shares.

Northwestern Banker, December, 1965

#### **Spencer Facility Completed**



PARKING LOT OFFICE recently opened by the Clay County National Bank, Spencer, was designed and constructed by LeFebure Corp., Cedar Rapids.

#### To Solon Bank

Donald Erusha, executive vice president of the Chelsea Savings Bank, has transferred to Solon State Bank, where he has become active in the management of that institution. Mr. Erusha and his father, M. C. Erusha, have interests in both banks.

#### To Chelsea Bank

William J. Beohm has been named vice president of the Chelsea Savings Bank, succeeding Donald Erusha, who recently moved to the Solon State Bank. Mr. Beohm had been cashier of the Citizens State Bank, Hopkinton, in the bank's Ryan office.

#### Named Bank Cashier

Hollyce L. Loop has been named cashier of the Citizens State Bank, Hopkinton, succeeding William J. Boehm, who became vice president of the Chelsea Savings Bank, Chelsea.

#### Storm Lake Display

A total of nearly 100 entries was made in last month's annual art display at the Commercial Trust & Savings Bank, Storm Lake. The display included paintings, drawings and ceramic articles.

#### Mrs. Geiger Owes \$183,000

Mrs. Burnice I. Geiger owes the government \$183,732 in taxes on a portion of the \$2 million she emblezzled from the Sheldon National Bank, according to a recent U. S. Court of Appeals ruling.

#### Name Trip Winners

Four youths were named by Lyon County State Bank, Rock Rapids, as winners of the bank's 14th annual International Livestock show trip last month. Winners of the trips each year are those who have been outstanding in various livestock, poultry and

homemaking projects. Winners of the trip are chosen by a special county-wide committee.

#### Honor Area Farmers

The Crawford County Bankers Association last month sponsored a dinner meeting at which the group honored four Crawford county farmers for their terrace building activities during 1965. Savings bonds were awarded to the four winners for their achievements.

#### Joins Land Bank

The resignation of Jon G. Billhorn as assistant cashier of the Farmers and Merchants Savings Bank, Manchester, was accepted, "with regret," by the bank's board of directors last month.

Mr. Billhorn, associated with the bank since his graduation from Iowa State University in 1960, has joined the Federal Land Bank as a fieldman.

#### Install Drive-In

The Farmers Savings Bank, Beaman, has installed an auto drive-in window. Work on the driveway was nearly completed last month and officials hoped to open the window for business shortly, weather permitting.

#### Special Code Session

Union Bank and Trust Company, Ottumwa, sponsored a special session on the Uniform Commercial Code for approximately 100 bankers in southwest Iowa December 8. The meeting began with a social hour and dinner and ended with presentations by two speakers concerning the Code.

#### To Cherokee Bank

Don Peterson, 40, formerly associated with Valley Finance Company, LeMars, has been named as an addition to the staff of Central Trust and Savings Bank in Cherokee.

#### **Dallas Center Forum**

Dr. Neil Harl, associate professor of economics at Iowa State University, Ames, and an attorney, discussed wills and estate planning at a forum sponsored last month by the Brenton State Bank, Dallas Center.

#### John B. Simon

John B. Simon, 82, Farley, died recently in Dubuque following a short illness. Mr. Simon was vice president of the Farley State Bank for the past 10 years and served on the bank's board of directors for 25 years. He had been associated with the bank for 50 years.

#### New Monticello Building

The Monticello State Bank last month sponsored a ground-breaking celebration in conjunction with the beginning of construction for the new Schultz Brothers store in Monticello. The bank is the owner of the new building.

#### New Winthrop Bank

Peoples State Bank, Winthrop, will construct a new bank building to be completed July 1, 1966, according to Ted James, cashier. The site will be determined at a later date.

#### Bank Open House

Open house was held last month by officers and directors of the Peoples Trust and Savings Bank, Riverside, in celebration of completion of the bank's new building. Don Kirchner, vice president and cashier, designed the building.

Ray Marner, Wellman, is president of the bank.

#### To Federation Post

John R. Martin, vice president, Forest City Bank and Trust Company, Forest City, has been appointed chairman of the Forest City chapter of the National Federation of Independent Business, according to Merle Sander, district manager of the federation.

#### Data Processing Seminar

Security National Bank, Sioux City, last month held a Data Processing Seminar to explain the services available to correspondent banks in the institution's Computer Service Center. Visiting bankers were given a demonstration in the Center of the actual transmission of a correspondent bank's demand deposit transactions performed by the computer. More than 100 bankers, representing more than 60 area banks, attended the seminar.

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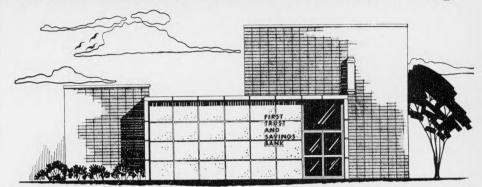
# The NATIONAL BANK OF WATERLOO 110 EAST PARK AVENUE WATERLOO, IOWA

PHONE 235-0331 (Area Code 319)



Federal Deposit Insurance Corporation Federal Reserve System

#### Plan Wheatland Bank Building



NEW BUILDING to be constructed by First Trust and Savings Bank, Wheatland.

#### Celebrate 40 Years

First State Bank, Rockford, recently celebrated its 40th anniversary of service. T. Edward Batty is president of the institution.

#### Indianola Assistant Cashier

Don Russell has been named assistant cashier by the board of directors of the Peoples Trust and Savings Bank, Indianola. Mr. Russell joined the bank in January, 1964. He now assumes additional duties in the loan department.

