The myriad tools of modern banking...and men who know how to use them

Bookkeeping Services. The Merchants National Bank Datacenter ranks among the nation's most advanced bank computer installations. Our up-to-date equipment and experienced Datacenter staff are your assurance of fast, accurate bookkeeping service tailored expressly to your needs. For complete details on how MNB can help you, contact our Correspondent department or call Jim Van Dine, head of the Datacenter. Jim's computer experience totals 8 years and ranges from scientific programming to the latest in business and banking systems analysis. Incidentally, if you're interested in full bank automation, ask Jim about MNB's "Proof of Deposit" system.

So many ways we can help you...
For men who make things happen fast...

TRUST NORTHERN

'Trust Northern to have the men who get things done. These are first-string men... men who can make lending decisions.

They also have a variety of ways to help you get new business... invest short term funds profitably... provide portfolio assistance... and help with operations analysis, speedy check collections, or customer loan problems.

Supporting them are the specialists back at the Bank... portfolio tax specialists who will work closely with you to increase your after-tax income... automation specialists who will help you use highly technical equipment... and many others. All are available to find the best solutions for you.

Make use of our action men. Call or write Mr. N. Hall Layman, Vice President, Correspondent Banking Department.

NORTHERN TRUST COMPANY BANK

Northwestern Banker, July, 1966
New Recordak MICROSTRIP System in action!

From question to answer
in less than 5 seconds

Always on the lookout for ways to improve its service to members, the Yakima Savings and Loan Association, Yakima, Wash., was quick to see that the new Recordak MICROSTRIP System could speed its operations... and do so at very low cost.

With this new system, Yakima Savings and Loan can answer questions about any of its 14,000 accounts in 5 seconds or less—30 times faster than before! Now instead of keeping account records in bulky binders for reference, it keeps them on microfilm—"filed" in Recordak MICROSTRIP Holders. Each holder contains a strip of microfilm with the record of activity of hundreds, even thousands of accounts. Up to 1,200 MICROSTRIP Holders can be stacked in compact access files next to the Recordak MICROSTRIP Reader. To find an account record, the teller simply selects the precisely indexed holder and slides it into the reader slot—as illustrated above.

Learn how you can speed your operations with this low-cost, fast-reference Recordak System which your tellers can master with only a few minutes of instruction. Write: Recordak Co, Business Systems Markets Division, Eastman Kodak Company, 770 Broadway, Dept. O-7, New York, N.Y. 10003.
"Small World" Enlarged
Walt Disney's "Small World" is growing larger every year as he adds Disneyland's 49th major adventure, "It's a Small World." During opening ceremonies last month, Mr. Disney is shown adding Rivers of America waters to those from oceans and seas around the world, flown to Disneyland for the event. With Mr. Disney is Louis B. Lundborg, chairman of the board, Bank of America, sponsor of the new attraction, and children from Armenia, New Zealand, Norway, Scotland, Poland, Russia, India, Italy, Japan and Israel, each of whom added the waters of a different ocean or sea to Small World's Seven Seas which carries guests on a 12-minute boat voyage around the world.

"Miss Drive-In Teller" Judges
Two well-known television stars, Barry Sullivan and Ben Gazzara, and a newcomer to television stardom, Stefanie Powers, comprise the panel of judges who will select three finalists in the ninth annual Miss Drive-In Teller contest. All are NBC TV stars.

The three finalists in the contest, sponsored annually by Mosler, will appear at Mosler's exhibit and hospitality suite at the American Bankers Association Convention in San Francisco in October where they will be presented to bankers attending the convention. Immediately following the convention, the winner will be chosen by a national vote of bankers by ballots which will be sent to every bank in the country.

Grand prize for the winner, who will reign for one year as Miss Drive-In Teller and appear at major bank functions, will be an all-expense vacation for two at San Andres Island in the Caribbean.
Mercantile Trust Remodeling Gets Underway

EXTENSIVE remodeling is underway at Mercantile Trust Company, St. Louis. A complete transformation of the main banking lobby will take place during the coming year as a result of extensive studies of lobby traffic. The view at left above shows how greater openness will be achieved by stripping columns and re-designing them. Tellers will be located in this area around the outer walls. Their counter tops will feature indirect lighting. The view at right looks from the main lobby into the newly-designed international department, wire transfers and coupon areas. At right is the statement counter as it will appear after remodeling.

Estate Planning Award
Pressly L. Stevenson, senior vice president in charge of the trust department of The First National Bank of Chicago, presented a check for $1,000 to Robert W. Doty, winner of the fourth annual Estate Planning Essay Competition, sponsored by the bank’s trust department. The presentation was made at a luncheon in the bank’s executive dining room.

First National’s Estate Planning Competition, which had previously been limited to students attending law schools in the state of Illinois, was expanded this year to a national contest.

Mr. Doty, a third year law student at Vanderbilt University School of Law, Nashville, Tenn., submitted an essay entitled “The Use of Business Property as Short-Term Trust Corpus.” He is a member of the Vanderbilt Law Review and Vanderbilt Bar Association, and ranks first in his class. Mr. Doty was on the dean’s list and graduated cum laude from Wheaton College, Wheaton, Ill., in 1963.

Second and third prizes were won by Charles A. Cohen, a third year law student at Indiana University School of Law, Bloomington, Ind., and Scott W. Johnson, a third year law student at the University of Minnesota Law School, Minneapolis, Minn. Mr. Cohen’s entry was entitled “The Estate Tax Marital Deduction: Revenue Procedure 64-19” and Mr. Johnson’s essay was “Determining Testator’s Intent When Unforeseen Events Disrupt Orderly Distribution.”

Retires at 1st of Tulsa
Otis H. Orman, senior vice president and head of the investment division of the First National Bank and Trust Company of Tulsa, will retire July 31, just 46 years and 16 days after he joined the bank.

During that period Mr. Orman rose from bookkeeper to head of a major department, and became an advisor to the city of Tulsa as a member of the Citizens Bond Advisory Committee.

He will be succeeded as head of the investment division by Charles B. Neal, senior vice president.

Heads Illinois Bank Women
Assistant Cashier Ruth A. Steinke of National Boulevard Bank of Chicago was elected chairman of the Illinois Group of the National Association of Bank Women, Inc., at the recent convention.

POWER-FULL IOWA
A going, growing state. Both industrial and farm income on the rise. In the thick of it: investor-owned Iowa Power...steadily expanding electric and gas capacities to stay well ahead of the increasing power needs of a vigorous economy.

Write for annual report
IOWA POWER AND LIGHT COMPANY—DES MOINES, IOWA 50303
Ten below? Twenty-five below? Even in July it matters to Massey-Ferguson engineers how cold it gets in the corn belt.

At MF’s North American Quality Control Center in Detroit all prototype tractors and their components are meticulously tested in the “cold room” at 40° below zero: to make sure the lube and hydraulic oils will function, and that metal fatigue failures won’t occur under severe cold weather conditions.

The cold room test is just one of dozens of electronic, mechanical, torture track, and field test checks that every new model MF tractor is put through before it’s OK’d by MF engineers. MF is rougher on tractors than a farmer ever is because MF’s reputation is solidly built on machines that can take it.

MF is just as fussy in its other 10 plants and facilities in the corn belt.

Massey-Ferguson, world’s largest manufacturer of tractors, self-propelled combines and diesel engines, means business in the corn belt. You can count on it.

Massey-Ferguson Inc.
Des Moines, Iowa

Northwestern Banker, July, 1966
William E. Vojta, second from left, a.v.p., First National Bank, Chicago, was elected president of the A.I.B. at its recent annual convention. Other officers, left to right, are: Frank G. Spizzirro, District 2 councilman; Thomas A. Dinkel, District 10 councilman; William E. Sylvester, District 9 councilman; Robert L. Taylor, District 4 councilman, and Henry C. Harra, v.p.

Chicago Banker Elected New President of A.I.B.

William E. Vojta, assistant vice president, First National Bank, Chicago, was elected president of the American Institute of Banking at the organization’s annual convention held last month in San Diego.

Henry C. Harra, assistant vice president, First National Bank of Passaic County, Totowa, N. J., was elected the organization’s vice president. In addition, four candidates were elected to three-year terms on the AIB’s executive council. They were: Robert L. Taylor, vice president, Mercantile-Safe Deposit & Trust Company, Baltimore; William E. Sylvester, assistant vice president, Old National Bank of Washington, Spokane; Thomas A. Dinkel, assistant cashier, The Central Bank and Trust Company, Denver, and Frank G. Spizzirro, assistant vice president, National Bank of Westchester, Port Chester, N. Y.

Mrs. Wanda A. Poland, an employee of the Federal Reserve Bank of Dallas, was named the top ranking graduate student of the AIB and was made the recipient of the coveted Harold Stonier Award at the AIB convention. The award—a medallion and clock—was presented to Mrs. Poland by Mr. Vojta, newly-elected president of the organization.

A debate team composed of bankers from New York defeated New Haven, Conn., to win the Robert C. Rutherford National Debate Contest featured at the convention.

The New York winners were Kathleen Kelly, First National City Bank, and Roger Allen, Chase Manhattan Bank. They took the affirmative side of the question: “Resolved, That law enforcement agencies in the United States should be given greater freedom in the investigation and prosecution of crime.”

Next year’s AIB convention, its 65th annual gathering, will be held in Detroit May 29-31, 1967.

The invitation was extended at the San Diego convention by William B. Hall, executive vice president, Detroit Bank and Trust Company, who will serve as general chairman of next year’s session.—End.

Diebold Promotion

The appointment of Ralph L. Nelson as north central division manager of Diebold, Incorporated’s bank division, has been announced by Diebold Vice President Earl F. Wearstler.

Mr. Nelson has 20 years’ experience in the bank equipment field. He had been serving as regional manager of the bank division since 1963 in Chicago. He now is based at Diebold’s home office in Canton.
The Bankers Who Never Graduate

At Chemical New York, one of America’s oldest and largest financial institutions, bankers are “students” specially trained to serve business and banks all across America.

These are the men of the National Division who have been nicknamed “the New York bankers with the hometown touch.”

To be able to serve you better—which is our key to more business—we believe our men who call on you must be among the most informed in banking today. We go to extraordinary lengths to insure they are.

Our men are chosen from among the leading students in the country’s universities and business schools. But that is only the beginning of their professional education. Fifty times a year seminars are held to discuss the valuable insights available only to a 6-billion-dollar bank. And they average some 26,000 miles a year, working closely with local industry and our correspondent banks.

Continued training of our men to be the most skilled financial consultants is one further way we try to better serve business. Chemical Bank New York Trust Company, New York, N. Y. 10015.

The bank that works hardest for you.
P. V. Miller Elected President of Commerce Trust Company

P. V. MILLER, JR., has been elected president of Commerce Trust Company. Harry L. Wuerth was named vice chairman of the board, and Charles E. Shewalter was advanced to senior vice president and controller. The three top level positions were announced by James M. Kemper, Jr., board chairman and chief executive officer, following a meeting of directors last month.

As the bank’s new president, Mr. Miller, 44, succeeds James M. Kemper, Jr., who has been president of Commerce Trust since December, 1955, and has held the dual post of chairman and president since November, 1964. Mr. Miller, who has been senior vice president in charge of administration, joined Commerce Trust in 1947 after graduation from Kansas University. During World War II he was a torpedo bomber pilot, winning the Air Medal and the Distinguished Flying Cross. His rise in the bank has been rapid and regular and he has served in most departments. He has been a member of the discount committee since 1960. His major bank activities have been in correspondent banking, in commercial business development, and most recently in general administration. He played a key role in the planning and construction of the bank’s new skyscraper, Commerce Tower, opened last year. He was elevated to senior vice president in 1964 and became a director of the bank last year. He is a director of Commerce Trust Company and of Atlas Mutual Insurance Company.

Mr. Wuerth, 60, fills the position of vice chairman of the board which has been vacant since the retirement of Joseph C. Williams in 1964. For the past two years he has been senior vice president in charge of loans and investments and will continue in charge of those divisions. He has been a director of the bank for the past year.

Mr. Wuerth is a career banker with Commerce Trust, having started as a credit department clerk in 1930. He was first made an officer in 1938, and has served on the bank’s discount committee for the past 15 years. He is widely known as one of the outstanding loan officers in the Middle West and as a national authority in grain and milling financing.

Will Manage London Offices

Lewis T. Preston, 39, has been appointed vice president and manager in charge of Morgan Guaranty Trust Company’s two banking offices in London, it was announced in New York by Thomas S. Gates, chairman of the board. He succeeds Donald R. Atkin, who is being assigned to the general banking division in New York.

Waldie and Briggs Gets LaSalle Advertising Account

Harold Meidell, chairman, and Milton F. Darr, Jr., president of LaSalle National Bank, Chicago, announce the appointment of Waldie and Briggs Inc., as advertising counsel. The appointment is effective with September, 1966, advertising appearances.

The LaSalle National account is in the medium six figure area. Newspaper, television, radio, outdoor, the regional edition of a national news weekly, banking, legal and other professional publications and direct mail will be used.
Independent survey finds 76.2% prefer American Express Travelers Cheques

If your customers have trouble spending the travelers checks you sell them—it could leave a sour taste which might cost you good will.

With American Express Travelers Cheques, you don’t run that risk. Because they’re the only Travelers Cheques you can be sure your customers will be able to spend at restaurants—just like cash.

A nationwide survey of 1000 restaurants by an independent research firm, Erdos & Morgan, Inc., showed an overwhelming number preferred to be paid with American Express Travelers Cheques. (See table at left for actual figures.) In addition, the survey went on to show the same overwhelming preference by motels, hotels, gas stations, retail stores, and airline and steamship sales executives. Over 5000 commercial establishments were included in the study.

Customer satisfaction is the reason banks sell nearly twice as many American Express Travelers Cheques as all other travelers checks combined.

NOTE: For a copy of the complete survey report—“Documented Reassurance”—write M. E. Lively, Vice President, American Express Company, 65 Broadway, New York, N.Y. 10006.

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<table>
<thead>
<tr>
<th>1000 restaurants in the United States were asked: “Which of the following travelers checks would you be most willing to accept in payment for your goods and services?”</th>
<th># Restaurants</th>
<th>% Restaurants</th>
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<tr>
<td>American Express Company</td>
<td>367</td>
<td>76.2</td>
</tr>
<tr>
<td>Bank of America National Trust and Savings Association</td>
<td>23</td>
<td>4.8</td>
</tr>
<tr>
<td>First National City Bank</td>
<td>12</td>
<td>2.5</td>
</tr>
<tr>
<td>Republic National Bank of Dallas</td>
<td>5</td>
<td>1.0</td>
</tr>
<tr>
<td>Thos. Cook &amp; Son (Bankers) Ltd.</td>
<td>2</td>
<td>0.4</td>
</tr>
<tr>
<td>No answer</td>
<td>71</td>
<td>14.7</td>
</tr>
<tr>
<td>Multiple answers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>482</td>
<td>100.0</td>
</tr>
</tbody>
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*482 completed questionnaires were received and are used as the 100% base in this table.
Northern Trust Names Three New Senior Vice Presidents

The Northern Trust Company, Chicago, has announced a series of officer promotions and appointments which includes the naming of three new senior vice presidents.

The new senior vice presidents are Loren B. Allen and E. Norman Staub of the banking department, and John M. Maxwell of the bond department.

Mr. Staub, who has been with the bank since 1953, is particularly well-known to Iowa bankers through serving as head of the Iowa area for several years. At present, he is in the administrative level in the bank.

Mr. Allen joined The Northern Trust in 1947 and has been the bank's chief loaning officer since 1963.

Mr. Maxwell has been a member of the bond department since joining the bank in 1926 and is in charge of the municipal division.

Promoted to vice president are David W. Fox, Richard W. Resseguie, and Curtis E. Skinner, banking department; Matthew Beemsterboer, Frank E. Corliss, and Alford H. Scott, bond department; and Lowrie W. McIntosh, administrative department.

New second vice presidents are Craig W. Schopf, banking department; R. Joseph Barnett, Trowbridge Callaway III, Charles H. Cory II, Paul C. Jaenicke, Thomas W. Kimen, Jr., Richard E. McClain, Bruce A. McDonald, D. Quigg Porter, Jr., Robert A. Romoser, Thomas B. Slaughter, and Robert A. Williams, Jr., all in the trust department; Donald H. Choate and John J. Gleason, administrative department; J. Ronald Furman and Eric N. Wanless, operating department; and William C. Martin, personnel department.

Newly-elected to officer rank are Dean V. Banick and William S. Trukenbrod, assistant cashiers in the banking department; and Robert J. Lemm and Robert E. Sherwood, assistant managers in the operating department.

Raise Auto Loan Rates

Major banks in New York City have raised rates on automobile and collateral loans by 50 cents a year per $100 loan.

The increases carried the banks' loans on automobiles to $5.25 per $100 on such loans covered by insurance on the borrower's life, and to $4.75 annually on loans excluding such credit life coverage. Most banks increased to $4.75 the rate on installment loans secured by collateral such as savings passbooks or securities.

Rates on home improvement loans of up to 36 months maturity were raised to $5.25 last January.

Issues CD's in London

Chauncey E. Schmidt, vice president and general manager of the London branch of The First National Bank of Chicago, announced in London that the bank's London branch would issue negotiable certificates of deposit denominated in United States dollars, commencing June 27.

The London certificates will be issued in a minimum denomination of $25,000 available in $5,000 increments. Initially they will be for maturities of 30-day multiples up to 180 days, though odd-date maturities may also become practicable as the market develops.

In order to cooperate with the balance of payments program of the United States Government, the certificates will be sold only to non-residents of the United States, i.e., individuals, corporations and other institutions domiciled outside the United States.

Named to Dual Post

Dr. Robert W. Smith, educational administrator of the American Institute of Banking, was named to the additional post of director of the Banking Education Committee, The American Bankers Association.
You'll find the man at The First an enlightened businessman, as well as a skilled and experienced banker. He is knowledgeable in many fields of endeavor. Consequently, when you discuss with your correspondent banker from The First your long-range goals, immediate objectives, current problems, he grasps your aims and requirements quickly ... recommends a sound program based on his solid business and financial background.

No matter what your field of business, or where you are located, there is a man at The First who is thoroughly enlightened as to your problems and your needs. Therefore, he renders only enlightened service ... the kind of service that is so vital in today's vigorous, growing, competitive economy.

He is as near as your telephone when you call First National Bank—Kansas City's Financial Service Center.

FIRST NATIONAL BANK
of Kansas City, Missouri

Main Office — 10th & Baltimore/Phone — 816 BA 1-2800/TELEX 04-2210/Member F.D.I.C.
THREE hundred seventy-four bank officers were awarded diplomas last month at the 30th annual commencement exercises of The Stonier Graduate School of Banking at Rutgers — The State University, New Brunswick, N. J.

This year's resident session of the school, June 6-17, enrolled 1,104 bank officers and members of bank supervisory agencies. Each graduate had to attend three two-week summer sessions on the Rutgers campus, complete two years of extension work at home, and write a thesis based upon original research into some phase of finance.

The 374 bankers in the graduating class represent 37 states, the District of Columbia and Puerto Rico. Among them were 21 women — the first to complete the S.G.S.B. program. Women bankers were admitted to the school in 1964, and 29 were in attendance this year.

George A. Murphy, chairman of the board, Irving Trust Company, New York City, delivered the commencement address.

The roster of the Class of 1966 included the following from the Northwestern Banker area:

(Key: B—Banking; T—Trusts)

COLORADO
F. R. Hitchcock, South Colorado National Bank, Denver (B); Robert L. Kropf, Colorado National Bank, Denver (B); James B. Osborn, Central Bank & Trust Company, Denver (B).

ILLINOIS
Joseph J. Ambrose, Federal Deposit Insurance Corp., Peoria (B); Richard Alfred Andersen, First National Bank of Chicago, Chicago (T); Alvin Ross Beatty, Harris Trust & Savings Bank, Chicago (B); Miss Buddy Jean Bedford, Federal Reserve Bank of Chicago, Chicago (B); Richard Thomas Britton, La Salle National Bank, Chicago (B); Mrs. Lois A. Bueh, Beverly Bank, Chicago (B); John W. Cooper, Harris Trust & Savings Bank, Chicago (T); Louis F. Dempsey, The Northern Trust Company, Chicago (B); Bruce D. Harper, Old Orchard Bank and Trust Company, Skokie (B); Bernard C. Hummel, National Bank of Albany Park, Chicago (T); Samuel Wallace Hunt, Jr., Continental Illinois National Bank & Trust Company, Chicago (T); Raymond K. Jorgensen, First National Bank, Lake Forest (T); Harvey G. Kolberg, The First National Bank of Chicago, Chicago (B); Nicholas J. La Pelina, The Manufacturers National Bank, Chicago (B); Wayne D. Miller, State Bank of Huntley, Huntley (B); Thomas F. Monahan, Sears Bank & Trust Company, Chicago (B); Jared K. Pickell, Continental Illinois National Bank & Trust Company, Chicago (B); Bernard A. Rehwaldt, La Grange State Bank, La Grange (B); Mrs. Patricia W. Richards, Federal Reserve Bank of Chicago, Chicago (B); R. Kenneth West, Harris Trust and Savings Bank, Chicago (B).

IOWA
Ray G. Johnston, Central National Bank and Trust Company, Des Moines (B); James D. Robinet, Iowa-Dubuque National Bank, Des Moines (T).

MINNESOTA
Bernard E. Adair, Off. of Comp. of the Currency, Duluth (B); Newton E. Fuller, First National Bank, Minneapolis (B); Eugene O. Mottl, Federal Deposit Insurance Corp., Minneapolis (B); Robert T. Wallner, First Security State Bank of Saint Paul, Saint Paul (B).

NORTH DAKOTA
Mason A. Helberg, Farmers State Bank of Minnewaukan, Minnewaukan (B).

High yields attract increased interest in Tax-Exempt Bonds

Mid-Year Survey discusses current market and outlook

Tax-Exempt Bonds are now selling near their most attractive levels in many years. Why this is so is in view of mixed trends in other markets, and what you can do to take advantage of it, are among questions answered in our latest Mid-Year Survey of the Tax-Exempt Bond Market.

The Survey discusses bond supply and demand factors, interpreting them in terms of price trends and outlook. Here is valuable background information for both new and seasoned investors. It will be of interest to individuals in the higher federal income tax brackets as well as to institutional buyers.

Send for this helpful Survey now. We'll send it promptly, together with our useful tax comparison chart to help determine the value of federal income tax freedom in your income bracket.

Just ask for folder NB76.

HALSEY, STUART & CO. INC.
123 SOUTH LA SALLE STREET, CHICAGO 60690 • 30 BROAD STREET, NEW YORK 10004
AND OTHER PRINCIPAL CITIES

“Last Stand” Display
A display commemorating the 90th anniversary of the Battle of the Little Big Horn went on exhibit last month in the lobby of the Harris Trust and Savings Bank, Chicago, and Norma Bearskin, a former Miss Indian Chicago and Harris Bank employee, donned her Sioux costume to mark the event. She is shown commenting on the garb worn by the Sioux warrior in the display. A. Newell Rumpf, president of the Harris, looks on with Charles D. Wesselhoft, assistant vice president, who is also secretary-treasurer of George A. Custer Camp No. 1, Sons of Union Veterans.
In tennis, you can pick out the professionals because they do their job well. That’s the way it should be in correspondent banking. Division F at The First National Bank of Chicago has one job—serving correspondents. It’s a full-time job. And we aim to do it well.

