

NORTHWESTERN *Banker*

NOVEMBER
1966

80TH ANNUAL CONVENTION



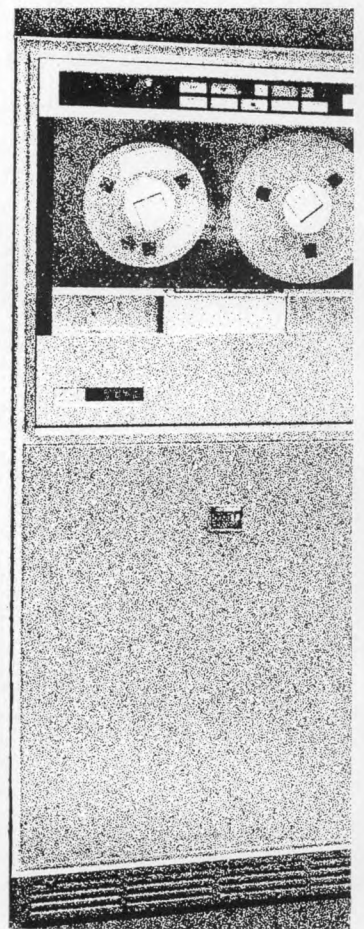
*The
myriad tools
of modern banking
...and men who
know how to use them*

Safekeeping services — Most banks can effectively handle detail work, and protect your securities, but at MNB we go just a little bit further. We will notify you when your securities become due, and provide advance notice of important events (such as bond maturity dates). We will provide a list of your securities, and if you like, we'll accept open orders to buy and sell securities at given prices, as the market permits. If our INDIVIDUALIZED SAFEKEEPING appeals to you, contact Tom Martin at MNB soon. You'll find him in the Bond Department, and very eager to help you keep your securities up-to-date.

So many ways we can help you . . .

Merchants National

MEMBER F.D.I.C.
THE FULL SERVICE BANK OF CEDAR RAPIDS



For men who make things happen fast...



TRUST NORTHERN

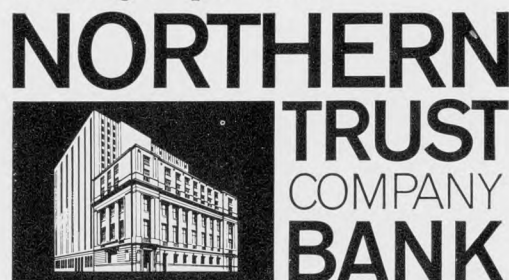
Trust Northern to have the men who get things done. These are first-string men . . . men who can make lending decisions.

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.



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

Northwestern Banker, November, 1966

**Some
insurers
insure
banks
also.**



**We
insure
banks
only.**



If you're trying to sort out an insurance jumble, talk with a Scarborough man on his next visit. He knows the banking business and how to cover your present risks within proper limits. He will help you put the pieces in place so you can see the whole insurance picture and make sure that your bank is insured right.

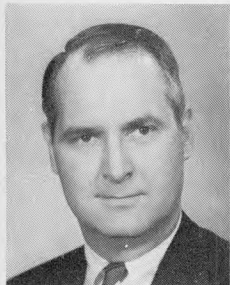
SCARBOROUGH

the bank insurance people

SCARBOROUGH & COMPANY / BANK INSURANCE SINCE 1919 / FIRST NATIONAL BANK BUILDING, CHICAGO 3, ILLINOIS

Marketing Vice President

James S. Clancy has been elected a vice president of Morgan Guaranty Trust Company of New York. He heads the marketing services department in the bank's business development group.



J. S. CLANCY

Mr. Clancy, 41, was vice president, marketing, of Western Pennsylvania National Bank, Pittsburgh, Pa., for six years prior to joining Morgan Guaranty last month.

NORTHWESTERN Banker

Oldest Financial Journal West of the Mississippi

for your NOVEMBER, 1966 reading

72nd Year No. 1001

STATEMENT OF OWNERSHIP MANAGEMENT AND CIRCULATION

(Act of October 23, 1962; Section 4369, Title 39, United States Code)

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8. Known bondholders, mortgagees, and other security holders owning or holding 1 percent or more of total amount of bonds, mortgages or other securities (If there are none, so state): Malcolm K. Freeland, President, Des Moines, Iowa; Ben Haller, Jr., Vice President, Des Moines, Iowa; Clifford DePuy, Chairman, Des Moines, Iowa; Frances Prouty De Puy Estate, Des Moines, Iowa.
9. Paragraphs 7 and 8 include, in cases where the stockholders or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, also the statements in the two paragraphs show the affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner. Names and addresses of individuals who are stockholders of a corporation which itself is a stockholder or holder of bonds, mortgages or other securities of the publishing corporation have been included in paragraphs 7 and 8 when the interests of such individuals are equivalent to 1 percent or more of the total amount of the stock or securities of the publishing corporation.
10. This item must be completed for all publications except those which do not carry advertising other than the publisher's own and which are named in sections 132.231, 132.232 and 132.233, Postal Manual (Sections 4355a, 4355b, and 4356 of Title 39, United States Code).

	Average No. copies each issue during preceding 12 months	Single issue nearest to filing date
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2. Mail subscriptions	4,525	4,590
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D. Free distribution (including samples) by mail, carrier or other means	806	619
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G. Total (Sum of E & F—should equal net press run shown in A)	5,509	5,365

- I certify that the statements made by me above are correct and complete.

MALCOLM K. FREELAND,
Publisher.

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NORTHWESTERN BANKER

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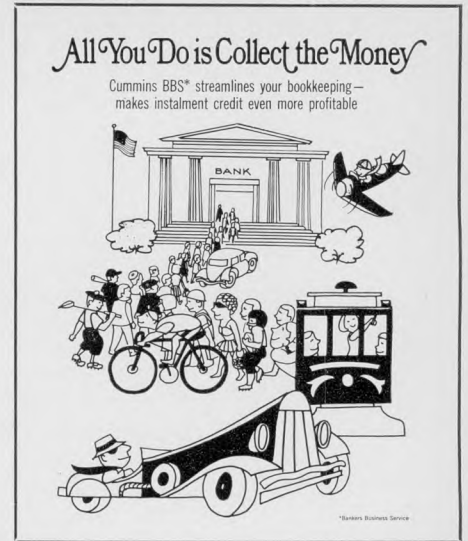
New Instalment Billing Service

A NEW brochure issued by Cummins-Chicago Corporation, bank system and equipment producers, describes the Bankers Business Service system offered by the firm. Described as a new automated installment service for billing and recording all repetitive payment transactions, the BBS System provides participating banks with a complete set of records and documents for the profitable management of an installment credit operation.

The brochure describes and illus-

trates all of the documents and records provided by the service, and makes a number of helpful suggestions regarding the profitable operation of an installment credit service. The point is also made that the pre-computed ledger cards provide subscribers to the service with all of the information furnished by the most sophisticated computer facilities used by large banks and other lenders.

Modified services are also described, suitable for the billing and recording of rentals, services, fees and subscrip-



tions when no interest is involved.

A copy of the new BBS brochure can be obtained by writing to Cummins-Chicago Corporation, 4740 N. Ravenswood Avenue, Chicago, Ill. 60640.

State Supervisors Elect J. F. M. Slade as President

J. F. M. Slade, Oregon's superintendent of banks, last month was elected president of the National Association of Supervisors of State Banks. His election brought to a close the Association's 65th Annual Convention at the Hotel Utah in Salt Lake City.

Mr. Slade succeeds William E. Nuesse, Wisconsin's commissioner of banks, who, as is the custom, became chairman of the group's executive committee.

Marvin A. Bryan, Tennessee's superintendent of banks, moved up from second to first vice president, and Philip Hewes, Connecticut's bank commissioner, advanced from third to second vice president. Raymond H. Wesner, New Jersey's deputy commissioner of banking, was reappointed secretary-treasurer of the Association. The election of the new third vice president will be announced later.

A Londoner, Mr. Slade is now involved in a "second" career. His first began in 1920 when he was employed by American Express Company in London; a year later he joined Westminster Bank, Ltd., where he remained for 26 years.

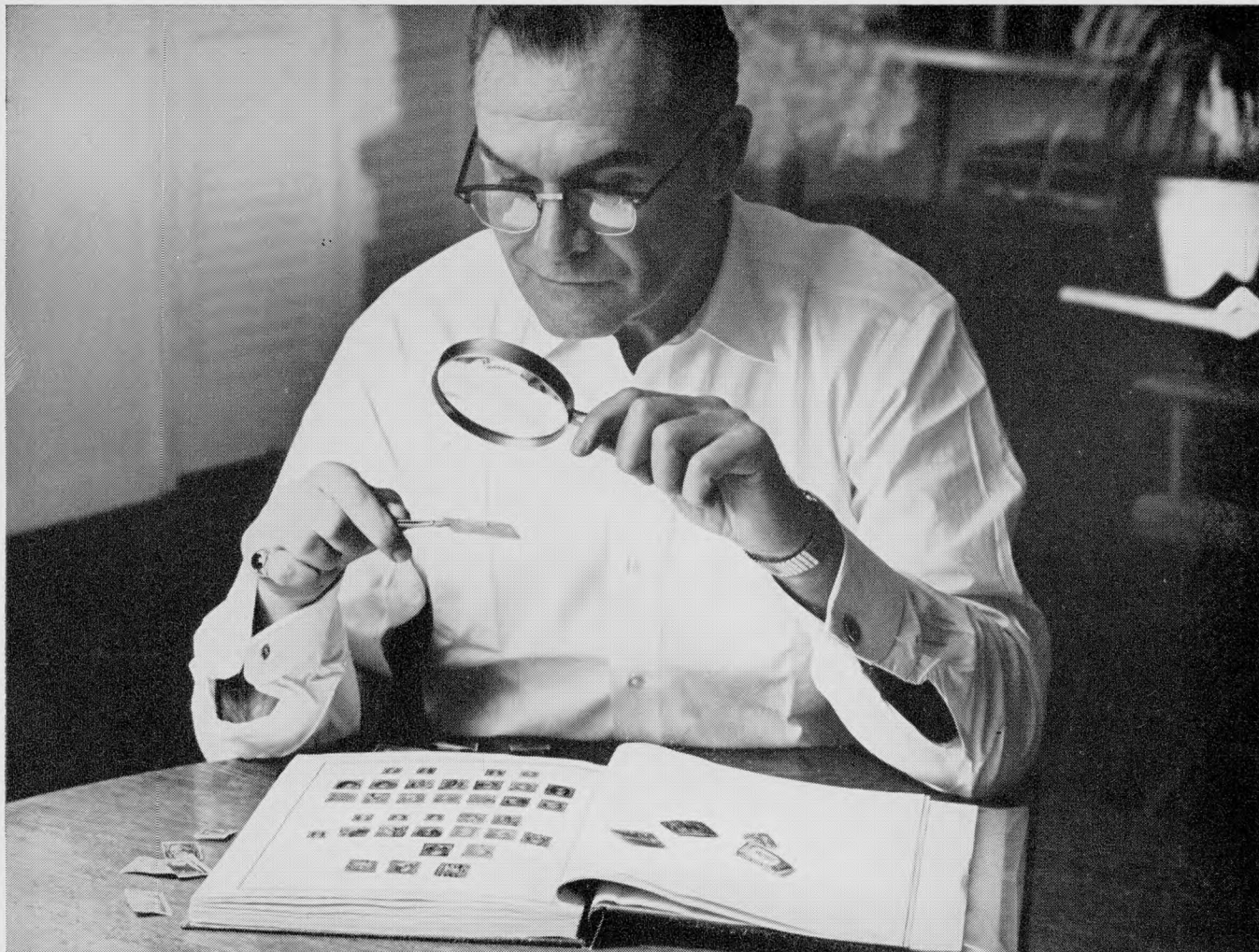
In March of 1948, the new NASSB president emigrated to the United States. After working for two years in a California bank, he went to work with the Oregon banking department as an examiner. In July of 1958, he was named superintendent; he was reappointed for additional four-year terms in 1962 and in July of this year.



Our brand of banking is to give prompt, friendly, expert help to you and your customers—based on 67 years of service—over \$1 billion in deposits — and over 100 offices — the better to serve you.

HOME OFFICE: PHOENIX

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



Banker Gordon Shaw doesn't like his stamps to come unstuck.

He doesn't want customers to, either. That's why he turns to Talcott Financing.

It's always a sticky situation when a good bank customer must be denied a loan. Often he doesn't understand (or doesn't want to understand) that your lending policies or limitations force you to say "no".

Solution? It's simple. "When you can't say 'yes'... say Talcott." You'll keep the customer as the bank of account, gain a lot of good-will that can be converted into future business. Or, if you wish, you can participate... up to 50% of the financing.

Talcott will arrange your customer's inventory, accounts

receivable, production equipment, realty or other collateral for the loan he needs to help him over a problem period or through an expansion period. In fact, Talcott helps him move faster to the kind of standards your bank requires.

How many ways... and on exactly what basis... can Talcott serve you and your customers? They're outlined concisely in our brochures, "Bankers Talk to the Man from Talcott" and "Basic Data File on James Talcott, Inc." Send for your copies or call any of our district offices.

TALK TO THE MAN FROM
JAMES TALCOTT INC.

820 Northwestern Bank Building, Minneapolis, Minn. 55402 • (612) 339-7711

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Commercial Financing • Factoring • Equipment
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Northwestern Banker, November, 1966

La Salle Men Hear Dr. Nadler



LEADING DISCUSSION on the banking outlook and the outlook for the economy generally at recent one-day meeting at Chicago's La Salle National Bank was **Dr. Paul S. Nadler**, associate professor of finance at New York University and a faculty member of the Stonier Graduate School of Banking, who is shown (right above) with hosts **Harold Meidell**, center, La Salle National chairman, and **Milton F. Darr, Jr.**, left, the bank's president.

During his visit, Dr. Nadler predicted a general easing in the money situation, and forecast a "slightly downward" movement in interest rates in the coming year. He also forecast that the country's expanded productive capacity would put a brake on prices and curb excessive inflationary tendencies.

More than 150 officers, directors and key members of La Salle National's staff traded economic views with Nadler during his visit, Chairman Meidell said.

Chicago Charge Card Plan

THE First National Bank of Chicago announced last month that it has put into operation Chicago's first multi-purpose bank charge card plan.

According to Homer J. Livingston, chairman of the board of First National, the plan, called FirstCard, is part of the Midwest Bank Card System, which for the first time in banking includes provisions for interchange (clearing) among banks of charge

slips generated by any of the charge cards in the system.

With this compatibility, holders of FirstCards can use the card at any business participating in any of the competing Midwest Bank Card plans. Under this system, the card holder has a much wider selection of shopping places at which the one card he carries can be used.

Mr. Livingston estimated that by

Christmas more than 225 banks and more than 30,000 businesses will be participating in the Midwest Bank Card System and over 3,000,000 people in the Chicago area will be carrying charge cards.

The Midwest Bank Card System, Mr. Livingston said, contains the essential elements for a future national bank card plan in which a single charge card could be used anywhere in the country. With a national interchange similar to that in the Midwest System, banks could offer national charge card service to their customers.

Currently, banks in Illinois and northern Indiana are participating in the Midwest System.

They sign up local merchants for the system and handle the merchants' accounts. These correspondent banks share in the service fee charged the merchant—generally a percentage of his sales volume.

Mr. Livingston also unveiled these exclusive features of FirstCard:

- The FirstCard charge card can be used as identification to cash checks free at more than 250 Jewel food stores in the Chicago area. Jewel already is one of the largest check-cashers in the area where branch banking is prohibited by Illinois law. This feature gives Chicago area residents new convenience since they will be able to cash checks more easily evenings and on weekends. The check cashing plan is designed to provide extra service to card holders to enhance the value of FirstCard.

- FirstCard will pay \$1 of initial family purchases totaling \$5 or more if they are made before December 5.

- Illinois state auto license plates purchased at The First National Bank of Chicago, a service offered in 1965 and starting December 1 this year, can be charged using FirstCard or other Midwest Bank Cards. The First National was the first bank in Illinois to establish over-the-counter car license plate service.

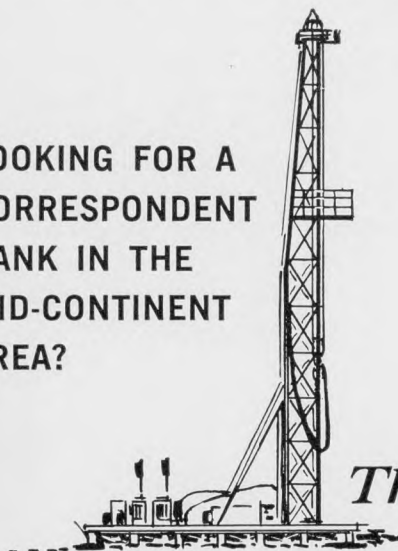
Six Phoenix Promotions

Six Valley National Bank staff members at the home office, Phoenix, have been advanced to officer status.

Named assistant cashiers are: Henry V. Berry of commercial loans; Martin D. Bunge and M. Allen Eldredge, real estate loans; Eugene A. Koss, credit card, and Walter H. Schwiibert and Gary D. Snyder, customer services division.

The promotions are effective immediately, VNB President James E. Patrick announced.

**LOOKING FOR A
CORRESPONDENT
BANK IN THE
MID-CONTINENT
AREA?**



Think ...

**THE FIRST NATIONAL BANK
AND TRUST COMPANY**

TULSA, OKLAHOMA



MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



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.

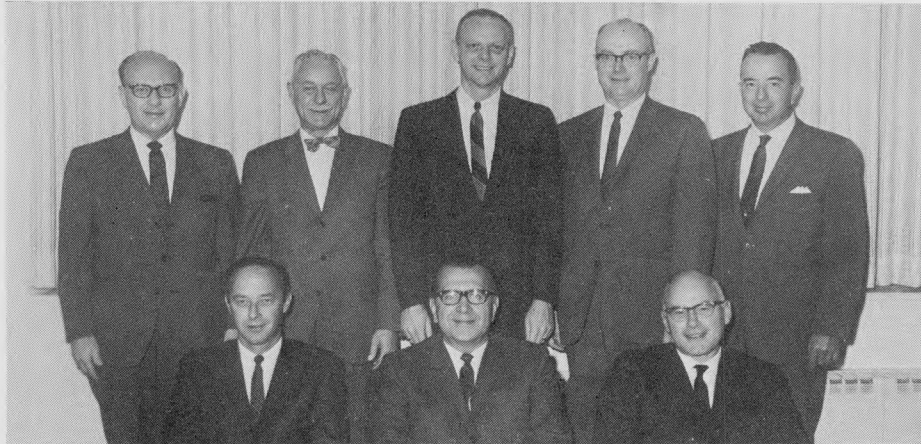
Call on us for anything. We'll show you the value of Consolidated Correspondent Service—why you can expect a little extra from your friend at Chase Manhattan.



THE CHASE MANHATTAN BANK

National Association/Member Federal Deposit Insurance Corporation

Hawkeye-Security Managers Meet



THE SEVEN regional managers of Hawkeye-Security Insurance Company, Des Moines, met at Grand Rapids, Mich., last month in a two-day managers meeting to discuss future company plans. Attending the meeting were these regional managers (left to right): Seated, **Robert Van Sant**, Denver regional office; **J. S. Tressler**, company president, and **Charles Kruse**, Springfield regional office. Standing, **Phil Blumberg**, Des Moines regional office; **Forrest Doyle**, United Security, eastern department, Washington regional office; **Merle Van Ee**, Grand Rapids regional office; **Frank Gleeson**, Omaha regional office; and **Bert Heister**, Washington regional office. Hawkeye-Security is a member of the Financial General Corporation insurance group.

Christmas Club Checks Mailed

OVER 10,000 banks and savings institutions are busy preparing to mail checks totaling nearly \$2 billion for some 15 million members of Amer-

ica's largest club—Christmas Club.

The exact amount is \$1,882,890,000, an average of \$125 for each member—the highest ever recorded. This rep-

resents an increase of nearly 50 per cent since 1950 when the average club was just \$85 per member.

As the incomes of Americans have grown, so have their Christmas savings and Christmas Club a Corporation, the organization that originated the plan, reveals some interesting figures about the people who make up this large group of savers.

While their average saving is about \$2.50 per week, some 2,500,000 save as much as \$5 weekly and an additional 1,350,000 members put away \$10 a week or more.

The Christmas Club disbursement is timed to fit the habits of America's gift buyers. A recent survey shows that 55 per cent of these customers will start their gift-buying before Thanksgiving. Another study—pleasing to retailers—shows that \$715,500,000 (or 38 per cent) of these Christmas Club savings will be spent for Christmas gifts. And equally pleasing to the banks will be the fact that \$584,000,000, or 31 per cent, will go right back into savings.