#### Melbourne 60th Anniversary

Melbourne Savings Bank last month celebrated the completion of both its new banking facilities and completion of 60 years of service to the community with an open house.

The bank first opened May 2, 1905 with a capital structure of \$11,000. Since 1920, the bank had done business in a brick structure on the east side of Main street. The new 40 x 74-foot building is of modern design, in a combination of brick and glass.

#### Uniform Code Workshop

The Toy National Bank, Sioux City, last month held a special workshop, centering around the Uniform Commercial Code, for its Iowa correspondent banks.

Collin W. Fritz, vice president and trust officer, Jasper County Savings Bank, Newton, and U. H. Bunkers, vice president and trust officer of the Toy, spoke to the group of approximately 125 bankers after they were welcomed by J. William Van Dyke, chairman of the board, and Carleton

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C. Van Dyke, president. Following the program, the bankers were guests of the Toy at a social hour and buffet dinner.

#### Harry Schaller Re-elected

Franklin J. Lunding, chairman of the board of the Federal Reserve Bank of Chicago, has announced that Harry W. Schaller, president, The Citizens First National Bank of Storm Lake, has been re-elected a Class A director of the Federal Reserve Bank of Chicago.

Joseph O. Waymire, vice president and treasurer, Eli Lilly and Company, Indianapolis, was elected a Class B director succeeding William A. Hanley.

#### James E. Gibney

James E. Gibney, 72, president of the Watkins Savings Bank, died recently in Cedar Rapids following a lengthy illness. He had farmed in the Benton county area for 50 years and had been a committeeman for the county A.S.C.S. for 26 years.

#### Offers Savings Bonds

The First National Bank of Council Bluffs last month began offering its customers First Savings Bonds bearing 4½ per cent interest. The negotiable bank notes guarantee this interest for five years, according to Dale Ball, president. He said bonds held for the full five years could collect 25.1 per cent interest compounded on a quarterly basis.

Mr. Ball said the bonds are being offered to attract additional funds into the bank so they can be loaned to augment the present \$19 million Ioan total carried by First National.

YOUR STATE BANKERS ASSOCIATION OFFICIAL SAFE, VAULT AND TIMELOCK EXPERTS

F. E. DAVENPORT & CO. OMAHA



### Chicago: No. 1 face-lifter

(another good reason for a banking connection with the Harris)

You haven't seen Chicago if you haven't seen it lately. More than \$436 million have gone into new business buildings in the city and its suburbs in the past three years.

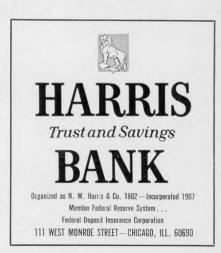
And Chicago keeps on changing. It leads the nation in value of commercial construction planned for the future.

tion planned for the future.

This kind of investment tells you something about the commercial, industrial, financial and even cultural health of this great city.

Let the Harris be your correspondent in Chicago. We're a banker's bank. We'll make available our wide experience and resources to you—international banking, overloans, bonds, portfolio counseling—and many other services.

The next time the Harris man comes to call, let him show you some of the ways we help our correspondents. Or you can drop us a line. And when you're in the Loop, come in and see us.



#### I.B.A. Tax School



INTERNAL REVENUE representatives were on hand for the two-day 18th Annual Iowa Bankers Association Tax School conducted last month in Des Moines. More than 300 persons registered for the school, resulting in full sessions throughout. Left to right are: Donald A. Ogren, Internal Revenue agent; Paul J. Powers, chief audit division, Internal Revenue Service, and Milton C. Bardon, Internal Revenue agent-instructor. Ed H. Spetman, Jr., pres., Council Bluffs Savings and pres., I.B.A., presided at the first day's sessions.

#### **Denison Investment Seminar**

Crawford County Trust & Savings Bank, Denison, has completed a series of sessions dealing with common stocks as an investment medium and has begun a second series of the sessions to run through November and December, according to T. P. Feddersen, president.

Mr. Feddersen reported that, with the organization of Iowa Beef Packers, many residents had their first experience as investors. "We recognized the need," he said, "to serve the citizens of the area in a unique manner by sponsoring an investment seminar."

The strictly educational programs were conducted in a series of six meetings on consecutive Tuesdays from 7 to 9 p.m. Average attendance at the first series of meetings, last spring, was 55 to 60 persons. Hugh W. Morris, Sioux Falls, a representative of J. M. Dain & Company, conducted the classes.

#### Mason City Ag Rep

Gary A. Hermann has joined the First National Bank, Mason City, as an agricultural representative. A graduate of Iowa State University, Mr. Hermann began his business career with the Swea City State Bank in August, 1961. In June, 1964, he joined the Eastern Iowa Production Credit Association office where he was responsible for agricultural loan services.

#### **Predict Mortgage Increase**

Housing starts should show a moderate increase during 1966 following a decline this year, Continental Illinois National Bank and Trust Company predicted in Chicago.

Writing in its publication, *Continental Comment*, the bank said most of the existing oversupply, which caused this year's decrease has been worked off, and strong demand will cause a rise next year.

Financing for new home mortgages remains plentiful, the bank said, but mortgage rates may increase in the months ahead. The nationwide rate for all conventional mortgages was 5.76 per cent in August, down from a high of 5.92 per cent in 1964, but up slightly from a low of 5.72 per cent in March



#### Attends School



ONE OF THE 90 senior level commercial bank executives who attended the 7th annual Commercial Bank Management Program last month at Columbia University's Graduate School of Business in New York was Gregory W. Corken (left), v.p. of Dubuque Bank and Trust Company, Dubuque, Iowa. He is pictured with Dr. Robert P. Shay, director of the program.