The First National Bank of Chicago

Building with Chicago and the nation since 1863 • Chicago, Illinois 60690

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Northwestern Banker, July, 1966
Art Rayunec, La Salle auditor, knows how to spot trouble before it happens. He can recommend procedures that mean greater security and peace of mind for bankers. La Salle correspondents often call on him for auditing help. You can reach Art at La Salle National Bank, 135 South La Salle Street, Chicago, Illinois 60690. His phone number is STate 2-5200, area code 312.

Member FDIC. Complete Trust Services.

**B of A Will Market Its New “BankAmericard” to All Banks**

In a step toward the establishment of a nationally accepted bank credit card program, Bank of America has formed a subsidiary corporation that will offer banks in other states licenses to use the bank’s highly successful “BankAmericard” format.

The announcement, by Bank of America Chairman of the Board Louis B. Lundborg, in San Francisco, said negotiations are already underway with several banks, and a statement of where the first agreements will be effected should be forthcoming in the near future. Mr. Lundborg said, “The BankAmericard licensing program will produce the first bank-related nationally accepted credit card. It will provide banks throughout the United States with the opportunity to effectively compete with national credit card companies.”

In making the announcement, Mr. Lundborg told newsmen he envisions a day when credit cards will be a major force in consumer buying and become more popular than other forms of conventional consumer credit.

In the BankAmericard licensing program, Mr. Lundborg said, each participating bank will operate its own BankAmericard independently, while using the BankAmericard name and format, allowing national card usage. Eventually, he said, he envisions a program that can be truly nationwide.

Although each bank will individually operate its own version of BankAmericard, he said, cardholders will be offered what will, in effect, be both a national and a local credit card. As in California, he said, it is expected that each participating bank will offer the “retail” features of a local card, while the card interchange arrangement will provide the additional advantages of a national “travel and entertainment” card, plus full retail services in each area.

Individual banks joining the BankAmericard program, Mr. Lundborg said, will set their own rates, develop their own cardholder and merchant memberships, and finance their own operations, and the name of the individual bank will be imprinted on the face of the card.

Bank of America’s service corporation, drawing on the bank’s own experience in the credit card field, will assist each bank in setting up its BankAmericard plan. This assistance will include training of personnel and providing comprehensive operating manuals. Among the subjects to be covered in the training and manuals will be information on data processing equipment and premises requirements; card holder and merchant equipment and forms; organizational and personnel requirements of BankAmericard Centers; mass issue card selection, production and distribution; merchant solicitation, indoctrination and supplies distribution; business development, marketing and advertising; and sales and card interchange arrangements.

Such assistance, Mr. Lundborg said, should help participating banks avoid much of the costly difficulty commonly associated with the early stages of a credit card program. He admitted that BankAmericard suffered severe losses during its formative years, before Bank of America developed the techniques necessary to make it a profitable operation.

Initial ventures into this program, Mr. Lundborg said, would at first be largely offered to banks with relatively populous serving areas. However, as the card system expanded nationally, it would be open also to banks in less populated areas.

**Equitable Treatment**

Three sons of Garey T. Symington, center, are given complimentary savings accounts by the National Boulevard Bank of Chicago in recognition of their Dad’s becoming the 1,000th new account at the bank from among employees in the Equitable Building. The boys, Garey, Jr., Douglas and Christopher, received the accounts from Irving Seaman, Jr., left, chairman of the executive committee and chief executive officer of the bank, and Hans W. Wanders, president.
The Man from Old Security offers first-hand knowledge.

Your loan customers are on the move.
Your credit life insurance should be, too.

The Man from Old Security goes out among the people you serve. He learns their needs and yours. It's this first-hand knowledge that helps Old Security provide you with service that helps make profits easier . . . new markets and ideas . . . new types of creditor insurance . . . constantly updated provisions and coverage.

But Old Security knows that newness, isn't enough. That's why each innovation is market tested to make sure you can sell it. Find out more . . . now.

Call us for credit life, credit accident and health, credit fire, mortgage protection plan, auto physical damage, travel/accident and other profitable insurance plans.

OLD SECURITY LIFE INSURANCE COMPANY • OLD SECURITY CASUALTY INSURANCE COMPANY • EXECUTIVE OFFICES, BROADWAY AT 34TH TERRACE • KANSAS CITY, MISSOURI 64141

Northwestern Banker, July, 1966
QUESTION:

Do Bankers Have Estate Planning Problems, Too?

Perhaps more frequently than any other professional group, because the typical banker is an excellent manager of his own money. He is prudent enough to save and wise enough to capitalize on an investment opportunity.

The estate planning officers at Central National frequently counsel with our many banking friends, regarding their own estates. During these discussions, questions arise that are basic to all businessmen, but there are also some tough questions unique to bankers . . . .

How will my bank stock be valued for death tax purposes?
Should my bank stock be sold or retained after my death?
Will my trustee possess the needed specialized banking knowledge to wisely handle my interests?
Will my trustee be capable of offering assistance to successor bank management, if requested?

Our trust officers welcome the opportunity to discuss these questions and any others you may have, at your convenience.
Two Executive Vice Presidents Named By American National

Eleven officer appointments including two executive vice presidents were announced last month by Robert E. Straus, chairman of the board, American National Bank and Trust Company of Chicago. William G. Ericsson and Howard J. Johnson were elected executive vice presidents.

Mr. Ericsson joined the bank seven years ago as assistant vice president in the trust department, transferred soon thereafter to a commercial loan division, and as vice president has been division head for national accounts. In his new post, he will be responsible for supervising activities of all the credit-extending divisions and departments of the bank.

Mr. Johnson has had a long and distinguished banking career, particularly in the trust and estate field. He joined American National in 1937 and after steady advancements was promoted last year to senior vice president, continuing as head of the trust department, a post he had held since 1957. In his new post he will continue to head the trust department, with the added responsibility of coordinating the bank's business development programs.

Other promotions included Leslie W. Hunt, who was appointed vice president in charge of the savings department, and A. Frederick Pitzner, advanced to vice president, data processing division. Within the bank's commercial loan divisions, Peter M. Haab and Frederick W. Schantz were promoted to assistant vice presidents, and David J. Shaw, John A. Greathouse, and G. William Gastineau were appointed assistant cashiers.

Completing the official roster were Sam E. Bradt, named assistant cashier, new business services division, and Duke P. Gibbon, appointed assistant manager, credit department.

Promoted By North Central

F. William Stohr, regional vice president of North Central Life Insurance Company's creditor insurance operations, has named Glen L. Gilbertson and Robert D. Ramaley as agency supervisors for North Central's "Red Shield" creditor insurance program.

Mr. Gilbertson will be headquartered in Thorp, Wis., and will supervise North Central activities in that state and the surrounding areas.

Mr. Ramaley, 40, joined North Central in 1960 as a regional manager in charge of the development of ordinary life through the brokerage approach. He will assume the responsibility for the creditor insurance sales in the southern Minnesota and northern Iowa area.

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Northwestern Banker, July, 1966
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Treat him like a king: get in touch with “Canada’s Leading Bank”. The Royal has operated its own branches in the Caribbean for over 60 years. Officers of the bank speak the language, know the people and their ways of doing business. With 75 branches throughout the Caribbean area, we can help you help your customers solve problems fast—king-size or any size.

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Over 1,100 branches in Canada, the Caribbean area and South America, New York, London and Paris. Correspondents the world over.

Heads B of A Worldwide Travelers Cheque Sales

Bank of America has named Ernest J. Young a vice president in the business relationships department, as executive head of the bank’s worldwide travelers cheques activities.

Mr. Young succeeds Vern C. Richards, who has been named president of Bank America Service Corporation, a wholly owned subsidiary.

In his new post he will have charge of a global operation involving the distribution and sale of Bank of America travelers cheques through more than 16,000 banks in some 130 countries.

Heads Auditors Group

John M. Barney, auditor at Harris Trust and Savings Bank, Chicago, was elected president of the Institute of Internal Auditors, Chicago chapter for the 1966-67 term, it was announced recently. Mr. Barney has been active in the association for the last ten years, serving as a member of the board of governors and vice president.

School for Examiners

Approximately 50 examiner-students are expected to attend the third annual session of the School for State Bank Examining Personnel July 24-29 on the Urbana campus of the University of Illinois. The school is co-sponsored by the National Association of Supervisors of State Banks and the University.

By the end of May, 44 examiners from 29 states were enrolled and indications from supervisors of other states were that additional examiners would be attending the school. Last year, the second session had a total enrollment of 49 states bank examiners from 30 states.

Dedicate Taconite Plant

The Eveleth Taconite Company held dedication ceremonies last month at its $45 million low-grade iron ore refining plant.

The giant taconite beneficiation complex, which is jointly owned by Ford Motor Company, Dearborn, and Oglebay Norton Company, Cleveland, went into operation late in 1965 with a capacity of providing 1.6 million tons of high-grade iron ore pellets annually.

Northwestern Banker, July, 1966
You can expect a little extra from Chase Manhattan

The extras come from what we call Consolidated Correspondent Service.

As we see it, any good bank can give you an adequate portfolio review, or dig up volumes of routine credit information on order. But service goes a bit beyond the performance of a professional chore. True correspondent service is a package concept. It consolidates all your needs as a matter of course; then imaginatively seeks out additional ways to be helpful.

And it’s who and what we are that makes it possible for us to consolidate service and give you more. People—plus knowledge, experience, tradition, facilities and size make us unique as a banker’s bank. That’s why we’re the nation’s number-one correspondent bank by quite a few galloping lengths.

Call on us for anything. We’ll show you the value of Consolidated Correspondent Service—why you can expect a little extra from your friend at Chase Manhattan.

THE CHASE MANHATTAN BANK
National Association/Member Federal Deposit Insurance Corporation
**Named to Bank PRMA Post**

RAYMOND M. CHESELDINE was recently elected to the position of executive vice president of the Bank Public Relations & Marketing Association last month. Frank R. Swan, Bank PRMA president, announced that the election at the board meeting was unanimous and that Mr. Cheseldine was to assume his new duties on July 1, 1966.

Mr. Cheseldine has been director of the department of marketing of The American Bankers Association in New York City, where he has been a member of the public relations staff for the last six years.

He first joined the ABA in September of 1959 as assistant secretary of its public relations committee and became its secretary on January 1, 1960. In August, 1961, he was granted a leave of absence from the committee to become executive secretary of the ABA's Centennial Commission, for the 1963 industry observance of the 100th anniversary of the establishment of the nation's dual banking system.

He returned to the public relations committee as secretary, and later was named deputy director. In May, 1965, he became director of the public relations department, and when the committee absorbed the ABA's marketing function, Mr. Cheseldine was named secretary of the newly-formed public relations and marketing committee.

From 1954 to 1959, Mr. Cheseldine was associated with California Bank, Los Angeles (now United California Bank), in its management training program and later served as assistant to the director of the bank's Advertising and Publicity Department.

A native of Washington, D. C., Mr. Cheseldine is a graduate of Ohio Wesleyan University, B.A. Class of 1950.

**North Central Company Reports Premium Increase**

Shareholders of The North Central Company, St. Paul, Minn., were told that their company increased its business during 1965 while making a significant improvement in earnings.

Theodore Sanborn, president, said at the company’s recent annual meeting that premium income from the company’s life insurance subsidiaries rose to a company-wide total of $13,626,062, an increase of 15 per cent from 1964’s $11,844,097.

Total income increased slightly more to $14,550,463 from $12,755,929. At the close of the year, life insurance in force stood at $450 million, up 22 per cent from $369 million a year earlier, and total assets rose to $19,444,787 from $17,014,707.

The North Central Company owns and manages companies selling insurance and combination mutual fund-life insurance plans and manages a company providing programs for accumulation of shares of a mutual fund.

**Irving Trust Promotion**

William T. Lybrand has been promoted from assistant vice president to vice president, it was announced recently by George A. Murphy, chairman of the board, Irving Trust Company, New York. Mr. Lybrand is associated with the bank's national division where he is engaged in customer contact and loaning activities in the midwestern states.

Mr. Lybrand graduated from the University of Pennsylvania in 1947, after which he spent the next ten years in private and public accounting. He joined the Irving in 1958, was named an assistant secretary in 1959 and an assistant vice president in 1960.

**Present Drama Award**

Manufacturers Hanover Trust Company, New York, as trustee under the will of the late George Jean Nathan, has presented the $4,000 George Jean Nathan Award for Dramatic Criticism to Gerald Weales, 41-year-old University of Pennsylvania English professor.

Mr. Weales is richest and most distinguished prize in the American theater, the award was voted to Mr. Weales for his reviews last year in "Drama Survey," published by the Bolingbroke Society, Inc., Minneapolis, Minn.

Winners are determined by a committee of three—the heads of the English departments of Cornell, Princeton and Yale Universities—with the chairmanship rotating each year.

Administration of the Nathan trust is supervised by Russell R. Roetger, vice president in Manufacturers Hanover’s personal trust division.
"Expect a lot from your correspondent when your correspondent is the Harris"

These Harris men are as likely to be at your desk as their own. These are some of the men who help Harris correspondents in Illinois, Indiana, Iowa, Michigan and Wisconsin. By spending a lot of time in the field they can understand your problems better, be more helpful to bankers and banks. They'd like to help you!
The best way to sell more Bank of America Travelers Cheques is with the new, free sales promotion aids in the 1966 Sales Promotion Catalogue. Twenty pages in full color will guide you to greater profits—not just from Travelers Cheques—but from many of your bank’s services. Included in the catalogue are multi-service newspaper ads, statement enclosures, and posters designed to help you sell more safe deposit boxes, personal loans, savings accounts, and travel loans to all of your traveling customers.

Use the catalogue to order all the profit-makers you want: signs, decals, posters, newspaper ads, radio spots, television slides, statement enclosures, folders, and special display pieces. Every one of them identifies your bank as the place to buy the world’s most accepted bank cheques—

BANK OF AMERICA TRAVELERS CHEQUES

BE SURE TO GET IN ON OUR "CASTLE IN SPAIN SWEEPSTAKES"

Northwestern Banker, July, 1966
THE American Bankers Association has launched an extensive promotional campaign to inform bankers about the student loan provisions of the Higher Education Act of 1965 and to encourage bankers to meet the demand for these loans.

Last month, the chief executive officer of every bank in the country received a 24-page brochure explaining the need for the program and how student loans will work through state and private non-profit guarantee agencies.

When the bank appoints an officer to handle the student loan program, the A.B.A. will follow up by sending the appointed officer a kit containing the official regulations implementing the act, a packet of materials and forms on the United Student Aid Funds—the largest private non-profit guarantee agency—and a series of articles on student loans. The kit will also contain two radio commercials and samples of lobby posters, statement stuffers and newspaper ads.

More than 500,000 college students are expected to borrow approximately $400 million during the school year which begins in September. The demand will be about three times as great as it was during the school year just completed for which college students borrowed $150 million under state and private guaranteed student loan programs. By 1970, loans under state and private guarantee programs could easily approach the $1 billion mark.

How It Works

The student loan guarantee program set up under Title IV, Part B, of the Higher Education Act of 1965, is designed to help college and graduate students borrow funds to meet the rising costs of higher education.

- Loans will be made directly to the students by banks and other lending institutions and the loans will be repaid directly to the institutions extending the credit. State and private nonprofit agencies will guarantee the loans against default.

- The Federal Government enters the program in two ways:

  **First**, when state and private guarantee plans meet two minimum requirements the Federal Government will pay interest benefits on a quarterly basis directly to the lenders on behalf of students whose adjusted family income is under $15,000.

  The two requirements are that the interest charged on guaranteed loans does not exceed 6 per cent per year on the unpaid principal and, second, that the student is not required to start repayments sooner than 60 days after he finishes school. When state and private plans meet these two requirements, the Commissioner of Education is authorized to pay, on behalf of eligible students, 6 per cent interest on the unpaid principal while the student is in school and 3 per cent on the unpaid balance during the repayment period.

  Thirteen state guarantee plans and the United Student Aid Funds plan meet these two minimum requirements and the Commissioner of Education has already signed agreements with them to cover interest payments on loans made after November 8, 1965, the day President Johnson signed the legislation.

  The United States Office of Education has prepared simplified forms so that the administration of the program will not be unduly burdensome to banks in collecting interest payments.

  **The second** part played by the Federal Government is in advancing funds to state and private guarantee agencies to bolster their reserves. To qualify for the reserve funds, state and private plans must meet several other standards. The state and private agencies have until June 30, 1967, to meet these additional qualifications. However, some states have already qualified for the reserve funds.

  Former Commissioner of Education Francis Keppel, in discussing the new student loan guarantee program, said, “Like any experiment, it is on trial.”

  However, based on the experience of state and private guaranteed loan programs the experiment has excellent chances for succeeding.—End.

Northwestern Banker, July, 1966
The Uniform Code and the ‘Climate of Carelessness’

By BURTON R. ABRAHAMS
Vice President
Walter E. Heller & Company
Chicago, Illinois

THE Code, as we all know, has advanced the principle of notification. It requires the lender to file in order to perfect a lien and protect his security interest in accounts receivable and inventory. Therefore, before we consider lending against accounts receivable or inventory, we make a very thorough search of the public records to determine if there are any liens ahead of ours. If so, we arrange to pay off such liens or to get proper subordination to our lien or we don’t make the loan.

The Heller company has been dealing with the Code in virtually all the states in which it has been adopted to date, and, as you know, this includes all but a handful of states. Prior to the Code’s adoption, secured lenders were guided by the old Benedict vs. Rattner doctrine. This doctrine meant that you had to have dominion over the funds. In other words, it was necessary, according to case law, to maintain dominion over accounts receivable collections in order to have a valid lien.

The Uniform Code, as it is applied to secured lenders, has eliminated the dominion idea from a legal standpoint. At the same time, however, it also has created a climate of carelessness in the administering of secured loans on the part of many lenders, including banks and finance companies. I have heard bankers and finance men say that now that the Code is in effect, we no longer have to worry about the antiquated dominion doctrine—we can just rely on our Code filings. In my mind nothing could be further from the truth.

The situation regarding dominion has been seriously clouded by the recent Portland Newspaper Publishing Co. Inc. decision given down by Referee Estes Snedecor. The Referee’s decision is being reviewed by the District Court but it basically alleges a conflict between the Bankruptcy Act and the Uniform Commercial Code and holds in favor of the Bankruptcy Act.

The critical question involved is whether a security interest in accounts receivable and inventory is valid as to after acquired accounts receivable or inventory although no new advances are made during the four month period preceding bankruptcy. Secured lenders all over the country are vitally concerned and until there is specific case law on point I believe that the only safe and practical procedure is to require periodic repayment of all loans on at least a weekly basis, and preferably a daily one.

Recently, a banker told me that up until the Code came into being his bank did no receivable financing. But now, the bank is making such advances freely, he said, “because it is so easy to perfect our lien.” I then asked his what kind of a department the bank had for receivable financing—that is, what procedures were followed for verification of receivables and who did the work. He replied that the “department” consisted of one girl who handled millions of dollars of secured loans and did nothing but spot check what went into the cash collateral accounts.

In other words, this banker was relying on the Code to do what it can never do, and that is eliminate the problems that are inherent in receivable and inventory lending.

In accounts receivable financing, for example, we are dealing with nothing more than an invoice—a unilateral piece of paper, not signed by the account debtor, but prepared by the seller. In addition, the copy of the invoice which the lender normally receives may not coincide at all with the copy of the invoice that the debtor actually receives. The door is wide open for deception, as to whether there is a firm agreement to buy, or a consignment arrangement or a guaranteed sale arrangement in the transaction. Also, the invoice does not prove that the goods have been shipped or received. Again, there is an opportunity for fraud, and the Uniform Code does absolutely nothing to protect us here.

The cold approach to receivable and inventory financing which we take is: “What will we realize on the receivables and inventories if our client is no longer operating as a going concern but is, in effect, bankrupt?” Naturally, we comply with the notification requirements of the Uniform Code to perfect our lien. But that is only the beginning. What is far more important is what we do to properly structure and administer our secured
loans. And, in this respect, it can be said that nothing takes the place of experience.

Experience over the years taught us the hard lesson that accounts receivable dry up because of claims for damages, contras and lack of proof of delivery.

And experience also has taught us the hard lesson that anything but a field warehouse is of little use when bankruptcy occurs if we wish to realize the maximum on our “perfected” lien.

Let me cite an example which involved two tortuous years of liquidating an account. Fortunately, we came out in good shape but it has not been without a lot of sweat and tears.

This was an aluminum extruder in Michigan, where the Code was operative. All of our liens were properly perfected. We were making advances of only up to 50 per cent on the acceptable receivables. Also, if 10 per cent of the receivables from any one account was older than 120 days, we didn’t advance against the current portion. We had approximately $1,000,000 of actual loans against approximately $2,000,000 of receivables, or 50 per cent of the total outstanding. We should have been all right.

The company itself had a net worth of close to $800,000. It had been operating at modest profits or modest losses but no cash loss for several years; had been in business for 20 years and enjoyed a good reputation. We were advancing only 40 per cent against the lineals which equated to scrap price in liquidation so we felt pretty comfortable here too. Fortunately, experience told us that if trouble came the Code wouldn’t help a bit. We knew we would have to control the inventory in order to keep it from a receiver so we could realize the maximum out of it.

With this in mind, we set up a field warehouse as soon as there was any sign of difficulty on the part of creditors. Although there was literally no change in the balance sheet of this company, one of the prime aluminum suppliers pushed the panic button. We were able to close the warehouse immediately, which meant that when the receiver was appointed he had to deal with us because we wouldn’t let an inventory out of the door.

Had we not done this the Uniform Code would have been no protection because the receiver could have sold our inventory. While we would have had liens on the proceeds, we might have realized five cents on the dollar instead of the 40 cents on the dollar for which we were looking.

As I mentioned, the attrition in receivables collections is just unbelievable. You have all kinds of claims. In this case we had calls from people as far away as San Francisco who claimed they didn’t receive vents for windows that were promised and said they were going to sue our client, and sue us; they wouldn’t pay the $50,000 or $60,000 in receivables they owed, and so on—and these were good credit customers.

The poorer credits which had paid previously because they were being supported by the financing of this aluminum extruder obviously couldn’t pay. Some of them meant to pay, but they had to go elsewhere for their supplies and couldn’t get the same terms. So we had to work out notes for two years or sometimes three years.

Finally, in some Instances, we had no proof of delivery. Of course, we required shipping notices from the company but it used its own trucks and frequently this evidence was delayed in getting back to us. And if we could not prove delivery, we could not collect the accounts.