All in all, the Club that started with a few members in 1910 has grown to be an American institution.

Bank Building Corporation Adds Two to Sales Staff

Earl T. Klein, vice president-sales director at Bank Building and Equipment Corporation, St. Louis, has announced the addition of two consultants to the company sales staff.

Joseph M. Hensler, working out of the headquarters office, will cover Minnesota, North and South Dakota.

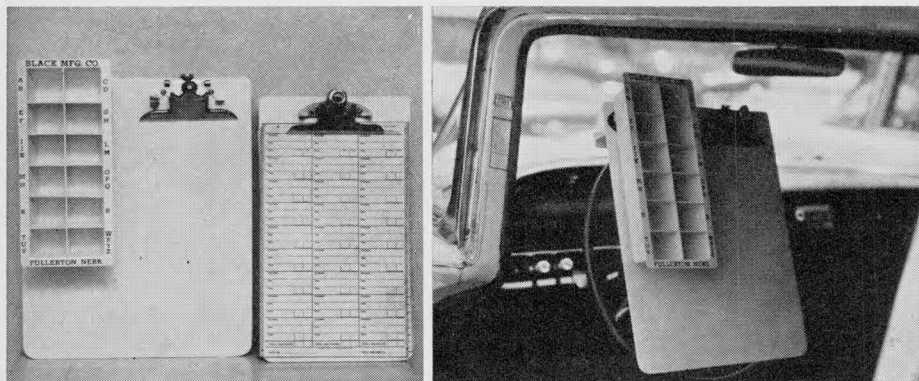


J. M. HENSLER

E. H. PUCKETT

Experienced in construction and real estate sales, Mr. Hensler is a Navy veteran of World War II and saw action in both the Atlantic and Pacific theaters.

E. H. (Harry) Puckett will work out of Bank Building Corporation's Dallas office serving Texas and Oklahoma. Mr. Puckett formerly acted as regional sales manager for the American Amicable Life Insurance Company in Waco, Tex. He has also been in the sales field with his own business, Puckett Office Equipment Company, and with National Cash Register.



JET AGE SALE CLERKING

Requires Modern Supplies To Do the Job Right

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

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

See how it works in the pictures above.

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

BLACK SALE SYSTEM

Telephone Nos. 536-2651 or 536-2522

FULLERTON, NEBRASKA

Write Us for Sample Sheets and Information

New sign of life in the insurance business



The North Central Companies have a new symbol.

And it's about time.

There we were.

Four good insurance companies pulling together as one great insurance team.

And nothing to symbolize the unique combination of knowledge, talent and experience that we had become.

Until now.

Under our new symbol, we'll continue to grow.

Together, we'll become even more significant in the fields of ordinary life insurance, creditor life insurance, group mortgage insurance, hospitalization, and financial planning.

By combining the various strengths of four strong insurance companies, we've been able to grow faster than the national average.

Despite the absence of a corporate symbol. And that's a pretty good sign in itself.

The North Central Companies

335 Minnesota St.
St. Paul, Minnesota



Protection all ways

Maine Fidelity Life, Portland, Me.

North Central Life, St. Paul, Minn.

Royal Oak Life, Pittsburgh, Pa.

West Virginia Life, Huntington, W.Va.

CNB's Prize Package



People!

Yes . . . in this day of modern know-how, whirling computers, and speed-of-light banking transactions . . . it's still PEOPLE who make one bank different than the next.

That's why we say Central National's prize package is its people . . . over 300 of them . . . from the just graduated messenger girl to the chairman of the board. Sure we're proud of the speed and accuracy with

which . . . through the help of modern machines . . . we're able to transact business efficiently for our correspondent bank friends. But it's really Central National's PEOPLE who sometimes come in a few minutes early . . . or stay a little late to make sure your account is serviced to the best of our ability.

Central National Bank and Trust Company . . . a bank made up of PEOPLE . . . who care just a little more.

CENTRAL NATIONAL BANK AND TRUST COMPANY

Fifth and Locust Street • Drive-In Walk-Up Teller Fifth and Grand • Des Moines

Member Federal Deposit Insurance Corporation



"Colorful Nature"

If you would like extra copies of this picture we will be glad to send them to you with our compliments.—Northwestern Banker.

ACROSS the DESK from the Publisher

Dear Dr. Roy L. Reiersen:

*Senior Vice President and Chief Economist,
Bankers Trust Company,
New York, New York.*

"The credit policy currently being pursued by the Federal Reserve cannot achieve the goals for which it has purportedly been designed."

This is the statement that you made in a recent address before an organization of financial experts associated with New York University. In criticizing present Fed policy for hampering both the rebuilding of confidence in the credit markets and the strengthening of the economy's defenses against inflation you had this to say:

"In a very real sense the Federal Reserve appears caught in a dilemma of its own making. The economic climate clearly indicates the need for a policy of restraint; not only are costs and prices on the rise, but demands for goods and services in the aggregate must be expected to continue pressing against the available resources of plant and labor.

"Yet, if present credit policies are continued, the risks of failing to meet legitimate credit needs, of recurrent declines in confidence, and of repeated unsettlement in the credit markets, with all the broader hazards involved, will remain very much alive.

"Nor can the monetary authorities ease the problem simply by feeding reserves more liberally to the banking system. Such a course, pursued aggressively, would add steam to the inflationary boiler, but would not provide much relief to the money market banks, which are the main purveyors of business credit on a national scale.

"Under these circumstances, it would surely seem wise for the Federal Reserve to develop a more flexible approach, designed to restrain the undue expansion of credit while preserving the flow of funds into legitimate channels and minimizing the dangers of a credit crisis.

"One feasible course of action would be for the Federal Reserve to raise the interest rates permitted to be paid on negotiable certificates of deposit of large denominations." The competitive problems that now trouble the monetary authorities, you said, could be resolved by making finer and more frequent adjustments in the ceiling rates on large certificates of deposit, perhaps in terms as low as $\frac{1}{4}$ or $\frac{1}{8}$ of one per cent. Such a policy, applied to certificates of genuine money market denominations, could hardly be accused of diverting funds

from the savings banks and the savings and loan associations in favor of the commercial banks.

"If the Federal Reserve still believes that selective credit control is needed, emphasis should properly be placed, as during the Korean War, on the distinction between lending for productive purposes and those forms of credit extension which do not, or do not significantly, increase productivity or essential output.

"Such a policy reorientation would require restoring the discount rate as a meaningful instrument of credit control. A return of the discount rate to a penalty rate position would currently be regarded as a signal that Federal Reserve bank credit will be made broadly available to all banks that are entitled to such accommodation and are ready to pay the cost.

It seems to us that in solving all of our money problems, we must also develop a solution for government spending. It may be time for the voters to exercise some selective control on the powers in Washington.

Dear James J. Saxon:

*Comptroller of the Currency,
Washington, D. C.*

As your five-year term of office nears completion, it seems that you have scored a major victory, following the decision made by a three-judge Federal Court in San Francisco.

The court has sent the Crocker-Citizens National Bank antitrust case back to you for a finding under the new Banker Merger Act of 1966. The court believes that the bank regulatory agencies should be left with the task of deciding the key issue of how much a bank merger adds to the "public interest" and meets the "convenience and needs of the community" as specified in the act.

Asking you to find whether the November, 1963, merger of Crocker-Anglo National Bank and Citizens National Bank of Los Angeles was anti-competitive, as was charged by the Department of Justice in its suit under the Sherman and Clayton Anti-Trust Acts, is like asking a mother if she likes her favorite son. You have already gone on record as saying there were no adverse effects on competition from the merger. Under the circumstances, the Department of Justice can no longer use the Clayton and Sherman Anti-Trust Acts to attack a merger that you or anyone else on the supervisory level has approved.



In football, you can pick out the professionals because they do their job supremely 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, November, 1966

1st National City Bank Has \$20 Million Deposit Contest

PRIZES totaling \$20 million in interest-free deposits will be awarded to winning banks and savings institutions in a contest promoting the sale of First National City Travelers Checks.

Known as the Bank Bonus Plan, the competition announced at the American Bankers Association annual convention in San Francisco last month is open to any insured commercial bank, savings bank or savings and loan association in the U. S. or Puerto Rico.

The contest will run for 11 months beginning November 1, 1966, and ending September 29, 1967. Only sales concluded by the close of business on September 29, 1967, and booked in New York by October 4, 1967, will be taken into consideration.

Seventy-two prizes ranging in size from \$2,000,000 to \$50,000 in non-interest bearing deposits will be awarded to winners on the basis of their sales of First National City Travelers Checks during the contest period taken as a percentage of their assets as of December 31, 1966. Deposits will be made with the winning contestants

on December 29, 1967, and will be maintained until December 31, 1968.

Participating commercial banks, savings banks and loan associations will compete only with institutions in their own total assets category.

The Bank Bonus Plan prizes will be awarded as follows in these four categories of bank size, computed by total assets:

\$500,000,000 and Over	
1st prize	\$2,000,000
2nd prize	1,500,000
3rd prize	1,000,000
4th prize	500,000
\$100,000,000 but less than \$500,000,000	
1st prize	\$2,000,000
2nd prize	1,500,000
3rd prize	1,000,000
4th prize	500,000
\$50,000,000 but less than \$100,000,000	
1st prize	\$1,000,000
2nd prize	750,000
3rd prize	500,000
4th prize	250,000
5th prize	200,000
6th prize	150,000
7th prize	150,000
8th to 27th prize.....	100,000

Under \$50,000,000	
1st prize	\$500,000
2nd prize	400,000
3rd prize	300,000
4th prize	250,000
5th prize	200,000
6th prize	150,000
7th prize	100,000
8th to 29th prize.....	50,000

First National City Travelers Checks are sold at more than 15,000 commercial banks, savings banks and savings and loan associations in the U. S. and Puerto Rico.

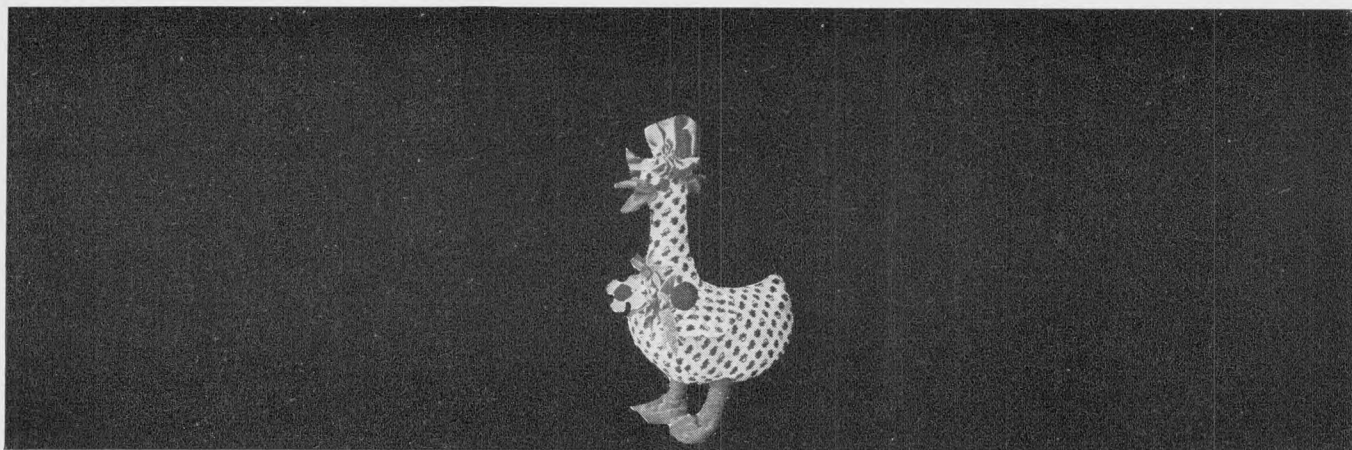
Los Angeles Men Promoted

Joseph F. McCloskey has been appointed vice president with Security First National Bank's head office planning and development department, where he will be responsible for long-range planning at Los Angeles headquarters.

Two new assistant vice presidents are:

Ronald S. Eliason, who has been appointed assistant vice president with the national and metropolitan banking department, metropolitan division.

John S. Payonzeck remains with the national and metropolitan banking department, special industries group, where he formerly was assistant cashier.



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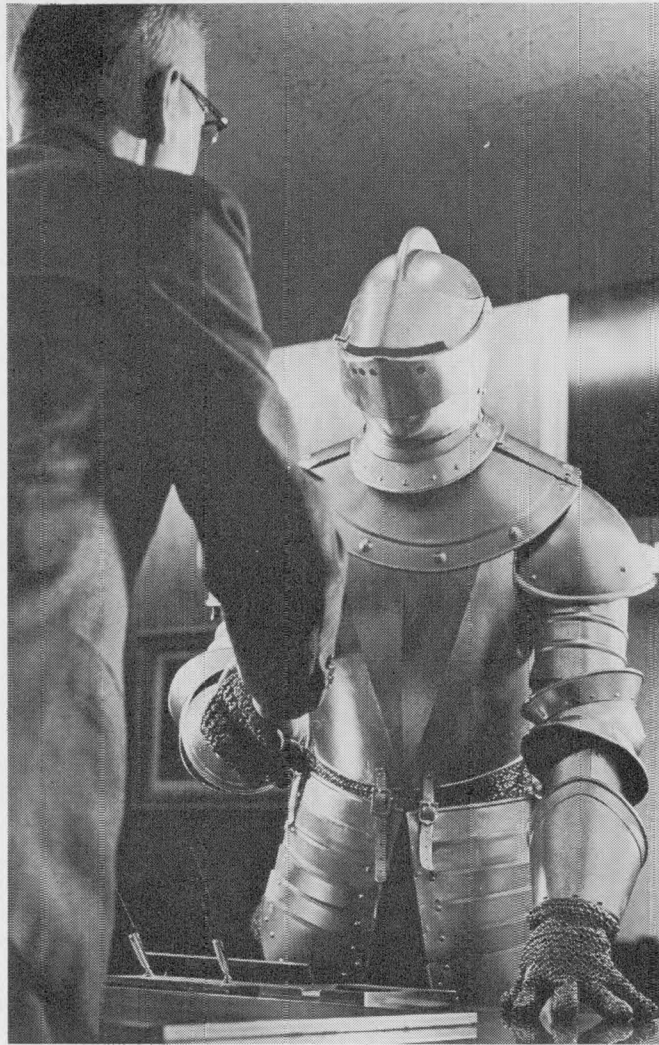
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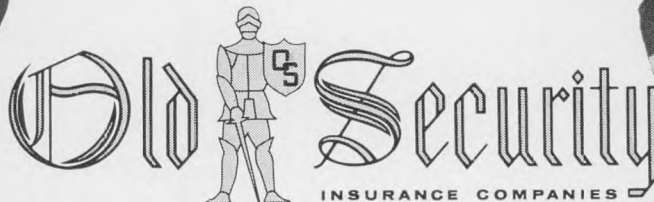
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Independent Bankers Look at Future of Farming

COUNTRY banks must conspire to keep bright young people in rural America to be a leaven of talent for tomorrow, the president of the Independent Bankers Association of America told the Southwest Agricultural Conference at the Green Oaks Inn in Fort Worth, Tex. The conference, sponsored by the association, carried the theme, "What's Ahead for Banking in the Agricultural Community?"

Addressing approximately 120 rural bankers from 17 states, Mr. DeBois said a better earning project in farm, ranch and agri-business enterprises must be offered as the attraction to rural young people.

Mr. DuBois, president of the First State Bank of Sauk Centre, Minn., and a member of the Minnesota legislature, said the country banker's dilemma is trying to meet the farmer's and rancher's need for more credit and bigger loans. The 50 per cent increase since 1960 in the dollar volume of non-real estate credit used by

farmers and ranchers will be duplicated in another five years, putting extra pressure on human and financial resources of the banks in farm areas.

Agricultural banks mostly are small banks, he said, and the country banks have held a relatively small amount of total time deposits and have been less aggressive in competing for interest-bearing deposits. Since money flows toward a rate magnet, he said, country banks will have to meet the rate challenge of competitors if they are to retain a deposit base necessary to supply the larger credit needs of their farm and ranch customers.

Trends toward fewer farms, larger capital requirements and increasing use of credit in agriculture are likely to continue in the future, said Dr. Raymond J. Doll, vice president and senior economist for the Federal Reserve Bank of Kansas City.

Total investment in production assets has increased from \$95 billion in

1950 to \$203.5 billion in 1965, an increase of 114 per cent, Dr. Doll said. Real estate investment has increased about 132 per cent since 1950, he said. Farm production assets per farm increased 272 per cent from an average of \$17,286 per farm in 1950 to \$65,000 in 1966.

Production expenses in agriculture also have increased both in the aggregate and on a per farm basis.

Realized gross farm income in 1950 was \$32,271 million, and in 1965 it was \$44,450 million, he said. Realized net farm income, on the other hand, was \$12,861 million in 1950 and \$14,100 million in 1965, Dr. Doll said.

V. E. Rossiter, Sr., president, Bank of Hartington, Neb., made a prediction as he ended his speech:

"I say to you in closing that in spite of improved farm prices, the relative dislocation between farm income and the income of the other segments of the economy is now much worse than at any time from 1922 to 1929, or at any other time in our history, since records have been kept.

"So, because everyone seems to be ignoring this passing event of the past 15 years, national income up 160.3 per cent, farmer income **down** 7.2 per cent, I confidently predict that unless the price level of total farm production is promptly restored to the proximity of the 1910-14 parity level, before a depression occurs, there is really nothing else that we can do to prevent it. We can only do things which will postpone it for awhile.

"I make this statement for two rather apparent reasons: (1) History clearly shows the relationship of relatively low farm raw material prices, tight money, high interest rates and depression, and (2) If we don't have the statesmanship to do this before a depression occurs, who can conceive of it emerging afterwards, when an increase in farm prices will increase the cost of the basic ingredients for food, shoes, clothing, beverages and tobacco.

"The difference is, we can readily afford the increase now and we won't be able to then.

"I have little hope that this will be done now, and absolutely no hope that it will be done during a depression.

"Under the circumstance, and as my contribution to our discussion here today, I will make the unequivocal prediction that we will have another complete depression, comparable to that of 1929-1935, before 1975, and very likely much sooner than that."—End.

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In fact, Pittsburgh, we're right in your back yard with the opening of our newest manufacturing plant in the Vista Industrial Park just 15 minutes west of the center of town. Our Cleveland plant, 125 miles away, will be relieved of serving the Greater Pittsburgh area, and bank customers will be served faster and more efficiently from this sparkling new 17,500 square foot plant on Campbells Run Road, Pittsburgh 15205.

The manager is George Pickens, a 19-year veteran from our Cleveland plant. Joe Karnuta, a 12-year production expert and also from Cleveland, is superintendent. They bring to the new venture experience and specialized knowledge of the requirements of the Pittsburgh area. Key personnel and department managers were recruited from other

DeLuxe plants, so we start off with a top-notch nucleus augmented by a group of enthusiastic local people who will quickly learn their specialized assignments.