#### 50 Years of Service

An open house last month at the Alton Savings Bank, Alton, marked the completion of the bank's first 50 years in business. The Golden Anniversary open house was held in conjunction with the completion of an extensive interior remodeling project.

Earl S. Kiernan is president of the bank and Max Kiernan is vice president and cashier.

#### Joseph Welman, Jr. Joins St. Louis Bank

Joseph C. Welman, Jr., has been elected a vice president of the First National Bank in St. Louis. He will be in the commercial banking department.

Mr. Welman has been serving as assistant chief examiner in the eighth district of the Federal Reserve in St. Louis. He is the son of Joseph Welman, president of the Bank of Kennett, Mo., and former president of the American Bankers Association.

#### Offers First Savings Bonds

The First National Bank of Council Bluffs is offering investors 4½ per cent First Savings Bonds.

According to Dale Ball, president, the bonds are 4½ per cent negotiable bank notes which guarantee this interest for a period of five years.

#### H. G. Haug

Funeral services were held Saturday, December 4 for H. G. Haug, president, Citizens Savings Bank, Spillville. He had served the bank for many years as president on an inactive basis.



Wishing You a Merry Christmas and a Happy New Year

Som Lorn

John Diefenloof

Done Hagen

and all of us at



SECURITY NATIONAL BANK

6TH AND PIERCE STREETS

SIOUX CITY, IOWA

MEMBER F.D.I.C.

Northwestern Banker, December, 1965

#### Commercial Code . . .

(Continued from page 33)

ceeds. To my knowledge this section of the Code is as yet untested. However, if court decisions follow the line presently established with reference to the Code, this section should hold and will greatly simplify the secured parties' position with reference to this type of lending.

With reference to after-acquired property, Section 9-108 of the Code specifically gives us the right to take after-acquired property as collateral. However, I would like to point out that after-acquired property may not stand as collateral for prior debt if bankruptcy comes into play.

One of the biggest headaches to the banking fraternity in years gone by has been the problem of commingled or processed goods which had been previously pledged as collateral. Section 9-315 of the Code sets forth the following:

If the security interest in goods was perfected and subsequently the goods or a part thereof have become part of a product or mass, the security interest continues in the product or mass provided the Financing Statement covers "products." Under comment concerning this section reference is made to the hypothetical case where the secured party has a security interest in flour which eventually is commingled with eggs, sugar, etc., into cake mix. This comment goes on to say that the law treats all interest equal in priority and that each is entitled to share rateably in the product (cake mix).

A great deal of confusion has arisen in the past with reference to certain liens for services or materials. Section 9-310 of the Code deals with the situations and says, "When a person in the ordinary course of his business furnishes services or material with respect to goods subject to a security interest, a lien upon goods in the possession of such person given by statute or rule of law for such materials or services takes priority over a perfected security interest. Please note that one of the key words in this section is possession. The general interpretation of this section seems to be that the supplier of materials or labor would have a prior lien to our security interest in an item provided he maintains possession of the item.

#### Rights to Collateral

Section 9-503 of the Code says that unless otherwise agreed a secured party on default has the right to take possession of the collateral and may so proceed without judicial process if this can be done without breach of the peace. This section also says that if the Security Agreement so provides the secured party may require the debtor to assemble the collateral and make it available to the secured party at a place to be designated by the secured party provided the place is reasonably convenient to both parties.

Section 9-504 says that a secured party after default may sell, lease, or otherwise dispose of any or all of the collateral in its then condition or following any commercially reasonable preparation or processing and that any sale of goods is subject to reasonable expenses of retaking, holding, preparing for sale, and selling.

Section 9-506 deals with the debtor's right to redeem collateral. According to this section the debtor may at any time before the secured party has disposed of the collateral or entered into a contract for its disposition redeem said collateral by tendering fulfillment of all obligations secured by the collateral as well as expenses reasonably incurred by the secured party including reasonable attorney's fees and expenses. This same right is also granted to any other secured party who is interested in the collateral.

#### Contents

Because of space limitation I have confined this presentation to secured transactions and completion of the forms required. However, the Code contains many benefits in other areas and certainly deserves close study.

In my work with the Code up to this point I have not as yet found a single place in which I feel that the banking industry has lost any ground whatsoever. With this thought in mind I believe the banking industry should welcome the Code with open arms and take whatever time is necessary to learn the simple mechanics necessary to do our jobs properly within the framework of the Code.

Acceptance and proper use of the Code opens the doors on a whole new world of collateralized lending. To the drafters of the Code should go our unreserved thanks.—End.

#### Opens Vienna Branch

The Bank of America opened its Vienna branch last month and became the first American commercial bank with facilities in Austria. It is the bank's eighth branch in Europe.



Makes it much easier for you to convert your accounts into buying their own checks.

Ask our salesman about this plan.

## United States Check Book Company



Northwestern Banker, December, 1965

gitized for FRASER ps://fraser.stlouisfed.org deral Reserve Bank of St. Louis



## American National has an excellent banking connection in Marseilles.

#### Marseilles, Illinois, that is.

Officers of the Union National Bank of Marseilles know that they can depend upon American National for prompt, first-class creative correspondent banking services. Lots of service and a minimum of red tape.

Our correspondent banking officers speak many languages: "Investments", "Cattle", "Automation", "Corn",

"Credit", "Soya Beans", "Trusts". (Ask one of them to say something in "Automation".)