While the net result has been fairly good, there are still many court cases pending—all of which emphasize the point that the Code helps us to perfect our liens but it does nothing to help us collect the accounts or to collect our loan.

Now, as to fraud. The prudent lender maintains a constant vigil for misapplication of funds and fictitious invoices, neither of which is covered under the Code. We verify heavily, not only in writing, but also on the telephone.

Recently, we discovered a fraud where we had made mail verification. All of these written verifications came back satisfactorily. But then we called some of the same account debtors and learned that one of them hadn’t dealt with our client for a period of months. We discovered that a collusion existed between a girl in one company’s office and a man in the other firm who were splitting up some money.

In another case, not an outright fraud, our Chicago office through telephone verification detected a fictitious invoice in the amount of $17,000 by a steel warehouse. The explanation of our client was that this was a pre-

UNIFORM CODE . . .

(Turn to page 42, please)
COLLEGES of business administration in universities throughout the midwest have moved smoothly into gear to give their students a practical education in the relationship between business management and electronic data processing.

In a special survey in the May Northwestern Banker titled, “The Future for Ag Data Processing by Banks,” Dr. Tyrus R. Timm, head of the Department of Agricultural Economics and Sociology at Texas A&M, gave an enlightening report on “What Universities Are Doing About EDP.” Although his remarks were primarily related to the agricultural field, they indicated a complete new field of study and training for students in our colleges of business administration.

To determine the extent to which students today are given an opportunity to learn about EDP—not just as technicians, but primarily its use as a management tool—the Northwestern Banker asked the deans of a number of midwestern colleges to tell our banker readers what is going on in their classrooms in the teaching of data processing. The programs vary from initial indoctrination type classes to highly sophisticated EDP classroom programs, as noted in the following answers:

C. S. MILLER, Dean
College of Business Administration
University of Nebraska
Lincoln, Nebraska

We teach two courses in the College of Business Administration in the general areas of data processing and computer application. The first of these courses is designed generally to familiarize the student with the practical uses of data processing. It introduces the use of smaller equipment and a large computer. Our second course deals with computer activity as it relates to management information systems and the flow of information to management for decision making purposes.

In addition, the Computing Center at the University of Nebraska offers course work of an advanced nature which interested students follow.

In addition to a large installation in our Computing Center, we have smaller installations in both the College of Business Administration and the College of Engineering. In not the too distant future, we will have the IBM 360 installation.

DR. I. L. HECKMANN, Dean
College of Business Administration
Creighton University
Omaha, Nebraska

At Creighton we require all students in the College of Business Administration to take a course in computer programming (IBM 1620 and 7094 fortran) is offered by the College of Commerce. This is a general course which emphasizes the fundamental principles of programming.

2. Several undergraduate courses (the actual number varies from time to time) use computer programming techniques in the solution of business problems as they arise in these
Are Teaching About EDP

Perhaps one might infer from this brief description of teaching with computers that the College of Commerce feels that a student should be well versed in the subject matter of his functional areas of interest with the computer playing a secondary, though important, role. A student with a firm grasp of the problems of business and with a knowledge of the potential of computers is probably more suitable for a career in the business world than a student with detailed computer knowledge and little appreciation of the problems of business.

EUGENE L. ZIEHA
Professor of Accountancy
University of Missouri
Columbia, Missouri

We are presently offering one course in data processing in the School of Business Administration for both graduates and undergraduates. It is a three quarter hour course and attempts to cover a general survey of the principles of computer operation and their application. We spend about 75 per cent of the time discussing the operations of computers themselves including both hardware and software; the remainder of the course is devoted to a brief survey of machine language, Fortran and Cobol programming. We have an IBM 1620 and 1440 on the campus, and students are given demonstrations in the operation of this equipment.

The Mathematics Department offers a basic course in Fortran programming and several of our students in Business Administration take this course. In addition, the Math Department offers two other courses in digital computers designed primarily for majors in mathematics. One other course is offered in this department for nonmathematics majors and is designed primarily for students in the
physical and life sciences.

We hope to expand our offerings in the data processing area within the next couple of years and suspect that within the near future we will probably be offering a minor in this field. The rapidity with which we can develop this area will, of course, depend primarily upon our ability to secure qualified personnel to teach these courses. We have no doubt that there is considerable interest on the part of our student body in this area.

GORDON B. DAVIS, Director
SBA Computer Center
School of Business Administration
University of Minnesota
Minneapolis, Minnesota

THE School of Business Administration at the University of Minnesota has a computer, the UNIVAC 80, devoted exclusively to the teaching and research needs of the school. The computer is used in the teaching of Business Administration, in short courses, in faculty and student research, and in service use.

1. Teaching about computers. Approximately 300 students per year take the introduction to Computers course which is offered both day and evening. Another 100 take the non-credit FORTRAN courses. These students write and run about 1,000 machine language programs and 5,000 FORTRAN programs each year as part of their coursework.

2. Use of computer in teaching about Business Administration. The Management 60 course (required of all students) includes a computer decision simulation for teaching students by having them make operating decisions for a simulated firm. The School has written two extensive and widely used simulations—one a general management game and the other a logistics simulation. The statistic courses make use of the computer for teaching the use of complex techniques.

3. Use of computer in short courses. The UNIVAC 80 is being used for the computer activities associated with management development seminars and other short courses offered by the School.

4. Use of computer in student and faculty research. The UNIVAC 80 is being used for the computational work associated with graduate student and faculty research including masters and doctoral theses.

5. Service use. The UNIVAC 80 is being used for various service projects in the University and the community. These include an academic record program for the School of Business Administration student records (also part of a long-range research project), West Bank traffic analysis, and the Minnesota Directory of Manufacturers.

The changes in computer technology and new-type information systems means that the School of Business Administration must, in the near future, radically change the computer facilities available to faculty and students.

The School will soon be connected to a large scale Control Data 6000 located in another part of the campus. Problems will be transmitted to this CDC 6600 and results transmitted back to the School of Business Administration center. This increased computational power will provide opportunities for simulation and other computations which are too large for the current facilities. The School is beginning a program which will also involve real-time stand-alone computer capabilities at the School of Business Administration Computer Center.

The field of information systems is now undergoing a great change brought about by the advent of real-time computers and time-sharing concepts. Research projects being prepared at the School of Business Administration involve the testing of behavioral and structural characteristics of man-machine systems in a business environment, and research into methods for the analysis and design of advanced information systems.

The School of Business Administration at the University of Minnesota does not offer a degree in information systems. It is the current feeling of the faculty that the long-run need is for broadly trained personnel rather than narrowly trained technicians. The School now offers introductory computer courses and will shortly offer courses in the analysis and design of information systems.

For a person interested in computers and computer-based information systems, the faculty recommends a program including accounting, quantitative analysis, and a general business background. Almost all of the students now attending the School do receive introductory training in computers and computer systems. This coursework involves sufficient work with an actual computer that the students understand programming, but do not develop proficiency.

The following topical outline suggests the breadth of understanding received in this instruction.

How computers work.
How computers are programmed, including basic types of computer instructions and instruction modification.
Error-control in use of computers.
Macro-instructions and compiler languages.
Uses for computers.
Current and prospective developments in hardware, software, and systems.
General approach to evaluating computers.

WILLIAM H. BAUGHN, Dean
School of Business
University of Colorado
Boulder, Colorado

At present, all of our School of Business students are "exposed" to the computer in one of our quantitative methods courses. This exposure includes self-instruction in programming, plus work in problem solving by using the computer.

In our accounting area we have computer oriented courses that deal with data processing and system work. Although we are not satisfied with where we are in this area, we do see a real need for effective systems analysis instruction.

A third type of exposure is available to students with considerable mathematics to pursue work in operations research, production planning, inventory control methods, and similar applications.

Much remains to be done in defining educational objectives and providing the correct exposure for various groups of students. We are not interested in teaching programming for college credit. But, there are many "gaps" in our total package of education as related to computer utilization.
Checks vs Giro

Data Processing May Play a Key Role

By LEWIS E. DAVIDS
Hill Professor of
Bank Management
University of Missouri
Columbia, Missouri

Areas of conflicts of interest as well as of opportunities for cooperation are increasingly being developed as more banks automate. H.R. 10529, H.R. 112 and H.R. 117 all would probably limit the full utilization of EDP by banks. Restrictive federal or state legislation in the area of EDP is contrary to the best interests of banks and the country as a whole. The very nature of greater acceptance by commercial bankers of the mantle of full service banking is stimulating the need for additional study of the role banks can and will have in EDP.

This is becoming more apparent to informed observers when one reviews some of the data processing and related services which banks are providing today.

Besides those connected with internal bank functions, such as data processing of demand deposits, installment loans, mortgage loans, payroll, interest reports, time and savings accounts, these include such currently available or potential services for customers as: payroll, account reconciliation, sales analysis, accounts receivable, inventory control, inventory forecast, educational statistics, multiple listing of real estate, property assessment/tax collection, engineering calculations, cost distribution, general ledger, billing, accounts receivable, royalty payments, golf handicapping (yes, one major southern bank provides a golf handicapping service), lock box plans, bill collection for utilities, insurance and other companies, expense analysis, integrated systems for industries, county and city government applications, freight forwarding systems, analysis and collections as well as handling the record keeping functions for such financial intermediary competitors as credit unions and savings and loan associations as well as smaller correspondent banks.

Advisory, Training Service

In addition, banks with computer expertise can assist customers who are considering automation and who wish employees trained. Banks may serve as data processing consultants to other banks or customers. They may also market computer programs.

It is estimated that somewhat over 400 of our nation's 13,000 plus banks have what may be called computer systems. It is not known exactly how many of our country banks are now using computers through their correspondents or data processing service centers or bureaus. This is an area which needs further research and study.

It is inevitable that situations will arise where one or the other providers of data processing services will feel a successful competitor has an "unfair advantage." It would be most unfortunate, at this state of rapid development and innovation, if special interest legislation should inhibit the most efficient development of the mass handling of information.

There are so many ways which data processing may be utilized to benefit society and the businessman that instead of supporting short sighted restrictive legislation, attention should be directed to its liberalization to permit the maximum utilization of the extremely expensive but cost saving systems.

Related to the above, one should include the acquisition or development by banks of credit card plans.

Giro Systems

Students of international banking and finance have long been familiar with giro systems of payment as they have operated in Europe and Japan. American bankers have less familiarity with giro systems simply because we have such a highly developed, efficient check clearing system. For this reason a brief and perhaps overly simplified explanation of giro systems is in order.

A giro system has some of the characteristics of performance of a check payment system. The major difference is that with a giro system, a payer can instruct (by word of mouth, telephone, teletype, linked computer or writing) the financial institution to transfer funds for a single or series of payments from the payer's account to the payee's account either at the financial institution or another financial institution which is a member of the system (the financial institution typically advises the payee of the transaction).

This method dispenses with much of the paper handling and processing of conventional checking. It also does away with "float" or deferred availability.

Giro Adaptable to Computer

While many variations do exist in giro systems such as whether operated by post office, telephone company, computer center, clearing house or central bank system, they are all especially adaptable to computer utilization:

Some commercial banks in the U. S. have used giro systems or parts of it for many years. (Though they generally did not call it by this term.)

The Interdistrict Settlement Fund is an example at the FR level, one check payroll accounting is another at the commercial bank level. The operation of the Treasury of Tax and Loan Accounts at commercial banks is still

CHECKS VS. GIRO . . .

(Turn to page 38, please)

Northwestern Banker, July, 1966
ALTHOUGH many bank officials and many bank directors seem to feel that the chief purpose of a board of directors is to look pretty, to present to the public a picture of rockribbed dependability and strength—the Comptroller of the Currency, the Federal Reserve Board and the courts all take a rather dim view of the figurehead bank director.

Those unreasonable and mean old men have a habit of saying that the directors accepted the title with full knowledge and with the intent that the stockholders and the depositors should rely upon their knowledge and their wisdom and their skill toward the proper and successful operation of the association, and with such men as these in charge, what can possibly go wrong?

Ignorance No Excuse

And so, Honorable John O. Status, who has so graciously consented to become a bank director, and who has been willing to let it go at that, and to permit the bank to be run by the hired hands of the bank who make loans, invest the funds and keep the books, while he basked in the glow of his enhanced prestige, may one day find himself saying, "But your Honor, I didn't know that was going on," and hearing the judge say, "That's all very well, Mr. Status, but it was your legal duty to know, and to do something about it, and because you didn't, the plaintiffs here, Mr. Depositor, Mr. Stockholder and Mr. Creditor, have suffered loss which you, personally, must make good."

And so our John O. Status suddenly learns that this being a bank director ain't all beer and skittles.

Now if Mr. Status had just taken the trouble to read the rules of the game before he put on his uniform, he wouldn't have found himself, like the hockey player, sitting in the "sin bin." That very first day when he proudly assumed his new dignity as a bank director is the day when he should have started boning up on the rules, for that day he signed his name to an oath of office, and he solemnly swore "that he, so far as the duty devolves upon him, diligently and honestly will administer the affairs of the association, that he will not knowingly violate or willingly permit to be violated any of the provisions of the banking law, etc. That oath, in almost identical language, is required of directors of national banks by Title 12, Sec. 73 of the National Bank Act and of directors of state banks by Sec. 6-03-04 of the North Dakota Century Code.

Promises to Be Diligent

Of course, it goes without saying that the promise to perform his duties honestly should not concern him too much, for it is the rare director indeed who intends to be dishonest. But by this oath he hasn't just promised to be honest—he has promised diligently to administer the bank's affairs.

Diligently. What does that mean? Well, I suppose all of you would agree that if a man living 200 miles from a bank permitted himself to be elected a director, took his oath of office, and then didn't attend a single meeting for over five years, and didn't make any examination whatever of the books or papers of the bank to determine its condition and the way in which it was being conducted—I suppose you would all agree that that was not "diligence." You would probably say that a man who did that "cannot be shielded from liability because of a want of knowledge... on his part, since that ignorance was the result of gross inattention in the discharge of his voluntarily assumed and sworn duty, and that it would be a reproach to the law to permit his residence at a distance from the location of the bank... to serve as an excuse for his utter abdication of his common-law responsibility for the conduct of its affairs and for the flagrant violation of his oath of office, when it resulted in loss to others."

If you said that, which I am sure you would, you would be in good company, for those are the exact words of the Supreme Court of the United States in the case of Bowerman vs. Hamner (1919), 250 US 504. Mr. Bowerman, the director in that case, was the very kind of a director banks are looking for. He was a man of much importance and reputation, and unimpeachable integrity. And Mr. Bowerman learned to his sorrow that for his failure to use the diligence required by the law and his oath of office, he personally must pay the loss suffered by others which might have been avoided if he had been attending to business.

Invalidism Not an Excuse

In an earlier case the U. S. Circuit
Liability and Responsibility

Court in Rankin v. Cooper (1907) 149 Fed. 1010, said that a director who becomes a confirmed invalid, unable to attend his duties as a director, cannot escape liability for bad loans which, through proper attention to business, he could have prevented; for, the court said “he has no right to hold on to the position of director and at the same time decline its corresponding responsibility; by remaining director, he invites others to trust the bank on the strength of his name.”

And the Supreme Court of New York, in Kavanaugh vs. Commonwealth Trust (1909) 64 Misc. 303, 118 N.Y. Supp. 758, went even further than that. The New York Court said that directors of banks who take vacations without making reasonable provision for meetings of the board or of the executive committee of the board during their absence assume the risk of mismanagement or misconduct of the officers which occasions loss to the bank which they might have prevented had they been present.

Probably these last two cases represent the ultimate extreme in the matter of attendance at board meetings. Perhaps other courts, in other cases, would not go quite so far. But there is absolutely no question that in any court in the land a bank director will be held strictly to the rule that he must be diligent in his attendance, although there may be some difference of opinion among the courts as to what, in each instance, constitutes reasonable diligence in this regard.

But simply attending board meetings is not enough. When the directors meet, each director is still burdened with the duty of being diligent.

Court Analysis of Duties

Perhaps the most thorough and careful analysis of the duties and responsibilities of bank directors is the lengthy and careful opinion of the Supreme Court of Utah, in the case of Warren v. Robison, 19 Utah 289, 75 Am. St. Rep. 734, 57 P. 287, decided in 1899, which is still quoted in almost every opinion upon the question of the liability of bank directors. I recommend that every bank director, new and old, go to his lawyer’s office, and ask to borrow that opinion, and read it. Among other things, the court said:

“That the board of directors can leave the management of the banking business to the executive officers, and then, when, through carelessness and mismanagement disaster to the stockholders and creditors ensues, avoid liability on the ground that they did not know of the unfortunate transactions, and were ignorant of the business, is a notion which must be repudiated,” and again,

“. . . the Public Trust . . .”

“By taking such positions, although without compensation, directors invite confidence that they possess at least ordinary knowledge and skill, and that they will do all that men of reasonable prudence and caution ought to do to protect the interests of stockholders and depositors, or those dealing with the institution. The public, therefore, has a right to suppose that they are men of higher character for integrity, of reasonably sound judgment, and of such good business sense as is necessary to conduct the affairs of the bank wisely and with reasonable safety. Acting upon this supposition, the public trust their deposits with the bank in the confidence that the important duty of management and direction will be discharged by the directors.” Then, having thus sternly delineated the responsibility of the directors, the court tempers that harsh judgment with reason and says, “The directors, however, ought not to be held to the highest degree of care and diligence, for that might prevent men whose unsullied reputations and good business judgment would give character
Fourth of July in Sleepyville

The Uniform Commercial Code becomes official in Iowa July 4, and is taking effect in several other midwestern states as well. Numerous clinics, panels and individual talks have been prepared and presented to bankers in an effort to help them be ready to commence operating smoothly under the UCC when it becomes effective.

THE small town of Sleepyville, Iowa, awakened lazily in the early hot Fourth of July sun. There was a United States flag flying here and there; an occasional firecracker (lighted with all the defiance and courage of an American patriot of many years ago) temporarily disturbed the tranquil scene and caused the dogs to bark or cower beneath the porch; and the annual kids' ball game between Sleepyville and Tinkertown was in progress in the lot behind the waterworks. It was a wonderful day to do what you wanted to do.

The Sleepyville State Bank, with its corner location, was a landmark of the town. An oval stone, located at the extreme top and in the middle of its weathered gray stone facade, showed one hand clasping another in a handshake, certifying to its relationship with the community. Below this were the numerals 1872, the year of its founding. The bank had survived every depression and recession since that time; but now, as Elwood Jones, president, in his middle 70's, and Bill Brown, youngish 26-year-old assistant cashier, talked softly in the board of directors' room, it faced the most serious crisis in its long history.

"Bill," Mr. Jones' voice had a trace of anxiety, "this is extremely serious. You mean to say you do not know what a Security Agreement it?"

"No, Mr. Jones," said Bill, shaking his head from side to side and with deep furrows in his forehead.

Mr. Jones spoke again. "Bill, I am sure you know the Uniform Commercial Code goes into effect July 4, today?"

"Yes, Mr. Jones," Bill replied.

"And," Mr. Jones continued, "you also know that beginning tomorrow we should be filing that—uh, what is the name of that paper they file, Bill?"

"I think it's a financial statement, sir!" Bill replied quickly.

"A financial statement! Now Bill, I know better than that—Gary Cameron himself designed that form—it's a damned good thing the Democrats were in or they would have never got this law off the ground."

"Yes, sir," said Bill weakly.

Mr. Jones went on. "What disappoints me, Bill, is that we sent you to the State Convention, the State Banking Conference, the Installment Loan Conference and the Group Meeting at Cedar Rapids—no, two group meetings—did you go to Clear Lake, too, Bill?"

"Yes, sir," Bill replied.

"What hurts me, Bill," Mr. Jones continued, "is that you know I want to take it easier and turn everything over to you. You know why I brought you in. I told you last October it was up to you to learn this Code, and here we are at the starting gate with our pants down—I am awfully disappointed, Bill."

"I'm sorry, sir," said Bill as he slumped lower in his chair.

* * *

The small town of Sleepyville, Iowa, slept peacefully in the late cool Fourth of July evening. Elwood Jones, president, was in bed, staring at the ceiling. And he wondered why they had to pass such a comprehensive law in the twilight of his banking career. And why had Bill let him down for the first time? And he was grateful for Senator Stanley, even though he was a Republican, and for Collin Fritz, and Bill Sawtell, and Ulrich Bunkers, and Keith Schulz, for all the work they had done in teaching the Code to the Iowa bankers. And, it was still not too late for him to learn it.

And the courthouse bell tolled 11 times, and a lonely firecracker exploded in the distance, and a lonely dog barked.

Bill Brown, assistant cashier, was in bed, staring at the ceiling. And he was sorry about today, and about Mr. Jones. And he was sorry that he and his wife decided to see "Sound of Music" during the state convention, and he was sorry that he had decided to see it again during the State Banking Conference. And it was a perfect afternoon to take a nap during the Installment Loan Conference, and he was sorry that he played golf at Cedar Rapids. And he wondered who would go to Clear Lake, the Vacation Capital of Iowa, to learn the Code. After all, the Fourth of July was so far away—so far away—so far away!—

End.
Nebraska’s Traveling “Full Service Bank” Salesman

The newest public relations program initiated by a state bankers association is this mobile exhibit now being used by member banks of the Nebraska Bankers Association. The Chevrolet panel wagon was specially equipped with double doors in the right side to enable a continuous panel of bank promotion posters approximately 16 feet long to be displayed, as noted in first photo at left.

Following simple instructions that are in the truck the entire display can be ready for showing in 15-20 minutes. The center panel of the display, being pointed to in first picture by William H. Osterberg, NBA secretary, is a six-sided one, electrically operated, that rotates automatically to display all six sides over a period of about one minute. Gold curtains are suspended between the center mobile display and the fixed panels on each side of it. The six fixed display panels were drawn especially for the NBA to tie in with its current advertising program being offered to member banks. Each panel is mounted on a half-inch thick plastic display board and all art work has been painted on in non-fading, non-running colors so the display will not be damaged if caught in rain or snow. All suspension pipes and fittings are chromed to prevent rust.

The center picture of the interior from the back shows how the six display panels are stored in specially constructed racks so they will not rattle, scratch or become otherwise damaged while in transit. Each panel is rimmed completely in heavy chrome to prevent damage to corners or edges. Extra slots can be noted for addition of other display panels at a later date. Small compartment at lower right contains cleaning rags and extra fixtures. Two drawers immediately above contain electric cables so display can be operated from available electrical outlets at point of display. Truck has been wired for this purpose. The six-sided display that is visible to the public from the right side of the truck can be seen in the truck’s mid-section, well mounted on heavy suspension rings. A switch in upper left panel of the body behind the driver activates the mobile display and controls electrical functions.

The display takes only the same amount of time to knock down as it took to erect it. Mr. Osterberg shows final step in third picture—simply driving the display on to the next point, or returning it to a central point for the next member bank to pick up. The mobile display was shown at the banquet of the NBA for the first time. The next day several requests were made to the association to use the display on certain dates around the state in coming months.—End.
another example.
Some sections of the United States have had banks use a giro system for customers for at least a generation. In the early 1950's some banks in east central Texas would automatically pay telephone and other utility bills for their customers provided an authorization card to that effect was signed by the bank's customers. The bank would then process and pay directly to the utility which presented to the bank a list of their customers and the amount that he customers owed.