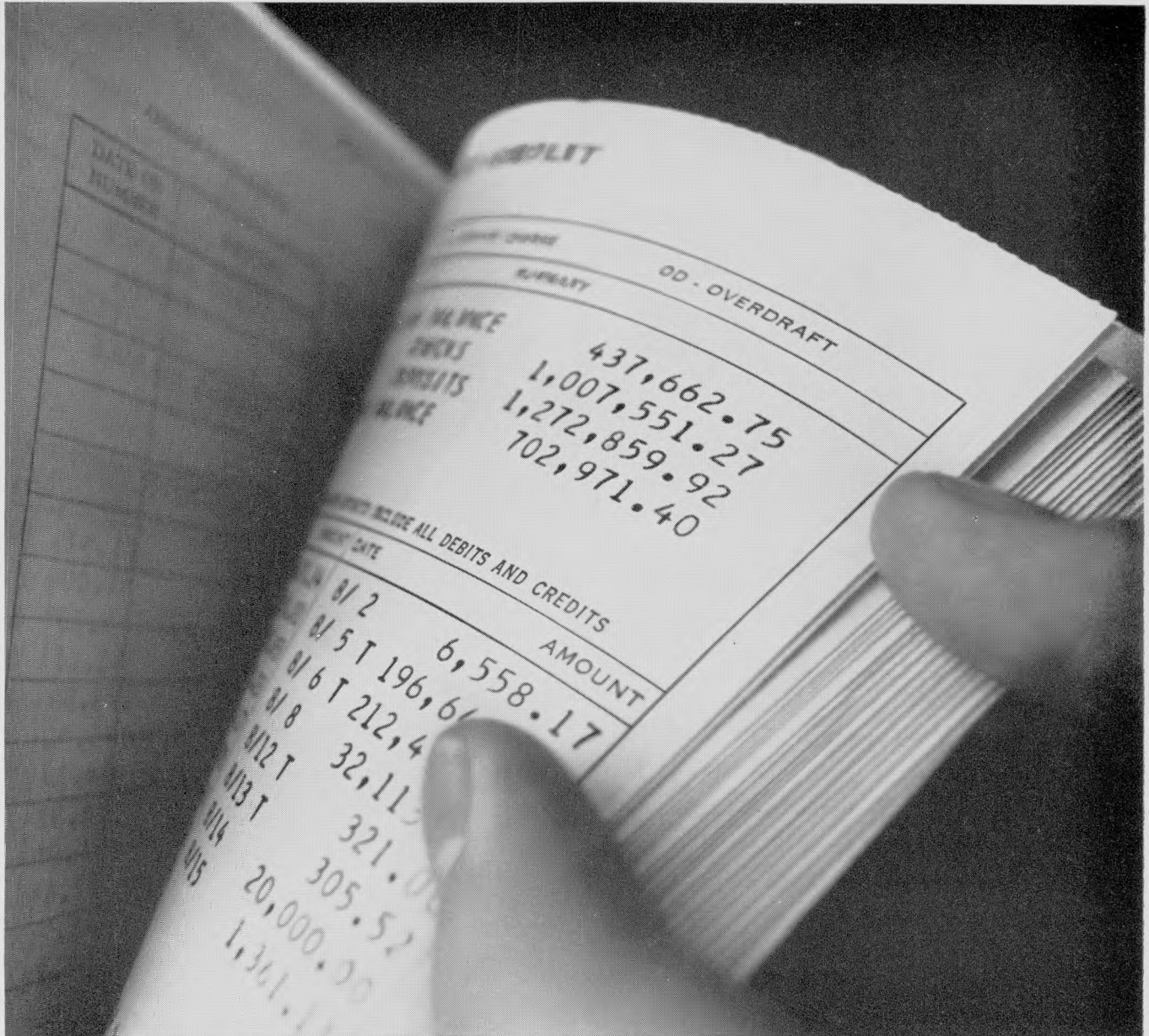
This new plant will gradually take over the printing of check orders from the Greater Pittsburgh area and the counties in Western Pennsylvania. We think that in a very short time it will be operating at full efficiency, as it is equipped with the best facilities available to us.

We welcome this new addition and its people to our DeLuxe family. This installation, as well as all of our others, was not established in a new area just to expand our business but rather to serve existing business better. Fast, dependable service will be our aim. Visit us when you can.



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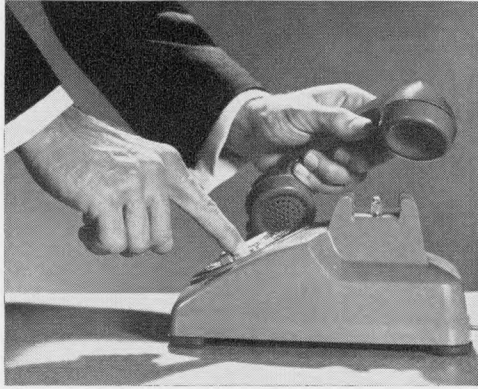
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harder to maintain. And now another plus from Kodak. Get Recordak processing quality for your Recordak Microfilms and on-premises convenience with the new Recordak PROSTAR Film Processor. Contact your Recordak Representative, or write: Eastman Kodak Company, Business Systems Markets Division, Dept. O-11, 343 State Street, Rochester, New York 14650.



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Tight money hasn't affected our desire to listen. And we're still coming up with answers.

101 banks in 25 states are now participating in loans with Heller: To improve portfolio items that cause them concern, either too large or too complex. To take care of good customers who have already reached their limits of unsecured credit. And for other reasons that involve the structuring and supervision of highly individual secured loan arrangements. Talk to us.

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Heads Finance Conference

Directors of the National Commercial Finance Conference, Inc.—trade association for commercial finance companies and factors in the United States — at a directors' meeting last



R. R. CAMPBELL

month at The Waldorf - Astoria, New York, N. Y., elected Russell R. Campbell, president, and William L. Acker, chairman of the board, for the ensuing year.

Mr. Campbell is executive vice president of James Talcott, Inc., Chicago, Ill., and Mr. Acker is senior vice president of General Acceptance Corporation, Allentown, Pa.

Other officers elected were:

Vice Presidents — Burton R. Abrahams, vice president, Walter E. Heller & Company, Chicago; Herbert A. Busch, president, Northern Financial Corporation, New York; Harry L. Goldstein, executive vice president, The Mastan Company, Inc., New York, and LeRoy L. Kohn, president, Mercantile Financial Corporation, Chicago.

Treasurer — William T. Blumberg, partner, General Commercial Acceptance Company, New York.

Secretary—Leonard Machlis, National Commercial Finance Conference, Inc., New York.

Need for All-Risks Cover

"Make sure your insurance is all-risks," said Richard Morran of Scarborough & Company in winding up his talk before the Illinois Safe Deposit Association at the group's October conference in Hotel Orlando, Decatur, Ill.



R. MORRAN

"The all-risks form protects whether or not legal liability can be established," said Mr. Morran. He cited the burgeoning mysterious disappearance claims, and stated that with the all-risk form the lessor is protected whether or not the court in a given situation defines his relationship as that of bailor-bailee.

Mr. Morran recommended tight control of keys to unused boxes to prevent possibility of a dishonest employee making and retaining a third key.



Does this happen to you? Bumper-to-bumper traffic in your own drive-in? A back-up on a public thoroughfare that irritates others? Conditions like these cost you customers and steer potential ones away.

Bank Building has solved such problems for years. Our work starts with depth analysis of your entire operation. We research and evaluate your property. Through city planning commissions and state highway departments we keep in mind the long pull. We make short- and long-term projections of traffic control and changes in traffic. We seek to assure smooth access and egress for your customers. With such thorough knowledge, planning readily becomes a workable reality. You're assured that all your windows are equipped for current and long-range efficiency.

As pioneers in drive-up facilities and with 54 years of financial specialization, Bank Building knows how to avoid costly mistakes. According to a business philosophy that has remained unchanged for more than half a century, we build for people . . . to assure the satisfaction of your customers and to acquire new ones.

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Inside and outside . . . whatever you'll need to make drive-in banking a pleasant stop for your customers can be engineered by Bank Building. But *where* will drive-in banking succeed? Site selection is critical. 1. First, a traffic count tells how many windows you'll need, helps plan driveways that avoid congestion. 2. Custom-designed rear counter assures efficient teller operation. Traffic is moved "from the inside." 3. Sometimes Bank Building advises closed-circuit television monitors when traffic justifies it, such as this installation at Roosevelt Federal Savings and Loan Association, St. Louis. 4. We also determine optimum lot size and arrangements to handle peak traffic loads, as we did for Manufacturers Bank and Trust, St. Louis. Why endure the nightmare of traffic jams? Let Bank Building work with you. Send for free brochure "Banks are for people."



1 Traffic count



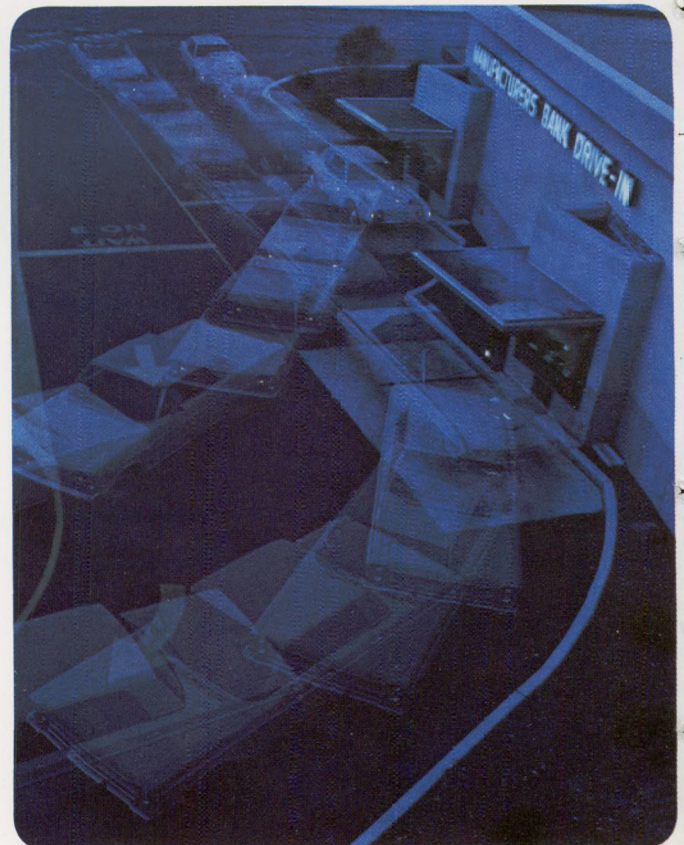
2 Piasa S. & L. Assoc., Alton, Illinois



3 Roosevelt Fed. S. & L. Assoc., St. Louis, Mo.



5 Send for brochure—"Banks are for people."



4 Manufacturers Bank, St. Louis, Mo.

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OF AMERICA

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 Please send free brochure "Banks are for people."
 Please send a Bank Building consultant to discuss our project with us. We understand *there is no obligation involved.*

Name _____ Title _____

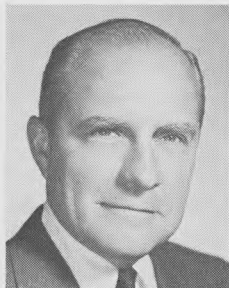
Bank name _____

Address _____

City _____ State _____ Zip _____

Joins City National Bank

R. Crosby Kemper, Sr., chairman of City National Bank & Trust Company, Kansas City, Mo., has announced that Ted R. Cauger has been elected an assistant vice president in the bank's major accounts and business develop-



T. R. CAUGER

ment division. Mr. Cauger joined the bank on October 24. For the past five years he was associated with the First National Bank of Independence.

In 1946, following a four-year tour of service with the Army,

Mr. Cauger returned to Independence to operate the A. V. Cauger Service. Founded by his father, the firm specialized in the creation, production and distribution of motion picture advertising. After 15 years of successful operation, during which time the firm grew to a \$1 million a year business, he sold his interest and became vice president of industrial sales for the Reid H. Ray Film Industries of St. Paul, Minn. From there he joined the First National in 1961.

Foundation Offers TV Tie-In Materials

The Foundation for Commercial Banks is offering all commercial banks in the United States local advertising materials to tie-in with the holiday television special "Dr. Seuss' How the Grinch Stole Christmas."

"This Christmas season the banking industry will make advertising history with the Foundation's first sponsorship of a network TV Special," Arthur M. Jones, Jr., Foundation vice chair-

PROMOTION MATERIAL

for Dr. Seuss' "How the Grinch Stole Christmas"

Now Dr. Seuss comes to television!
HOW THE GRINCH STOLE CHRISTMAS!
 Don't miss it! Sunday evening Dec. 18, on your local CBS channel.

NO. 1 COUNTER CARD (ACTUAL SIZE: 10 1/2" x 13")
 NO. 2 TELLER TAG (ACTUAL HEIGHT: 5 1/2")
 NO. 3 AD MAT (25 lines x 7 Col.)
 NO. 4 AD MAT (25 lines x 9 Col.)

DR. SEUSS' "HOW THE GRINCH STOLE CHRISTMAS" PRESENTED BY THE FOUNDATION FOR COMMERCIAL BANKS

If your customer in the textile industry wants help in getting a piece of the Canadian market...



Give him the Royal treatment.

Treat him like a king: get in touch with "Canada's Leading Bank". More than 1,100 branches strong, the Royal can help you help your customers solve problems — king-size or any size.

We invite you to make use of the Royal's wide contacts throughout Canada and our thorough knowledge of Canadian business. Our fast, broad-gauge service includes business introductions, current market information, advice on plant site selection, key facts on any industry and any region. Just contact our Head Office, New York Agency, or any U. S. Resident Representative.



THE ROYAL BANK OF CANADA

Canada's Leading Bank

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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.

Your ad is now calling on 49 million Christmas Club prospects



and that's only the beginning...

Besides the full-page, full-color November Reader's Digest ad, Christmas Club a Corporation provides Mutual Radio advertising support in over 500 communities from November 15 through December 11 – when it does you the most good.

And with the original Christmas Club working for you, you've also got emblems, newspaper mats, radio scripts, TV films, counter cards and many other promotional and publicity aids to help convert prospects into members for your club.

How many of those 49 million prospects are in your community? Ask your Christmas Club representative.

He's got the exact figure.



Christmas Club-merriest way to save!

To set up a Christmas Club or make the one you have more effective, contact the originators:
CHRISTMAS CLUB A CORPORATION, New York City • Service office: Ticonderoga, N. Y.

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Northwestern Banker, November, 1966
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Federal Reserve Bank of St. Louis

man-advertising, wrote in a letter to all banks in late October. "We are fortunate in having secured exclusive rights to the first TV presentation of a Dr. Seuss story—"How the Grinch Stole Christmas"—a classic loved by all the family." Mr. Jones is also vice president of The First National Bank of Boston.

The program will be carried on the full CBS-TV national network of 200 stations the Sunday before Christmas, December 18, at 7:00-7:30 p.m. (EST).

The offer of tie-in material was sent to all banks offering a 10% by 13 inch color counter card, two newspaper ad mats, teller tags, suggested television and radio commercials, and a story for employee publications.

The animated, musical television show is being produced in full color by Metro-Goldwyn-Mayer's four-time academy award winner, Chuck Jones. Screen and television star Boris Karloff will narrate the story.

The Foundation for Commercial Banks conducts a \$1.8 million national advertising and promotion campaign to educate the public about the advantages of Full Service Banking.

Mosler Names 2 New V.P.'s

The promotions of Alan C. Root and John G. Heiland to vice presidents of The Mosler Safe Company were announced last month by Martin S. Coleman, president.

The new officers will report directly to William A. Marquard, Jr., executive vice president, in Hamilton, Ohio.



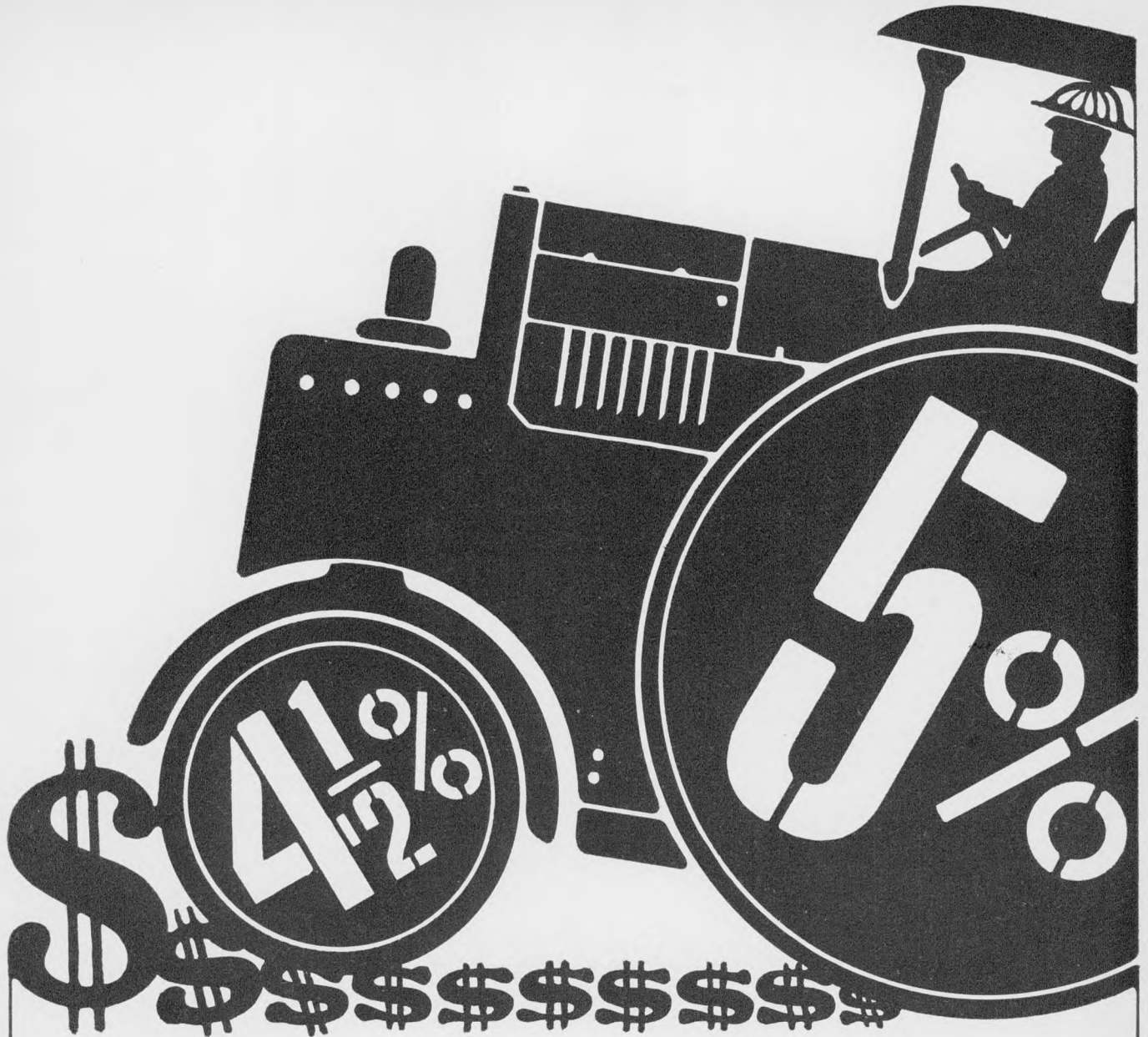
A. C. ROOT

J. G. HEILAND

Mr. Root, who has been manager of business planning, becomes vice president of business planning and corporate development. Mr. Heiland, who has been director of engineering and research, becomes vice president of engineering and research.

New Trust Officers

Charles L. Johnston and Theodore G. Kane have been named vice presidents of the Chase Manhattan Bank, N.A., it was announced last month. Both men are in the bank's pension trust division.



**Steamrollered -
by rising interest rates?**

Don't let zooming interest flatten your profit curve. Get out of the way of the 5% squeeze with the North Central Life Insurance Co.'s unique insurance programs: packages of protection specifically tailored to widen a banker's margin of profits.

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Not only do we provide the right insurance, but we wrap it up in a complete program: advertising, promotional back-up, technical support, staff training. IBM computerized accounting, billing and marketing analysis. All at no cost to you. All tailored to your operation. That's why they call North Central "The Banker's Company".

So if you're not the kind to stand by while your profit curve flattens, call North Central Life. And you might hurry. It isn't every day that a company offers to be your friend for "life"



Protection all ways

North Central Life Insurance Company

North Central Life Building, Minnesota and 4th Streets, St. Paul, Minnesota

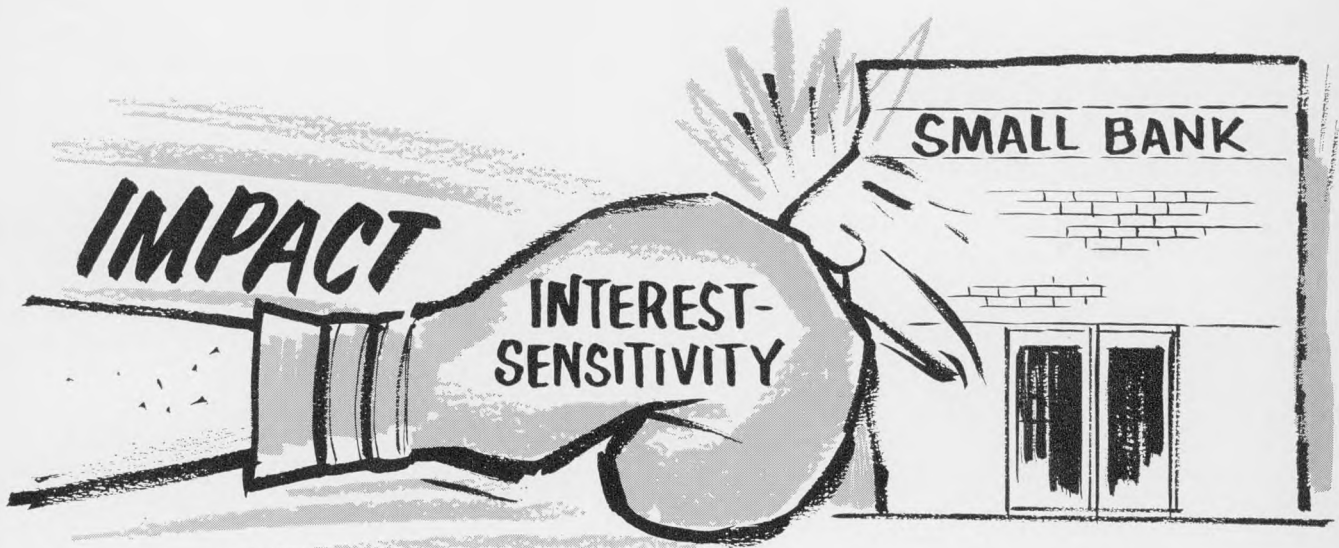


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Northwestern Banker, November, 1966



■ In his address before the 80th annual convention of the Iowa Bankers Association last month, Mr. Eckert described in detail the prospective changes in environment as he sees them for small banks. These include:

1. Increased interest sensitivity in customers of smaller banks.
2. Rapidly approaching fully-loaned position.
3. Increased promotional activity to compete for funds.
4. Slackening in rate of inflow of demand deposits.
5. Fluctuating interest rates on time deposits.