Need a big correspondent bank in Chicago whose officers speak in your native tongue? That's us. American National. (Incidentally, we have excellent banking connections in Paris, France, too.)

We serve thousands of people... but we serve them one at a time

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LEFT—Robt. J. Norish, repr., Central Natl., visits with Leo Till, dir., Cascade St. Bk., Cascade, Iowa. CENTER—Robt. E. Hamilton, sr. v.p., Central Natl. RIGHT—Jerry Leighton, ag.

repr.; Kathleen Boyle, and Norbert J. Kash, repr., Central Natl. Nearly 600 attended conference.

#### At Chicago Conference:

## Forecast Favorable Livestock and Business Picture for 1966

By MALCOLM FREELAND, Publisher NORTHWESTERN BANKER

CATTLE financing for the next year looks favorable for country banks and their farmer-feeder customers, providing that the farmer-feeder has a good, sound feeding program that is in keeping with the type of his farm and his own capabilities."

This was the conclusion drawn by G. E. Leighton, agricultural representative for the Central National Bank, Chicago, at the bank's annual conference for correspondent banks, held during the International Livestock Show in Chicago.

#### Cattle Price Trend

Factors which will help the cattle market maintain higher average prices in 1966, according to Mr. Leighton, are: the war in Viet Nam; increased buying by the government for the school lunch program; little competition from cheap pork, and lack of foreign beef imports due to a serious drought in Australia. The number of cattle on feed and the available replacement cattle also indicates markets continuing under present levels for at least four to six months.

Robert E. Hamilton, senior vice president, presided at the annual conference as head of the correspondent banking division.

#### Hog Price Outlook

F. W. Huff, second vice president, presented a favorable report on the future price outlook for hogs. He mentioned that a 12 per cent decrease in hog numbers in September would further support higher prices and less kill during the first quarter of 1966.

He indicated that producers may retain large numbers of sows and gilts for breeding purposes during the first part of 1966 thus further decreasing slaughter numbers. Hog prices during the second half will depend largely on how quickly the current expansion in production progresses and how big it is.

Commenting on the general business picture, William L. Evans, senior vice president of the bank, predicted that business next year should be at least as good as in 1965.

"The first six months may very well show a slight consolidation or leveling off, with the latter part of 1966 showing an increase in activity as a result of substantial governmental expenditures projected in the great society and Viet Nam areas," he said.

Mr. Evans was one of several senior officers discussing the business outlook.

A special advisory committee on agriculture was announced by the bank during the conference. Chairman of the group will be David L. Reimers, president of the former Live Stock National Bank, which merged with Central National earlier this year.

Other members of the advisory group will be: Allen B. Kline, past president of the American Farm Bureau; W. G. Glennon, president, American Feed Manufacturers Association; Donald Magdanz, executive secretary-treasurer, National Livestock Feeders Association (Omaha), and Dr. Earl L. Butz, dean of agriculture, Purdue University.

Central National Bank completed its activities at the International Livestock Show by purchasing the Grand Champion steer for \$10 per pound. Weighing 1,040 pounds, it cost the bank \$10,400. It will be "placed on tour" among some of the bank's correspondents.

At a dinner session of the conference, Dr. Earl L. Butz, dean of agriculture at Purdue University, spoke on the free enterprise system.—End.

#### Resigns at Waukon

Donald Jennings has resigned as cashier of the Farmers and Merchants Savings Bank, Waukon, to join the Onsgard State Bank, Spring Grove, Minn., as executive officer.

#### **Bank Aids Conference**

A leading Chicago bank played a major role in the success of a special industrial development conference in the La Salle-Peru (Ill.) Holiday Inn last month that was attended by an estimated 200 business and civic leaders from a three-county area.

The bank was La Salle National, whose director of industrial development, Robert O. Pohl, not only helped set up the conference, but also conducted a special study for the local chamber of commerce which he reported on at the meeting.

Mr. Pohl, who was one of five speakers, presented a review and forecast of likely commercial and population developments in the next decade. One of his most important predictions was that anticipated movement of industry into the La Salle-Peru area could mean the creation of as many as 10,000 new jobs by 1975.

#### **New Illinois Executive**

J. Robert Effinger has been named executive vice president of Gary-Wheaton Bank, Wheaton, Ill.

While assistant vice president of Merchandise National Bank fo four years, he was active in commercial lending and business development.

Northwestern Banker, December, 1965 gitized for FRASER

ps://fraser.stlouisfed.org deral Reserve Bank of St. Louis

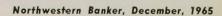
# Thanks to so many ...and Season's Greetings to all We have had a wonderful year at Marquette — thanks for the opportunity so many

have given us to serve their correspondent banking needs. Our warmest Season's Greetings to all — and best wishes for the New Year.

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Avery Fick, Assistant Vice President
Stewart Stotesbery, Representative



#### Warehouse Plan Helps Wool Dealer Aid Sheepmen

IF I. KAY GREER of Salt Lake City, Utah, had his way, wool production in the United States would be a lot greater today.

As it is, the U. S. produces only 27 per cent of the wool used in this country. Of the 73 per cent imported, the amount from Australia varies from year to year, but consistently a high per cent comes from the down-under continent.

Kay Greer has nothing against imported wool, as such. As the head of the Greer Company, Inc., with office and warehouse at 404 West Seventh Street South in Salt Lake City, one of the country's big wool wholesalers and warehousemen, he contends there is money to be made in U.S. grown wool if everyone in the industry from the sheepmen to the manufacturers get on the ball. But he has a strong feeling that if sheep production continues on a downward trend as it has now for several years, the United States may some day find itself without any wool of its own and will be forced to import what is needed for the wool manufacturing industry.