I remember quite vividly discussing this with a central banker who later became a member of the F.O.M.C. of the F.R.B. We both agreed that this was a convenience to its payer and a logical evolution of our banking system. The central banker pointed out that some supervisory authority held that the existing and successful modified giro system might be in violation of some of the sections of federal and state banking codes.

**Conclusion**

There is a need for not only our bankers but bank regulators and competitors of banks to view in an imaginative way how society's need for a truly efficient payments system can evolve.

Just as a century ago the note-issuing function of commercial banks became less essential as checking accounts increased, so we in banking should recognize that opportunities are clearly evident for newer and more efficient methods of remitting payments and information by EDP.

One of the systems that holds out great possibilities of opening new vistas for banks is the giro system.

The fact that Governor Mitchell of the FRB in speeches has held that adoption of a modified computer-tied giro system is inevitable would seem to indicate favorable consideration of the idea by at least some members of the board. The A.B.A. and those conversant with computer potential recognize that the giro system can be a major step to reduce the "paper tiger" which threatens to engulf our financial institutions. In turn, this would also seem to indicate that institutional and legal obstacles to its adoption are not insurmountable.

**Banker's Role in Giro**

The prudent banker should seriously consider what role his bank will take as computer technology moves more rapidly towards a giro system. Some forethought should be given to the adoption of computers which can be made compatible with business systems linking financial institutions, communication companies, and bank customers. H.R. 16629 and H.R. 112, as well as H.R. 117, introduced by Representative Multer (D. of New York) would have an adverse effect on full service banking. The bills would prohibit banks from utilizing to the fullest the capabilities of their data processing equipment. More important, the proposed bills would prohibit banks from performing worthwhile service for their customers and society as a whole.

Bankers as well as customers who would benefit from the efficiencies of giro systems and related computer technology should be alert to the dysfunctional implications of such legislative proposals.—End.

**Cited By Alma Mater**

Philip O. Gentry, vice president at Harris Trust and Savings Bank in Chicago, was cited for "outstanding contributions to his community" by fellow alumni at Knox College commencement exercises in Galesburg, Ill., this June.

He was cited for his work on the Planning Commission, Youth Center and Board of Education at his home town of Glen Ellyn, Ill. He is a director and chairman of the executive committee of Central Du Page Hospital and was mainly responsible for the establishment of that institution, the citation said. Three of his six daughters are also Knox alumni.

**LaSalle Promotions**

Raymond A. Jacobson, who joined the LaSalle National Bank, Chicago, June 1, was appointed director of methods and systems, a new post. In addition, directors promoted Lawrence E. Robinson from assistant trust officer to trust officer and assistant secretary.
This is The First Citizens State Bank of Whitewater, Wisconsin

Like many banks of all sizes, The First Citizens State Bank of Whitewater, Wisconsin, has a New York “office” through its correspondent relationship with First National City. Not only in New York but in 44 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 First Citizens State Bank serve its customers. How can your bank get these same benefits? Write or call our Correspondent Bank Department (Area Code 212 559-4832) and we will be pleased to visit you.

FIRST NATIONAL CITY BANK
Member Federal Deposit Insurance Corporation
Uptown Headquarters: 399 Park Avenue  Downtown Headquarters: 55 Wall Street
and stability to the institution, from accepting such positions. . . . The rule most in harmony with the character and well-being of such an institution appears to be that the directors, in administering its affairs, must exercise ordinary care, skill and dilligence. Under this rule it is necessary for them to give the business under their care such attention as an ordinarily discreet business man would give to his own concerns under similar circumstances, and it is therefore incumbent upon them to devote so much of their time to their trust as is necessary to familiarize them with the business of the institution, and to supervise and direct its operations.”

Know Examiner's Reports

One thing, certainly, which it is the duty of the directors to know, is the contents of all examiner's reports. Not only should the whole report be carefully scrutinized, but particular attention should be paid to all comments and criticisms. It is clearly the directors' responsibility to know what is in these reports, and, to detect and promptly and vigorously act upon any danger signals which are lit up by the examiner's comments.

In Atherton vs. Anderson (1938) 99 Fed. 2d 883, the court said: “At the meeting when Brown announced that he had the last bank examiner's report, a member . . . moved . . . that the report be referred to a committee for report thereon. But Brown stated that . . . the bank handled the reports in a different way; that the practice was to read the report; and with that explanation he read it, reading portions thereof incorrectly and omitting material . . . The members, including Crawford, accepted it . . .”

“It was the duty of the board to ascertain the contents of this report when it was presented. The slightest effort would have made them available but it blindly entrusted the entire matter to Brown and his subordinates. Brown was in fact directing the directors as to how the report should be made . . .”

“Upon such a record directors are not permitted to excuse themselves by saying that they were deceived.”

A director must put bank interests ahead of personal interests.

Nor should the friendship and camaraderie engendered by common interest in the bank and frequent association at board meetings be permitted to blind a director to the necessity of careful scrutiny and firm and vigorous objection to any conduct on the part of other directors, or the managing officers of the bank, which smacks of a conflict of interest. Frequently, directors are themselves operators of large businesses, requiring extensive credit and other bank services; and extreme caution must be exercised by the other directors to make sure that their close association with the bank and its board does not lead the board into permitting improper overdrafts, excessive loans, or other favors recognized as bad banking practice. Again, many directors are engaged in businesses which are in direct competition with others who deal with the bank. Extreme care must be taken that the spirit of competition in their businesses be not allowed to influence the action of the bank in dealing with the competitors, and especially that no advantage may accrue to a director through the knowledge of his competitor's business acquired through confidential information given the bank.

Acting Against Personal Interests

Then there are bound to be situations where good banking practice requires a director, as a banker, to do something which is directly harmful to his own private business. This can put a director in a most distressing position.

It may seem unfair to ask a part-time bank director drawing only token director's fees, to put the bank's interests ahead of the interests of his full-time personal business, but unless he is willing to do that in all of his activities as a bank director, he should not accept the directorship. The best interests of the bank must be his sole concern when he is acting in his capacity as a director.

He certainly isn't liable for all the mistakes of the bank, or for decisions which, in retrospect, prove to have been incorrect. But he is required to exercise honest and considered judgment. The law does not expect the impossible or even the improbable. He is entitled to his normal quota of honest mistakes, and the normal amount of ignorance about the intricacies of a business which is not his chief occupation.

Seek Legal Advice

It wouldn't be fair to my profession for me to close this rambling discussion without referring to the matter of liability of a director for ignorance of the law. This is a quote from 10 Am. Jur. 2d, 106:

“Ignorance of the law may, under
Frequent portfolio analysis is the way to be sure your Government and municipal securities are earning the highest return consistent with your bank's earning assets position, tax status and liquidity requirements. Many banks don't analyze their holdings as frequently as they would like. Up to now, analysis has been time-consuming and expensive.

Now our correspondents can keep more current on their investments by sharing in First National's computer analysis program. Using computers to gather and consolidate data, First National's investment officers are now able to offer correspondent banks prompt, accurate analyses as they are required.

We recommend changes aimed at increasing earnings while maintaining liquidity and staying within a proper ratio of capital and deposits to earning assets.

Our recommendations may also be directed toward improving your tax situation, or strengthening the quality of your investments.

To learn more about investment portfolio analysis at First National, dial our bond department direct: 314 GARfield 1-1362.

Northwestern Banker, July, 1966
particular circumstances, relieve bank directors of personal liability. Mistakes as to what the law is serve to excuse cases where correct knowledge could reasonably be expected only from a professional man; but even in such cases, if the directors feel any doubts, they may be guilty of negligence if they fail to seek and be guided by competent legal advice."

I really am not asking for more business for the lawyers when I suggest that boards of directors should make more use of their legal counsel. The law is so much involved in all banking transactions, and so many policy decisions of the board should be made in the light of a clear understanding of the legal principles involved, and the consequences of a failure to follow the law can be so serious, both to the bank and the directors personally, that it seems extremely foolhardy for boards of directors to make so little use of the bank's legal counsel as most of them seem to do. The best assurance of a good night's sleep is a clear conscience. The second best is to have and to use a good lawyer.

I trust that if word gets out of the things I have said here, your directors will not all resign in a body. Actually, I think if all prospective directors knew all of the things I have said here, you would still have no difficulty in finding the kind of directors you want, who would be proud to be considered men of the quality the courts expect, and you just might discourage some of those who persistently indicate their willingness to serve, but whose character, integrity, business sense and judgment may be subject to question.—End.

"Climate of Carelessness . . ."

(Continued from page 29)

billing . . . that actually the goods were going out the following day. The client needed the money for payroll. It was just an "honest mistake and wouldn't happen again." Nevertheless, we feel it is a short step from pre-billing with good intentions to fictitious billing and we stopped financing this client.

I mentioned earlier that we always make certain that there are no financing statements filed ahead of us in our initial search other than those that we are going to pay off or those that are going to subordinate to us effectively. But recently we had a very unusual case along this line. It concerns an importer of Japanese radios and tape recorders. The firm had about $1,700,000 of current assets and owed $4,500,000 to the trade. In effect, this company was dealing solely on Japanese good will.

There were two Japanese firms involved. We were advised that the larger of these two manufacturers was going to be paid off by our prospective client out of the proceeds of our loan. The other company was willing to subordinate to us, although it already had filed financing statements in order to establish its lien. In addition, this Japanese firm agreed to stand by for $1,800,000 for the term of our loan. It made this a very good looking transaction, and we felt we could make conservative advances, on the inventory, and be constructive to the client.

We received subordination agreements from the Japanese manufacturer on its liens against our client's accounts receivable and inventories, as well as the stand-by agreement in the amount mentioned above. Our Financing Statements on accounts receivable and inventories were filed properly. Several days after the completion of our transaction, we received an excited telephone call from still another Japanese trading company in New York City, who pointed out that they had security interests in the accounts receivable and inventories of the Japanese manufacturing company. Our search of the records on the Japanese firm substantiated this, and the problems which we all faced are obvious. From that point on we have made it a firm practice to check the public records on any company who is giving us a subordination or stand-by agreement.

We are in the age of commercial financing. The demands for accounts receivable and inventory financing are growing increasingly with the pressures on the working capital of small businesses. Many banks are entering this field, because of the demand and because of the false comfort they receive from the adoption of the Uniform Commercial Code. What can the banks to do overcome the peculiar susceptibility to fraud inherent to receivable and inventory lending? One choice has been to expand their own auditing staff with special skills, primarily by hiring away key people from commercial finance companies, but this is expensive and the proper administration or policing necessarily...

"CLIMATE OF CARELESSNESS" . . .

(Turn to page 44, please)
IS IT ONLY A PAPER LIEN?

And are you among those lenders who have found to their dismay that a lien on inventory held under Art. 9 of the Uniform Commercial Code is of little value if the inventory has disappeared? Well, that trap has been eliminated by Certified Inventory Control, another of our exclusive collateral protection services, which guarantees that inventory pledged as collateral will be on hand. We have removed the risk.

Also our CIC certificates enable you to extend credit on types of inventory not previously acceptable: fast moving, widely diversified or incapable of segregation. Even goods-in-process.

CIC opens the door to many sound lending opportunities, which we'll be happy to explain in detail. Just call us. We're easy to reach with offices in all principal cities.

THE LAWRENCE COMPANY

New York • Chicago • San Francisco
OFFICES IN PRINCIPAL CITIES

Northwestern Banker, July, 1966
**Climate of Carelessness . . .**

(Continued from page 42)

tates a rate of charge-away in excess of what banks are accustomed to charging. Some banks say, “We’ll deal only with the best credits, and we won’t have to worry about fraud,” but, recently, a West Coast bank suffered a million dollar accounts receivable fraud from a good moral risk that turned sour after ten years of legitimate dealing.

My own recommendation is for the banks to utilize the extra skills of the finance companies by entering this field on a participation basis. This is a practical solution, since the banks can have a “work-free,” secured loan at approximately 6 per cent with the benefits of the depository relationship, and with the opportunity to take back the loan for itself when the client has improved his picture to the point where he is acceptable to the bank by traditional yardsticks.

To summarize, I want to emphasize that, today, we, at Walter E. Heller & Company, do exactly the same things we did prior to the Code in administering accounts receivable and inventory loans. We have done this in each state where the Code has become effective, and will continue to do so probably until human nature—with all of its frailties—undergoes a complete change.

I, personally, believe that you should stop and examine your own portfolios, and if you are relying on Code liens on accounts receivable without detailed verification and daily supervision of concentrations, credit limits, progress-billing problems and contra situations, you should ask yourself if you are content to handle this particular loan on an unsecured basis. If you are, there is no harm in continuing your present practice. If you are relying on Code liens on inventory without adequate checks for quantitative and qualitative reports, returned merchandise and costs of purchase by your customer, as well as physical visits to the plant by experienced personnel, you should likewise ask yourself if you are satisfied to handle this loan on an unsecured basis. If you are not, however, and are actually looking to the collateral against which you have loaned, I would urge you to call on the experienced specialists of the commercial finance industry to provide you the necessary administration of these accounts.

The Uniform Commercial Code does not help us at all in the repayment of any of our loans! It merely gives us paramount liens on our collateral, if properly complied with.—End.

**9 Steps to Spotlight Effective Security**

NEGLIGENCE is the bank thief’s best ally, according to John J. Janssen, manager of the criminal division of The William J. Burns International Detective Agency. He added further, “prevention is less costly than detection, which at best is but a belated action.”

Mr. Janssen, whose firm is official detective agency for the American Bankers Association, made his remarks in addressing bankers at the Group Three meeting of the Iowa Bankers Association in Clear Lake, Iowa, recently.

“As a matter of sound public policy and of effective preventive effort, rigid prosecution of the crook is essential,” he added.

Nine steps to effective security listed by Mr. Janssen are:

1. Don’t jeopardize the lives of your employees by allowing the working force to be undermanned.

2. Don’t invite financial loss and serious injury of your messengers by sending them on unnecessary errands of accommodation, or by submitting them to other risks without adequate guards.

3. Don’t carry excessive cash at the tellers’ windows. Securities and other valuables or cash in excess of the tellers’ minimum needs should be kept under time-lock in a safe within the vault. During banking hours the vault door should be kept locked whenever practicable and when not closed, the bolts should be thrown and “locked open.”

4. Don’t cash checks for strangers without reliable proof of their identity and title. To avoid questioning, crooks often forge customers’ signatures as indorsements. When presented by strangers, such indorsements should be verified directly.

5. Don’t use ordinary rubber stamps for certifications. Crooks buy them for a dollar.

6. Don’t accept all cashier’s checks or certified checks as cash. Professional forgers duplicate them with little difficulty.

7. Don’t be misled by the commanding words “currency,” “cash” or “bearer” on the payee line. When presented by strangers, such checks should be carefully scrutinized, maker’s signature compared and amount of balance ascertained. Some forgers specialize in the use of such checks, confident that they will be considered payable on demand and no questions asked.

8. Don’t present checkbooks or passbooks to new customers without satisfactory references or before credit has been verified. In the hands of crooks these books cause many losses and much annoyance.

9. Don’t fail to give effect to the preventive measures outlined in the published ABA warnings and the special warning circulars issued periodically.

—End.

Four New Vice Presidents

Richard A. Cantor, George G. Mere-dith, Donald Townsend and Gary E. Weiss have been named vice presidents by the Chase Manhattan Bank, N. A., New York, in the investment advisory section of the bank’s fiduciary investment department.

Mr. Cantor, who heads the marketing section, joined the bank in 1957 as an account assistant. He was named an investment officer in 1961 and a second vice president in 1963.
Watch North Central Build A Plus Profit Program Around You

Flexible. That’s North Central. We’re flexible because we understand bankers. When we give you a plus profit program it’s designed for you alone... from insurance plans to accounting procedures.

Take insurance plans. We have them all — Red Shield Creditor Life Plans, GMI (group mortgage insurance), Bank-O-Medic hospitalization, even “Banker’s Choice” — a plan for plus profits via Ordinary Life insurance sales. But you can choose as few or as many of our programs as you need.

The same for accounting... we’ll provide special procedures, direct billing, staff training... without cost. We’ll add profit projections, promotional back-up, still without cost.

We’ll hand you a custom-made tool to build business. And profits. If that sounds like we’re your kind of company, call us and get started today.

North Central Life Insurance Company
North Central Life Bldg. • Minnesota & 4th Sts. • St. Paul, Minn.

Northwestern Banker, July, 1966
Senator Jack Miller Reports

1965 Inflation Cost $16 Billion

In his June "Report to the Hawkeye State," a regular mailing to his constituents in Iowa, United States Senator Jack Miller brings home to Iowans the devastating cost of inflation. He reports in part:

What Inflation Means to You

"In 1939 your dollar had a purchasing power of 100c. In December of 1960 it had dropped to 46.6c. In April of this year it was down to 43c!

"The cheapening of your dollar is shown by increases in the retail Consumer Price Index. Using a 1939 Index of 100, it had increased to 214.6 by December of 1960. In April of this year it was up to 229.3. Using the newer Index of 100 based on 1957-59 prices, it stood at 103.9 in December of 1960 and at 112.5 in April of 1966! (Each index is accurate, but some officials like to use the newer one because it doesn’t look so bad.)

"The national average annual cost of maintaining a family consisting of husband, wife, and two children was $6,206 for 1960. For 1965 it was $433 higher due to the increased cost of living (inflation)!

"Based on figures from the Office of Education, the average cost of a college education for the academic year 1965-66 had increased over the academic year 1960-61 by $200 for a public college and by $400 for a private college!

"A home which sold for $12,000 in 1960 cost $13,300 in 1965. With inflation, one can expect an increase in interest rates. Loans taken out in 1965 carried at least 1 per cent more interest rate than in 1960. Assuming an 80 per cent loan on the $13,300 purchase price, with 20 years to pay, the additional interest would add up to another $1,700, for a combined additional cost of $3,000 over 1960! Similar increases in costs would hold for homes costing more or less than $12,000 in 1960.

"Social Security pensions were increased by 7 per cent effective January 1, 1965, but even then the purchasing power of these pensions was not as much as in 1958. Continued inflation has further reduced their value. This is why I offered an amendment to the Medicare bill to provide for an automatic increase in pensions to keep pace with increases in the cost of living. Administration opposition to my amendment caused its defeat.

"Total inflation in the United States for the past five years amounted to $51 billion. Iowa's share of this averaged nearly $136 million a year—the equivalent of a 3 per cent sales tax (on top of the regular 2 per cent state sales tax)!

"AND IT IS GROWING STEADILY WORSE! For 1965, inflation for the United States amounted to almost $16 billion, of which Iowa's share was nearly $212 million—the equivalent of a 5 per cent sales tax (on top of the regular 2 per cent state sales tax)! This isn't far below the $267 million cost of the entire budget for the State of Iowa for one year. And during the first three months of 1966, inflation for the United States was $7.5 billion—nearly double what it was a year ago!

Where It Starts

"When a majority of the members of your federal Congress vote to spend billions of dollars more than your federal government takes in, year after year, the foundation is laid for inflation. From 1961 through 1965, your federal government went $31 billion deeper into debt, and this was accompanied by $51 billion of inflation.

How To Stop It

"Income and outgo of your federal government must be brought into reasonable balance. This can only be done by holding the line on non-defense spending and, in some cases, reducing it; or by an increase in taxes; or both. It is obvious that the tremendous costs for the War in Viet Nam cannot be accompanied by increases in non-defense spending without worse inflation. However, the attitude of many Washington politicians is that the voters don't know how inflation happens; that purchasing power can be taken away from them by inflation just as well as by a tax increase, but a tax increase would be too risky before the elections; and that holding the line on federal non-defense spending—curbing inflation—will not win as many votes as increasing this spending. It is a calculated risk based on hope that the voters won't be informed enough to know who causes inflation. My hope is that the voters will be informed.

"Note: Efforts are being made to reduce the deficits by selling some of the assets of the federal government. Mixing income from the sale of these assets with operating expenses will only postpone the day of more taxes or more inflation, because such sales can only be made once; whereas the spending they cover will continue on in future years."—End.
Western Mutual Insurance Co.

616 10th STREET - DES MOINES, IOWA

"Since 1907"

"A Multiple Line Non-Assessable Company"

Agency inquiries are invited

Western Mutual writes under the American Agency Plan

Northwestern Banker, July, 1966
Ora la Continental Bank ha aperto un ufficio in Milano.

(Now Continental Bank has an office in Milan.)
Maintenant Continental Bank a ouvert un bureau à Bruxelles.

(Now Continental Bank has an office in Brussels.)
Used to be, all hell broke loose when the computer couldn’t compute. Vice presidents went off the deep end. Costs rocketed. Hands shook. Voices got shrill.

**Quietly to the rescue:** The St. Paul Insurance Companies, with a policy covering disablement of computers. ("Externally caused, fortuitous disablement.") The reception astonished even us. Problem-solving policies like this one, never written before, have helped make The St. Paul quietly notable.

**Got no computer? Be calm.** You can still have the advantage of our experience (a century or so), our solvency, our creativity in fitting a policy to a problem. We write all kinds of insurance: personal, casualty, even life. It’s good insurance, and you get good value for your money.

**Note to V.P.’s in Charge of Computers:** The name of this policy is “Electronic Data Processing.” If some inner voice tells you to get on the stick and find out about it before your boss does, call or write. (Look in the Yellow Pages.)

We’ve been called The World’s Quietest Insurance Company, probably because we didn’t advertise for about 100 years. Our agents and brokers will talk, though. Try them!

**THE ST. PAUL INSURANCE COMPANIES**

Serving you around the world… around the clock

St. Paul Fire and Marine Insurance Company
St. Paul Mercury Insurance Company
Western Life Insurance Company
St. Paul, Minnesota 55102
OFFICIALS and committee members of the Minnesota Bankers Association who prepared the program for the 76th annual convention last month were aptly rewarded when a record high crowd of over 2,000 persons registered at the Radisson Hotel in Minneapolis for the three-day meeting. On the final morning, registration of 2,028 men and women had been recorded, and more came in for the final day’s meeting and the annual banquet.

Donald H. Gregerson, president of the Minnesota Bankers Association this past year, and president of First National Bank, Anoka, was succeeded as president during the convention by Robert J. Hubbell, president and cashier, Eastern Heights State Bank, St. Paul. Newly-elected vice president is Paul W. Gandrud, executive vice president, Swift County Bank, Benson. New treasurer is A. Dan Fiala, president, Ogilvie State Bank, Ogilvie, who succeeds Wils A. Garratt, president of Farmers & Merchants State Bank, Sauk Centre, and recent­ly elected president of the Independent Bankers Association, titled his address “The Fight for Survival.” He counseled his fellow Minnesotans that presently-developing legislation, personnel and profits will bear directly on what the future holds for them and their banks as independent, community-serving enterprises.