He then proceeded with his talk, summarized below.

* * *

I SHOULD like to turn now to consideration of some of the adjustments smaller banks might want to consider in adapting to the prospective changes in their environment. Since this discussion must necessarily deal with managerial issues concerning which you are the experts, I shall keep my comments quite general and suggestive.

1. Asset yields. With costs for funds growing relatively more important in total operating expenses, smaller banks would be under increased pressure to seek additional yield from their loan and investment portfolios. In a changing environment, it is always useful to question whether the portfolio is balanced as well as it can be in relation to current and prospective yields on various types of assets, and whether any prom-

ising opportunities for lending—for promoting the growth and prosperity of the community—are going unattended. In the future, the incentives for such portfolio review would be expected to increase.

2. Revenue flexibility. With interest cost changing from a continuously expanding to a fluctuating component of total operating expenses, banks will undoubtedly feel a need to obtain greater flexibility in operating revenues. The importance of upward flexibility in revenues has been clearly demonstrated in recent years, as banks and other savings institutions have faced the necessity of raising deposit rates with greater frequency. While increased revenue flexibility can be obtained to some extent through changes in the maturity distribution of assets, smaller banks may find that they also need to obtain greater flexibility in loan rates than previously. The recent experience of large city banks shows that borrowers can be persuaded to accept higher time deposit

costs as a reasonable basis for being asked to pay a higher rate on their loans.

To obtain any substantial measure of revenue flexibility would require some change in policy at those banks, particularly in smaller communities, which generally charge most borrowers the same interest rate over long periods. This has to involve a careful balancing of revenue needs against the adverse customer reaction that might be generated. In addition to providing closer adjustment of revenue to cost, a more flexible interest rate policy for these banks would have the additional advantages of (1) reducing the burden of loan rationing during periods of monetary restraint by allowing high rates to cut off some loan demands, and (2) making it easier to take into account significant differences in administrative cost, maturity, and risk in setting rates for

INTEREST-SENSITIVITY . . .

(Turn to page 41, please)

By **JAMES B. ECKERT**
*Chief, Banking Section, Division of Research and Statistics
 Board of Governors of the Federal Reserve System
 Washington, D. C.*

THERE can be no doubt but that there has been a steady quantitative deterioration in the liquidity of the aggregate of all commercial banks in the nation over the past 20 years.

Supervisors of state-chartered banks are finding their responsibility is becoming increasingly difficult. Twenty years ago, at the end of 1945, banks were unquestionably liquid, and asset quality was in high order. Cash and governments alone in all commercial banks then covered 83 per cent of all deposit liabilities. Deducting cash, governments, and other securities then owned, only 12 per cent of total deposits were dependent on the loan account. Total loans aggregated only 17 per cent of total deposits.

Consider the trends over the years since then.

The ratio of cash and governments to total deposits for all commercial banks has dropped consistently from 83 per cent in 1945, to 66 per cent in 1950, to 56 per cent in 1955, to 49 per cent in 1960, to 36 per cent in 1965, to 33 per cent as of the close of August this year.

The ratio of total deposit dependence on the loan account (that is, total deposits less cash, governments, and other securities, in relation to total loans) has increased consistently, by the same five-year intervals, from 12 per cent in 1945, to 35 per cent, to 45 per cent, to 50 per cent in 1965, to 52 per cent as of the close of August this year.

Loan Ratio

The ratio of loans to deposits, of course, has forged steadily upward from 17 per cent in 1945, to 34 per cent, to 43 per cent, to 51 per cent, to 61 per cent in 1965, to 64 per cent as of the close of August this year.

Three major factors have contributed to the deterioration in the quality and liquidity of commercial banks:



There has been some deterioration in the quality of bank loan judgments. The majority of those making credit judgments today have had experience in extending credit only in a long period of generally rising economic activity—they have been conditioned to seeing marginal-risk judgments vindicated time and again without appreciating their dependence on continued economic growth. Good loan officers are developed principally through seasoning or adversity. The rapid growth of our banks in size and in numbers of branches has short-changed many of our loan officers in preliminary seasoning, and the times have short-

changed them in developing through adversity.



There has been some deterioration in the quality of bank loan policies. Rising operating expenses, the growth of time deposits and time deposit rates, increasing pressures on bank profit margins, the crying need to hold existing business and to acquire new business for deposit growth, increasing competitive pressures, the growing acceptance of an aggressive bank marketing philosophy, all have combined, over the years, as either cause or effect, to tend to orient bank loan policies more toward growth and income needs than toward sustaining high standards of soundness and liquidity. As a consequence, bank loan policies have been slowly and almost imperceptibly adjusted over the years to accommodate loan types, loan classes, and loan aggregates that may be more attractive for good rates or good balances than they are for any inherent strength or liquidity.



There has been some deterioration in the quality of bank loan demand itself. Business managements, motivated by the sound management objective of ironing out uneconomic peaks and valleys in the flow of business activity within a fiscal period, and aided by improved transportation facilities, technological developments in inventory controls, improved marketing research and marketing methods, diversification possibilities, and other increasingly more sophisticated management techniques, have substantially reduced or virtually eliminated the old self-liquidating seasonal loan need

Concern is expressed by the author on the deterioration of loan portfolios in a large share of the nation's banks. Three important reasons are given for today's loan problems, along with seven remedies for the improvement of loan portfolios by officers of modern-day banks.

Looking at



that was the mainstay of traditional commercial banking. As such, it had and still has a quality and a built-in liquidity far superior to any other form of commercial bank lending. Increasingly, over a long period of years, the trend has been toward a demand for term loans, for quasi-capital loans, and for other business or consumer loans that are dependent for payment, not on normal short-range asset contractions, but on a sustained level of earnings or income over a longer-range future. Thus, the drying-up in the demand for the seasonal loan has tended to weaken the quality of commercial bank loans as a whole.

In looking at loans, in the aggregate, for any individual bank, we both now should and must look at each of the following:

Look at loan policies. Have firm policy guidelines been spelled out in writing with respect to loan

Loans

By **EDWARD F. GEE**
*President, State-Planters
 Bank of Commerce & Trusts
 Richmond, Virginia*

areas, loan types, collateral requirements, maturities, down-payment or equity requirements, rates, balance requirements, and so on? If so, such a broad general pattern of lending should find some reflection in the general quality of outstanding loans. To the extent the pattern seems sound, it thus affords some basic clue to loan quality. The extent to which the approved policy has been observed in practice, however, is often a horse of another color. In any event, an expressed intent is there and its mere existence has significance. If there are no written loan policies, as is so often the case, then both management and examiners must simply fly an uncharted course.

2 **Look at the adequacy of internal controls.** With respect to loan quality, this means, in addition to a consideration of written loan policies, a consideration of (1) loan approval authorities, (2) loan reporting pro-

cedures, and (3) loan review systems. The latter two are, in my opinion, far more important than the first. Requiring two or more officers to approve a loan, too often means simply a dilution of each officer's sense of individual responsibility with respect to the soundness of the loan. Not infrequently, two or more officers may jointly approve a loan that no one individually would have been willing to approve had it been his sole responsibility.

A more significant loan control procedure within a bank is that of giving open publicity to each loan made at one or more levels of management. This can be accomplished by a requirement that a credit memorandum be written and circulated among a designated group on every new loan made, or certainly on every new loan in excess of some specified amount. Knowing that the basis and justification of each loan he makes must be set out in a memo to be reviewed by his seniors and others, an individual loan officer is far more likely to make supportable loan judgments. Nothing is so debilitating to the quality of a bank's loan portfolio as to have the total knowledge of all loans, or of certain loans or groups of loans, exclusively the property of a single individual.

Even more significant as an essential control feature is the existence of a systematic procedure for reviewing regularly all outstanding loans. If any bank, regardless of size, is lacking in some procedure for bringing independent or group judgments to bear at frequent intervals on the nature, basis, changing credit quality, and repayment acceptability of all its outstanding loans, you can bet your bottom dollar that its loan portfolio as a whole is going to contain far more than its quota of sick loans.

To any auditor, the adequacy of internal controls is an essential consideration in determining the nature and scope of his examination procedures. To the bank examiner, a determination of the existence and extent of internal controls with respect to loan quality should be equally essential to the adequacy of the examination he makes.

3 **Look at loans in the order of their size.** This would seem to be so elementary as hardly to merit mention except for the frequency with which it seems to be overlooked. We come across some little loan with obvious deficiencies or weaknesses and get so carried away in establishing its utter asininity that we overlook the insignificance of its impact in the picture as a whole. Towering in the background may be loans ten times or a

hundred times larger in size but their deficiencies or weaknesses may not be so clearly apparent, and they may fail to offer the same interesting possibilities for prolonged discussion. What's needed, management finds, as I'm sure bank examiners must find, is the discipline of a conscious effort to focus first and exclusively on the soundness and liquidity of the biggest loans in the bank's portfolio. Total outstanding must be looked at in appropriate size groups. Only after the quality of each loan in the largest size group has been examined and established with exceptional care should we move down the ladder to succeeding size groups, with diminishing time and attention. At or near the bottom rungs, we might well be justified in reviewing quality only by exceptions—looking at past dues or at other apparent exceptions to the general group pattern, rather than at each loan individually. In this way, we may be able to satisfy ourselves adequately with respect to the quality of, say 75 percent of the dollar total of a loan portfolio by looking at fewer than 10 percent of the outstanding loans in number. A simple thing—but, without conscious focus, an easily side-tracked approach.

4 **Look at the loan mix.** Each loan class has certain broad strengths and weaknesses of its own. By breaking down a total loan portfolio into its class elements, a vague picture begins to emerge of total loan quality.

The usual account classifications provide only a shadowy outline—so much in time loans, in demand loans, in term loans, in installment loans, in mortgage loans, and so on. Even this, however, is not without some significance—term loans, as a class, are usually of high credit quality and relatively low liquidity; installment loans, as a class, are usually of high liquidity and relatively low individual credit quality; mortgage loans, as a class, usually have high ultimate collectibility but very low liquidity; demand loans, as a class, usually have collateral strength but, paradoxically, they may have structurally deficient liquidity—the category is a favorite resting-place for sleepers; but time loans, where the concentration may be the greatest, defy any attempt at generalization—they can be, and usually are, all over the lot in quality and liquidity.

5 **Look at risk concentrations.** Diversity of risk is an inherent element of strength in any bank's total loan portfolio. When there are

LOOKING AT LOANS . . .

(Turn to page 58, please)

Jack T. Conn Will Head A.B.A.

James J. Saxon to Leave Comptroller Post November 15

By MALCOLM FREELAND
Publisher

A POSSIBILITY that the prime rate may break through the 6 per cent level which it reached a few weeks ago was voiced by Archie K. Davis, president of the American Bankers Association, at a Sunday press conference at the opening of the ABA's 92nd annual convention in San Francisco. Mr. Davis is chairman of the Wachovia Bank and Trust Company, Winston-Salem, N. C.

Prime May Top 6 Per Cent

If the prime rate should exceed 6 per cent he noted, it would then exceed the legal lending limit permitted in some states, and would approach the limit of other states, putting an untenable squeeze on banks. (Iowa and a few other midwest states have a 7 per cent usury law.)

In his press conference, as well as in his presidential address to the convention, Mr. Davis called again upon federal government leaders to trim every possible dollar of non-military

spending from the federal budget, then institute tax increases to further control private spending and inflation.

Jack Conn New President

Mr. Davis was succeeded as president at the annual election of officers by Jack T. Conn, chairman of Fidelity National Bank and Trust Company, Oklahoma City. Mr. Conn had served as ABA vice president the past year.

Moving into the vice presidency is J. Howard Laeri, vice chairman of First National City Bank, New York. He is in line for election as president at the 93rd annual convention scheduled for New York City next September.

Louis E. Hurley, president, The Exchange Bank and Trust Company, El Dorado, Ark., was unopposed for appointment to a second one-year term as treasurer. Two terms are customary for the post of treasurer. At the convention, the Massachusetts Bankers Association endorsed Paul I. Wren,

president of Old Colony Trust Company, Boston, for the office of treasurer in 1967-68 to succeed Mr. Hurley. Mr. Wren just completed a one-year term as president of ABA's trust division at this 92nd convention.

James Saxon Will Resign

One of the big news developments at the convention was the announcement by Comptroller of the Currency **James J. Saxon** that he will leave his post November 15 upon completing the five-year term to which he was appointed on that date in 1961 by the late President John F. Kennedy. Mr. Saxon told friends he had dinner once with his family at home in the past four years, except for Sunday.

The supervisor of the nation's 4,800 national banks made it abundantly clear in his usual well-prepared talk before the national bank division that banking is in a better position competitively and from within for events that have transpired in these five years. "A new spirit now abounds," he stated. "Banking has responded forcefully and imaginatively to its new challenges and its new opportunities. . . . What should concern us today are the means of sustaining this progress."

"The issue of broadest scope which now confronts the banking industry and the public authorities is to define the proper range of banking activities," Mr. Saxon said. He went on to indicate that restrictions should not be placed in the way of the commercial banking system performing in the public interest any functions it feels qualified to offer.

He said "There is but one consideration of the public interest which can be made the basis for restrictions over banking activities—that is the necessity to maintain the solvency and liquidity of banks."

The 52-year-old lawyer said he will



OFFICERS OF THE ABA for 1966-67 are, left to right: **Dr. Charles E. Walker**, exec. v.p. and exec. mgr.; president—**Jack T. Conn**, chmn., Fidelity Natl. B&T, Oklahoma City; vice president—**J. Howard Laeri**, vice chmn., 1st Natl. City Bank, N. Y.; treasurer (reappointed)—**Louis E. Hurley**, pres., Exchange B&T, El Dorado, Ark.

return to private life. He first worked for the U. S. Treasury in 1937 and as one of its officials in World War II, he supervised the removal by submarine of U. S. gold from Corregidor in the Philippines. He said he is leaving the post that pays nearly \$30,000 a year because he has a large family to support and expenses aren't getting any smaller.

President's Address

Mr. Davis, in his presidential address, called for an all-out effort by bankers to help strengthen state banking supervision where it is needed in order to preserve the dual banking system and to be in position to fight off attempts by certain federal bureaucrats to erode the system so that all supervision can be centered under political control in Washington.

He referred to the National Workshops on State Banking Laws held in Chicago last May and said later demand for information was so great that proceedings of the meeting are being published. Additional steps are being taken for ABA bankers to work with their individual states in strengthening and updating departments and laws, where necessary.

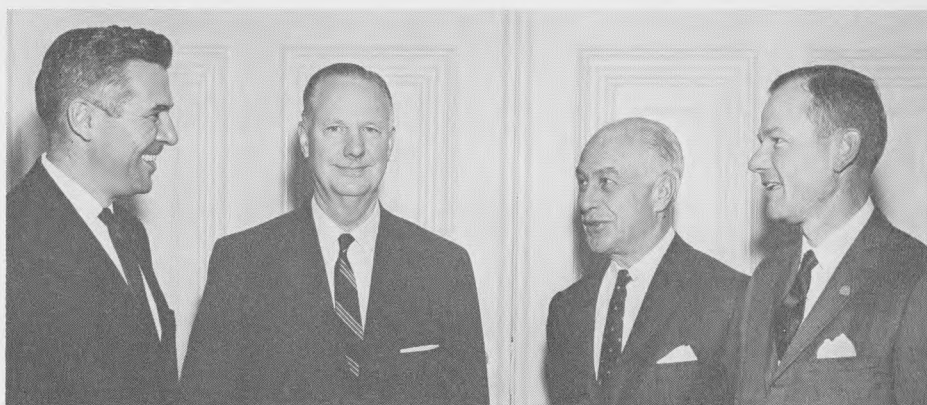
In his review of federal legislation he dwelled at length on a review of the "cease and desist" law which ABA supported, with amendments. He said he regretted the fact that the unanimous vote of the executive council was not supported by several state associations (most midwest states passed resolutions against it last May), but that the majority rule prevailed and he hoped all state memberships would close ranks and now support the ABA stand. The bill was passed recently.

He also noted that Rep. Wright Patman's efforts to place Congressional control over bank interest rates, although defeated at this session, would no doubt be revived and banks should be alert to this danger.

In discussing education and research, he said the costs and time waste in duplicating research in various banking groups is too great to ignore. He then announced that ABA has undertaken close work with NABAC in this field. Since fundamental research will benefit primarily banks with computers, the prorated cost of such a research program must come from those banks.

A Look at Bank History

U. S. Senator A. Willis Robertson (D., Va.), chairman of the Senate banking and currency committee, made a "farewell" appearance before



PRESIDENTS of the four ABA divisions for the coming year are, left to right: **Willis W. Alexander, Jr.**, pres., Trenton Trust Co., Trenton, Mo., state bank div.; **Edwin H. Corbin**, exec. v.p.-trust, Security First Natl., Los Angeles, trust div.; **Lawrence H. Martin**, pres., Shawmut Bank, Boston, national bank div., and **Nat S. Rogers**, pres., Deposit Guaranty Natl., Jackson, Miss., savings div.

the national bank division meeting. He was defeated in his state in the primary. A masterful orator in his own right, Senator Robertson gave a review of bank history that would be beneficial for every banker to read just as a reminder of the road banking has covered, and how it is achieving the broad goals charted for the industry decades ago by industry and government leaders.

Senator Robertson said, "As we look back at our history, and forward to future developments, we must remember how the Apostle Paul called upon the Corinthians to distinguish between things temporal and things eternal. We must distinguish between the basic principles of our society today, which we must preserve forever, and the application of those principles to current problems, which will vary from time to time." He then noted that while there have been many changes in the size and structure of the banking system that the principal purpose of the banking system has not changed, and neither has the moral code of personal conduct.

He recalled that the National Bank Act of 1863 was expected to replace the state bank systems and their abuses, but the development of demand deposit banking strengthened state banks. Later, it was widespread branching by state banks that jeopardized the life of national banks, leading to passage of the McFadden Act of 1927 and the Banking Act of 1933, which permitted national bank branching in accordance with branch banking rules established by the various states.

Senator Robertson handled the Bank Holding Act legislation of 1956, the 1966 amendment to it, the Bank Merger Act of 1960, and the Financial

Institutions Act of 1957 (not passed) which bill's provisions have all since been enacted into law.

He said no one can foretell the future, but the fundamental principle is that banking must continue to serve the changing needs of commerce and industry, of the government and the public. Banking must justify its existence by its service to the country and the people.

Describes FDIC Project

William W. Sherrill, director of the Federal Deposit Insurance Corporation, spoke before the state banking division. He was rumored at the convention to be under serious consideration as a successor to Comptroller Saxon.

Mr. Sherrill devoted the major share of his remarks to the bank management techniques assistance being rendered by the computerized setup installed at FDIC headquarters. This provides analysis of bank and other data to give bank management intelligent premises on which to make decisions affecting all levels of management policy.

FDIC Chairman Speaks

K. A. Randall, FDIC chairman, addressed one of the general sessions with the topic "The Common Denominator." He listed this in his talk as "the fact that bankers and bank supervisors (federal and state) share an overriding interest in the strength and viability of the entire banking system and in the contribution that banking can make to the efficient working of our financial mechanism and to the continued growth and development of the economy."

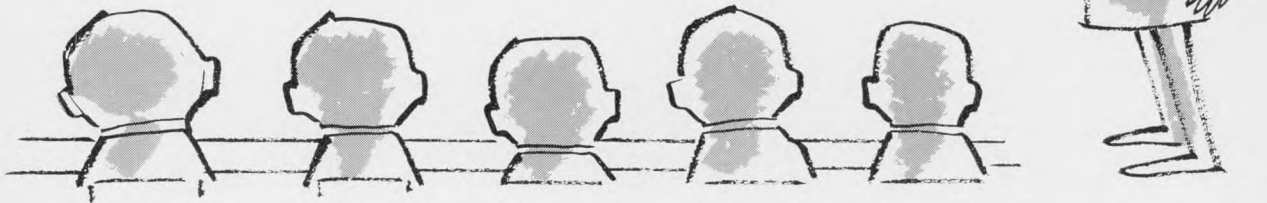
A.B.A. CONVENTION . . .