And, as Mr. Greer puts it, an importing nation is not as strong as one that has its own resources.

The 38-year-old Mr. Greer works closely with the sheepmen in the Utah, Idaho, Wyoming, Nevada and California areas where he buys wool. This he warehouses in Salt Lake City through a field warehousing agreement, now in its 15th year, with the Lawrence Warehouse Company, in cooperation with the First Security Bank of Utah, N.A. The Lawrence Company's warehouse operation, which is similar to the many field warehousing programs this nationwide organization has set up throughout the U.S., enables Mr. Greer to maintain a revolving working capital fund through which he is able to buy

WOOL PRODUCTION in America is being encouraged by I. Kay Greer, left, head of the Greer Company, big wool producers in Salt Lake City area. He is shown in his warehouse with Stephen Mansur, a wool grader, going over a portion of the one million pounds of wool that he had warehoused.

wool direct or make advances to growers who warehouse their wool through him.

Mr. Greer would like to see the government intensify its current incentive programs with the country's sheepmen to encourage greater production of wool.

He knows it is going to be a tough job. There is less interest today in starting a sheep ranch than there was some years ago. And, too, there is less range land available because more and more of the area is being turned into recreational facilities.

While Mr. Greer's operation as a wool "dealer" is perhaps typical in the trade, the field warehousing setup is unique with the Lawrence Warehouse Company because of the manner in which warehouse receipts are issued to the First Security Bank of Utah on wool warehoused by Greer.

The Greer Company is a wool dealer buying some wool from growers under wool purchase contracts. At the same time, Mr. Greer provides an extra service for the benefit of growers

privileges with them. The greater bulk of "grease wool" in storage at Greer's is the property of the individual growers to whom he has made advances. The growers' wool is deposited with Mr. Greer as agent for the grower under a special "wool marketing agreement." This specifically authorizes him to warehouse the wool with the Lawrence Warehouse Company in the name of the First Security Bank of Utah, N.A., and also to assign the agreement to that bank as security for loans to reimburse him for the advances which he has made or will make to the grower. The amount in storage, and the time

by sharing his Lawrence warehouse

The amount in storage, and the time involved will depend each year on market conditions which affect Mr. Greer's decision whether to store against a better market or to sell and ship as the wool comes in.

As it is with all field warehouses which the Lawrence Warehouse Company sets up, an employee of the depositor is hired as warehouse manager and placed on the Lawrence Warehouse Company's payroll under bond. In the Greer Company, the warehouse manager is a most attractive one in the person of Mrs. Sharon Sturzenegger, who handles all of the records and issues warehouse receipts.

Although the Greers had utilized the field warehousing facilities of Lawrence Warehouse Company since 1950, the operation was revamped two years ago and includes a new arrangement which provides for the "showing" of the wool to prospective buyers and for the "sorting and grading" of original lots into graded lots. At this time, original receipts are reissued. The growers authorize such sorting and grading in their agreements and copies remain a part of Lawrence Warehouse Company's records at the warehouse.

Heber F. Aldous, vice president of First Security Bank of Utah, N.A., who has handled the Greer account since its inception 15 years ago, said the new provisions enabled Lawrence Warehouse Company to handle a somewhat complicated storage account in a relatively simple manner that was beneficial to all concerned—the bank, the Greer Company, the growers, and Lawrence Warehouse Company. — End.

#### Joins Security First

Richard V. Schoonover has been named assistant advertising director of Security First National Bank, Los Angeles. He was formerly with Young & Rubicam as a merchandising account executive.

#### BUYING OR SELLING A BANK?

Write or call collect 365-9117 Area Code 319

#### **REGINALD FIGGE ASSOCIATES**

Confidential Consulting Service Merchants National Bank Building Cedar Rapids, Iowa



Northwestern Banker, December, 1965 gitized for FRASER ps://fraser.stlouisfed.org deral Reserve Bank of St. Louis



# Merry Christmas

The officers, directors and employees of the First National Bank in Sioux City join in wishing you a Merry Christmas.



#### 50th Year for Des Moines A.I.B.



CERTIFICATES FOR COMPLETION of A.I.B. courses were presented to recipients by Lloya Querrey, Central National, Des Moines, 1st v.p. of the Des Moines A.I.B. chapter, at a special Golden Anniversary dinner-dance meeting in Des Moines. Seated between Mr. Querrey and the recipients are C. O. Petersen, Valley Bank & Trust, president of the Des Moines chapter, and Mrs. Petersen. Receiving certificates were Richard Wolf, Capital City State, Jerry Hickok, Altoona State, and Norman Hougham, Capital City State. Marilyn Hiatt, Central National, another certificate winner, was unable to attend.

Plan Montezuma Building

Kenneth Cox, president of the Montezuma State Bank at Montezuma, announced plans last month for extensive remodeling and expansion of the present bank building. A store build-

ing adjacent to the bank will be incorporated to provide space double the present size of the bank.