He advised country bankers to meet the management succession problem by giving their junior associates experience in executive decisions and rewarding them with profit shares so they can “buy in when you bow out.” Mr. DuBois also stressed the need for quality and liquidity of bank assets beyond the desire to earn a profit. “Good bank management,” he said, “will earn a profit, but how much is the management entitled to? Why the common belief that this year’s profit must exceed last year’s? Is it not the better part of wisdom for a bank to for­go some profits in times of abnormal competition?”

In the meat of his talk he struck at heavy concentrations of banking power, whether by branching, holding company, merger, expansion or other means. He said such engulfing methods must be curbed to retain the true meaning of free enterprise.

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Professor Walter asked, “How can we expect our children to become ‘good men’ if we compromise those qualities that breed the image of a ‘good man’? For example, by saying we can’t mix business with pleasure— which means business takes precedence over friendship.”

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THE board of directors of the Federal Reserve Bank of Minneapolis last month announced the election of two new officers.

Miss Ellen M. Bilsey has been promoted to assistant secretary and Lee Roy C. Hughes has been named building officer.

Miss Bilsey is the first woman employee of the bank to be elected an officer. She has been employed at the Reserve Bank since 1933.

Mr. Hughes, a graduate of Roosevelt High School, Minneapolis, has been employed at the bank since 1935.

The high interest rates being currently paid on corporate bonds and the decline of net deposits at savings and loan associations and mutual banks has made the scarcity of home mortgage funds a more difficult problem than their cost, Ewart W. Goodwin, president of the Mortgage Bankers Association of America and president of the Percy H. Goodwin Company, San Diego, told a meeting of the Minnesota Mortgage Bankers Association in Minneapolis last month.

He suggested that sources of mortgage funds probably will dwindle even more by midsummer.

Government-guaranteed mortgages with minimal interest rates of 5.75 per cent and conventional home mortgages starting, in some areas, at 6 per cent, are "poor competition," he said, for corporate bonds yielding more than 5.5 per cent and federal issues running from 5.1 to 5.75 per cent. He also noted that the trend in bond yields continues upward as federal, state and local governments and businesses seek more capital from the public and private markets.

He reported that the savings and loans and mutual savings banks had had a "bleak" first four months in 1966. He added, "The heavy withdrawals that are expected after the July interest payment date presumably will widen these year-to-year gaps."

Chet Lind to Duluth

The election of Chester C. Lind, president, First National Bank of Aberdeen, S. D., as executive vice president of the First American National Bank of Duluth has been announced by Emmons W. Collins, First American president. Mr. Lind was also elected to the board of directors of First American at a special meeting of the bank's stockholders.

Mr. Lind's banking career began in 1935 following his graduation from high school. Later the same year he joined the staff of the First National Bank of Aberdeen at the bank's Mobridge office. He was transferred to the head office in 1937. He was elected president of the bank in May, 1954, at the age of 36 years.

Robert F. Poirier, who had been serving the bank as vice president, has also been elected senior vice president at First American. George G. Barnum, Jr., vice president, resigned his position at the bank due to the press of personal affairs and outside activities.

Mr. Poirier joined the bank in January, 1958, as an assistant vice president and was elevated to vice president in May, 1961.

Mapleton Birthday Party

Mapleton Community First National Bank recently held a "birthday party" celebrating the bank's third year in its new building and its 63rd year of service to the community.
new Uniform Commercial Code. The initial talk was given by Warren F. Vaughan, vice president, Security Trust and Savings Bank, Billings, Mont., and a lengthy question and answer period ensued, using up almost the entire morning.

In his brief remarks before the convention delegates, Kenneth A. Wales, executive secretary of the Minnesota Bankers Association, announced that a three-state school has been organized by Minnesota, South Dakota and North Dakota. It will deal with agricultural topics, as well as an effort to aid small communities in being more aggressive. It is hoped to have the first school by the summer of 1967 at the University of Minnesota campus in Morris, Minn., which is about graphically centered for the three states involved. Much of the U of M's ag experiment program is carried on at Morris, he said.

The noon luncheon speaker, the Hon. Andrew F. Brimmer, who was sworn in last March 9 as a member of the Federal Reserve System Board of Governors, Washington, D. C., let it be known in the first sentence of his address that he did not make the trip from the nation's capital merely to extend amenities to the convention. He started by saying, "Unlike Mark Antony, I came to praise membership in the Federal Reserve System and—hopefully—to help bury non-par banking!"

Since, as he pointed out later in his talk, the state of Minnesota has the largest number of non-par banks in the United States, the tenor of his talk, although received politely, didn't make the greatest hit of the day. He spoke convincingly with statistic after statistic, then concluded by saying that after such convincing proof, Minnesota bankers could see the wisdom of ending non-par banking and becoming members of the Fed. He urged passage of legislation which would give the Federal Reserve Board of Governors control over reserve requirements of all insured commercial banks.

Dr. Brimmer stated that "the practice of non-par clearance of checks by more than 11 per cent of the banks in the country is mainly a lingering nuisance from a by-gone era," and urged that service charges be substituted in each bank for the present non-par collection method so that the person receiving a check for goods or services will not have the cost of check collection shifted from the bank customer to the check recipient.

Charles A. Agemian, executive vice president of the Chase Manhattan Bank, New York, gave a sparkling address titled, "A Banker Looks at Management." He told his audience it is up to them as bankers to help their customers grow, to make big customers out of little ones, by the banker having a thorough knowledge of the customer's business. He said there are two ways to measure the profitability of management: First, is the return on equity capital and if this is 10-12 per cent it is a sign of good management. Second, if the manager is making three-fourths of one per cent on money available to him he's doing well, and 1 per cent is excellent.

Mr. Agemian scored archaic banking laws under which banking lives today, particularly the capital to deposit ratio. He stated emphatically that whether a bank has enough capital or not is a management decision and "I don't ever want to see us lose this decision power" to supervisory authorities.

Mr. Agemian said further, "If we're going to be earners in our banks we can't afford to be warehousers of U. S. government securities. I think there's a distinct ratio between the shabbiness of a town and the amount of U. S. securities held by the bank!" He urged bankers to go for debt capital, and "only when it gets real uncomfortable do you need to go for equity capital."

He stressed the importance of installment loans to a bank and the income derived therefrom. He also said bankers should not be slaves to an accounting period, but keep the long-term outlook. Bankers should look at term loans and should study their service charge schedule and see if this

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**LEFT—Gene Axness (left) and Paul Koch (right), a.a.'s, Northwestern Natl., Minneapolis, greet their guests, A. E. Nordstrom, retired pres., Bank of Willmar (and a 50-year banker), and Jerry Riglin, pres., Northwestern B&T, St. Cloud.**

**Don Gregerson, retiring pres. of the MBA, and Kenneth A. Wales, MBA exec, seey.**

**New MBA Treasurer A. Dan Fiala, pres., Ogilvie State, talks over his duties with retiring Treasurer Wils Garratt, pres., Farmers & Merchants State, Preston.**


*Northwestern Banker, July, 1966*
HON. ANDREW F. BRIMMER, member, Board of Governors, Federal Reserve System, with Hugh Galusha, pres., Federal Reserve Bank of Minneapolis.

should be increased at this time.

He concluded his talk with a look at management practices relating to proper training of and utilization of personnel.

Two outstanding evenings of entertainment were provided during the convention. Tuesday evening was "A Night in Monte Carlo." After a sumptuous buffet dinner, every registrant was given an amount of play money to use at Monte Carlo type games. At the evening's conclusion, an all expense paid trip for two persons, via Air France, to Monte Carlo, was awarded by drawing. The winner was Mrs. Ramona E. Meier, cashier, First State Bank, Stewart, and her husband. The final evening affair was the annual banquet Wednesday night at which new officers were installed. This was followed by top entertainment, then dancing to the music of Jules Herman and his orchestra.—End.

Austin Bank to Build

Plans for the Austin State Bank's new building have moved forward with the announcement that the bank will take possession of the Fox Hotel property November 1. The hotel will be demolished to make room for the new bank building and parking complex.

Albert Lea Drive-In

Freeborn National Bank, Albert Lea, has added a second drive-in banking window at its drive-in banking facility a half block east of the bank building.

Bank Marks 50 Years

Open house was held recently at the Farmers and Merchants State Bank, New York Mills, marking the completion of the bank's first 50 years in the community. E. H. Buerkle, president of the institution, has been managing officer of the bank for 42 of its 50 years.

New Officer Elected

Arvy J. Larson has been elected assistant cashier and agricultural representative of the First National Bank, East Grand Forks, Minn. Mr. Larson joined the bank July 1. He is a 1959 graduate of the Institute of Agriculture, University of Minnesota, and also has done advanced work in farm management courses through North Dakota State University. Prior to joining the bank he was employed by the Production Credit Association at Grafton, N. D.

Donovan W. Johnson, president of First National, announced Mr. Larson's election as well as realignment of duties for other officers. Robert W. Solien, assistant vice president, has assumed assistant managerial responsibilities of the office recently held by Harold Moe, resigned. Deverne Danburg continues as cashier with additional operations responsibilities under his supervision.

David A. Lee, a recent graduate of North Dakota State University, where he majored in ag economics, joined the bank July 1 as a management trainee.
Pictures from the Minnesota Bankers Convention

LEFT—A. E. Arnzen (left), new pres. of Pioneers Club and pres. of Farmers & Merchants Bank, Appleton, is a 51-year banker. He is visiting here with two long-time members of Pioneers Club: Carl H. Sommer (center), chmn., State Bank of Rush City, a 74-year veteran of banking, and Oscar A. Olson, Sr., chmn. of 1st State, Braham, a banker for 62 years.


Ely Mining Operation

Plans for a major nickel-copper mining operation which will make Minnesota the nation’s largest producer of nickel and a leading domestic source of copper were announced late last month.

The mining operation, which will cost an estimated $80 million and which will create more than 1,000 new jobs, will be located near Ely.

To Stonier School

John Z. Dahl, assistant cashier, First American National Bank Duluth, has been accepted for a three-year course at the Stonier Graduate School of Rutgers University.

He left last month for his first two weeks in residence at the school. He will spend two weeks each year for the next three years in residence and do correspondence work in the interim.

New Owatonna Bank

OWATONNA’S First National Bank recently played host to visitors at an open house celebration marking completion of the 100-year-old bank’s new building. The new building features drive-up and walk-up facilities and a night depository and letter drop.

Familiar Faces

for around the clock correspondent service

LIVE STOCK NATIONAL BANK

SIoux City
HOLDHUSEN, president of the South Dakota Bankers Association and president of the Ipswich State Bank, Ipswich, has announced the 1966-67 committees of the SDBA. The first named banker in each committee is the chairman. The committee roster follows:

**AGRICULTURE COMMITTEE**

**BANK MANAGEMENT COMMITTEE**

**EDUCATION COMMITTEE**

**INVESTMENT COMMITTEE**

**INSURANCE COMMITTEE**

**PUBLIC-INDUSTRIAL RELATIONS COMMITTEE**

**TRUST COMMITTEE**

**LEGISLATIVE COMMITTEE**

**ITE COMMITTEE**

**SITE COMMITTEE**

S. H. LARSEN Elected President at Aberdeen
- S. H. Larsen, 49, will succeed Chester C. Lind as president of the First National Bank of Aberdeen. Mr. Larsen was named by the board of directors recently, who also elected C. L. (Bud) Koch as a director. In accepting the resignation of Mr. Lind, the board gave him special recognition for outstanding contributions to the bank and to his community. Mr. Lind is going to another Northwest Bancorporation affiliate, First American National Bank of Duluth, Minn., as executive vice president and director. The changes will be effective July 15.

The new president is a native of South Dakota and has been in the banking field for 31 years. Born in Roberts County, he spent most of his youth in the New Effington area.

Roslyn Bank Sold
- Controlling interest in the Farmers & Merchants State Bank, Roslyn, has been purchased by G. L. Hill and associates of Aberdeen from Dr. A. A. Lampert and Ray J. Aldrich, Jr., of Rapid City. The latter two are officers of First South Dakota Bankshares, Inc., the firm that bought the Roslyn bank two years ago from George Gilbertson, who continues as president. Mr. Hill has been elected to the board of the Roslyn bank and stated no other changes have been made. In addition to Mr. Gilbertson, other officers are Alma Skadaen, vice president; Arthur L. Hanson, cashier, and Thelma Nerland, assistant cashier. Mr. Hill announced that broadened services will be instituted by the bank at an early date.

S. H. LARSEN C. L. KOCH
A. M. Mayer, president of the North Dakota Bankers Association, and president of the Dakota National Bank, Bismarck, has recently announced the 1966-67 NDBA committee appointments. The committee roster is as follows:

**Legislative**
Gary Lerberg, Parshall, chairman; George M. Johnson, Minot; T. A. Roney, Carrington; Peter J. Welk, Bismarck; Carl A. Berg, Cavalier; Fred Hoghaug, Devils Lake; Gary McDaniel, Minot; Jack Hoeven, Minot; L. M. Stenehjem, Watford City; Franklin Page, Hamilton; S. D. Jacobson, Sharon; Cy Fulton, Bowman; R. M. Leslie, Mandan; Stanley J. Kwako, Heaton; O. K. Anderson, Lakota; Gordon Webber, Lisbon; A. M. Eirksmoen, Fargo; Frank Grim, Crosby.

**Bank Management**

**Agricultural**
O. V. Stenehjem, Watford City, chairman; R. O. Skorheim, Minot; R. L. Branvold, Grafton, Grafton; L. E. Herzog, Cooperstown; Omar M. Vein, Grand Forks; T. James Sette, Bismarck; C. B. Schmidt, Ashley; Morris Nelson, Stanley; Robert Mountain, Jamestown; Roy H. Johnson, West Fargo; T. A. Dwayne, Munich; Clark Jenkins, Fargo.

**Insurance**
E. F. Sexton, Fargo, chairman; E. M. Dahlén, Mandan; David Sanford, Watford City; K. A. Meier, Linton; Aron Anderson, Lakota.

**Education**
B. P. McDermott, Grand Forks, chairman; James Lewis, Harvey; Gordon Weber, Lisbon; Paul Olson, Grand Forks; T. W. Sette, Bismarck.

**Public Relations**
K. B. Cummings, Valley City, chairman; Ralph Schreiner, Minot; Paul Olander, Grand Forks; E. F. Spencer, Bismarck; Richard T. Lysne, Velva; Earl W. Anderson, Fargo; R. Burgess, Edgeley; Eugene Oakland, Dickinson.

**Budget**
J. H. Munn, Westhope; Gordon Weber, Lisbon; Ed Olson, Grand Forks; T. W. Sette, Bismarck.

**Savings Bond**
A. M. Eirksmoen, Fargo; D. W. Palmer, Fargo; J. H. Munn, Westhope.

**Workshop Coordinator**
Lyle C. Sorum, assistant vice president of the American State Bank of Williston, was the coordinator for the North Dakota Bankers Association Uniform Commercial Code workshop that was conducted in Williston last month. Over 90 bankers, businessmen, attorneys, accountants and others were in attendance.

**Attending Bank School**
Kenn G. Skadeland, vice president of the American State Bank of Williston, will be attending the Wisconsin Graduate School of Banking at Madison, Wis.

**Buffalo Changes**
H. R. Edlund, president of First State Bank of Buffalo, has recently announced that J. M. Peterson and Jeanet L. Peterson, former principal stockholders, have sold their interest in the bank to Gorman H. King, B. J. Stenson, William J. Lorenz, Arthur Huber; Dr. Neil A. McDonald and Dr. John W. Goven, all of Valley City, N. D.; J. C. Kenney, Ed Brodina, and Henry Kelley of Park River, N. D. Mr. Edlund retained his stock.

In addition to Mr. Edlund as president, Mr. King is chairman of the board; Mr. Huber, vice president; Glenn B. Pfeifer, cashier; Beverly I. Jager, assistant cashier, and Jacqueline L. Marcks, assistant cashier.

**Adds New Installations**
In cooperation with the Montana Dakota Utilities Company and Northwestern Bell Telephone Company, the American State Bank of Williston has added deposit box type installations at its North Station that make possible utility payments from Monday through Saturday from 8:30 a.m. to 5:00 p.m.
New Montrose Service
The Montrose National Bank has recently introduced DATA LINE, a new concept in automated accounting. Where once it was necessary to transport all checks and deposits to a computer center, the bank now retains all its records and transmits the information each day over existing telephone lines directly into the Denver U. S. National Bank Data Center.

John B. McKeon
John B. McKeon, 41, vice president in charge of marketing and new business at the Denver U. S. National Bank, died on June 3 two days after routine surgery, as announced earlier. Death was attributed to a cardiac arrest during the operation. Mr. McKeon was born in Michigan and came to the Denver U. S. National in 1962 from a Chicago advertising agency. Mr. McKeon was active in the ABA and several Denver civic organizations. He is survived by his widow and two children.

Lakeside Open House
Open house for the newly-expanded and remodeled facilities of the Lakeside National Bank in the Lakeside Shopping Center was scheduled for the first week in July, according to C. Gale Sellens, president. Featured during the week-long open house were special premiums on savings and checking accounts and other special prizes. New facilities include a second floor and more drive-up windows and lobby facilities.

New Credit Bank Officers
John H. Reich, assistant vice president of the National State Bank of Boulder, has been sworn in as president of the Colorado Installment Credit Bankers Association. Advancing from secretary-treasurer to vice president was Harley Patton, Jr., vice president of the Central Bank, Denver. Newly-elected as secretary-treasurer was Glenn Obermeyer, vice president of the Alameda National Bank in Denver.

Forrest L. Barkley
Forrest L. Barkley, 76, who was on the staff of the Colorado State Bank nearly 54 years until his retirement November 30, 1964, died at his home in Denver last month following a brief illness. He was president of the bank from 1950 until retiring.

The bank now is headed by two sons-in-law. Ellwood M. Kullgren is president and Glen B. Clark is senior vice president.

Denver U. S. Promotions
Three men have been advanced at Denver U. S. National Bank. Thomas C. Stokes has been named officer in charge of the bank’s marketing division. William W. Schley and Jack W. Swanson were promoted from assistant trust officers to trust officers.

Mr. Stokes joined the bank in 1956 and since early this year has been head of the business development department.

Mr. Schley joined Denver U. S. in 1955 and Mr. Swanson joined the bank in 1957.
sweet music

The "blips" and "beeps" of electronic data processing equipment are music to the ears of Dick Hanley and his Central associates. They have even programmed their pet IBM 1401 to play "Comin' 'Round the Mountain" on the printer.

When the time comes for YOUR bank to consider electronic demand deposit accounting equipment, Central will be glad to share with you our extensive knowledge and experience in this field. Already, Dick Hanley, Vice President in charge of our Customer Accounting Section, has helped correspondent banks throughout the West with their accounting problems. Call us soon at 303/825-3181. Ask for Dick Hanley. He's the man to tell you all the reasons for "comin' 'round the mountain."
*Wyoming Bankers Oppose A.B.A. Position on "Cease and Desist"

THE Wyoming Bankers Association, in its 58th annual convention last month at Jackson Lake Lodge, followed the lead of the other state associations convening within Northwestern Banker territory this spring by roundly opposing Federal "cease and desist" legislation.

While the WBA went on record as opposing changes in regulations concerning certificates of deposit, the organization refused to back the ABA position on the proposed "cease and desist" legislation. (For the ABA position, see the June 20, 1966, issue of the Northwestern Banker.)

Defeat of the resolution to endorse the ABA stand followed an address by Pat DuBois, president of the Independent Bankers Association of America, in which he outlined his organization's opposition to the entire bill, and an address by Dwight Bonham, state examiner, who stated the position of the National Association of Supervisors of State Banks, which also opposes the complete "cease and desist" bill.

John W. Hay, Jr., president, Rock Springs National Bank, was elected the new president of the Association at the convention. He succeeds Robert L. Ferril, vice president, Wyoming Bank & Trust Company, Buffalo, in the post.

Max C. Robinson, executive vice president, Star Valley State Bank, Afton, was named the organization's new vice president and J. A. Guthrie, Jr., vice president, Bank of Laramie, was elected treasurer.

William R. Engstrom, assistant cashier, Rawlins National Bank, in a mildly surprising move, resigned his position as WBA secretary. The association will name a successor to Mr. Engstrom in the near future.

In addition to Mr. Ferril, the outgoing president, the following bankers were elected to the WBA executive council: L. C. Atkins, president, First National Bank, Torrington; Felix Buchenroth, Jr., president, Jackson State Bank; and Ray V. Faure, executive vice president, Security State Bank, Basin.

An innovation was introduced at this year's WBA convention—the first annual WBA golf tournament. George Janzen, vice president, Central Bank & Trust Company, Denver, was named the winner of the tournament.

Mr. Ferril, in his remarks before the convened bankers, offered a convincing plea for the preservation of the dual banking system.

F. Sherman Adams, senior vice president, First National City Bank, New York City, guest speaker before the convention, predicted that the strength of, and management within, the banking system is great enough that an all-out liquidity crisis is not likely.

Accompanying the growth in the number of national banks within the state, the WBA organization of past presidents also voted a change in officer selection procedures. The past presidents' recommendation was approved by the convention.

Henceforth, the policy of alternating, year to year, from a state banker to a national banker will be changed to selecting a national banker two of every three years.

As has been the custom for several years, the 59th annual convention of the Wyoming Bankers Association will also be held at Jackson Lake Lodge.—End.

Basin Bank Gift

A 6 by 10 foot marquee, which has been designed to carry announcements of Basin school activities, has been installed at Basin. The marquee is the result of a joint effort by the Security State Bank and the Wyoming Gas Company and has been presented to the school system by the two organizations.

Laramie Scholarship

Max Fisher, president, First National Bank, Laramie, recently presented the bank's annual $300 scholarship for advanced study to Donald Shoefelt, Laramie High School mathematics instructor. Mr. Shoefelt will attend the University of Wyoming for his advanced degree in mathematics.

New Cashier at Jackson

Felix Buchenroth, Jr., president of the Jackson State Bank at Jackson has announced the election of Leo N. Chase as cashier. Mr. Buchenroth previously held the post of cashier as well as president.

Mr. Chase formerly was executive vice president of the Stockgrowers Bank of Wheatland.

Mrs. Mildred L. Buchenroth continues as chairman of the board; Clifford P. Hansen as vice president, and Winona Flower and Virginia Blair as assistant cashiers.

Eight New Vice Presidents


Mr. Dean is in the Los Angeles headquarters installment credit department; Mr. Donovan is head of the personal direct loan division in the Los Angeles headquarters; Mr. Jackson is in charge of the property improvement loan division, Los Angeles headquarters installment credit department; Mr. Johnson is manager of the Fullerton office; Mr. Lloyd is field supervision division head in the Los Angeles headquarters installment credit department; Mr. Matlock is collection division head in the Los Angeles headquarters installment credit department; Mr. Schwartz is manager of the Brea office, and Mr. Staudt is commodity dealer division head in the Los Angeles headquarters installment credit department.
Security First National Bank introduces an extraordinary new service in banking.

The Check Guarantee Card

The Check Guarantee Card guarantees payment on Security Bank personalized checks for either cash or merchandise... up to $100.00.