(Turn to page 54, please)

Top Management's Responsibility

1. Accounting

2. Internal Auditing



By CHARLES E. SHEWALTER
Senior Vice President and Controller
Commerce Trust Company
Kansas City, Missouri

■ In his address before the 80th annual convention of the Iowa Bankers Association in Des Moines last month, Mr. Shewalter chose the topic, "Top Management's Responsibility for Control." Two of the points he covered were "accounting and reporting" and "internal auditing." A digest of these two major points in his talk is presented here.

Accounting

IF I HAD to point to an area which needs to be improved drastically, particularly in the small bank, I would have to say it is in accounting. The majority of small banks still use the cash basis to report results. You cannot get a proper picture of how you are doing unless you use the accrual method of accounting!

Now there's a categorical statement for you. But I'm very serious about this.

Most small banks don't feel they can afford an individual with a good accounting background. I'm sure this is true, but I could never quite understand why bankers as a group do not seek competent (outside) advice on accounting matters. This attitude is changing, but really not fast enough.

Accrual System

I believe it's the responsibility of top management in the banks to find out why the accrual system is far superior to the cash basis. Top management should find out why proper financial statements and reports and data can help them to manage and control better.

Most of you who are on the cash basis probably feel it has served you well—maybe it has. Maybe you are used to making all the mental adjustments necessary to determine how the bank is doing each month.

I often wonder how your son, whom you may one day expect to take over and run the bank, would fare with the accounting system he'll find. And, although I don't want to stress the negative, if you decided to sell out, the first thing a knowledgeable buyer would do is send in his accountants to see what your bank looks like on the accrual basis. He simply wouldn't rely on the financial statements he would find in most banks. I maintain this is a result of an understandable lack of knowledge of good accounting.

Two Ideas

There are two more ideas I would like to leave with you about the ac-

crual basis of accounting.

First, in these days when there is so much talk about cost accounting and budgeting, please bear in mind that being on the accrual basis will make costing and budgeting a whole lot easier and much more meaningful. And, by the way, if you do decide to do some cost accounting, ask yourself what you are going to do with the information once you get it. All I'm saying is that by asking this question you may find that you really need cost information for only certain things. If that's true don't go to the trouble of costing out everything in the bank. Just get what you really need.

Secondly, if you or your operating people are at a loss as to how to begin to convert to the accrual basis and what systems to use, your friendly CPA can supervise the conversion while your personnel actually do the work. The CPA can do this for a very nominal cost and can see that the systems used get off on the right foot. It won't take very long because it's no monumental task to convert and it's a very easy system to maintain.

ACCOUNTING . . .

(Turn to page 60, please)



BANK ROBBERS DON'T look like bank robbers anymore. Anybody who can scribble a "Gimme" note is getting into the act. This makes ordinary bank-security methods less effective. So Mosler has developed a security package to cope with bank robbers who don't look like bank robbers.

To prevent holdups in the first place, we provide vivid window and door signs that warn would-be holdup men that

your bank is protected by a Mosler photo-surveillance system. They're so effective we could almost sell the signs without the system.

But for the robber who doesn't believe in signs, we offer two kinds of cameras: an instantaneous rapid sequence unit and an action-stopping motion picture camera. Both take sharp, clear photographs of any holdup artist (amateur or pro) who tries to

rob your bank. Enlarged, these photos help police. Your bank's floor plan and lighting determine the system.

There also are alarms that can sound off only at police headquarters without alerting the bank robber.

For more information on Mosler's photo-security or alarm systems, write to Mosler, Dept. 566, Hamilton, Ohio.

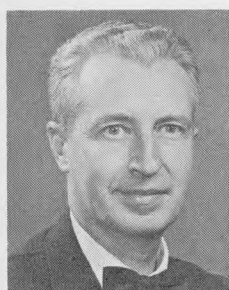


Northwestern Banker, November, 1966

A

Letter to the Editor

from



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

Dear Editor:

Re: Iowa State Treasurer's Letter

May I take this opportunity to develop a point or two that Paul Franzenburg, Iowa State Treasurer, may wish to consider in regard to his "Idle State Funds" which appeared on pages 5 and 6 of the September, 1966, issue of NORTHWESTERN BANKER.

Economics of Problem Clouded

In my opinion the economics of the problem have unfortunately become clouded by the level at which one makes or attempts an analysis. My argument is institutional and micro oriented—I suspect your three university economists made their analysis from the wholeistic and macro viewpoint. In addition, the "Puritan ethic" has been used in some academic circles to refer to certain types of moral judgments.

There is a tendency for some guardians of the public interest to *conclude* that a return from government's interest bearing deposits in banks below what might be obtained from purchase of say Treasury Bills is bad—i.e., "to forego additional interest to the Treasury at the rate of some \$300,000 annually." The impression is left that this would result in a "windfall profit" to banks and a net loss to the state treasury. If one stops reasoning at this level such might be the conclusion. But let us probe a bit deeper.

Profits and Taxes Multiply

In the first place the bank, its employees and its stockholders are all federal, state, and local taxpayers probably of from one-fifth to *over* half their income. Thus total federal, state and local government shares to a substantial degree in the added income and sales via the tax

route. So total tax take at this step whittles down the mentioned "\$300,000." In addition, let us consider an economic reality—people and businesses do not in most cases borrow without putting into motion the "accelerator and the multiplier." The business man borrows to make a profit on production and sales, he buys goods, pays employees and, in turn, government collects its taxes on profits, sales, etc., both corporate and employee. If through such activities underutilized people and resources are employed (as is likely), then the social cost of unemployment insurance and welfare payments of these new taxpayers is reduced. In such cases, the government does not need as much taxes. The "responding" effect of the original loan makes possible benefits to service industries—and increased tax payments from the service industries and their existing and added new employees.

Political pressure undoubtedly is more easy to be modified if the more *objective* "\$300,000" is pointed out as an immediate "savings" than the more difficult concept of indirect savings via higher level of economic activity, higher amount of tax collection and reduced social costs of a local economy at less than full employment. It is most difficult to frame legislation that can equitably represent the best interests of the state and local governments, financial institutions and the federal government. If it is any satisfaction, state and local governments purchasing U. S. Treasury bills probably make the open market operations of the Federal Reserve System somewhat easier.

Washington Policy May Be Adverse

At times, such as we are now experiencing, there is the risk of having Washington decide that other states have a greater need for scarce funds, than say Iowa or some other midwestern states. Today California, Nevada and Alaska are being accorded preferential treatment by Washington monetary authorities in attracting funds (some of it from Iowa) by being permitted a higher interest ceiling on savings shares. Will society be better off if funds flow from Iowa to those states?

If I were an Iowa businessman who had his loan application rejected because of the loaned-up condition of Iowa banks, which could have loaned me funds if Iowa public funds had been deposited in them, I doubt if the need of California, Nevada, or Alaska home builders and buyers would seem any more justified than my own.

If I were a treasurer of a state such as Iowa which is characterized by a financial structure in which C.D.'s are mostly of under the \$100,000 size (thus penalized by FR Regulation Q and related FDIC regulations) and confronted with federal policy which favors other states over my own, I probably would question the higher wisdom of Washington and their adverse financial selection against my own state. Or perhaps, I might take some step to see that the economy of my own state had the maximum opportunity to offer its potential for industrial growth and development.

Banks Support Municipal Issues

On June 30, 1965, banks in Iowa held over \$417 million dollars of obligations of *states* and *subdivisions*. A high proportion of these municipals originated in Iowa. The smaller issues of Iowa towns and tax districts are especially dependent upon the commercial banks to make a market for their securities. "Three hundred thousand dollars (annual rate)" shrinks somewhat in importance

LETTER TO THE EDITOR . . .

(Turn to page 41, please)



Park Avenue pipeline

It's a long way from Park Avenue to the oil fields.

Yet Manufacturers Hanover plays an active part in virtually every phase of the oil business, from the oil rig to the gas pump.

We finance petroleum production... the construction of refineries... provide funds for piping, trucking and shipping... arrange exports and imports... trustee the benefit plans for petroleum company employees... service consumer credit card accounts... and we even help gas station proprietors through small business loans.

Obviously we're not operating by instinct. We're operating by cooperating.

Our National Division officers work closely with correspondents in the oil country, banks with solid, first-hand knowledge of the petroleum business. And our correspondents rely on Manufacturers Hanover for supplemental petroleum production financing.

This kind of give-and-take helps our banking friends... it helps the petroleum industry... and it's good business for Manufacturers Hanover.

Isn't this the sort of cooperative support you'd expect from your correspondent?

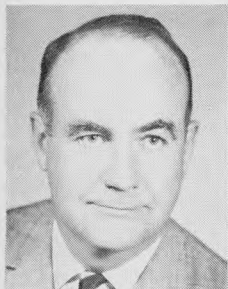
It's one of the reasons we say it's good to have a great bank behind you.

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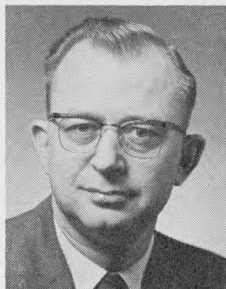


It's good to have a great bank behind you

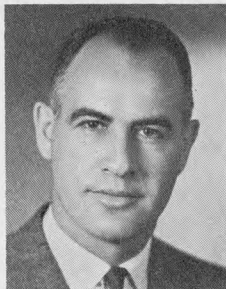
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ABA Ag Credit Conference—

Theme—"Financing Food for Peace"

THE theme, "Financing Food for Peace," has been selected for the 15th National Agricultural Credit Conference to be held by the American Bankers Association at Leamington Hotel in Minneapolis, November 13-15.

Presiding will be Theodore D. Brown, chairman of the ABA agricultural committee and president of Security State Bank, Sterling, Colo. Mr. Brown has announced a program that will present speakers from government, ag colleges, the ag industry and banking. Individual speeches, panel discussions and bull sessions will fill the two days of the conference.

PROGRAM

Sunday, November 13

P.M.

3:00-

8:00 Registration in Dakota Room.

Monday, November 14

A.M.

9:15

Hall of States.

Presiding—Theodore D. Brown, Chairman, Agricultural Committee, A.B.A.; President, The Security State Bank, Sterling, Colo.

Greetings—G. A. Redding, President, Windom State Bank, Windom, Minn.

Windom, Minn.

"U. S. Farm Change and Its Impact"—Dr. C. F. Davan, Jr., Director of Agricultural Market Research, International Minerals & Chemical Corporation, Skokie, Ill.

"Bankers, Farm Managers, and the Age of Automation"—Dr. Emery N. Castle, Head, Department of Agricultural Economics, Oregon State University, Corvallis, Ore.

"Speaking Frankly"—Panel Discussion.

Donald Lerch, Moderator, Donald Lerch & Co., Inc., Washington, D. C.

Charles Berg, Chokio, Minn.

Douglas F. Graves, Vice President, First National Bank of Freeport, Ill.

William R. Rothenberger, Frankfort, Ind.

Robert L. Voss, Vice President, First National Bank, Fremont, Neb.

P.M.

2:00

"Bank Funds For An Expanding Agriculture"—Panel Discussion.

Edward M. Norman, Moderator; President, First National Bank, Clarksville, Tenn.

Linton C. Lull, President, The Smith County State Bank, Smith Center, Kan.

C. P. Moore, Senior Vice President, The Great Falls National Bank, Great Falls, Mont.

William W. Phillips, Jr., President, The American National Bank, Beaumont, Tex.

3:00

"Bull Sessions"—Discussion Leaders.

James R. Austin, President, The National Bank of Orange, Va.

Eugene E. Coombs, Assistant Cashier and Agricultural Representative, Security Trust & Savings Bank, Billings, Mont.

Max Dickerson, Vice President, Commercial National Bank, Kansas City, Kan.

Robert A. Feller, President, The First National Bank of Findlay, Ohio.

C. N. Finson, President, National Bank of Monticello, Ill.

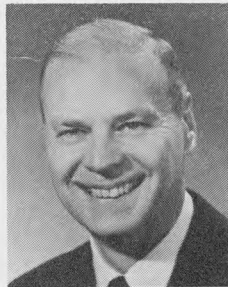
Don E. Foster, Executive Vice President, The First National Bank, Paonia, Colo.

FOOD FOR PEACE . . .

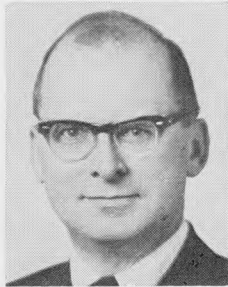
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G. MCGOVERN



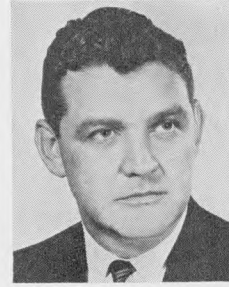
DR. D. PAARLBERG



H. D. GALUSHA

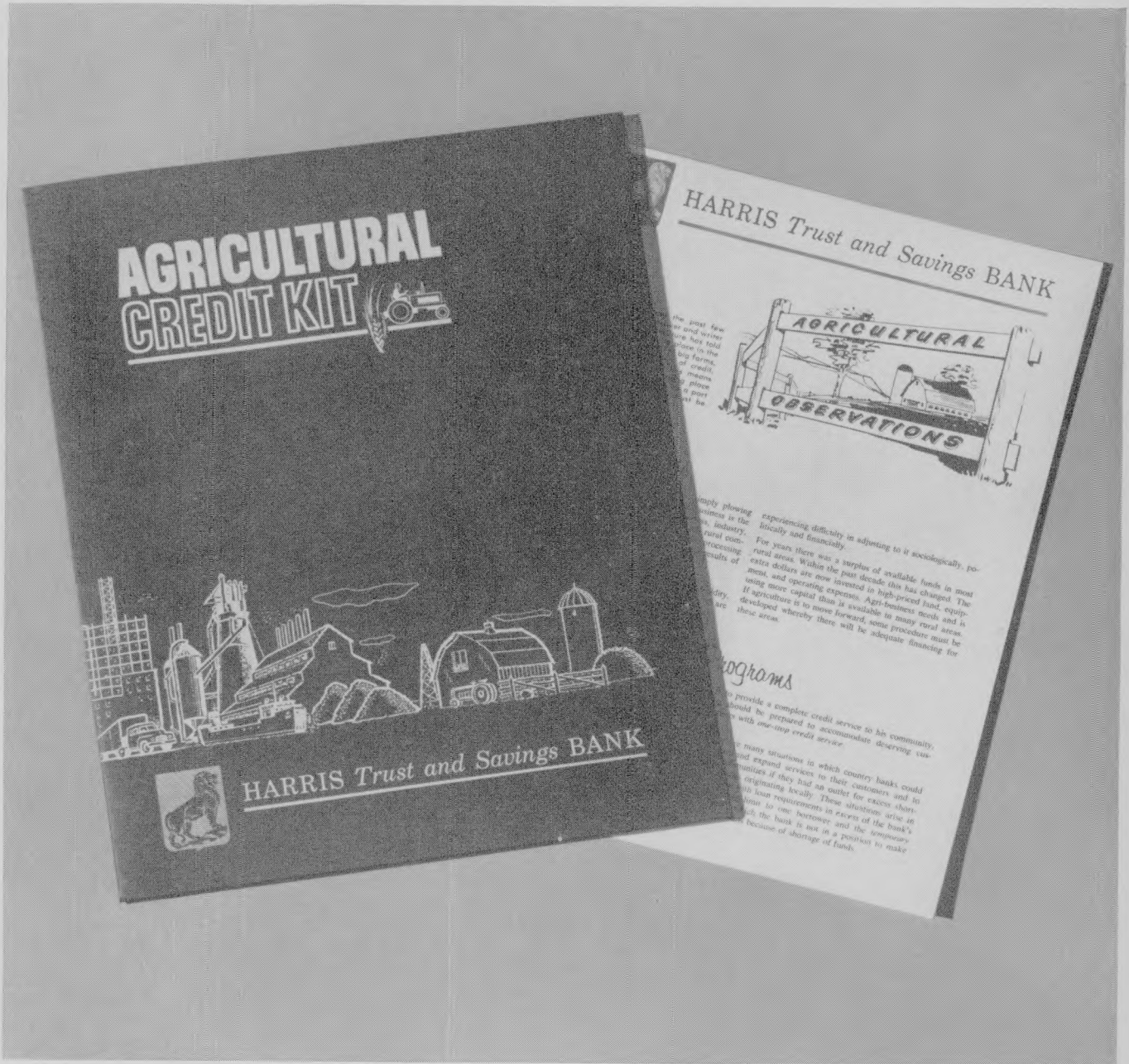


J. F. KENNEDY



E. M. NORMAN

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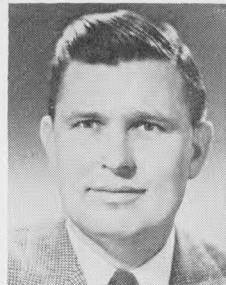
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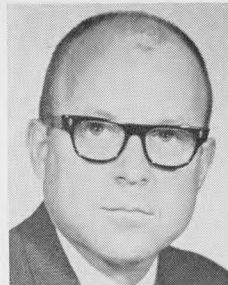
Northwestern Banker, November, 1966



L. FINCH



T. P. AXTON



T. R. SMITH



A. G. OSGOOD



H. SCHALLER

Food for Peace . . .

(Continued from page 36)

Ralph L. Higley, Vice President, Marine Midland Corporation, Buffalo, N. Y.

Dr. Arvid C. Knudtson, Agricultural Economist, Northwest Bancorporation, Minneapolis, Minn.

Harold A. McCutchan, Vice President and Manager, Farm Department, People's Bank & Trust Co., Mt. Vernon, Ind.

Thomas J. Prosser, Assistant Cashier, Marine National Exchange Bank, Milwaukee, Wis.

Edward C. Shaff, Vice President and Manager, Farm Service Department, Fidelity National Bank, Twin Falls, Idaho.

Glenn L. Shriver, Farm Director, First National Bank, Pratt, Kan.

C. K. Skinner, Jr., Vice President, First National Bank, Minneapolis, Minn.

R. L. Walton, President, Farmers and Merchants State Bank of Bushnell, Ill.

5:30 Hall of Presidents—Social Hour—Cash Bar.

6:30 Dinner.

Presiding—Theodore D. Brown.

"The World Food Crisis"—The Honorable George McGovern, United States Senator from South Dakota.

Tuesday, November 15

A.M.

9:00 Hall of States.

Presiding—John H. Hembree, Vice President and Manager, Agricultural Department, Union Planters National Bank, Memphis, Tenn.

"Productive Capacity of U. S. Agriculture"—Dr. Don Paarlberg, Professor of Agricultural Economic Policy, Purdue University, Lafayette, Ind.

"Rural Resources Development"—Hugh D. Galusha, Jr., President, Federal Reserve Bank of Minneapolis, Minn.

Workshop Sessions—Concurrent

FOOD FOR PEACE . . .