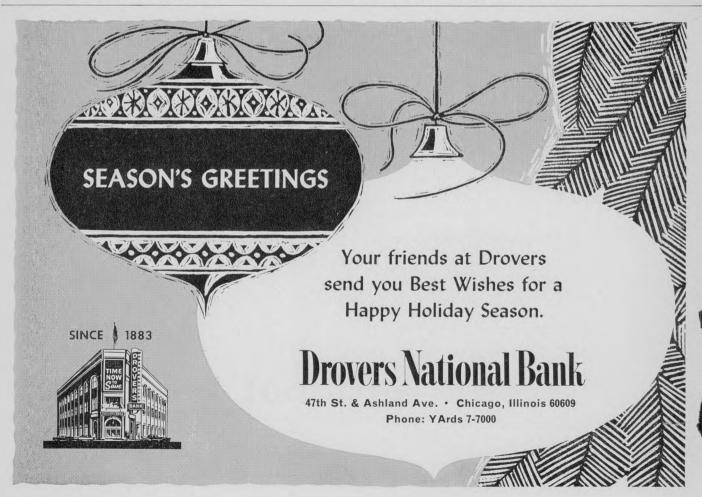
The exterior of the two buildings will have a new front 12 feet high, faced with Roman brick and a top



GUEST SPEAKER at the Golden Anniversary meeting of the Des Moines Chapter of A.I.B. was Arthur K. Erpelding, Farmers & Merchanics Savings, Minneapolis, executive councilman of District 10, A.I.B. Seated at left is William Greaves, Central National, Des Moines, associate councilman for Iowa.

border of stainless steel on which the bank name will appear in gold anodized aluminum letters on both street sides of the building.

Mr. Cox said work is expected to get underway by March 1, 1966, with completion scheduled for early summer. The bank will complete its 75th year during 1966.





Jarry Parker, special representative for Oklahoma and A. L. Hall, Vice President.

## You can depend on this Commerce Trust man to help with any petroleum problems



When one of our correspondent banks has a question regarding any phase of the oil business, they can always call on A. L. (Rosie) Hall. A Commerce Trust vice president and a registered professional engineer, he's the man who has the facts they need.

We'll be glad to help you—with advice or participation dollars on gas and oil production from the ground—or in any other way that will best benefit your customers.

You'll find all of Commerce Trust's specialists, like Mr. Hall, heavy on experience and capable of handling both routine and complex requests.

Tell your problem to Kansas City's biggest bank for prompt and satisfactory solutions.

We'd like to have you as a customer.

### **Example 2** (Company Company C

Member Federal Deposit Insurance Corporation Correspondent Division Commerce Tower—9th and Main, Kansas City, Missouri

Northwestern Banker, December, 1965



O. JAY TOMSON, for the last six years an examiner for the State of Iowa for the Federal Reserve Bank of Chicago, has been named assistant

vice president of Bankers Trust Company, Des Moines.

He is a native of Stratford, Iowa, and was graduated from St. Olaf College, Northfield Minn., and from the Agricultural Credit School of Iowa



O. J. TOMSON

State University.

As a member of the staff of the Federal Reserve Bank of Chicago, he lived in Ames, and was assigned to examining state member banks located in Iowa. Earlier he was assistant national bank examiner with the U. S. Comptroller of Currency.

He will be in the commercial loan department of Bankers Trust, and assist the correspondent banking department.

**Donald H. Jordahl** was elected cashier last month of the South Des Moines National Bank, Des Moines,

Iowa. Mr. Jordahl was formerly assistant vice president of the Northwest Des Moines National Bank and has been employed by the Brenton Banks since 1960.

In June, he represented the Des Moines Chapter of the North Central States at the National A.I.B. public speaking contest, New Orleans, La.

Construction has begun on the Iowa-Des Moines National Bank's new suburban office located at Beaver and Douglas Avenues in northwest Des Moines.

According to **C. W. Aurand,** Iowa-Des Moines president, the two level bank building and adjacent motor bank facility is scheduled for completion in the spring of 1966. Some special customer features of the new bank will include three drive-in tellers, a completely furnished meeting room available to the public, and a large parking lot with access from both Beaver Avenue and Douglas Avenue.

General contractor for the project is Wm. Knudson & Son and architects are Savage & Ver Ploeg of West Des Moines.

The election of four new members

to the board of directors of the Northwest Des Moines National Bank was announced by David G. Wright, president. The new directors are: Raymond Baker, director of corn breeding research for Pioneer Hi-Bred Corn Company; E. C. Everling, president of H. M. Iltis Lumber Company; George E. O'Malley, attorney and State Senator; and Bruce Paterson, special representative for Goodwin Companies.

Mr. Wright also said that the bank plans to move to its new building, presently under construction at Beaver and Urbandale Avenues, in the spring of 1966. The bank also operates an office in Urbandale, and will open an additional office in Johnston in the near future.

A suburban office for the **First Federal State Bank** of Des Moines is now under construction at 8590 Hickman Road in Clive, it was announced by Harris Stephens, chairman of the board.

The facility is expected to be open about December 13 and will feature a drive-up teller, a night depository, and a safe deposit vault inside the building. A parking lot is adjacent and access will be available from either Hickman Road or Clive Road.

General contractor for the project is King-Bole, Inc., and architects are Charles Herbert and Associates.

Richard P. Pratt has been elected assistant vice president and manager of the installment loan department of Northwest Des Moines National Bank, it has been announced by David G. Wright, president.

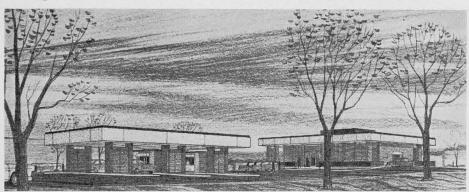
Mr. Pratt, who previously was an officer of the Dallas County State Bank at Adel, has been a U. S. Army officer and an Agricultural Extension Service worker.

Paul Ashby, vice president of Central National Bank and Trust Company, spoke at a recent program in a series of meetings titled "Highlights of Iowa History." His topic was interesting tidbits of early Polk County The series is sponsored by the Pol County Historical Society and the Department of Adult Education of the Des Moines Public Schools.