The new Check Guarantee Card has one principal purpose: To help Security Bank customers negotiate personal checks whenever this is a problem.

To do this, we guarantee to the retailer (and to other business and professional people) that payment will be made on personal checks written by customers who present this Card. All branches of Security Bank will honor the Card on sight.

The Check Guarantee Card is not a credit card in any sense of the word. It is simply a device which guarantees payment on a Security Bank personalized check.

An extension of Ready ReservAccount.

To obtain the Check Guarantee Card, an individual must have a personal checking account at Security Bank, and must also qualify for Ready ReservAccount.

Ready ReservAccount is basically a revolving line of personal credit that maintains a cash reserve behind a customer's personal checking account. This permits a customer to purchase goods or services on credit, through the convenience and privacy of a personal checking account.

A Check Guarantee Card, in combination with Ready ReservAccount, provides the most usable, flexible checking account currently offered by any bank in the country.

The customer has the option.

Although Check Guarantee Card and Ready ReservAccount are both extensions of a Security Bank personal checking account, the customer has complete freedom as to how and when he uses these services. Either the Card or Ready ReservAccount may be used independently, in combination or not at all. The customer has the option.

No service charges.

There are no charges or fees for the Check Guarantee Card — either to the customer or to the retailer. It also costs nothing to establish or maintain the Ready ReservAccount credit line. The customer pays interest only on reserve funds in use, calculated monthly. The retailer is not asked to sign any agreement—not to buy, maintain or use any special equipment.

More information.

If you would like additional information on Check Guarantee Card and Ready ReservAccount, please contact: Mr. Richard J. Flamson III, Vice President, National Division, 561 South Spring Street, Los Angeles, California 90014.

Make your financial partner

SECURITY FIRST NATIONAL BANK

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Northwestern Banker, July, 1966
**New Montana Group Officers**

R. C. WALLACE, secretary-treasurer of the Montana Bankers Association in Helena, reports that the Flying Circus round of annual group meetings held recently were among the most successful in Montana banking history. Listed below are the members of the executive council, group officers and standing committees:

**EXECUTIVE COUNCIL**


**GROUP OFFICERS**

1966-1967

Group I

President, Ronald of Bank Farmers & Merchants Bank, Rodyard; Vice President, K. I. Heen, Northern Bank of Montana, Big Sandy, and Secretary-Treasurer, John Larson, Valier Bank of Montana, Valier.

Group II

President, Ben Heidel, Powder River County Bank, Broadus; Vice President, Wm. A. McIntosh, Sidney National Bank, Sidney, and Secretary-Treasurer, G. Dorin Radtke, First State Bank, Forsyth.

Group III

President, Eugene Gillette, Conrad National Bank, Kamiah; Vice President, D. E. Olson, Roman State Bank, Roman, and Secretary-Treasurer, Orville Mann, Western Montana National Bank, Missoula.

Group IV

President, M. K. Graham, First National Bank, Glasgow; Vice President, W. E. Southwick, First State Bank, Malinol and Secretary-Treasurer, Allen Peterson, Culbertson State Bank, Culbertson.

Group V

President, N. J. Browne, Belt Valley Bank, Belt; Vice President, D. H. Browne, First National Bank, Lewistown, and Secretary-Treasurer, J. Wm. Kearns Jr., State Bank of Townsend, Townsend.

Group VI

President, Robert Pitch, Deer Lodge Bank & Trust Company, Deer Lodge; Vice President, Dennis J. Ryan, Security Bank, Butte, and Secretary-Treasurer, Russell Edwards, First National Bank, Twin Bridges.

Group VII

President, Wayne D. Lavrenz, The Yellowstone Bank, Laurel; Vice President, Charles E. Sweeney, Big Horn County State Bank, Hardin, and Secretary-Treasurer, T. W. Witten, Security Bank & Trust Company, Bozeman.

**STANDING COMMITTEES**

**AGRICULTURAL COMMITTEE**

1. STEWART ELLISON, First National Bank, Havre.
2. C. W. C. GROSS, First National Bank, Miles City.
3. GEORGE STEWART, Ravalli County Bank, Hamilton.
4. JERRY WAllANDER, First State Bank, Powell.
5. JIM LUNNEY, chairman, Great Falls National Bank, Great Falls.
6. GORDON NICHOLAS, State Bank & Trust Company, Dillon.
7. J. D. LAWRENCE, Farmers State Bank, Worden.

**EDUCATIONAL COMMITTEE**

1. GERALD McGEE, Security State Bank, Hamilton.
3. DON NOLAN, Southside National Bank, Missoula.
4. R. APPELGREN, chairman, Western National Bank, Wolf Point.
5. F. E. GANNON, Union Bank & Trust Company, Helena.
6. JOHN DOWDALL, Daly National Bank, Arvada.

**LEGAL COMMITTEE**

3. GLENN H. LARSON, First State Bank, Thompson Falls.
4. MARVIN VEIS, Citizens State Bank, Scobey.
5. NELS TURNQUIST, chairman, First National Bank & Trust Company, Helena.
6. WILLIAM TAFT, First National Bank, Dillon.
7. TIM HEALEY, Midland National Bank, Billings.

**NOMINATING COMMITTEE**

1. RICHARD RUBIE, chairman, Citizens Bank of Montana, Havre.
2. ELLE Jones, First National Bank, Willux.
3. PAUL CARUSO, First State Bank of Mineral County, Superior.
4. DUANE TUCKER, Security State Bank, Plentywood.
5. J. H. MOORE, First Chouteau County Bank, Fort Benton.
6. JOHN O'NEILL, Metals Bank & Trust Company, Butte.

Bank Holding Company Application Denied

The application of First Montana Bank Corp., of Great Falls, to become a bank holding company with control of Ravalli County Bank in Hamilton and First State Bank in Stevensville was denied last month by the Federal Reserve Board of Governors.

The board said although the banks at Hamilton and Stevensville are in "generally sound financial condition," the proposed financial arrangements of their acquisition would leave the financial prospects of the First Montana Bank Corp. "no better than fair."

It said the prospects of the two banks under First Montana's control would be "no more favorable, and perhaps less so, than under present ownership and operation."

The board noted the First Montana group was organized by two of the three persons who now control the proposed subsidiary banks, and six other persons who are officers or directors of the Montana Corp., a firm which controls the Commerce Bank & Trust Co., Helena, a finance company, a real estate investment company, and five title insurance companies.

The board said it has looked critically on the close relationship that would exist between the Montana Corp. and their new bank holding company. It concluded Montana Corp. in all probability would have working control over the new organization and would in fact exercise such control.

The reserve board noted that the bank holding company law forbids direct or indirect control by a bank holding company of the voting shares of any company which is not a bank; this prohibition was intended to prevent a bank holding company from misusing the bank's financial resources for the benefit of the non-banking enterprises.

Under the current proposal, the applicant would own only bank subsidiaries, but the Montana Corp., "which the board has found would exercise effective control of applicant First Montana and its banks," controls several other companies, the board said. It went on:

"Thus, were the board to approve applicant's proposal, it would be condoning and facilitating the creation of the very type of relationship that Congress now need to prohibit."

"Approval of the application would place under common control the resources of the two banks involved and the extensive non-banking interests of Montana Corp."
Uniform Commercial Code Problems?

The U. S. National Bank prepared this easy-to-use reference for you. It was designed to answer some of the questions that bankers have been asking about the procedures and forms to be used under the Code. Another example of the extra service...the up-to-the-minute help you get from The U. S. National Bank.

If you don't already have a copy, or if you have any further questions on the Code, just call on us...341-8765.

Member, Federal Deposit Insurance Corporation
Nebraska NEWS

THOMAS J. ARON President Crete
HARRIS V.osterberg Exec. V.P. Omaha

Moves To Springview
Richard Edwards, formerly vice president of the DeLay First National Bank in Norfolk, has joined the First National Bank in Springview, according to Harry Titus, president. He was named vice president and a director.

Mr. Edwards has been in banking over 16 years and has been associated with banks in Bassett and Ewing prior to his association in Norfolk.

Plan Tiemann Dinner
A $100 per plate fund-raising dinner will be held Tuesday, July 12 at 6 p.m. at the Sheraton-Fontenelle Hotel for Norbert T. (Nobby) Tiemann, Republican candidate for governor in Nebraska. Mr. Tiemann is president of the Commercial State Bank, Wausa.

John M. Shonsey, executive vice president, Omaha National Bank, is in charge of ticket sales.

Bank Purchases Property

Civic Award

AWARD—Clint Coons, (shown center) president of the St. Joseph Chamber of Commerce, and Waldo Burger, (left) district manager for Southwestern Bell Telephone Company, recently presented St. Joseph's American National Bank with an award for Outstanding Community Service. The award recognizes the bank's having provided a telephone number at which callers receive the time and temperature. More than 64,000,000 calls have requested the service since its inception in late 1940. Today, an average of 10,000 calls are received daily. On days of wide temperature variation the figure may reach more than 25,000.

Gilbert Tootle, senior vice president of the American National Bank, received the award plaque.

Gothenburg Adds
Glenn G. Bartels of North Platte has been named assistant vice president of the First State Bank in Gothenburg. He has been farm and ranch loan representative for the John Hancock Mutual Life Insurance Company. William Kittenbrink is president of the bank.

St. Paul Bank Moves
The St. Paul National Bank moved into its new building last month from the cramped quarters it has operated in for some time during construction of the new quarters. It is a block south of main street and a block west of the bank's old location. The new building represents St. Paul National's third move since it was founded in 1879 by the late N. J. Paul, grandfather of the present executive vice president and chairman of the board, N. J. Paul.

The one-story structure is made of red brick and has a drive-in window at the rear. Parking for 50 to 75 cars is available around the perimeter of the bank. A large lobby across the front, three private offices, carpeted main floor and all features immediately meet the eye inside the main entrance.

A large community room has been set up in the basement to handle crowds of up to 150 persons and is equipped with a kitchen. Entrance may be gained without going through the bank.

Joins Beatrice Bank
Earle Van Steenhuyse joined the First National Bank & Trust Company, Beatrice, on June 27 and has been elected vice president and cashier by the board of directors. John Dando, vice president, had been serving also as temporary cashier.

Mr. Van Steenhuyse resigned his position as cashier of Plaza State Bank in Des Moines, Iowa, to accept the position in Beatrice. He joined the Plaza bank May 1, 1963, as assistant cashier and was elected cashier the following year. Prior to this he worked six months with the East Des Moines National Bank, which is owned by the Plaza State Bank management. Earlier, he worked two and one-half years for Merchants National Bank in Cedar Rapids, Iowa.

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A BANDIT with a black patch over one eye robbed a teller at the U. S. National Bank of $3,489 last month, but was captured by two bank guards before he got out of the building.

The man approached a window manned by Mrs. JoAnn Nelson. When he left, she signaled Harold (Bud) Hoden, bank guard, who, with a fellow guard, Jerry Kennedy, restrained him and placed him in a vault for safe keeping until police arrived.

Edward W. Lyman, bank president, has announced the election of John R. Burnham to assistant vice president. Mr. Burnham, 43, has begun his work in the bank's installment loan department. He has had 20 years' experience in the consumer finance field in Omaha. A native of Nebraska, he was graduated from high school in Lincoln and attended the University of Nebraska prior to military service during World War II.

Four new members have been added to the bank's 25-Year Club. Receiving wrist watches at the club's annual meeting were Paul E. Grassman, chief building engineer; Stanley Tobias, master teller; Miss Frances E. Harris, installment loan department clerk, and James A. Zimmerman, vice president.

D. Dwayne Catron has become assistant cashier at Center Bank. With the bank since 1961, he is in charge of the bank's bookkeeping department. Mr. Catron is a graduate of the University of Omaha.

Ray F. Slizewski, vice president, South Omaha Stockyards National Bank, has been elected president of Eastern Nebraska Chapter of the Society of Real Estate Appraisers. Other officers elected were: John Long, vice president; Vince Miller, second vice president, and Alex Morar, Jr., secretary-treasurer. Robert F. Mitchell, Jr., was elected to the board of directors.

Carl N. Bloom, vice president, First National Bank, has announced his retirement after 22 years of service to the correspondent bank division. Mr. Bloom announced that he had accepted a position offered by the Central States Health and Life Company of Omaha. His new position with the insurance company will enable him to continue working in the field of banking.

Frank V. Lawson, Jr., has been appointed a trust officer at the bank. A native of Omaha, Mr. Lawson studied economics at Harvard and received his A.B. degree there in 1948. He also attended the University of Omaha and the University of Oregon. A veteran of World War II, he served in the Air Force. Since 1948 he has been active in the investment business in Omaha.

The bank last month purchased from the Woodmen of the World Life Insurance Society a square block in downtown Omaha for construction of a high rise office tower in which the bank would be the principal tenant.

Development of the land would also include construction of a 300-room hotel with parking and convention facilities and ground floor and lower level retail space.

Marvin L. Jablonski and Robert J. Urban have been elected assistant cashiers at First National Bank.
A big "PLUS" for you at ONB

This team we call our Correspondent Banking Department—you probably call them Herb, Fred, Jack, Del and John. If we made a survey among our correspondent banks to find out which is the most important service they offer you, the odds are good that "an exchange of ideas" would head the list. That's fine with us.

THE OMAHA NATIONAL BANK
PHONE 402 341-0100

Morris F. Miller, president of The Omaha National Bank, announced last month that the titles of all assistant vice presidents and assistant cashiers of the bank have been changed. Assistant vice presidents will now have the title of “second vice president.”

The title “assistant cashier,” Mr. Miller said, was felt to be too vague; consequently Omaha National has changed titles of these officers to correspond more closely to their duties, such as “correspondent bank officer, loan officer” and similar titles.

The bank also has appointed a new classification of officers which ranks just below the old assistant cashier level. All other officers’ titles will remain the same.

Redesignated titles for all officers formerly assistant cashiers are:

Operations Officer—Stanley V. Kadavy, Victor W. Nielsen, Donald A. Ranney, Reuben W. Werblow and Lewis E. White.


Advertising and Public Relations Officer—Las. Peter Marr, Jr.

Investment Officer—Jesse H. Miller and John H. Mitten. (The title investment officer, on the assistant vice president level, was previously held by Eugene M. Smith, who is now designated second vice president—investments.)

Auditing Officer—Yarmel E. Troupe.

Mr. Miller also announced the appointment of 28 persons as officers of the bank. John T. Marcell was promoted to correspondent bank officer.

The other appointments are to the new classification of officer which ranks just below the old assistant cashier level. They are:

Assistant Data Processing Officer—Michael H. Allely, Richard A. Bruns, Charles R. Johnson and Donald J. Kleflner.


Safe Deposit Manager—Bruce L. Bucknam.

Discount and Collateral Manager—Donald A. Bukoskie.

Assistant Control Officer—Betty Jean Feder and William L. Smith.

Assistant Operations Officer—Donald W. Ficenec, Donald H. Gausden and Charles W. Underwood, Jr.

Data Processing Manager—Gerald K. Foulk.

Assistant Credit Officer—Ronald L. George.

Operations Manager—Jack E. Hoyt.

Accounting Manager—Estie E. Jones.

Demand Deposit Manager—Mette Lavery.

Assistant Transit Officer—Walter J. Martin.

Assistant Investment Officer—Don R. Mead.

Assistant Trust Officer—G. Neale Shaner.

James P. Foley has become associated with Chiles & Company, Omaha, as a registered representative. Mr. Foley attended the University of Nebraska and served in the United States Navy. The firm, which deals in listed and unlisted stocks, and corporate and municipal bonds, has offices in Lincoln, Lexington, and Chadron, Neb., in addition to the Omaha headquarters. Mr. Foley will work out of the Omaha office.

Approval has been granted by Byron Dunn, Nebraska director of banking, for the Indian Hills Bank to move from 7764 Dodge Street to the southwest corner of 120th Street and West Center Road. This is adjacent to two shopping centers under development. The name will be changed from Indian Hills Bank to Omaha Gateway Bank, Inc.

The permanent office will be in the Westwood Shopping Center, with a drive-up, walk-up office at the Bel-Air
Who says it's not what you know . . . ?

Not us. The fine banking service you give certainly depends on what you know. But we're not slighting WHO you know. Because to know the meaning of really excellent correspondent service is to know and work with these men—your Capital City Correspondents at NBC.

Phone 402—477-8911
Nebraska News

Buys Silver Bar for Display

SILVER, in the form of a bar weighing 1,067.85 fine ounces with a value of $1,381, was recently purchased by the David City Bank. Lester E. Souba, president of the bank (shown, second from left above), had sought the bar for display and educational purposes in his city. Admiring the bar with Mr. Souba are Jeff Souba, Mrs. Eleanor Souba, Robert A. Hendrichsen, a.c. and mgr., special service dept., U. S. Natl., Omaha, and Dennis Souba. Mr. Hendrichsen and the U. S. Natl. handled the acquiring and delivery of the silver bar from the U. S. Mint Assay Office.

Shopping Center, according to Richard Dick, executive vice president, FDIC approval of the move is pending.

Mr. Dunn said the move was granted because of the undesirability of Indian Hills Bank's present location and quarters, as well as its nearness to two other banks and one detached service. The bank has been at the Dodge Street address since 1964.

The move was protested by Southwest Bank of Omaha, located at 8800 West Center Road, and the Bank of Millard, located at 11 South Third Street in nearby Millard. The public hearing was held June 9.

Southwest Bank filed a petition in Lancaster County District Court saying that the department's ruling was based on insufficient evidence and that statutory requirements had not been met.

Control of Indian Hills Bank was acquired by an investor group headed by Paul D. Dunlap, Red Oak, Iowa, and Millard and Ted Seldin, Omaha developers.

Big Springs Slayer Files Appeal

Appeal of the conviction of Duane Earl Pope in the robbery of the Farmers State Bank at Big Springs and the slaying of three bank officers has been filed with the U. S. Eighth Circuit Court of Appeals in St. Louis.

Mr. Pope's appointed attorneys say that the appeal will probably not be argued until early fall.

Install Weather Station

The Gothenburg State Bank has installed a new weather station as a service to people of the community. R. M. Williams is president of the bank.

Receives Advertising Award

The First National Bank of Hastings recently received an award from the International Newspaper Advertising Executives Association for the eight-page, full-color ad placed in the Hastings newspaper. Occasion for the ad was the second anniversary on the new bank building, according to T. L. Rask, president.

Recognize Bond Service

Cedar County bankers were recently honored for their service to the United States Savings Bond program through an appreciation dinner at Laurel.

Payroll Processing

The payroll for the 61 employees of the city of Bellevue is being processed now through the electronic computer system of The Omaha National Bank in Omaha. Officials of the Bank of Bellevue offered to pay the cost of this service for the first six months at $40 per month.

Comprehensive investment service

FIRST NEBRASKA SECURITIES, INC.
Member New York Stock Exchange / American Stock Exchange (Assoc.)
Member Midwest Stock Exchange
Municipal and Corporate Bonds • Mutual Funds • Listed and Unlisted Stocks
Lincoln Omaha Grand Island Hastings Sioux City Atlantic
At First National Bank of Omaha, Correspondent service is everyone’s responsibility.

When our Correspondent banker visits you, keep in mind that he can put experts on every phase of banking to work for you at a moment’s notice.

If it’s bank operations, the three bankers pictured above are prepared to put their 74 years of experience to work for you now. Other problems might require specialists in another phase of banking...we have them, too.

Give us a call!

FIRST NATIONAL BANK OF OMAHA
Member Federal Deposit Insurance Corporation

Always the First to Serve You
THE board of directors of The National Bank of Commerce Trust and Savings Association, at their meeting last month declared a quarterly dividends to be paid to stockholders of record as of June 20, 1966. The dividend of 20 cents per share was paid June 30, 1966.

* * *

L. L. Roper, assistant vice president in the commercial loan department of the First National Bank, has been named to head Division A of the 1967 United Appeal. Mr. Roper is also serving as a member of the budget committee for this fall’s campaign.

In the June 17 issue of News and Views, mailed by National Bank of Commerce T&S to its correspondent banks, Senior Vice President Robert Wekesser wrote:

“In testimony before the House Banking and Currency Committee, Norman Strunk, executive vice president of the U. S. Savings and Loan League, complained bitterly about the unfair competition his industry was having from commercial banks in the CD market.

“The basic problem in the interest rate war is that good old Uncle Sam and his satellite agencies won't curtail their spending and let private industry have a greater portion of the available funds. At the present time, the commercial banks have a use for the funds on a profitable basis and, therefore, are paying the higher rate. Unfortunately, their competitors are not able to shift their interest rates on existing loans. It was not too long ago that commercial banks couldn't profitably compete for these savings. At that time, the savings competitors weren't very sympathetic to the plight of the banks.

“It seems to me that this is good old American competition at work and surely we don’t need any more federal regulation to ‘even’ everybody up. The day is coming when banks will have to reverse their position. In the meantime, additional regulation of interest rates on CD's may result in repercussions that neither the banks nor their competitors want.”

* * *

First National Bank & Trust Company of Lincoln last month announced that by action of the board of directors, the following officer appointments were made:

W. C. Smith  H. A. Chapin
W. E. Edgcomb  A. S. Chaves
William C. Smith, executive vice president.
Howard A. Chapin, vice president and senior trust officer.
William E. Edgcomb, vice president and senior loan officer.
A. S. Chaves, vice president and senior administrative officer.
Charles R. Lefler and Thurston Phelps, vice president.
George W. Barlow, Jr., and Julius M. Peschel, assistant vice president.
Donald D. Dinkelman, assistant manager, travel division.
Duane F. Schainost, assistant cashier.
Bankers with plans use the

Bond Account review, management and safekeeping that is fast, accurate and dependable.
THE 20th annual Bank Management Conference sponsored by the Nebraska Bankers Association was unique in that, for the first time in its two decades, the conference golf tournament was rained out.

Light intermittent showers eventually turned to a downpour, the temperature plunged and the wind howled, but it would have been difficult to find a disappointed banker among the 110 registered for the conference. As one put it, “Without crops, we’re out of business. I’d give up a golf tournament any day for this!”

For many southern Nebraska counties, it was the first rain since early April. The previous day, Nebraska’s Governor Morrison had asked the Federal government to declare the area eligible for drought disaster relief. The “Bank Management Conference” rain was credited with having saved the state’s wheat crop.

Dutch Luchtel Reappointed

Harold J. (Dutch) Luchtel, chairman of the NBA committee on bank management, presided over the conference. Mr. Luchtel, vice president, Columbus State Bank, was reappointed to head the committee again during the upcoming year and will spearhead the organization of the NBA’s 21st Bank Management Conference again scheduled at Doane College in Crete.

The formal program was kicked off with a speech by the newly-elected president of the Nebraska Bankers Association, Thomas J. Aron, who was very close to home. He is president of the Crete State Bank. Mr. Aron greeted the bankers in attendance and reviewed NBA plans and projects for the upcoming year of his administration.