(Turn to page 46, please)

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Agency
System

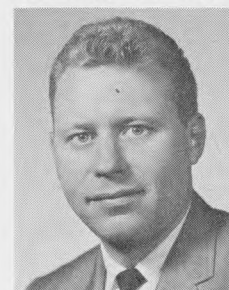
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LaSalle National Promotions

LaSalle National Bank, Chicago, announced one official promotion and the appointment of a new officer following the October board of directors' meeting. The changes were announced



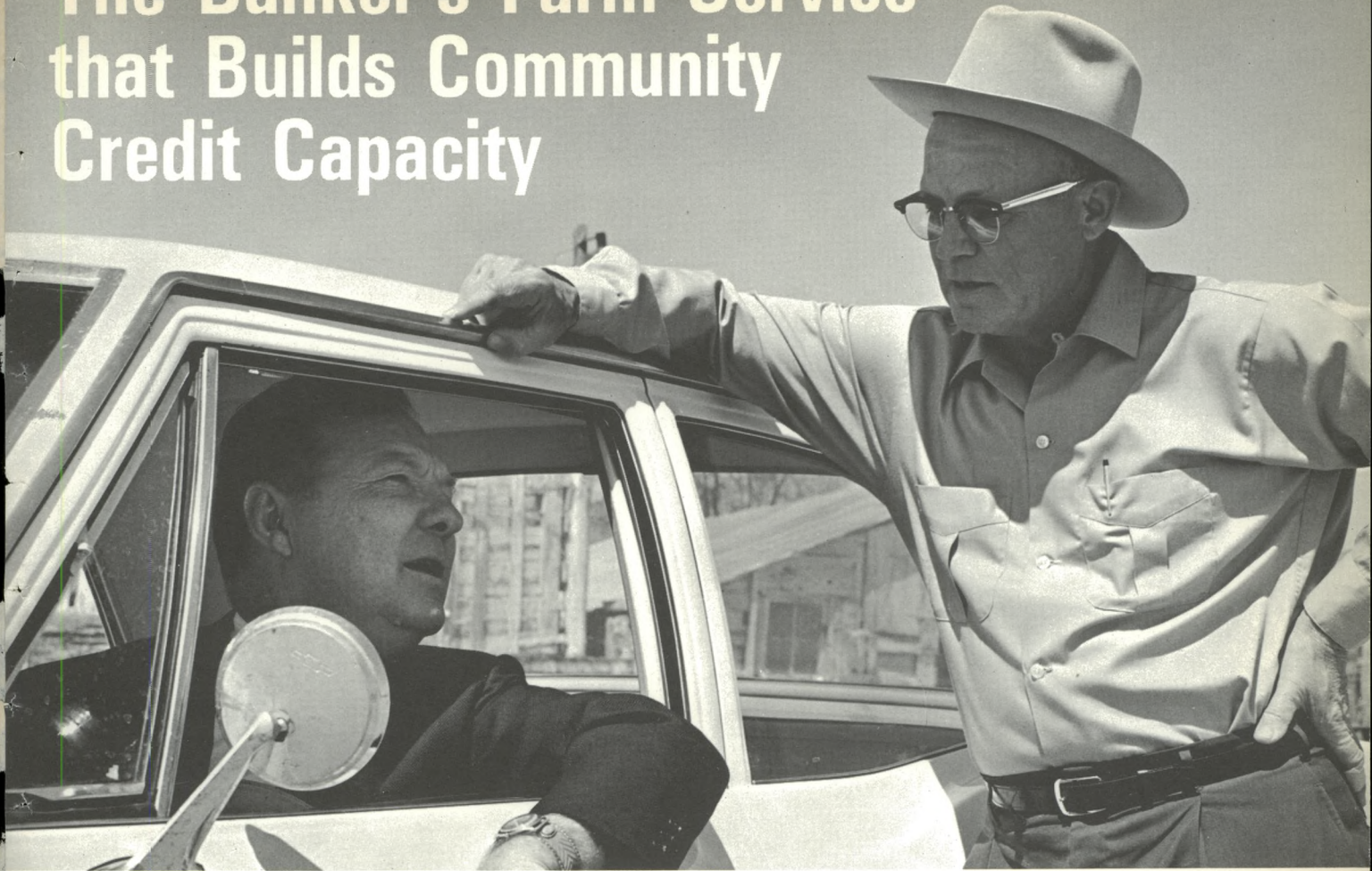
R. B. HILLEBRAND

by Harold Meidell, chairman, and Milton F. Darr, Jr., president. Robert B. Hillebrand was elevated to assistant vice president from customer service officer and Edward H. Bucnis was appointed automation officer.

Mr. Hillebrand, who has supervisory responsibility for customer service division personnel, joined LaSalle in 1951 and was appointed assistant cashier in 1963. He was named customer service officer in September of this year when LaSalle adopted functional titles for many of their officers.

Mr. Bucnis, a graduate of the University of Illinois, joined the bank in 1960 and is manager of installment credit programming in the systems and programming department of the bank.

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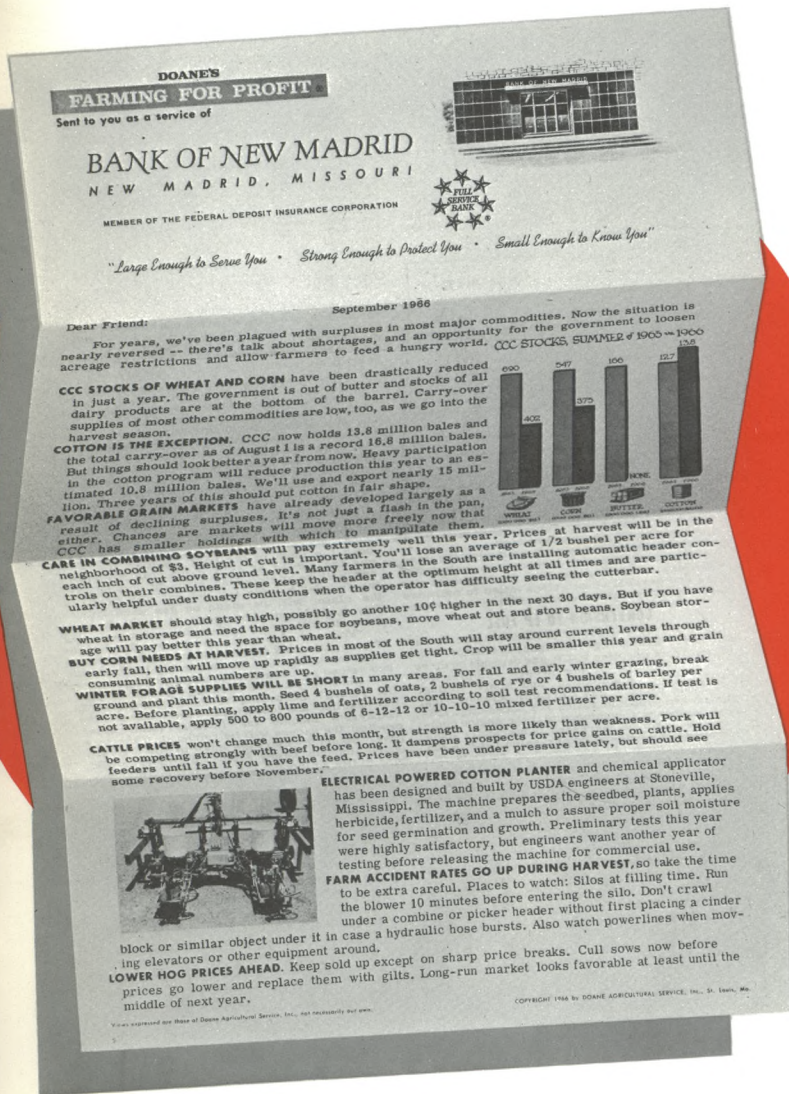
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Letter to the Editor . . .

(Continued from page 34)

in relationship to the value added by banks activity in the *thin* market most municipal issues have. Without banks holding municipals the total market yield might advance many many times the \$300,000 and the market for municipals would be even less liquid and more thin. Yes, banks do buy municipals for profit and secondary reserves. But remember the "Puritan ethic" and the greater good.

The role of a central banker is not an easy one, because, whenever he makes a decision some one or some section is adversely affected. The role of a state treasurer is also a most difficult one to fill. No matter what one does, some one can take issue as to the wisdom of the step. At times the interests of a state and Washington may vary.

Banks in Iowa—and throughout the United States—are (now and have been for sometime) under substantial pressure to *liquidate* sizable amounts of their holdings of

municipals. In most cases this is done at *losses* so that the banks can make loans to *local* businessmen.

Time for Seasonal Increase

We are approaching the season when loan applications tend to *increase*. Banks will *try* to equally meet their loan requests. Some of this will probably be achieved by further liquidation of municipals at losses and commensurate changes upward in yields.

A change of a few basic points in yields of municipals may be weighed, but only crudely against the benefit of local deposits in local banks which are used for the benefit of the local economy. This is especially true in times of tight money such as we have today.

Legal restrictions may preclude Iowa state funds from being made available to banks until January. In normal times, generally, the business need for bank loans is higher towards the end of the year. In January there is a return flow of money into the banks—thus the timing of deposits can be a significant factor.

Interest-Sensitivity . . .

(Continued from page 27)

different borrowers or on different types of loans.

3. Liability management. Management of the liability structure would become a more demanding responsibility of management in the banking world of the future. The structure as well as the level of rates would need to be set more carefully than before, and changed more frequently, if the savings market is to be tapped as effectively as possible. Following a continuous uptrend in time deposit rates over the past 20 years, many bankers sooner or later will encounter the novel experience of having to reduce rates as well as raise them. Increased interest-sensitivity may impel banks to study their savings market more carefully so that they can design instruments that will help them attract and retain the funds of their best customers. Relatively sophisticated market research studies, which already have been made feasible for smaller banks, will no doubt be engaged in much more extensively.

Smaller banks, in particular, have a big advantage in competing for funds in that depositor relationships are personal and a greater degree of customer loyalty generally prevails.

With respect to convenience, commercial banks—with their one-stop multi-service outlets—have an unquestioned competitive advantage. Accessibility, as related to number of offices, is likewise an important convenience factor.

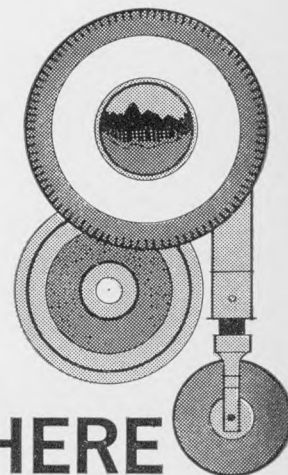
More aggressive competition for savings is likely to generate more policy problems and competitive surprises than smaller banks generally have

been accustomed to. While there is much merit to promptness of response to a competitor's thrust, it is more important that any action taken be the proper one. Experience in recent years, particularly following the increase in rate ceilings in early 1962, shows how important it is to give careful consideration to asset safety, liquidity, and prospective yield before reaching a decision regarding how aggressive the response to a competitor should be. This suggests that advance planning might be particularly helpful in dealing effectively with competent threats to a bank's time deposit potential.

In planning for the future, there appears to be no cause for concern that the savings market might run dry.

4. Other revenues and economies. Smaller banks in the future undoubtedly will be probing harder than ever to seek out new sources of revenue and new ways to cut expenses in order to cover the increased cost of their funds. Especially in a state like Iowa, where the average size of demand account and the average ratio of service charges to demand balances are low relative to the national average, I would expect the adequacy of service charges to receive increased attention. More analysis of account profitability also may be undertaken, and more vigorous and extensive use made of compensating balance requirements. Consideration may also be given to offering additional services.

One possible avenue for cost freezing or reduction that might merit a serious second look by many smaller



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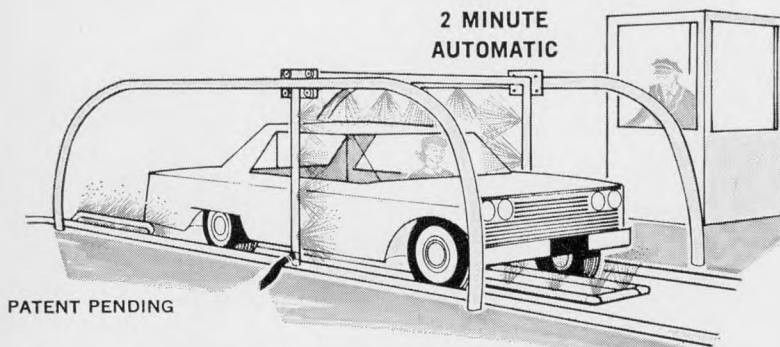
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banks in automation. Smaller banks will want to weigh carefully whether an early conversion to more automated processes might not be one of their biggest potential sources of flexibility and strength in dealing with the more competitive conditions they will face in the future.

Summary

You can console yourself in the knowledge that you are not alone in having to face these adjustments. They will hit your immediate competitors—both bank and nonbank—as well. Moreover, of all the financial intermediaries commercial banks are those best suited to adapt to and survive a period of rapid economic change, as was amply demonstrated by their superior performance in the savings market last year and this. For commercial banks are the only ones to have a monopoly position on demand deposits and a one-stop convenience advantage for savings and other banking services as well as having the widest flexibility in the investment of assets.

The services that banks render to their communities are important and their communities should be willing and able to pay a fair price for those services. As in other markets and other industries under our free competitive society, those banks that do not adequately meet the new irreversible competition will certainly suffer, but by the same rules of the game, the rewards will go to those who provide the best product or service at the most competitive price.—End.

New Assistant Vice President

Mrs. Ruth L. Engelby has been named assistant vice president of First National Bank of Arizona, Tucson, according to John F. Betcher, southern district vice president.

Mrs. Engelby has been with the bank since May, 1960, and in 1963 was named assistant cashier. Her job responsibilities include special services, publicity and public relations.

Heads Chicago Fund Drive

The appointment of David M. Kennedy as Chicago area chairman for The University of Chicago's campaign to raise \$160,000,000 was announced last month.

Mr. Kennedy is chairman of the board of directors of The Continental Illinois National Bank and Trust Company of Chicago. He also is a trustee of the University and chairman of the University's Council on the Graduate School of Business.



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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.

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**Chemical
New York**

Northwestern Banker, November, 1966

Announce Insured Check System

DETAILS of a new INSURE-A-CHECK SYSTEM, a check-cashing system involving both the first insurance safeguard for merchants from bad check losses from any of 11 million Californians, plus the first major bank computer-link with the merchant community to facilitate check-cashing by its customers were revealed last month in Los Angeles by the three developing firms.

The new statewide check-cashing system, the brain child of Telecredit, Inc., Los Angeles check verification firm, United California Bank and

Kemper Insurance Group, Chicago, is slated to go into effect December 1. Designed to solve a multitude of problems for the merchant, the new system will make it possible for businesses to insure any personal or payroll check desired with a new "All Risk Check Insurance Policy" underwritten by Kemper's Lumbermen's Mutual Casualty Company.

Dove-tailed with the system will be a direct computer-link between UCB and Telecredit's Los Angeles computer center which will provide instant verification of the "good standing" of accounts for merchants cashing checks for UCB account holders.

Telecredit's central computer in Los Angeles currently maintains up-to-the-minute data on 10.5 million California drivers' licenses. This information will be combined with the data on UCB's some 900,000 checking account customers to provide check verification data to merchants on over 11 million Californians.

Merchants subscribing to the new system will be able to insure checks cashed at their place of business at a premium rate of 3½ per cent of the amount of the check, or at a reduced rate of 1¾ per cent of the face amount

of UCB checks. Coverage will be obtainable up to \$300 per payroll check, \$150 personal check.

When presented a check drawn on a UCB account, the merchant dials the Telecredit computer room and reads the account number printed on the check. The status of the account is immediately verified with UCB's central computer, and the merchant instantly receives an authorization for insurance and a "go-ahead" to cash the check, or he is informed by Telecredit that the check is not eligible for insurance.

In the event the check is drawn on another bank, the person's California driver's license number is run through the Telecredit computer for review and, if found to show no adverse information about the holder, an insurance authorization is likewise given.

If the merchant later discovers that the check is uncollectable, he merely completes a simple claims form which he submits to the Kemper Insurance Group for immediate payment.

To use the new system, UCB customers will not need to apply for or carry any special card. His UCB check and identification to verify his signature is all he will need to permit a Telecredit subscribing merchant to verify and insure his check, Mr. Huber stated.

All UCB depositors will be extended the new check-cashing privilege. No stringent credit or minimum income requirements will be imposed by the bank, according to Mr. Huber.

Neither Telecredit, UCB or Kemper will make any charge to the UCB customer for the new account reference service.

St. Louis Appointment

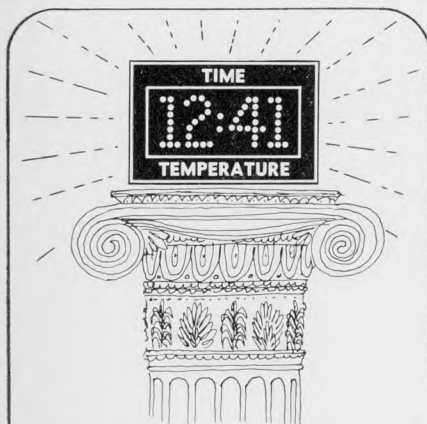
Larry M. Rogers has been appointed a special representative of the correspondent department, Bank of St. Louis, St. Louis, Mo., according to Jack Minton, the bank's executive vice president.

Mr. Rogers was with the Farmers Savings Bank, Marshall, Mo., from May, 1964, where he served as agricultural representative, and in over-all bank operations.

Prior to this, he worked for the Missouri Farmers Association in its Plant Foods Division and Central Cooperative at Marshall and Sweet Springs, serving as field representative and fertilizer plant manager.



L. M. ROGERS



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Food for Peace . . .

(Continued from page 39)

Agricultural Data Processing—Hoover Room.
Carl F. Cooper, Vice President, National Bank of Commerce, Pine Bluff, Ark.

W. G. Ransom, vice president and Farm Representative, Peoples National Bank, Ottawa, Kan.

Community Development—Jackson Room.

Paul W. Gandrud, Executive Vice President, Swift County Bank, Benson, Minn.

J. Francis Kennedy, President, First National Bank, New Hampton, Iowa.

Correspondent Agribanking—Jefferson Room.

Lindley Finch, Vice President and Agricultural Consultant, Continental Illinois National Bank & Trust Company of Chicago, Ill.

Harry Schaller, President, Citizens First National Bank, Storm Lake, Iowa.

Farm Credit Analysis—Wilson Room.

Derl I. Derr, Deputy Director, Agricultural Committee, The American Bankers Association, New York N.Y.

Warren R. Langfitt, Manager, Mesa Main Street Office, Valley National Bank, Mesa, Ariz.

Farm Credit Competition—Taft Room.

T. P. Axton, President, Lafayette Savings Bank, Lafayette, Ind.

Thomas R. Smith, President, First National Bank of Perry, Iowa.

Let Speculators Carry the Risk—Lincoln Room.

Iver M. Brook, Vice President, Bache & Company, Chicago, Ill.

Everette B. Harris, President, Chicago Mercantile Exchange, Chicago, Ill.

A. G. Osgood, Vice President, Harris Trust & Savings Bank, Chicago, Ill.

Adjournment—**End.**

Use American Express Plan

THE Chemical Bank New York Trust Company, Irving Trust Company and 15 other banks serving the East, South, Midwest, and West Coast, have joined the American Express Bank Credit Card plan in the past 30 days, the company has announced, making a total of 34 banks with 1,073 offices where the new services will be available. The combined deposits of these banks exceed \$21 billion.

Howard L. Clark, president of Amer-

ican Express Company, said that in addition to the two New York City based banks, agreements have been signed with Bank of Delaware, Wilmington, Del.; Bank of Fremont, Fremont, Calif.; Bank of Indiana, N.A., Gary, Ind.; Citizens National Bank, Englewood, N. J.; City Bank and Trust Company, McMinnville, Tenn.; First National Bank of Lake Forest, Lake Forest, Ill.; First State Bank of San Leandro, San Leandro, Calif.; LaSalle

National Bank, Chicago, Ill.; Michigan Avenue National Bank, Chicago, Ill.; National Bank of Commerce, Memphis, Tenn.; Old National Bank of Washington, Spokane, Wash.; Rockland National Bank, Suffern, New City, N. Y.; Second National Bank of Nashua, Nashua, N. H.; South Shore National Bank, Quincy, Mass., and Wilmington Trust Company, Wilmington, Del.

Each bank will offer a credit card jointly sponsored by itself and American Express Company, extending a minimum of \$2,000 line of credit to individuals plus all privileges of the regular American Express Card.

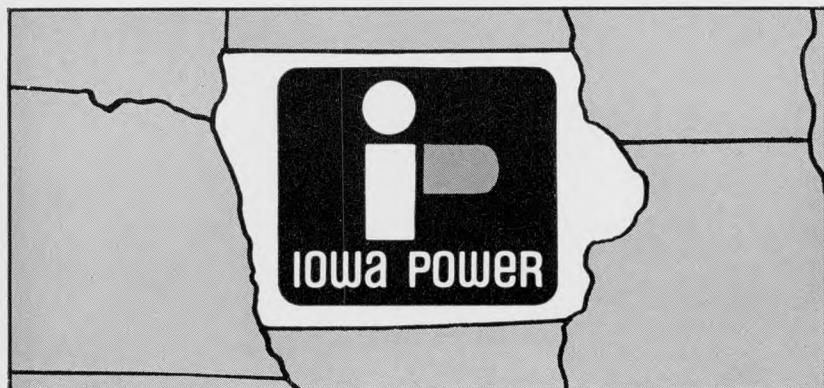
Massey-Ferguson Changes

The appointment of John G. Staiger to the new position of group vice president, farm machinery, was announced recently by Albert A. Thornbrough, president, Massey-Ferguson Limited.

Mr. Staiger has been vice president and general manager of MF's North American operations with executive offices in Des Moines, Iowa.