R. G. Dickinson and Company, Des Moines based investment bankin firm, has moved its offices to 910 Hig Street. The new offices have bee completely remodeled.

Formerly located at 919 Walnut, the firm serves Iowa bankers through eight branch offices.

#### Begin Work on Suburban Office



**NEW SUBURBAN OFFICE** for Iowa-Des Moines National Bank at Beaver and Douglas Avenues in northwest Des Moines.

Northwestern Banker, December, 1965

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**DISPLAYING THREE DOLLS** to be given away as Christmas presents by Central National Bank, Des Moines, are **Bonnie Thompson**, chairman of the doll-dressing contest, **Diane Gibbs**, a bank hostess, and **Anna Comer**, bank secretary.

#### Central National Gives Away 200 Christmas Contest Dolls

THE Central National Bank, Des Moines, will make Christmas considerably brighter for approximately 200 underprivileged young girls as a result of the bank's recent Christmas Doll contest.

First, the bank purchased 16 dozen "Wendy" dolls and advertised for persons to sign up for the dolls, take them home and fashion clothes for them.

The bank offered prizes in six categories of dress and a grand prize for the doll judged best dressed in final competition.

Judging took place Saturday, December 4, and Tuesday, December 7. The seven winners were guests at a coffee where the prizes were awarded.

The final, and perhaps most important step, will take place when the exquisitely dressed dolls are given to the Polk County Welfare Department for distribution to underprivileged young girls.

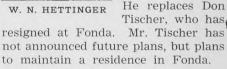
Ivan Johnson, assistant vice president in the bank's business development and public relations department, said that the response to the contest was very good and that the dolls were signed for, dressed and returned to the bank very promptly.

#### **New Fonda Cashier**

Wayne N. Hettinger has joined the First National Bank, Fonda, as cash-

ier, according to Walter W. Stege, president.

Mr. Hettinger was an assistant vice president with the Toy National Bank, in Sioux City, and has been with the Toy for 19 years. He replaces Don Tischer who has



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#### Joins Missouri Bank

Frank Henderson, former vice president and cashier at the Bettendorf Bank and Trust Company, has joined the Cameron State Bank, Cameron, Mo., as executive vice president. The bank is a newly-organized bank in Cameron.

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ps://fraser.stlouisfed.org deral Reserve Bank of St. Louis

#### New System . . .

(Continued from page 29)

(checks written) and the fourth column provides a total of farm income (deposits) to date for the year.

#### Does Record-Keeping

Rec-Chek thus does the farm operator's record-keeping for him through his checking account. The further work he needs to do on his bookkeeping is figuring such items as depreciation and those matters related to management decisions. This complete record can be used, then, as the basis for figuring his income tax statement, which can be a complicated matter for a farm owner.

The bank furnishes for a small charge a box with hinged lid that is just the right size to keep checks written during the course of a year. It has printed tabs to separate checks by monthly periods, and also has space for the monthly printout sheets as well as deposit records.

All checks written by the farmer or his family which do not pertain to operation of the farm business, but are personal checks, are left unencoded. These are processed in the normal flow of business and entered on his monthly printout page on a separate portion of the sheet. If any of these checks should have been encoded with an account number to reflect part of the farm business, this correction can be made easily by the farmer as he reviews his monthly statement, by adding the check or deposit in the proper place on the page.

Mr. Anderson makes it a practice to further extend his printout sheet by taking a few minutes with the monthly statement to write in the names of the persons or firms to whom each check was written on the line where this check is printed. The same is done for deposits. The check file substantiates this material if the tax return is audited later.

#### 55 Started Program

In March of 1965, the Nevada National Bank invited by personal letter about 100 farm customers to attend a meeting to discuss this system. Practically all of those invited attended. A panel of four men from the bank explained the program and invited these men to enter the pilot operation. About 55 of them signed up to start April 1, most of them that night. Recchek now has been in use for eight months by these 55 farm customers of the Nevada National Bank and they have given it their whole-hearted endorsement.

These men were then asked to bring their records for the first part of the year to the bank in the evening on an appointment basis, so the records could be set up for each man starting with January 1. This took only about one-half hour per customer. This fall the men and their wives were invited to a dinner at which the program was reviewed, including improvements the bank has devised.

One of the major improvements was to let these original customers of the Rec-Chek program know that on December 3 the Nevada National's IBM punch card system was being replaced by an IBM Random Access 1440 digital computer, a much more sophisticated and versatile system.

Managing the computer center is Tom Johnston, who joined Nevada National in March of this year. His previous data processing experience had been with the Atomic Energy Computer Center at Iowa State University in Ames.

#### National Response

After Rec-Chek began actual operation, a brief mention of it appeared in one of the national farm publications. Mr. McHose said the response from this brief mention nation-wide was most surprising to officers of the bank. For example, a lawyer in New York State telephoned long-distance and said he wanted to open an account in order to have the bank do this record-keeping for him and eliminate the bookkeeping headaches he has similar to the ones experienced by farmers.

Another inquiry was from the vice president of a large national firm in Los Angeles who wanted more detailed information on the program and expected to open a personal account at Nevada National for the same purpose, since it is not available at his own bank. This indicates the adaptability of Rec-Chek to personal and small business accounts. The Nevada National is already doing this for some customers who want the convenience of business records being kept this way, or individuals who want a monthly accounting of how their personal funds are spent.

#### Offered to Other Banks

Because of such widespread interest, Mr. McHose says the system developed by Nevada National is being offered to other banks in any part of the nation. The franchise for RecChek will include the computer pro-

gramming for use on either punch card equipment or for electronic data processing equipment, forms needed to get records started from the first of the year to the customer's starting date on Rec-Chek, and advertising materials used to promote the program.