Kermit Hansen, chairman of the NBA committee on public relations and senior vice president of The United States National Bank, Omaha, was unable to appear on the program due to an unforeseen conflict. Harris Osterberg, executive vice president of the NBA, read Mr. Hansen’s speech, “Bank Advertising — Giving or Getting,” as the first step in a specially-designed program which centered its attention on bank advertising and public relations.

“Giving or Getting”

The theme of Mr. Hansen’s address was that banks must study their advertising programs and their advertising aims in order to gain a return on advertising and public relations outlays.

“What is advertising for?” he queried. His answer: “To give your bank a better competitive position.”

Advertising, he asserted, should be designed more for getting than for giving.

With the assistance of several hands, he suggested means by which banks could set up their profit objectives, how they could determine which services should be emphasized and to what degree, and the advantages of media study and selection procedures.

He also suggested that radio and newspaper advertising representatives be given the responsibility for coming up with advertising suggestions. “Tell advertising representatives what you want,” he said, “and let them work it out.”

Nearly all banks, he suggested, are guilty of wasting dollars in their newspaper advertising campaigns due to poor prior planning and allocation of advertising budgets. He suggested the NBA advertise mat service, with its original art and copy, as an excellent means of acquiring effective advertisements. He also lauded the availability and effectiveness of the NBA mobile display, particularly designed for use at county fairs and other local public events.

Effective Feature

An unusual, and effective, feature followed Mr. Hansen’s address.

Earlier in the year, Harris Osterberg and William Osterberg, secretary of the NBA, in cooperation with the committee on public relations, contacted the state’s bankers and requested that they send a sample of each of their giveaway items to the NBA.

The items — hundreds of them —
The man from American National will come to see you.

One way or another.

A few refinements are missing. Like power steering and windows . . . but these won't keep our Bill Aldrich from covering his territory. Now that paved roads are becoming more common, Bill really gets around. One day he traveled over 100 miles!

When he chugs in for a visit, you'll learn about American National's new concepts in lease financing for your customers . . . and how American National can even help finance new fixtures and equipment for your bank.

If Bill or one of his fellow travelers isn't in your office right now, call Bill Kurtz at FRanklin 2-9200 (area code 312). Your call will set an ANB action-banker in motion to visit with you—fast. In a late model car.

We serve thousands of people . . . but we serve them one at a time

American National Bank
AND TRUST COMPANY OF CHICAGO; LASALLE AT WASHINGTON 60690
FRANKLIN 2-9200 MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION
were subsequently mounted on display boards and were arranged for showing at the Bank Management Conference. The display room was blocked from view until after a short discussion of the project by Harris Osterberg in which he quipped, “Nebraska bankers give away more ball point pens, rain hats and toothpaste tube twisties than anyone in the world.”

The general aim of the program was to emphasize effective advertising disbursements as opposed to giveaway gimmick devices whose value in selling bank services may be questionable.

Installment Lending Panel

The afternoon session was devoted to an installment lending panel discussion moderated by L. M. Novak, executive vice president, Union Bank & Trust Company, Lincoln.

Leading off the discussion was J. D. Schiermeyer, vice president, The Beatrice National Bank & Trust Company, Beatrice, with an address entitled, “Promoting the Installment Loan Department.”

Mr. Schiermeyer suggested that such a promotion is designed to “develop understanding and appreciation for the service you’re attempting to sell!”

Good public relations, he said, is grounded on performing in the public interest. “It’s as simple as that.”

Basic to undertaking a promotion of the installment loan department, he said, is a belief in the assertion that installment lending is, in fact, in the public interest. Also basic, he added, is the understanding and appreciation of installment loan personnel—their aims and their goals. Without the belief and the understanding, he noted, he could be too conservative in his approach and shortsighted in his aims.

He disagreed with the view that advertising agencies are out of the reach of small banks. “There are small agencies, just as there are small banks,” he said, “and some which are as interested in public relations as in advertising.”

Perry Francis, president, Southwest Bank, Omaha, who had also appeared on the conference program the preceding year, next discussed applications and credit checks, with emphasis on the fundamentals.

“The topic,” he said, “is boring and complicated, but fundamental. It is this area that we abuse most often.”

After reviewing the items of primary importance regarding a loan application, Mr. Francis launched into an appraisal of interviewing techniques. “Your attitude,” he said, “must be one of helpfulness. We can’t be aloof or superior or authoritative. You don’t know how many times your applicant has walked around your bank before he got up enough courage to walk in and ask you for a loan.”

He also emphasized the importance of framing questions so that they require more than an affirmative or negative response. Such a procedure, he said, puts the applicant in a more conversational mood and results in more usable information for the loan application.

“Collections” was the subject of the next address, delivered by Richard E. Kosman, vice president, City National Bank, Lincoln. He suggested, initially, that the officer who makes the loan should be required to collect it.

He built his address around a personal history card used by his bank in connection with its installment loan records. The card, he said, can save the bank many problems. In the case of a poor experience, the card becomes a “permanent refusal record,” he said.

Collection procedure should be uniform, he said, and should be followed carefully. He outlined the following steps in chronological order:

1. Contact by phone when, according to your “tickler file,” his payment is past due. (If he has no phone, you shouldn’t have made the loan in the first place. No phone, no loan.)
2. First notice. (“Did you forget?”)
3. Second notice. (“This is your second notice.”)
4. Third notice. (The action notice. “We expected a payment or phone call from you by now. We must insist on payment within five days.”)
5. A personal call on the debtor. (“You should make the visit with a witness.”)
6. Notice to co-signer. (“I refer to co-maker rather than co-signer.”)
7. Notice before suit.

James I. Black, executive vice president, Genoa National Bank, offered a short, but effective, argument for the place of installment lending in the country bank. Contrary to the views

Here are 13 correspondent bankers from Commerce Trust. They’re all “Earnest”

Some people have trouble remembering names. So they go to Commerce Trust — where every correspondent banker is Earnest. It’s a name that each expects to live up to.

For instance, these men are so earnest that they pick up transit mail 40 times a day at the main post office. Even regular air mail channels are too slow for them. So, there’s a man at the airport 8 times a day, 6 days a week to rush the mail back to the bank.

If these are the kind of men you’d like working for you, contact the correspondent banking department at Commerce Trust. Ask for your favorite Earnest.
of some country bankers, he said, "there is nothing degrading in installment lending. It makes you a purveyor of the good things in life. It provides a means of compulsory savings. It allows your clients to save for the good things while they are using them."

It is also, he noted, a defense against competitive charters in that it proves effort has been expended in attempting to meet the credit demands of the area.

Finally, he claimed, interest rates demand it. "Even with the collection problems," he said, "you'll make more money."

**Bank Operations**

The following morning, Mr. Luchtel again took charge of the program, this portion devoted to bank operations and audit practices.

Leading off the discussion was George E. Turley, auditor, The Omaha National Bank, speaking on the problem of internal control.

He noted that the time is coming when more than 50 per cent of a bank's income will be derived from sources other than loans and securities and that this will require further tightening of internal controls.

Of particular interest was his suggestion that a written procedure for handling of safe deposit boxes be established and maintained by each bank. He said that by instituting such a procedure, and training personnel to follow it, the bank can protect itself in case of suit and can also more nearly perfect its deposit box safety.

* * *

William C. Smith, vice president, First National Bank & Trust Company, Lincoln, delved into "Portfolio Management" with timely illustrative materials and advice for bankers concerning two recent issues in particular.

* * *

Marion R. Morgan, president, First National Bank, Elwood, and NBA vice president, discussed "Credit Lines Review."

Mr. Morgan referred to the "good old days" as the time when a father and son were often seen together "and the father wore the beard."

During the "good old days," he said, "loans were made in good faith and were expected to be repaid, not much attention was paid to credit files, agricultural loans were made in small amounts and bankers were inclined to say "yes" or give applicants a cold "no."

He emphasized the importance today of adequate records. "The building of a credit file is a continuous project," he said, "because bankers should continually add information to appropriate files as they learn it."

He also noted the importance of visits to farm loan customers. "They like to see you," he said, "so long as you don't give the impression you're spying on them. We make such visits at least every other year."

**Bank Management Survey**

The following portion of the program was employed to introduce the NBA's Bank Management Survey, the publication which was first unveiled at the Bank Management Conference a year earlier.

John R. Burt, deputy regional comptroller of the currency, Kansas City, Mo., introduced the second edition with a brief discussion of how the Comptroller determines adequacy of capital and liquidity.

The Bank Management Survey, based upon data provided by banks throughout the state, presents, in tabular form, various comparative figures for banks in each of seven categories, determined by deposit size.

The compilation is designed to give bankers an opportunity to compare their figures with the average figures for banks of comparable size as a guideline in determining procedures.

Mr. Burt noted that "the profit margin concerns today's banker as never before" and referred to figures attached to the report which revealed that net income after taxes, among member banks in the 10th Fed district, has dropped from .82 to .69 per cent of total assets since 1950.

* * *

C. R. Haines, Nebraska deputy director of banking, Lincoln, followed Mr. Burt with a plea for restraint in boosted interest rates and questionable loans to offset the increased cost of money.

He also suggested means by which bankers could cut their examination costs and speed them as well with improved accounting procedures.

He ended with an appeal for assistance in legislating pay raises for examiners in the department who, he contended, are doing their work for "about half" the pay received by workers performing similar functions for the FDIC.

* * *

The remainder of the afternoon was allocated to discussion groups—broken down according to deposit size—which addressed themselves to the contents of the Bank Management Survey.

**Evening Session**

The evening session departed from banking as its major theme. Highlight of the session was a presentation made by Bob Devaney, head football coach, University of Nebraska, Lincoln.

**Final Session**

The final session included a "Report on Agricultural Research" by Dr. Mark Weldon, professor of agronomy, University of Nebraska; "Feeder Presentation," by Mervin F. Aegerter, assistant vice president, First National Bank, Omaha, and "Bankers' Responsibilities and Political Science," by Sen. Richard Marvel, Hastings.

Dr. Donald M. Typer, president, Doane College, concluded the program with closing remarks and an invitation to the bankers to visit Doane again next year.—End.

**Receives Fire Service Award**

John L. Blinde has been a banker for 46 years, but it wasn't so much that service for which he was recognized by his native Johnson, Nebr.

Now assistant cashier with the First National Bank, he was specifically honored for 50 years with the local volunteer fire department. A certificate from the Nebraska State Volunteer Firemen's Association was only the second ever awarded.

![Volunteer Fireman Blinde](image-url)

The honoree was associated with the State Bank of Johnson from 1918 until its closing in 1948. There was a two-year interlude before he moved down the street to his present situation.

Mr. Blinde's service of over 40 years on the town board also was cited at a surprise dinner. He has been town clerk, treasurer and mayor.

Still active both in the bank and even as a fireman, he and his wife have two sons. Both are music teachers.
Add Three Directors

At a special meeting of the board of directors of the Albion National Bank, Albion, the board was increased from five to eight members. Roger I. Blatter, who has been president for several years, was named chairman of the board. Jim Wolf was named to succeed him. H. Keith Newton, who had been vice president of the Gothenburg State Bank until joining the Albion National several weeks ago, was elected executive vice president.

President and Artist

MORRIS MILLER, president, left, and James Penney discuss a one-week show and sale of works by Mr. Penney at The Omaha National Bank. The show featured 21 paintings, in oils and watercolors, carrying price tags of $150 to $1,800. Mr. Penney is one of four nationally-prominent artists commissioned by the bank to visit Omaha and complete a painting of the contemporary Nebraska-Omaha scene. The four completed works will be presented by the bank to Joslyn Memorial Art Museum's permanent collection.

How to efficiently put people into space

At the top, you see three employees conscientiously at work, in a Check Filing Department that is 7' x 18' in size, with records for 5,500 accounts. The lower photo then shows how two additional employees can, without interruption of workflow, efficiently work into this same area.

The LeFebure "space program" has been working intelligently and profitably for generations. Skillful design of LeFebure Check Filing Equipment, and practical recommendations for arrangements, assure you that your Check Filing Department investment is what you should have and need.

If you're not sure that your Check Filing Department is operating at top efficiency, ask your LeFebure representative to analyze it and make some suggestions. Or write LeFebure Corporation, Cedar Rapids, Iowa 52406.

Housewives' Artistry

WILLIAM S. GRAVES, right, a.v.p. in charge of advertising for South Omaha Stockyards National, and Edwin J. Probasco, a.v.p. and mgr. of the bank's drive-in facility, view the bank's first showing of original oil paintings rendered by Omaha housewives. The first of several exhibits planned throughout the year, the showing met with what bank officials described as "tremendous success."
Everybody talks about quick service on TRANSIT ITEMS . . . but have you tried

**BANKERS TRUST?**

Our transit service is just one of a number of correspondent facilities available to your bank through Bankers Trust. As Iowans, we keep in touch constantly with the banking requirements of our state. Call or write Bankers Trust when you have a problem. We may be able to help.

*Ask us for help on any banking problem*

Homer Jensen  
Gordon Dodge

6th Avenue and Locust Street  
Des Moines, Iowa

Member: F. R. S.  
Member: F. D. I. C.
Allerton Control Changes

Control has changed hands at the Security State Bank, Allerton, and Keith W. Richard has been named president, replacing Zell Garratt. Mr. Richard will continue as president of the Citizens State Bank, Humeston.

Glen Greenlee will continue as cashier and active managing officer of the Allerton bank. Directors now serving on the board are: Glen Greenlee, Mr. and Mrs. Roy Meadows of Des Moines, and Mr. and Mrs. B. M. Millis of Des Moines. Mr. Meadows is an attorney and Mr. Millis heads the Iowa Barber College. Mr. Millis is president of the Decatur County State Bank, Leon, and Mr. Meadows serves as vice president there. Active managing officer at Leon is Wayne B. Rowland, executive vice president.

Joins Fort Dodge Bank

John H. Kobs, Jr., 42, has been named vice president of The State Bank of Fort Dodge, according to James H. Redman, president of the bank.

Mr. Kobs formerly was director of marketing at the American Bank and Trust Company of Lansing, Mich.

At The State Bank, he will direct the marketing, public relations and advertising, new business, and staff training activities, as well as engage in general banking duties.

A native of Lansing, Mich., Mr. Kobs is a graduate of Michigan State University.

Heads New School Board

Robert L. Emerine, vice president of the First National Bank of Council Bluffs, was recently elected chairman of the board of directors for the proposed Southwest Iowa vocational-technical school. The school, which will be the 13th such school in Iowa, will serve seven counties of southwest Iowa. Plans for the school are now in preparation by the board.

Stanwood Open House

New quarters for the Union Trust and Savings Bank were officially opened last month. According to Carl B. Haesemeyer, president, more than 2,000 people attended the open house. Prizes were awarded at the ceremonies.

New Sheffield Building

Sheffield Savings Bank opened its new bank building last month. An open house introduced the public to the bank’s new quarters. Robert F. Schaefer is president of the bank.

Buys Airport Bonds

The Northwestern State Bank of Orange City was the successful bidder last month on general obligation airport construction bonds, in the principal amount of $70,000, offered for sale by the city of Orange City.

The bank offered a sealed bid of 3.80 per cent interest rate and was the low bidder, in terms of the interest rate to be charged.

Plaque Honors Banker

The Julius F. Muller Post of American Legion has purchased a memorial plaque in tribute to its first commander, Frank C. Burke, Missouri Valley banker, who died last August. The plaque has been placed on the front of the First National Bank, of which Mr. Burke was president. Mr. Burke was active in the Legion for many years, especially in its community service projects.

Wins Group 11 Golf

Clyde McEntire, representative of Deluxe Check Printers, Inc., from Marshalltown, won the Group 11 golf tourney by scoring a 71 on the Columbus Junction Country Club course. A total of 58 golfers participated in the annual event.

Commercial Code Meeting

The Home State Bank of Jefferson recently hosted a dinner meeting for Greene County businessmen on the Iowa Uniform Commercial Code, which goes into effect July 4. Newton Lawyer-Banker Collin Fritz addressed the meeting. Gerald Clause is president of the bank.

Mrs. Don C. Dougan

Mrs. Don C. Dougan, 70, wife of the president of the Iowa State Bank of Hamburg, died June 6 following a recent stroke. Services were held June 9 in Hamburg.

Joins Sioux City Bank

Mike Broderick, Jr., has joined the correspondent bank department of the First National Bank in Sioux City as assistant to Vice President Richard Taylor. Mr. Broderick served with the bank previously before taking a position with another bank in Sioux City last year. He served as president of the Sioux City AIB from 1964-65.

60th Anniversary

Officers and directors of the Farley State Bank, Farley, were hosts at an open house June 23 on the occasion of the bank’s 60th anniversary. J. L. Mahoney, president, reported that the bank’s articles of incorporation were extended recently for another 20-year period.

Remodeling Completed

Residents of Sutherland and surrounding area were invited to tour the remodeled quarters of the Security State Bank, Sutherland, on June 25. Robert F. Green, president, along with officers, directors and staff members greeted the public at the open house.

Promoted at Atlantic

Wayne Hettinger has been elected cashier of the Atlantic State Bank, Atlantic. He joined the bank several weeks ago after having served previously with Toy National Bank, Sioux City. He has been in the banking business 20 years.

Dewey Kuiken, who was vice president and cashier of Atlantic State, continues as vice president.

Mr. Hettinger is a graduate of the NABAC School at the University of Wisconsin, Madison, and is a past president of the Sioux City AIB.
Open House for Farmers & Merchants, Burlington

PRESIDING at open house held by Farmers & Merchants Bank and Trust, Burlington, last month, was Charles H. Walsh, pres. (standing). Shown on Mr. Walsh’s left are R. J. Nachazel, v.p. of the bank, and Frank Warner, secy., Iowa Bankers Assoc.

Shown to the right are Mark Blau, chmn. of bd. of bank, and Ralph Youngstrom, v.p. & tr. off. The opening observed the bank’s 50th year and the completion of an extensive remodeling program. New lobby is shown at right.

Receives Civic Award

F. A. Jones, president of the Grinnell State Bank, was recently named Outstanding Senior Citizen for 1966 at the recent Poweshiek County Senior Citizens’ Day in Montezuma. Mr. Jones has long been active in Grinnell civic and church organizations.

Bettendorf Bank Sale

Controlling interest in the Bettendorf Bank and Trust Company was sold last month to First Iowa-Illinois Mortgage Company by Diversified Discount and Acceptance Corporation of Minneapolis. The announcement was made by Robert T. Knapp, president of the bank, and Paul Knowles, president of First Iowa-Illinois Mortgage. Change of ownership is effective July 15. The bank was founded in 1949 and has assets of $14 million.

Bank Receives Plaque

The First National Bank of Council Bluffs recently received a plaque from the New York Life Insurance Company commemorating the bank’s 25th year as a mortgage loan correspondent for the insurance company. The plaque was presented to Dale Ball, bank president, and John C. Faurot of the bank’s mortgage loan department, by Charles Palmer, assistant vice president of the New York Life, and James O’Connell, mortgage loan manager of Minneapolis.

Eastern Iowa NABAC Officers

New officers and directors for the Eastern Iowa Conference of NABAC were elected at the annual meeting in Manchester last month. New president is James Mollenhauer, assistant cashier, Farmers State Bank of Marion office in Alburnett. Gordon Sorg of Fairfax State Savings Bank, Fairfax, was chosen vice president. Robert K. Andrews, assistant vice president, Peoples Bank & Trust, Cedar Rapids, is secretary, and Dennis Hrabak, assistant cashier, First National Bank, Marion, is treasurer.

Directors elected are: Paul Schanebeck, assistant vice president and auditor, First National, Dubuque; Peter Bailey, assistant cashier, Merchants National, Cedar Rapids; James S. Livingston, vice president, Peoples Bank & Trust, Cedar Rapids, and Richard E. Tool, president, Farmers and Merchants Savings, Manchester.

Ottumwa Opening

Flag-raising and ribbon-cutting ceremonies officially opened the new building of the First National Bank in Ottumwa recently. Four hundred dollars in prizes was awarded to people touring the modern building at the public open house. Manley O. Stevens is president of the bank.
We Direct Our Attention on the Tri-State Area for Correspondent Bank Services!

Christy Armstrong, Leo Schluerer and Leo Kane know the Tri-State Territory and are here to see that you receive personal and speedy attention. Their knowledge, along with American Trust's complete banking facilities and convenient location, allows banks in this area to benefit from the fastest, most efficient correspondent banking service available. We welcome your calls regarding excess loans and other banking transactions. Call 582-1841.

“At Your Service” at the . . .

American Trust
and savings bank
9TH AND MAIN, DUBUQUE, IOWA
MEMBER: FDIC • FRS

Northwestern Banker, July, 1966
PICTURED above are the 42 men in the 1966 graduating class of the Agricultural Credit School sponsored by the Iowa Bankers Association at Iowa State University, Ames. They were joined by 50 first year men for a total enrollment in the two-week course of 92 this year.

Professors Herb Howell and Everett Stoneberg report that 592 men have been enrolled in the school since it was started in 1946. Of this number, 433 completed the two-year program. Approximately 90 per cent of the students are employed in Iowa. The graduating class has 30 men who attended college or university, and of this number, 15 received degrees. The 42 men average 5.7 years with their present employer and their average age is 36 years.

Among the 50 first year students, 37 attended college or university and 22 attained degrees. They have been with their present employer 4.7 years and have an average age of 34 years.

The 42 graduates shown above are, left to right:

1st row—Glen Hummel, Cliff VanderWilt, Elmer Huizenga, Phillip Hoaglin, Joe Miencehan, Charles Wray, Francis Case, Myles Ketis, Ervin Ramussen, Charles Ehm and Roger Sharp.


3rd row—Gerald Leighton, Terry Martin, William Mathis, Andrew Westendorf, Joe Leuschen, Richard Petersen, David Baer, Sylvan Franklin, Willis Straw, Joe Johnson and Lewis Dreibelbis.


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FOR INVESTMENT

STATE
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FREE FROM ALL FEDERAL INCOME TAXES
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DAVENPORT OFFICES
First National Bldg. Phone 326-2527 Teletype 319-322-0026

DES MOINES OFFICES
Fleming Bldg. Phone AT 2-1458 Teletype 515-261-4723

Muscatine Increase
President George A. Shepley announced that the board of directors of the First National Bank of Muscatine, Muscatine, Iowa, at their monthly board meeting, authorized a transfer of $100,000 from the undivided profit account to surplus, which now totals $700,000. Capital Stock continues at $1,000,000.

The directors also authorized an increase of 20 per cent in the dividend approved for payment on July 8, 1966.

Red Oak Promotions
Houghton State Bank, Red Oak, has announced the promotion of Mike McGrath to assistant cashier and manager of the installment loan department and Larry Wenzl to assistant vice president.

Mr. McGrath joined the bank May 1, after having managed the Associates Finance Office in Red Oak.

Mr. Wenzl had been manager of the installment loan department and will now be assigned to the commercial and farm loan department.
Drovers National Bank

CREDITED TO:
YOUR BANK ANYWHERE, U.S.A.

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Your Customer's Proceeds

**GETS YOUR CUSTOMERS’ DEPOSITS HOME FAST!**

Your customers’ Chicago livestock sales receipts come home to your bank faster—through Drovers “Immediate Credit” service!