Mr. Thornbrough also announced that John J. Chluski, at present vice president planning and procurement worldwide, will succeed Mr. Staiger in Des Moines.

These appointments become effective November 1, the beginning of the company's fiscal year.

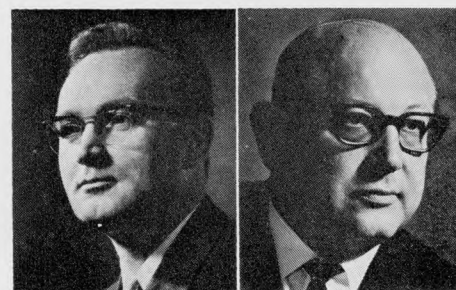


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J. G. STAIGER

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Mr. W. R. Courtney
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President
University of Minnesota

JOHN S. PILLSBURY
Director Emeritus

STATEMENT OF CONDITION

SEPTEMBER 20, 1966

RESOURCES		LIABILITIES	
Cash and Due from Banks	\$194,003,879.61	Deposits	\$656,881,923.88
U. S. Government Obligations	78,137,957.37	Short-Term Notes Payable	3,200,000.00
Other Bonds and Securities	50,772,513.04	Federal Funds Purchased	50,000,000.00
Loans and Discounts	458,681,325.39	Accrued Interest, Taxes, etc.	3,440,689.67
Customers' Liability on Acceptances	1,066,983.01	Unearned Income	5,855,608.51
Income Earned but not Collected	2,428,339.87	Liability on Acceptances	1,066,983.01
Bank Premises, Furniture and Fixtures	8,920,519.96	Reserve for Possible Future Loan Losses	8,121,027.47
Other Resources	1,970,177.27	Capital Notes, due 1990	10,000,000.00
		Capital Stock	25,000,000.00
		Surplus	25,000,000.00
		Undivided Profits	7,415,462.98
Total Resources	\$795,981,695.52	Total Liabilities	\$795,981,695.52

NORTHWESTERN NATIONAL BANK OF MINNEAPOLIS

MARQUETTE AVENUE, SIXTH TO SEVENTH STREETS MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



Minnesota NEWS

R. J. HUBBELL President St. Paul

K. A. WALES Secretary Minneapolis



Revamp Customer Service Structure at Minneapolis Bank

JOHN A. MOORHEAD, president of Northwestern National Bank of Minneapolis, has announced major changes in bank personnel and departmental structure at Northwestern which will provide every customer a single contact person at the bank who will handle directly all of the more commonly used bank services. This really represents the ultimate in personalized service.

"At the present time—like other major banks throughout the country—we are organized on specialized lines," Mr. Moorhead said. For example, the installment loan department has a number of people who specialize in making installment loans; the mortgage department specializes in mortgage loans; the new accounts department handles checking and savings accounts and savings certificates, and so on.

"Beginning about the first of January, all of these services plus a number of others at Northwestern will be consolidated in a 'Customer Service Center.' All of the people staffing this area will be able to handle all of these services for the customer," he said.

As an example, he cited the case of an individual who might be in the process of locating in Minneapolis. The bank's experience shows that he would probably be interested in: 1. A checking account. 2. A savings account. 3. A mortgage loan for a new house. 4. An installment loan to purchase appliances or home furnishings. 5. Safe deposit box.

Under the traditional departmentalized setup, this individual would need to visit at least four different departments. With the "Customer Service Center" in operation, he will need to contact only one person in the bank to accomplish everything. From that point on, the customer can contact "Miss Jones" or "Mr. Smith" of the Center to arrange for any additional banking service he might need. In other words, he will have his own personal banking consultant who will

give him faster, more convenient service.

Mr. Moorhead pointed out that organizational changes have been made in order to achieve the over-all objectives of the "Customer Service Center."

C. A. Gage, vice president, who has headed the installment banking division, is now in charge of a new department called the Personal Banking Department. This department has two divisions: The Customer Service Division supervised by Peter R. Spokes, vice president, and which includes the new Customer Service Center, and the Installment Banking Division supervised by Ansel B. Anderson, vice president, which includes the operational aspects of installment lending such as collections, accounting, credit analysis, and also the servicing of loan business created by the automobile dealers' financing plan, the charge-a-car plan.

Mr. Moorhead also stated that the new center will include the entire main banking floor and that there will be some physical rearrangements made in the area.

Joins Blue Earth Bank

Otto W. Kitzmann has joined the staff of the First National Bank of Blue Earth, according to C. F. Stilgebauer, president.

Mr. Kitzmann is a native of Elmore, Minn., and has been with the First National Bank there for the past four years. After becoming familiar with the bank routine, he will serve as a farm representative officer.

MBA Holds Junior Officer Meeting

Over 400 delegates attended the Minnesota Bankers Association sponsored Junior Bank Officer and Staff Conference held last month in Moorhead. The conference is held annually to encourage educational and personal development of staff members and junior bank officers of Minnesota banks.

A fine array of speakers was presented to those in attendance. Included were Raymond M. Cheseldine, executive vice president of the Bank Public Relations and Marketing Association, Chicago; Jefferson, Iowa banker Thomas O. Cooper, president of the Jefferson State Bank; American Institute of Banking National President William E. Vojta, vice president, First National Bank, Chicago; and Dr. Joseph L. Knutson, president of Concordia College, Moorhead.

Presiding at the sessions were AIB associate councilmen for Minnesota. Gerald L. Salfer, vice president of the National Citizens Bank, Mankato, presided at the morning session, and Claude A. Lutzka, assistant vice president, First American National Bank, Duluth, handled the afternoon duties.

MBA President Robert J. Hubbell, president of the Eastern Heights State Bank, welcomed the delegates on behalf of the association.

North Dakotan to Dilworth

V. F. Hegeholz has moved to Fargo, N. D., and has taken over active management of the Clay County State Bank of Dilworth. He has served as president of the bank, though Executive Vice President Vernon Scherbenske has been managing officer.

Mr. Scherbenske has moved to Lehr, N. D., to aid in the opening of the new Dakota State Bank.

Mr. Hegeholz, who is also president of the Peoples and Enderlin State Bank at Enderlin, N. D., reports that footings of the Dilworth bank have reached \$1.6 million—a new high.

Up Capital

In official action by the State Department of Banking, the Northwestern State Bank of Hallock has been authorized to increase capital stock from \$200,000 to \$300,000 by a stock dividend. Farmers State Bank of Raymond was authorized to increase capital stock from \$25,000 to \$50,000, through the same means.

Madelia Bank Marks 50 Years

The Farmers State Bank of Madelia observed its 50th anniversary last month with an open house for all its patrons. Philip Gunderson is president of the bank.

As part of the observance, the Madelia *Times Messenger* featured a review of the minutes of the corporation beginning with the first meeting of the group which organized the bank. The meeting took place on July 1, 1916, though business was not begun until about October 1.



Twin City News

THE Northwestern National Bank's annual hunting guide has again been released and copies are available free of charge through any of the Northwestern Banks of the Twin Cities area.

The guide contains hunting maps of specific 36 square-mile areas of Minnesota's best hunting grounds. Roads, trails, streams and bridges are clearly indicated on the maps as are section lines, lakes and ponds. These maps are reproduced to the hunter's order by members of the Documents Section of the State Department of Administration.

A synopsis of hunting laws in all states in the upper midwest and Canada is also included in the guide.

* * *

Robert M. Ferris, vice president in charge of the personal trust division, First National Bank of Minneapolis, has been elected president of the Corporate Fiduciaries Association of Minnesota, an organization of trust companies and banks having trust powers.

Named vice presidents were **William W. Helms**, vice president and trust officer, American National Bank of St. Paul; **Ronald H. Hohman**, trust officer, First Trust Company of St. Paul, and **Robert M. Moore**, vice president, Northwestern National Bank of Minneapolis.

John R. Montgomery, vice president and trust officer, Midland National

Bank of Minneapolis, is secretary-treasurer.

* * *

As announced previously in the NORTHWESTERN BANKER, **Truman W.**



T. W. PORTER

Porter has been appointed to the staff of the banks and bankers division of the American National Bank and Trust Company, according to John F. Nash, president.

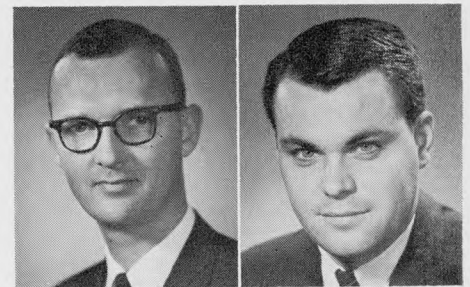
Mr. Porter is a native Minnesotan and was formerly associated with Curtis 1000 Inc. for eight years. He was sales supervisor for Chicago and the surrounding five state area, and specialized in bank operations.

* * *

The **First National Bank of Saint Paul** recently hosted a group of forty Indian youths from throughout Northern Minnesota. The young men and women, all high school seniors, were in the Twin Cities for a three day tour of various business organizations in order that they could see the many employment opportunities available in this area.

The group was treated to lunch by the bank. A short tour of the bank, plus a discussion of opportunities in banking were also on the program.

Election of two new officers has been announced by the board of directors of the Marquette National Bank. **Frank P. Fourre, Jr.** has been elected purchasing officer and **Thomas A. Herbst** has been elected assistant comptroller.



F. P. FOURRE, JR.

T. A. HERBST

Mr. Fourre joined the Marquette in 1964. Prior to this, he was purchasing agent at Modular Electronics, Inc., and Rap Industries, Inc. Mr. Herbst has been with the bank since 1962 starting as a trainee in the accounting department. In January, 1964, he was promoted to accounting supervisor.

* * *

Philip H. Nason, president of The First National Bank of Saint Paul and vice president of the Reserve City Bankers Association, was the recipient of one of two Community Service and Leadership Awards presented by the St. Paul Chamber of Commerce at their 99th Annual Banquet held September 12 at the St. Paul Hilton Hotel. Honored with Mr. Nason was **Herbert P. Buetow**, chairman of the finance committee and past president of Minnesota Mining & Manufacturing Company. Mr. Buetow also serves on the board of directors of The First National Bank of Saint Paul.

Mr. Nason was recognized for his service to St. Paul as president of the metropolitan improvement committee, as past president of the St. Paul Port Authority, and for his many efforts in the development of the Capital Centre project in St. Paul.

Mr. Buetow was honored for his efforts in promoting St. Paul as an

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Left to right: Jack Weber, John Ordos, Doug Johnson.

All systems go: The right perigee. The right apogee. And the right answers to all your banking problems from Midland's Jack Weber, John Ordos, and Doug Johnson. For transits, investments, credits, operations, collections, or any personal services—these Midland correspondents will adjust to your orbit. And fast. When you need space-age full service banking, give Midland a call.

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Midland National Bank of Minneapolis



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Member Federal Deposit Insurance Corporation

Northwestern Banker, November, 1966

industrial center, particularly for his leadership of task forces of prominent St. Paul business and government leaders to New York and Chicago to promote the city to businesses in these commercial centers.

* * *

Wallace L. Boss, vice president, Division V, department of banks and bankers of the First National Bank of Saint Paul, has been elected as a four-year member of the board of directors of the University of Minnesota Alumni Association.

* * *

Eugene W. Krekelberg and **Luther N. Magelssen** have been elected assistant cashiers at the First Minnehaha National Bank of Minneapolis, according to a recent announcement by **Eugene R. Locke**, president of the bank.

Mr. Krekelberg has been with the First Minnehaha National Bank since 1955, most recently as an administrative assistant. Mr. Magelssen joined the bank in 1960, and prior to that served with several banks in the Twin City area.

* * *

Keith M. Barnett, vice president and head of the banks and bankers department of Northwestern National Bank of Minneapolis died late Wednesday

evening, October 26, after returning from the American Bankers Convention in San Francisco. He suffered a sudden heart attack.

Mr. Barnett, who was born in Winton, Wisconsin, August 17, 1911, joined Northwestern as a messenger in 1928.



K. M. BARNETT

bankers.

He was elected an assistant cashier in 1946; assistant vice president in 1951; and vice president in 1953.

Mr. Barnett was a dog fancier of note, specializing in the raising and training of golden retrievers. One of his dogs, Brandy Snifter, was a national champion.

* * *

R. W. Crouley, senior vice president, Marquette National Bank of Minneapolis, announces the appointment of



W. J. ADDINGTON

William J. Addington as correspondent bank representative. Mr. Addington, who comes from St. Croix Falls, Wisconsin, graduated from Carleton College in Northfield, Minnesota. Before joining Marquette in November, 1965, where he was assigned to the credit department, he had six years of prior banking experience and five years at M and O Paper Company as credit assistant.

Bankers Trust Promotions

The election to vice presidents of Victor C. Anderson, Frederick S. Hammer and Peter H. Rothenberger has been announced by William H. Moore, chairman of the board of Bankers Trust Company, New York.

Mr. Anderson is in charge of the bank's check processing and deposit accounting division; Dr. Hammer heads the management science division and Mr. Rothenberger is in charge of the finance companies group of the national banking department. All three were formerly assistant vice presidents.

Visit Duluth Bank

A group of seven distinguished gentlemen from India visited the First American National Bank of Duluth last month and were amazed at the rapidity with which it was possible to cash a check. The Indians, port specialists on a six-month tour sponsored by the U. S. Department's agency for international development, visited First American during a short stay in Duluth as guests of the Seaway Port Authority of Duluth.

Chester Lind, executive vice president of the bank, reports that the men were "fascinated" with the speed with which banking transactions are handled in the United States.

Independent Bankers Meet

The Independent Bankers of Minnesota held their annual convention in Minneapolis recently and elected as their new president Eldridge L. Peters, president, First National Bank of Hastings.

Herman G. Hamre, president of the State Bank of Wood Lake, is the group's vice president, and Paul O. Pearson, president of the Empire State Bank of Cottonwood, is treasurer.

Speakers at the convention included Paul Jones, president of the Glenview State Bank of Glenview, Ill.; Jay C. Leff, president of the Fayette Bank & Trust Company of Uniontown, Pa.; Michigan Congressman Paul Todd, and Bill Clary, president of the Bank of Toccoa, Ga.

Pat DuBois, president of the Independent Bankers Association of America and president of the First State Bank of Sauk Centre, Minn., also appeared on the program. He urged more participation by bankers in facing day to day problems and to stand up and fight with all their might to preserve their way of banking.

Observes 75th Year

The First National Bank of Elbow Lake held open house last month in observance of the bank's 75th anniversary, according to Orvin Amundson, cashier. The bank has assets of nearly \$4 million and deposits totaling over \$3.5 million.

Negotiations at Lakeville

Negotiations are underway between Hitchcock Industries, Inc., and Mrs. Adon Zimmer and other stockholders for the purchase of the First National Bank of Lakeville by Hitchcock Industries. It is anticipated that negotiations can be completed by mid-November.

**FOR BUSINESS IN
MINNEAPOLIS
OR ST. PAUL
IT'S MORE CONVENIENT
TO STAY IN THE
MIDWAY**

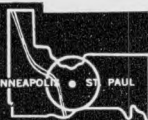
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Midway
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Take your Pick — 2 Famous Restaurants and Cocktail Lounges — Mr. Joe's and Inn of the Black Knight. 2 Swimming Pools — Indoor Heated Pool / Large Outdoor Pool and Patio. 230 Luxurious Guest Rooms and Suites — All Air-Conditioned, Radio and TV.

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Clifford C. Sommer, president, and Norman L. Wicklow, vice president, of the Security Bank & Trust Company in Owatonna, Minnesota, say "Hy-Line Midwest Cage Layer Units have been a very successful investment for our bank."

"We plan to finance more Hy-Line Midwest Cage Units"

Hy-Line Midwest Cage Layer Units have proven to be sound financial risks, note Minnesota bankers Clifford Sommer and Norman Wicklow.

"We're going to finance more of them in the Owatonna area," say both executives, "because our experience has been so satisfactory."

They feel that Midwest Cage Units give farmers an ideal way to put available family labor to good use on a year 'round basis. "Improvements in poultry breeding and housing are bound to make new units even more profitable," add Messrs. Sommer and Wicklow.

Distributors sell, service units

Over 100 farmers in Minnesota, Iowa, Missouri, and North and South Dakota have Midwest Cage

Layer Units. Many Hy-Line distributors work closely with local bankers to help their customers obtain financing and set up sound money management programs.

These Hy-Line Midwest Cage Unit owners can expect to earn a good return on their investment. Same holds true for you and your bank.

There's less credit risk involved when you finance a poultry operation filled with layers that consistently prove their profitability.

That's why bankers give Hy-Line layers the credit they're due.



Hy-Line®

CHICKS

Des Moines, Iowa

Northwestern Banker, November, 1966

A.B.A. Convention . . .

(Continued from page 31)

To improve the position of all banks, he suggests a "competition in excellence" that will yield immeasurable dividends to the industry and, even more important "to the public we serve." He urged that rather than state vs. national banking, or large vs. small banks, and the theory of "one-upmanship" that all banks work to make the banking system excel, not just to get the upper hand of a certain competitor.

He suggested three points to consider: 1. Re-evaluation of basic con-

cepts and guideposts, including a look at bank legislation to see if it leaves sufficient leeway for operating and is fair to all segments. 2. Re-examine operating efficiency of banks to see if advantage is being taken of new developments, e.g., in the field of management science. 3. See if banking services are being provided the public at lowest cost and in the quantity and of the quality desired.

Mr. Randall also reviewed the advantages to be gained from comparative studies available through com-

puter services of FDIC for management purposes.

Registration Record

Registration for the 92nd annual convention topped the 11,000 figure on the final day. This was the second largest registration in history, the largest one having been more than 40 years ago when there were considerably more banks than there are today. The latest previous high registration was the 10,300 registered at the 1958 convention in Chicago when a major vote was in the offing on the convention floor in relation to categories of membership.

The 1967 convention will be held in New York City, September 24-27.—**End.**

Wales Heads State Section

Kenneth A. Wales, executive secretary of the Minnesota Bankers Association, was elected president of the state association of the ABA at the 92nd annual convention in San Francisco last month. He advanced from the section vice presidency. Mr. Wales succeeds Belden L. Daniels, executive manager of the Pennsylvania Bankers Association.



K. A. WALES

As section president, Mr. Wales will be a member of the ABA administrative committee during 1966-67 and will continue membership on the executive council of ABA.

A. L. Ganson, executive secretary of the Washington Bankers Association, was elected vice president.

NABAC Training Seminar For Small Banks Scheduled

A new seminar designed to help the smaller bank train its personnel will be held in the Chicago area in the near future, with registration restricted to 50.

The seminar on "Training Methods in Smaller Banks" will be conducted by NABAC, the Association for Bank Audit, Control and Operation, on November 30 through December 2, at the Sheraton-O'Hare Inn, Des Plaines, Ill.

Held under the sponsorship of the Personnel Administration Commission of NABAC, with the cooperation of the Smaller Banks Commission, the seminar is tailored for banks with assets of less than \$50,000,000 and less than 75 personnel.

GO WHERE THE ACTION IS!

. . . livestock marketing ACTION, that is . . .



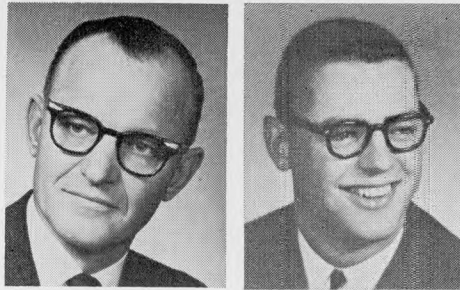
. . . and we are "Where The Action Is" — in the center of the yards to better serve our banker friends.

LIVE STOCK NATIONAL BANK

SIoux CITY

South Dakota NEWS

J. S. HOLDHUSEN President Ipswich
R. W. TERWILLIGER Secretary Huron



Farm Implement Days—Yankton



Creighton Knau, five-state Farm Radio Personality, visits with Melvin Cwach, prominent farmer; Robert Rupiper, American State Bank installment loan dept.; Warren Hobson, Yankton Chamber manager; and J. R. Echtermeyer, v.p., farm department of American State Bank, during a lull in proceedings of American State Bank's Farm Implement Days. "Corn Stick" is discernible over the top of the radio car.

THE second Annual Farm Implement days featuring "Yankton, the Cross Roads of Modern Farming," was a joint venture between American State Bank and the Farm Implement Dealers of Yankton, S. D. Practically every make and model of agricultural machinery useful in farming was demonstrated and displayed. Two city blocks, intersecting Yankton's Main Street, were roped off in front of the bank so that farmers and interested parties could see and compare the different makes of machines which composed the million dollar exhibit. Farmers had a chance to compare the heights of their corn stalks on American States "Corn Stick." Prizes were distributed from drawings from the various dealerships.