In addition to the check file box, Nevada National also furnishes each customer with a binder for the 8½ x 11 inch monthly printout statements.—End.

#### Spencer Bank Sold

Controlling interest in the Farmers Trust & Savings Bank, Spencer, has been purchased by Easter's, Inc., a leading central Iowa grocer, head-quartering at 4143 East 43rd street, Des Moines. The firm also owns Ace Lines, Inc., a trucking company.

Two members of the Easter firm will go on the board of the Spencer bank. They are: Don Easter and Merwin "Abe" Easter. No changes in officers of the bank are contemplated at this time. Capital, surplus and undivided profits of the bank total more than \$1.5 million. Deposits are over \$8 million, and loans exceed \$3.7 million.

#### Citibank Promotions

Dan C. McNeill has been appointed a vice president of First National City Bank, New York. Mr. McNeill is

assigned to the bank's Data Processing Center.



D. C. McNEILL

A graduate of DePauw University and Harvard Graduate School of Business Administration, Mr. McNeill joined Citibank in May of this year following his retire-

ment as Captain in the U. S. Navy Supply Corps.

The bank has also announced the promotion of Robert W. Thom from

R.W. THOM

assistant cashier to assistant vice president, and the election of E. Ward Smith to assistant cashier.

Mr. Thom travels the Iowa, Nebraska, Kansas and Missouri area. He began his career with the bank in 1938

and was named an assistant cashier in June, 1963. Mr. Smith is a native of Omaha, and travels the Missouri-Kansas area.

Northwestern Banker, December, 1965



# In the



#### New Salesman

A new salesman wrote his first report to the home office and it stunned the brass to learn that obviously the "new hope" was a blithering illiterate. He wrote, "I seen this outfit which they ain't never bought a dime's worth of nothing from us, and sole them a couple hundred thousand dollars worth of guds. I am now going to Chicago."

Before the illiterate could be given the ouster by his sales manager, came another report: "I cum hear and sole them half a millyn."

Fearful if he did, and fearful if he didn't fire the illiterate peddler, the sales manager dropped the problem in the lap of the president of the company.

The following morning, members of the brain trust were flabbergasted to see the two letters posted on the bulletin board and this letter from the president tacked above them: "We ben spending too much time trying to spel instead of trying to sel. Let's watch them sails. I want everybody should read them letters from Gooch who is



"Would you mind? I'm double-parked."

on the rode doing a grate job for us, and should go out and do like he done."

#### Quick Retort

A lady walked up to a little boy she saw smoking. "Does your mother know you smoke?" she demanded.

"Lady," he countered, "does your husband know you stop and talk to strange men on the street?"

#### Advertising Power

She stopped at the corner, looked both ways, and started to cross the street.

"Hold it," shouted a policeman. "Don't you see that sign?"

"Which one, officer?"

"The one in front of you on the signal. It says-DON'T WALK."

"Oh, I saw it," she smiled, "but I thought it was an ad for the bus company."

#### Too Good

He ordered two dozen roses to be sent to his beloved on her 24th birthday.

"A rose for every precious year of your life," his card read.

Then, because the young fellow was one of his best customers, the florist threw in an extra dozen.

#### Careful Fellow

Larry: Why do you take your salary to the bank every week?

Harry: Well, it's too small to go by itself.

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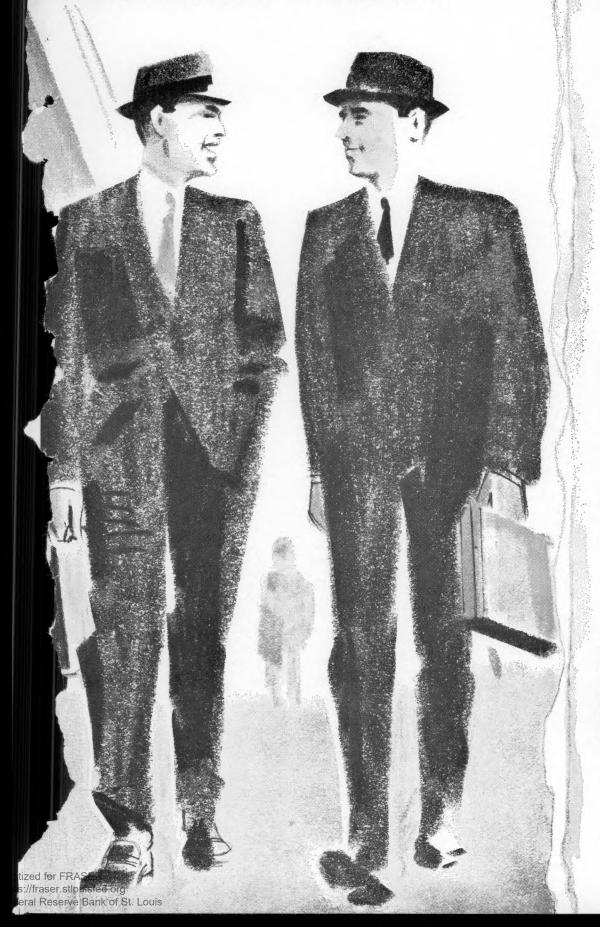
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With all our best wishes for a happy, prosperous 1966!

# Werry Christmas

Iowa-Des Moines National Bank



Bob Buenneke Assistant Vice President, George Harnagel Assistant Vice President, Ben Eilders Assistant Vice President, Jerry Nelson Vice President, Dale Luckow Assistant Vice President