It’s simple! Advise your customers to route their livestock sales receipts through Drovers National Bank at the Chicago Stock Yards. We immediately credit the proceeds to you—the stockmen’s own bank. And the money is available days sooner!

Drovers “Immediate Credit” is available to you and your stockmen customers without cost—another “Helpful Hands” service developed during 83 years of banking experience at the great Chicago Stock Yards.

Recommend us. Your customers will appreciate it.

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UNION STOCK YARDS • CHICAGO 60609
Phone: YArds 7-7000
Northwestern Banker, July, 1966
**A Tribute for Mother’s Day**

In the May 8 issue of *Family Weekly*, a Sunday supplement published in more than 200 newspapers serving in excess of 6,000,000 readers, a beautiful Mother's Day tribute by Patty Johnson of Cedar Falls, Iowa, was printed. She is the daughter of Vivian Johnson, former president of the First National Bank in that city, and former member of the board of directors of the Federal Reserve Bank of Chicago.

In her tribute titled, “Bernice McClain Johnson,” Patty Johnson wrote:

“Without her, I would never have known this wondrous world.

“Without her, I could have no hope for the hills of heaven.

“In love she bore me, in love she gave me life. Because of her, I know that love and life are synonyms.

“From her to me flow goodness and mercy, and she the essence of both. She is beautiful because the beauty burns within her and has illuminated her face.

“She is not, and never was, flawless. Only One was, but He lives for me in her eyes. When her hand comforts me, I feel the warmth of His own. When her tears are shed for my sake, the tenderness of His heals my heart.

“She has given me my Grandmother Johnson's cracker jar and my Grandmother McClain's wedding pitcher. She has given me an endless stream of gifts for my joy or comfort.

“All these I treasure, but they are less precious than the gifts I cannot see.

“And these are the glory of her gentleness, the challenge of her courage, and the loveliness of her laughter. And, above all, her abiding love.

“Whatever I am that I ought not to be is a departure from the path on which she set my childish feet. Whatever I am that I ought to be is the clear and shining reflection of her faith.

“If I learn at last to do justly, love mercy, and walk humbly with my God, it is because, by perfect example, she has taught me so.

“She is the companion of my childhood, the friend of my youth, and the child of my maturity as I was hers.

“Blessed is she to me among all women.

*Blessed am I to be a part of her.

“* * * * *

“My mother died on the day these words were written.

“Now she lives with me forever.”

Patty Johnson

**New Iowa Representative**

Stephen B. White, divisional assistant with The Northern Trust Company, Chicago, is now traveling Iowa as a member of the bank's commercial banking division.

Mr. White will be working under the supervision of Robert P. Kline, vice president in charge of the area, and David D. Baer, assistant cashier.

Mr. White is a graduate of Colgate University, and joined the bank in 1963.

**Capital Stock Increases**

The Iowa State Department of Banking recently announced capital stock increases in three Iowa chartered banks, as follows: Cambridge State Bank, Cambridge, from $25,000 to $50,000; Iowa State Savings Bank, Clinton, from $225,000 to $265,000; Walker State Bank, Walker, from $30,000 to $60,000.

**Fort Dodge To Complete Building By Labor Day**

A “landmark” for the downtown area was hoisted into place last month as part of the major building program of The State Bank, Fort Dodge.

A plastic weather sphere was placed atop a forty foot tower on the site of the new building at Central Avenue and Thirteenth street.

The white ball, six feet in diameter, will indicate weather conditions by means of red, white or green lights controlled from within the bank.

Construction work on the building is proceeding according to schedule with exterior work almost completed. The laying of sidewalks and driveways will be finished within a week, with interior finishing making better than expected progress.

The anticipated completion date is Labor Day, with operations being transferred to the new site over that weekend.

All departments of the bank will be expanded with the move to the
new location according to James H. Redman, president.

A special feature of the new building will be a TV Motor Bank, an extension located east of the main structure. A closed circuit television system and pneumatic tubes will connect the two buildings.

Ottumwa Director

Ben G. Eilders, recently named vice president of the First National Bank of Ottumwa, has been elected to the bank's board of directors. Mr. Eilders succeeds Roy Stevens, who has been made an honorary member of the board since his move to California.

"Withdrawal" Is Subject of Ad

To the man in the straw hat who borrowed $1,500 from our Savings and Service Center yesterday:

You forgot to sign the note!

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!

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.

HALT!—"To the man in the straw hat who borrowed $1,500 from our Savings and Service Center yesterday: you forgot to sign the note!"

This headline started off a 1,565-line ad in the Des Moines Register and Tribune the day after a well-dressed man “about 50 years old, wearing a gray straw hat” robbed the Iowa-Des Moines National Bank in downtown Des Moines shortly before noon on June 22.

It was the first robbery in the 98-year history of the bank, Iowa's largest, and it was the quick action of Iowa-Des Moines Assistant Vice President James Rasley and a retail advertising salesman that turned it into a public relations asset for the bank.
Des Moines News

H. L. GANDY was recently elected assistant vice president of the Iowa-Des Moines National Bank by the board of directors. Mr. Gandy will head the bank’s systems and procedures department. The announcement was made by C.W. Aurand, president of the bank.

Mr. Gandy was born in Des Moines, and was previously director of data processing in the state comptroller’s office.

* * *

B. C. Grangaard, president of the Central National Bank and Trust Company, recently participated in a joint civilian orientation conference sponsored by the Department of Defense at Colorado Springs, Colo.

* * *

Richard C. Lee, president of Capital City State Bank, has been named chairman of the board of trustees of Iowa Wesleyan College in Mount Pleasant, it was recently announced. Mr. Lee is a graduate of the college and has been a member of the board of trustees since 1957.

As chairman, Mr. Lee will head the college’s $5 million 125th anniversary development program.

* * *

Two Des Moines bankers were speakers at the ABA National Automation Conference held in Chicago last month. Marcellus McMichael, vice president in charge of business development at the Iowa-Des Moines National Bank, and L. M. Tesdell, Jr., data processing officer at the Central National Bank and Trust Company, spoke at the conference concerning changes taking place in the marketing areas of banking due to the introduction of the computer.

* * *

R. C. Westlund was recently promoted to assistant cashier and assistant operations officer at the Beverly-Wilshire branch of Bank of America in Beverly Hills, Calif. Mr. Westlund’s mother is well known to many Iowa bankers as secretary of the correspondent bank department of Central National Bank & Trust Company, Des Moines. Mr. Westlund worked two years at the East Des Moines National Bank while attending Drake University in Des Moines. He was graduated in August, 1963, and joined B of A’s Fullerton branch, from which he was reassigned for his new appointment.

Columbus Junction Drive-In

The Peoples National Bank drive-in facility, Columbus Junction, was opened to the public last month. A formal open house was to be scheduled at a later date.

Breaking Ground

PARTICIPATING in ground-breaking ceremonies for a new office of Bankers Trust Company, Des Moines, on Merle Hay Road, opposite the plaza shopping center, were (from left) Robert J. Sterling, bank president; Robb Kelley, president of the Greater Des Moines Chamber of Commerce; John Ruan, board chairman of the bank and president of Ruan Transport Corp., and Mayor George G. Whitmer of Des Moines. The new office, which will have complete drive-up facilities, will bring to four the number of Bankers Trust offices in the Des Moines area. Others are located at Sixth and Locust in downtown Des Moines, in Windsor Heights, and in Grimes.
Robert R. Jordison has been appointed manager of the electronic data processing department of Bankers Trust Company, Robert J. Sterling, president, announced.

Mr. Jordison, a graduate of Iowa State University, has been systems engineering manager for insurance and finance with International Business Machines, Des Moines, since 1961. Earlier, he was a data processing programmer with Wisconsin Power and Light Company, Madison, Wis., and data processing programming supervisor with Iowa Power and Light Company.

Smith W. Brookhart III has been promoted to cashier of the Plaza State Bank, according to a recent announcement by Paul Manning, president. Mr. Brookhart was formerly assistant cashier and replaces Earle Van Steenhuyse, former cashier, who has accepted a similar position with the First National Bank and Trust Company, Beatrice, Neb.

Also announced was the recent appointment of C. R. King as assistant cashier. Mr. King, formerly time sales manager with Greater GMC, is the bank's public relations officer.

Paul Manning, president of the Plaza State Bank, has announced plans for the construction of two drive-up tellers on the east parking lot of Merle Hay Plaza Shopping Center adjacent to Merle Hay Road. Construction will start immediately with completion estimated at September 1.

Dean Hannam, of the mortgage loan department at Valley Bank and Trust Company, attended the School of Mortgage Banking in Chicago, June 12-18. The School of Mortgage Banking is sponsored by the Mortgage Bankers Association of America in cooperation with the School of Business of Northwestern University.

Move IBA Offices

The Iowa Bankers Association has moved its headquarters offices two floors upstairs in the same building. The address now is 630 Liberty Building, with the phone number remaining the same—515-243-0179.

Chariton Hours Change

The First State Bank and National Bank and Trust Company of Chariton announced last month that effective July 1 the banks will not be open after 3:00 p.m. on weekdays and will close at noon on Saturdays.

Charles M. Luettt

Charles M. Luettt, vice president and director of the Monticello State Bank, Monticello, died June 8 after a short illness. Mr. Luettt had been associated with the bank 45 years and retired two years ago.

Louis L. Morf, vice president of the bank, was elected to the board of directors to fill the vacancy created by Mr. Luettt's death.

OPEN HOUSE prizes given by Capital City State Bank, Des Moines, included $1,000 college scholarship. Other prizes can be noted in picture. Opening was held recently after completion of remodeling.

Max-a-million

Max Roy, La Salle Vice President, thinks in terms of millions when it comes to helping La Salle correspondents grow. Call Max and ask him to tell you how La Salle's staff of specialists can work for you. Max lives nearby in Iowa City and his phone there is 319-338-5908.

If he's not in, he's probably out calling on midwestern banks or at La Salle National Bank, 135 S. La Salle St., Chicago, Ill. 60690.

STate 2-5200 (area code 312). Member FDIC. Complete Trust Services, of course.

Northwestern Banker, July, 1966
THE American Trust and Savings Bank of Dubuque sponsored a well-attended seminar for its correspondent bankers last month on the Iowa Uniform Commercial Code, which goes into effect July 4. Sixty northeast Iowa bankers attended the four sessions of the day-long seminar, which was conducted at Loras College by four Dubuque attorneys. The aim of the seminar was to be as practical as possible in meeting the common lending problems faced by bankers.

American Trust and Savings officers provided the lending situations to the attorneys, who then expanded on the problems involved and discussed the mechanics and legal ramifications posed by Article 9 of the Code.

The topics discussed in the various sessions were: "Filing Under Article 9"; "Farm Loans"; "Consumer Equipment and Inventory Loans"; "Accounts Receivable, Contract Rights, Instruments, Documents of Title and Chattel Paper." The day was concluded by a social hour and dinner.

25 Years of Service
Sam K. Knittle, vice president of the City National Bank in Shenandoah was honored by the United States Treasury Department recently for having worked on the U. S. Savings Bonds program since its inception in 1941.

W. C. Earwood
Wilbur C. Earwood, 37, who was cashier of the Modale Savings Bank, Modale, for several years before moving to South Dakota, died last month. Mr. Earwood was assistant manager of the Spearfish branch of the Bank of Belle Fourche in western South Dakota at the time of his death.

Ziegler Promotes Three
The promotion of three associates to management positions of B. C. Ziegler and Company, West Bend, Wis., based institutional securities firm, was announced last month by Thomas J. Kenny, president. William R. Meier, 44, was elected assistant vice president and appointed manager of the underwriting department. Gerhard Spielman, 47, and Richard C. Klein, 38, were elected assistant secretaries of the corporation. Arnold H. Moeller serves as secretary-treasurer.

"They Came by Air . . ."

FUNDS to operate the new Mid-Town facility of the Toy National Bank, Sioux City, were flown in by helicopter, along with James V. Tritz, a.e. & mgr. of the office. The helicopter landed on the roof of the bank building and Mr. Tritz found himself at his new assignment. The money was transported down a ladder from the copter and taken into the office by various dignitaries in attendance at the ribbon cutting. They were: Don Muilin, Mayor of Sioux City; Connie Bodine, city mgr.; J. Wm. Van Dyke and Garlon C. Van Dyke, chmn. and pres. respectively of Toy Natl.; members of the City Council, and Miss Mary Murray, who is Rivercade Queen of 1966 in Sioux City and an official hostess for the city.

The Mid-Town office has 1,700 square feet of floor space, features a drive-in window, a walk-in office, and off-street parking. General contractor was W. A. Klinger. In charge of the project for the bank was Clark W. Watkin, v.p., assisted by Mr. Tritz. The latter has been with the bank six years and formerly was manager of the personal loan department.
Gamble-Skogmo Directors

Stockholders of Gamble-Skogmo, Inc., last month elected A. G. Kirkness and L. E. Dolan to the company’s board of directors. They also voted to approve a proposal to authorize 200,000 shares of common stock to provide for options to be granted to eligible key personnel and management executives.

Mr. Kirkness joined Gamble-Skogmo in 1928 and has risen from store manager to chairman and president of three subsidiary companies, as well as officer and director of several other affiliated companies.

Mr. Dolan, formerly executive vice president of Nationwide Corporation, Columbus, O., insurance holding company, joined Gamble-Skogmo in January, 1966, and is currently assistant general counsel. The directors elected him a vice president at their meeting immediately following the stockholders meeting.

B. C. Gamble, board chairman, said a major remodeling program for the corporate headquarters at 15 N. 8th Street in Minneapolis will be undertaken soon.

CONVENTIONS

August 7-19—Colorado School of Banking, University of Colorado, Boulder.
August 14-20—ABA National Mortgage School, Ohio State University, Columbus.
August 14-27—Central States Graduate School of Banking, University of Wisconsin, Madison.
August 14-27—ABA National Trust School, Northwestern University, Evanston.
Sept. 11-23—ABA National Automation School, Purdue University, Lafayette, Ind.
Oct. 16-19—50th Annual Iowa Bankers Convention, Fort Des Moines Hotel, Des Moines, Iowa.
Oct. 18-21—National Association of Supervisors of State Banks, 65th Annual Convention, Hotel Utah, Salt Lake City.
Nov. 6-9—NABAC, 42nd Annual Convention, Jungen Hotel, New Orleans.
Nov. 13-15—15th National Agricultural Credit Conference, Leamington Hotel, Minneapolis, Minn.
November 17-18—ABA 35th Mid-Winter Trust Conference, Drake Hotel, Chicago.

ARE YOU LETTING BACK DOOR INCOME SNEAK OUT WHILE YOU WATCH THE FRONT DOOR?

It is not uncommon for banks to concentrate so much on their loan and fee income that they overlook opportunities to increase their investment income. That’s where National Boulevard’s trained portfolio analysts can make an important contribution to your earnings. They’ll make an in-depth study of your investment portfolio before suggesting anything specific. That way they can tailor their recommendations to your needs and strengthen your entire investment program. Are National Boulevard representatives good portfolio analysts? Correspondent banks for whom we manage portfolios have shown net earnings increases of up to 46.3%. And take a look at National Boulevard’s own performance in the bond market. We have an impressive average of 4.9% pretax investment return over the past six 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 Schoenenberger at...
Congress Seeks Wrong Solution

LEGISLATIVE efforts designed to breach the dam reducing the flow of savings dollars to savings and loan institutions appear to have been aimed in part at least at the wrong dam.

The issue that has been raised among financial authorities and in Congress does not offer a complete solution to the problem. For example, Continental Illinois Bank and Trust Company said over the weekend.

This conclusion is supported by the June 23 action by the House Banking Committee to defer further action on proposed legislation to restrict competition on the part of the commercial banks for savers’ dollars, the bank noted in its June 24 weekly newsletter Continental Comment.

“Without question, the savings and loan industry is suffering from a slowdown in the rate at which savings flow into its institutions. Just as significant and often overlooked, however, is the fact that net savings inflows to commercial banks declined.”

Part of this can be explained by a shift from passbook savings to consumer certificates of deposit, the bank said, but these shifts do not offer a complete explanation.

Data on the flow of funds for the first quarter of 1966, which the newsletter provided, show a decline of $1.9 billion in flows to savings accounts relative to the same period in 1965. Current market rates are exceptionally attractive and bid away funds from the savings window, the bank said. Within the past month, for example, U. S. government agency securities have been issued to yield 5.75 per cent in lots as small as $5,000.

The evidence shows, the bank observed, that “The real curtailment of savings is not attributable to those scrambling to divide the funds still available to them. Instead, it comes from the high rates being offered elsewhere in the marketplace by both government and private paper.”

These yields are high because of excessive capital demands in a booming economy, with the bidding for the available pool of funds forcing up rates, the bank said. —End.

LOAN OFFICER WANTED

Central Iowa Bank in good farming community needs second man. Prefer age 30-45, with good general bank experience. Excellent potential for advancement to right man. Salary open. Send resume and recent photo to Box DLW, c/o NORTHWESTERN BANKER, 306 Fifteenth Street, Des Moines, Iowa 50309.
Manufacturers Hanover Elects Three Officers

Election of Harry P. Barrand, Jr., to the new position of executive vice president-banking department, and appointment of two new executive vice presidents, John H. Andren and Philip H. Milner, were announced recently by Manufacturers Hanover Trust Company.

Mr. Barrand, who had been executive vice president of the international division since 1963, will assist Eugene S. Northrop, vice chairman of the board, in his duties as head of the banking department.

Mr. Andren was named executive vice president of the international division, succeeding Mr. Barrand, and Mr. Milner was elected executive vice president of the metropolitan division. Both also were appointed to the bank's general administrative board, of which Mr. Barrand already was a member.

Mr. Barrand, who is 43, has been with the bank since 1946. He was European representative from 1953 to 1956 when he was elected a vice president, and became a senior vice president in 1958. He is a native of England and a graduate of Yale University.

Formerly senior vice president in charge of the bank's business in the United Kingdom and Canada, Mr. Andren has been the international division's loaning officer responsible for commodity loans, domestic credit and ship loans.

Mr. Milner, formerly senior vice president supervising the bank's Brooklyn and Queens branch offices, has been with Manufacturers Hanover since 1934.

If you have money, people will understand you; if you have no money, no one will trouble listening to your words.—Chinese.

NEW HOME of Iowa Savings Bank at Coon Rapids is shown in photo at upper left. Circular dome provides ample daylight through the narrow, vertical window openings in dome. The same design is carried throughout the building by using vertical floor-to-ceiling windows around circumference of the brick wall. Photo at upper right shows oval teller station under dome. Drive-up window at lower left, installed by Mosler, is serviced directly inside spacious bookkeeping room. Lower right, John Chrystal, pres. of the bank and Iowa supt. of banking, is seated at one of the several lobby officer desks with (from left): Bill Haney, a.c.; Tom Chrystal, v.p.; Lorraine Cretsinger, a.c., and Lyle D. Crisman, cash. Several hundred bankers and area residents toured the bank during open house.

Mr. Banker... Want Action? Try Us!

Simply complete and return this ad—

Gentlemen: I might consider selling majority stock in the following bank. Your appraisal service interests me.

(Name)

(Address)

(Bank)

All Contacts Made Confidentially

Bankers Service Corporation
1301 Register and Tribune Building
Telephone 515-244-3113
DES MOINES, IOWA 50309
"SERVING BANKS AND BANKERS SINCE 1948"

Northwestern Banker, July, 1966
He's Thinking

Forgetful Husband: Say, Bill, I want you to help me. I promised to meet my wife at 1 p.m. for lunch, but I can't remember where. Would you mind ringing her up at our house and asking her, quite casually, where I'm likely to be about that time?

Real Efficiency

Two foremen were comparing notes. "Do all the boys in your shop drop their tools the moment the whistle blows?" asked one.

"No, not at all," replied the other foreman. "The orderly ones have their tools all put away before that time."

Position of Authority

A young wife, just learning to drive the family car, had traffic hopelessly snarled as she tried to make a left turn. Excitedly, she turned to her husband and screamed, "What do I do now?"

"I don't know," he replied calmly, "but I'm sure if you'll just climb into the back seat you can figure it out."

Limited Knowledge

The fishing party was hopelessly lost in deep woods, with supplies running low. "I thought you claimed to be the best guide in Wisconsin," said one man. "I am," shrugged the guide, "but now I think we're somewhere in Manitoba."

Attending Spirit

A salesman took an evening off to sell tickets for a church benefit. At one house, a tight-pocketed prospect apologized, "I'm sorry, I have an important engagement that evening, so I won't be able to attend. But I'll be with you in spirit."

"That's fine," said the salesman. "Would your spirit like to sit in the $5 or $10 section?"

One Method

The man across the street has found a way to make his wife drive more carefully. He told her that if she has an accident, the newspapers will print her age.

Good Reason

Tomkins had asked Jenkins to dine with him, and Jenkins didn't show up. A few days later, the men met and Tomkins asked, "Do you know I asked you to dinner the other night?"

"Oh, yes," said Jenkins "Then why didn't you come?"

"Let me think," replied Jenkins. "I remember! I wasn't hungry!"

Can't Face It

Two men were seated in a bus. One of them noticed that his friend had his eyes closed.

"What's the matter, Bill?" he asked.

"Feeling ill?"

"No, I'm alright," answered Bill. "It's just that I hate to see all those ladies standing."

Matter of Habit

The young matron was buzzing along in the left-hand lane when, suddenly and without warning, she made a sharp right turn and almost slammed into another car.

"For Pete's sake, lady, why didn't you signal?" yelled the other driver.

"Don't be ridiculous," same the indignant reply. "I always turn here."

End of the Line?

Don't worry about your station in life... there's always someone who will tell you where to get off.

Dumb Dog

Strolling through the card room of a businessmen's club, a member was surprised to see three men and a dog playing whist. Pausing to watch, he commented on the extraordinary performance of the dog.

"He's not so smart," the dog's owner said in disgust. "Every time he gets a good hand he wags his tail."

Insurance Advantages

"You say you were once stranded on a desert island entirely without food. How did you live?"

"Well, I had an insurance policy in my pocket and I found enough provisions in it to keep me alive until I was rescued."

Early American

Woman tourist to friend while visiting the Washington Monument: By all means go down to Mount Vernon. They've done it all over in Early American.
"It's a fine bank that makes Bank-Health/Life available"

Give your bank this competitive edge!

Customers appreciate the protection you make possible when you participate in the Bank-Health/Life program — a complete portfolio of personal insurance underwritten by Central States.

Who are we? Central States is one of only 300 insurance companies recommended by the Alfred M. Best Co., outstanding authority on insurance companies. We work almost exclusively through financial institutions.

A note or phone call to us (collect, please) will bring you more details — likely will result in profitable revenue for you.

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Family Protector in 1,100 Banks
We think you’ll find our Credit Department a little bit faster.

And a little bit better in analyzing those facts to provide you with a really valuable basis for making vitally-important credit decisions.

Call Bob Bueneke or any of our officers any time you want any kind of correspondent service . . . that’s always a little bit better.