Several large sales have been made each year right on the street. Recording of attendance is difficult, but the dealers are enthusiastic, the promotion ties the bank to the community, and retail merchants claim an increase in sales on these promotion days.

American State Bank has had considerable success with promotions of this type, which have contributed to a gain of over 26 per cent in deposits and even better increases in loan volume during the last three years.

Local Full Service Bank Tie-In Aids Available

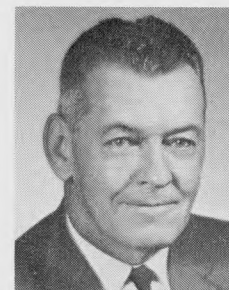
The new 1966-67 "Full Service" Advertising Plans Book for the Foundation for Commercial Banks has been mailed to member banks throughout the country, Richard B. Beal, executive director, announced.

The Plans Book features official local tie-in advertising adaptations of the national ads, which are created and marketed by First Financial Marketing Group of Brookline, Mass. This year's material will be available to bankers well in advance of the Foundation's fall national magazine schedule.

The basic promotion piece—a series of six statement enclosures—will be in full color and three-folded, accordion style. The cover will contain the art and headline from the national magazine ads.

Colton Named Bond Head

Martin Colton, vice president of The National Bank of South Dakota in Sioux Falls, has been named volunteer



M. J. COLTON

State Chairman for the Savings Bonds program in South Dakota, succeeding T. N. Hayter, retired Sioux Falls banker. The appointment was made by Secretary of the Treasury Henry H. Fowler.

In his letter appointing Mr. Colton, Secretary Fowler said, "We feel that the Savings Bonds Program is one of the most important activities in which we are engaged. The addition of a leader of your stature will help us tremendously."

New Pierre Facility



PIERRE NATIONAL BANK opened a new detached facility last month located one block west of the State Capitol Building. According to Charles H. Burke, v.p., the office has a drive-in, customer parking and a lobby with three teller units and an office. It will be known as the Capitol Avenue Office.

Northwestern Banker, November, 1966



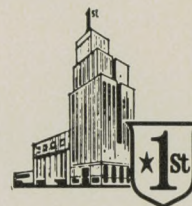
Northwestern Banker, November, 1966

Color us progressive! Color us green. It's the color of growth—perfect for a progressive-minded bank that keeps on growing, in spite of its 113 years (oldest in Minnesota, you know). In fact, we're now up to our ears in the first phase of a \$6,000,000, four-year, five-phase building and remodeling program. We're creating a bank that will not only serve our customers better today but will also meet their needs a decade or two from now.

So, color us green . . . color us progressive . . . and when you need correspondent banking service that's progressive, Think First of Saint Paul.

The First National Bank of Saint Paul

Member Federal Deposit Insurance Corporation



DIVISION V—BANKS AND BANKERS: Wallace L. Boss, Donald W. Buckman, David A. Shern: Vice Presidents • Laurence R. Kennedy, Henry N. Snyder, Richard C. Swanberg: Assistant Vice Presidents • Roger Cunningham, James T. Gowan: Assistant Cashiers • John F. Mullen, John D. Turner: Bond Advisory Specialists • Robert F. Donlan, Thomas T. Dwight, Roland W. Hohman: Trust Advisory Specialists.



Looking at Loans . . .

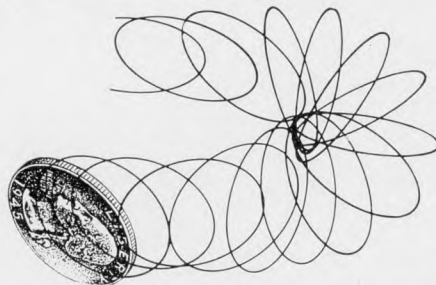
(Continued from page 29)

any conditions or developments that might adversely affect, or that might appear adversely to affect, that balance of diversity, we must look at the quality of each individual loan with exceptional care. In a one-industry town, for example, a diversification weakness is likely to permeate all elements of a bank's total loan portfolio—its business loans, its mortgage loans, its installment loans, its loans of every kind. The broader the sources of business earnings, and of personal incomes, the sounder the loans made in this environment should be.

In the same way, we must be alert to the development of risk concentrations within any one loan element. Residential mortgage loans, as a class, may usually have high ultimate collectibility, but if they are concentrated largely or unduly in one area of town, or to borrowers of the same employment, or to houses of the same kind, they have lost all the strengths of diversification. Installment loans, as a class, may be usually of high liquidity, but if they are concentrated largely or unduly in one dealer's account, or to borrowers of the same employment, or, for security, to products or chattels of the same kind, they have lost all the strengths of diversification. Term loans, as a class, may be usually of high credit quality, but if they are concentrated largely or unduly in a single industry, or to borrowers in the same line of business, they have lost all the strengths of diversification. So we must consider and remain alert to the red flags of concentration—in loan classes, loan types, business classes, business types, borrower classes, borrower types, collateral classes, collateral types, and in any other aspect of loan outstandings, in looking at the quality of a total loan account.

Look at unorthodox loans. I mean by this the special financing deals—the loans that don't fall in the normal, recurring pattern of business loans or personal loans generally as to purpose, size, or repayment source. They are loans, whether corporate or personal, that are not based on an established past pattern of experience or performance, but are made for some special or non-recurring purpose,

usually new and untried to the borrower, if not new and untried generally, with repayment dependent on some favorable concatenation of circumstances or developments in the future. They are loans that have become increasingly prevalent in recent years, and they usually involve rela-



tively substantial amounts. They may be for the purpose of buying an equity interest, a company, or a project; or for entering a new field, adding a new product or a new service, buying and selling or refinancing some major asset or interest; or for financing, temporarily or permanently, special projects of one kind or another with an inescapable and perhaps significant element of speculative risk. They are the sore spots, the vulnerable spots, the danger spots, in the loan accounts of a great many banks today. We must single them out and give them special scrutiny—for their size and nature can constitute a significant hazard to the soundness of any bank.

Look at loan losses and the adequacy of loan loss reserves. Past loan losses have some little significance with respect to current loan quality but they are, of course, by no means conclusive. Over the past twenty years, the net loan losses of all member banks have increased from a negative figure in 1945, when recoveries actually exceeded charge-offs, to a current level of around 15/100ths of one percent of loan outstandings. Such a level, of course, despite its rising trend, is still insignificant. It was over three times as great throughout the prosperous 1920's, with a slowly declining trend, until it soared, in the early '30's, to over 3 percent of all outstanding loans. There is scant comfort to be drawn from our current loss experience in a prolonged period of ris-

ing prices and rising business activity.

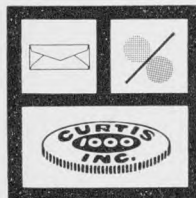
More significant is the relationship of loan loss reserves to the aggregate of loans classified or specially mentioned in examination reports. Clearly, loan loss reserves should be more than enough to cover all loans classified as loss, doubtful, or substandard. Desirably, they should cover also all loans deemed worthy of special mention.

Even with the use of this standard, however, we can have no conclusive assurance of loss reserves adequacy. Experience has shown that loan losses often strike from the least expected source. Loans that have been classified or mentioned are often worked out without loss—perhaps mainly because they have been clearly identified and made the target of management attention. It is the unclassified loan and the unmentioned loan that are the constant worry of bank managements.

Summary

Now, these seven suggested ways of looking at loans are in no sense revolutionary, but I do maintain that they are more important today than they have been at any time over the past twenty years. This is true because bank loans are greater today, both actually and relatively, than at any time over this period. It is true, also, because of the deteriorating influences I have mentioned, and because we are now in the sixty-eighth month of a constantly rising level of business activity that has carried us to peaks of affluence we have never known before in the history of this country. It is clearly a time for looking at our loans with exceptional intensity, for shoring up the weak spots, for buttoning up our overcoats against the nagging uncertainty of the economic weather ahead.

With the level of loan demand that banks have been experiencing over the past few years, there is no excuse whatsoever for putting on our books today any new loan of a sick or questionable nature. Surely, this viewpoint must now be seeping into the loan policies and practices of banks that are now 70 percent to 80 percent loaned. For precisely the same reason, there can be little excuse for permitting; if at all practical, any existing loan to remain outstanding, regardless of rate, without adequate maker strength or endorsements, without adequate and fully acceptable security, or without a mutually comfortable and acceptable repayment program or source. The major attention of both bank managements and supervisors should now be directed to this end.—End.



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North Dakota NEWS

A. A. MAYER President Bismarck
W. J. DANER Secretary Bismarck



North Dakota Group Meetings

NEARLY 500 bankers registered for the recently completed North Dakota Group Meetings and they received information ranging from group insurance to banking legislation.

North Dakota Bankers Association president A. A. Mayer, president of the Dakota National Bank in Bismarck, was the "keynote" speaker at each of the four meetings. He reviewed Association activities for the benefit of attending bankers.

Subjects discussed at the meetings included the NDBA group insurance program, bankers area-wide advertising presented by Jim Sullivan of Minneapolis, the Uniform Commercial Code discussed by George Johnson, president of the First National Bank of Minot, plus a look at 1967 state banking legislation through the eyes of Bill Daner, NDBA secretary.

A reception and dinner were held at each of the meetings.

Meeting sites were Devils Lake, Williston, Dickinson and Jamestown.

Following are the new group officers elected at the meetings:

Northwest Group

Pres.—L. Donald Thorson, vice president, First National Bank, Minot.

Vice Pres.—Kenneth M. Johnson, cashier, First National Bank, Bowbells.

Secy.-Treas.—Kenneth Erickson, assistant vice president, First National Bank, Williston.

Southwest Group

Pres.—K. A. Meier, executive vice president, First National Bank, Linton.

Vice Pres.—Robert Wells, president, Security State Bank, Robinson.

Secy.-Treas.—Harold Lothspeich, cashier, First National Bank, Belfield.

Southeast Group

Pres.—S. D. Jacobsen, president, First State Bank, Sharon.

Vice Pres.—L. E. Herzog, president, First State Bank, Cooperstown.

Secy.-Treas.—K. A. Nielsen, president, West Fargo State Bank, West Fargo.

Northeast Group

Pres.—D. N. LaRocque, vice presi-

dent, Walhalla State Bank, Walhalla.
Vice Pres.—Daniel Lessard, vice president, Walsh County Bank, Graf-ton.

Secy.-Treas.—R. W. Clapp, vice president, Security State Bank, Adams.

Bank to Open at Lehr

Vernon Scherbenske, former executive vice president of the Clay County State Bank at Dilworth, Minn., will be the managing officer of the new Dakota State Bank at Lehr. Plans are to open for business by November 15.

State Bankers Honored

North Dakota bankers, the North Dakota Bankers Association, and particularly the 1965-66 NDBA agricultural committee under the chairman-

ship of G. C. Anderson, executive vice president, The Bank of Tioga, have been awarded the American Bankers Association Agricultural Award for the 35th time, according to Bill Daner, executive secretary of the NDBA.

Moves to New Quarters

The Grant County State Bank of Carson has moved into its new quarters. L. C. Kempf is president of the bank.

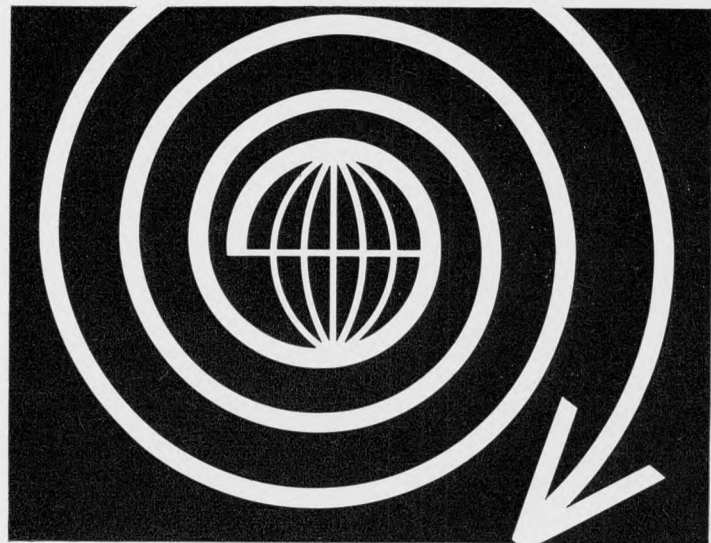
Adds to Board

The First State Bank of Park River recently expanded its board of directors from three to five by adding Lorenz Mahrer, proprietor of a local store, and Dr. L. S. Sturlaugson, a veterinarian.

State Banks Up Deposits

The abstract of the Condition of North Dakota's 126 state banks compiled by G. W. Ellwein, acting state examiner, Bismarck, shows that the state's banks have made substantial progress during the period of June 30, 1965 to June 30, 1966.

Deposits of the state banks increased from just over \$402 million to over \$445 million—up about 10.5 per cent. Loans increased about the same from \$208 million to \$222 million.



Covers Canada ... Spans the World

With over 1000 branches throughout Canada and around the world and an international network of correspondents — the Bank of Montreal is well qualified to help you and your clients north of the border and throughout the world. Write or visit any one of our five United States offices.

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CANADA'S FIRST BANK

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NEW YORK • HOUSTON • SAN FRANCISCO • LOS ANGELES
MORE THAN 1000 OFFICES • Assets Exceed \$5 Billion



Colorado Wyoming News

NEIL F. ROBERTS
Denver
President
Colorado Bankers Assn.



J. W. HAY, JR.
Rock Springs
President
Wyoming Bankers Association

To Correspondent Department

John A. Edmiston has been named an assistant cashier by the board of directors of the Central Bank and Trust Company of Denver, and has been assigned to the correspondent banking department.

He succeeds George Janzen, former vice president, whose resignation was announced earlier in *NORTHWESTERN BANKER*. Mr. Janzen became president of the Southwest National Bank of El Paso, Tex., on November 1.

Mr. Edmiston joined the Central Bank in 1963 following service in banks at Greeley and Riverside, Calif. He has been in the bank's training program and has served in all major departments.

Plan Recapitalization

Steve McNichols, president and board chairman of the Villa National Bank in Denver, recently released a partial explanation of the recapitalization plan for the bank.

The plan calls for the sale of \$350,000 in debentures, carrying 6.5 per cent interest, through a private transaction to a purchaser not identified, and the sale of 90,000 shares of additional common stock in the bank to provide approximately \$360,000.

Under the plan, as approved by stockholders, present common stock of the bank held by the Villa Investment Company—about two-thirds of the outstanding bank stock—would be converted into preferred stock.

Under the plan, the capital structure of the bank would include \$115,000 in capital stock, \$100,000 in preferred stock, \$350,000 in capital debentures and \$325,000 in surplus and undivided profits for a total of \$890,000.

Central Bank Earnings Up

Net operating earnings through the first nine months of 1966 have increased about 18.5 per cent over the same period for 1965, according to Max G. Brooks, chairman of the board and president of the Central Bank and Trust Company of Denver.

Total operating income for the first three quarters was just over \$7 million, compared to about \$6.5 million for the same period in 1965.

Wyoming News

New Veep at Douglas

Robert W. Gravett has been named vice president of the First National Bank of Douglas. Prior to joining the Douglas bank, Mr. Gravett was president of the East Cheyenne National Bank.

ACCOUNTING . . .

(Continued from page 32)

Internal Auditing

Now I come to a topic that is a real dilemma for most of the smaller banks. About 90 per cent of the banks are under \$25 million in assets. This is really about on the borderline as to whether the bank can afford a full time auditor who really knows his business—both auditing and banking.

The internal auditor is a trained person who knows the banking business and whose principal job is to review, analyze and test the operating procedures of the bank so that management can have as much assurance as possible that the procedures are adequate and functioning. The auditor should be completely divorced from operation, i.e., the bank should be able to operate 100 per cent by itself if the auditor weren't there.

This is the modern concept of internal auditing—modern for banking that is. This is the way internal auditors have operated for years in industrial companies.

What can top management in the small bank do about this dilemma? Maybe a practical compromise is the best solution—a part-time auditor. But don't deceive yourself into thinking that this is really effective auditing. Here again I really believe the qualified CPA can be of help.

3-Step Trial

I'm going to throw out sort of a challenge to you. If you think you will have trouble convincing your board of directors (or yourself, for that matter) that a CPA can be of real help at a pretty darn low cost try this:

1. Find a competent CPA—by this I mean one that has had considerable experience doing bank work.

And I hope you don't take this next remark as a criticism of most CPA's, but you are probably going to have to go to a national firm of CPA's for real competence in banking. It takes a lot of training and experience to become competent in bank auditing and it's normally only the larger firms that can afford this.

2. Ask the CPA what it will involve to have him make a procedures review of your bank; what you can expect from it and what it will cost. I think you will be pleasantly surprised.
3. Then let him show you what he can do.

Procedures Review

The reason I said to have him make a procedures review is that this is a way for him to demonstrate what he can do for a very nominal fee. And if any other work is done after that, the procedures review will be the basis for starting. It may be reviewing your own internal auditor's work or preparing an audit program for him. If the CPA is to do the auditing it will be the basis for his own program.

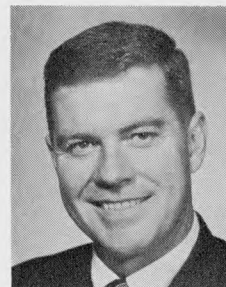
And don't forget to ask him what types of audits are available. They don't all have to be opinion audits. You probably don't need an opinion audit. A more limited audit is probably very satisfactory for your needs. It won't cost you a thing to investigate. Just for insurance, have him do your tax work and this alone can probably save you enough to pay his fees for years to come. I've seen this happen time and time again.—End.

New Talcott Representative

James W. Reddick has been appointed Rocky Mountain area representative for James Talcott, Inc., it was announced last month.

In his new post, Mr. Reddick, who formerly served in the Indianapolis area, will be responsible for Talcott's activities in Colorado, Wyoming and Utah, the firm said.

He attended the University of Kentucky and has compiled 12 years experience in the industrial finance business. The Talcott firm is one of the nation's largest industrial finance companies. It supplies businesses with commercial financing, equipment financing, and leasing, as well as re-discounting.



J. W. REDDICK

safari? Not exactly. This is just one way of showing to what unusual lengths our correspondent team will go to provide the brand of service Central correspondents deserve.



"Bwanas" Don Echtermeyer, Art Bridgewater, Bill Gossett and George Janzen are hunters of new business. They zero in on correspondent problems, cut through the jungle of detail, shoot the works at the proper time. They've got a trunk full of ideas for you—and have been known to trek for thousands of miles to handle jumbo size projects for correspondent customers.

We suggested they go to Africa to get this photo—but true to their propensity for practicality, they elected to go to the newly expanded Denver Zoo. The saving in time and money is substantial.

Incidentally, next time you're in Denver, we'd like to take you to the Zoo. It's great. Bring your own pith helmet!



THE
CENTRAL BANK
AND TRUST CO.

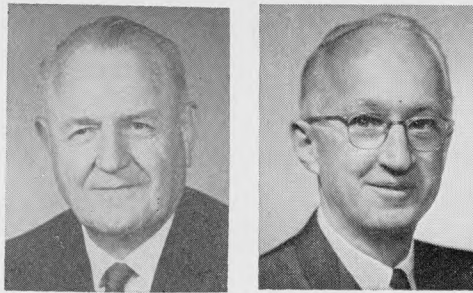
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Member: Federal Deposit Insurance Corporation • Federal Reserve System

Northwestern Banker, November, 1966

Montana NEWS

A. S. BRUBAKER President Terry
R. C. WALLACE Secretary Helena



Billings Bank Notes 50 Years

THE Security Trust & Savings Bank of Billings, Mont., commemorated its 50th anniversary with a week-long celebration last month.



R. M. Waters, pres., Security Bk. & Tr., and O. M. Jorgenson, chm., are shown in front of the 9-foot-high plaster cake which was in the bank lobby during the anniversary week.

The week began with a special, journal-size section in the October 9 issue of the *Billings Gazette*, commemorating the founding of the bank October 9, 1916. Included in the section were news stories of all the departments of the bank, as well as short biographies of the officers. Open house was planned for the entire ensuing week during regular banking hours. A gift was given to each person who visited the bank, as well as a golden anniversary brochure telling of the services and history of the bank.

A drawing for five \$50 savings accounts was also held. On display in the lobby were over 500 photographs taken during the past 50 years of early residents and scenes of Billings and the surrounding area. A nine-foot high anniversary cake, designed by Don MacDonald of Billings and made of plaster, was placed in the focal point of the lobby. The intricate scal-

lops, rosettes, leaves, and gold roses on the cake evoked comment throughout the city.

On Wednesday, October 12, the senior officers of the bank were hosts at luncheon to the board of directors of the Billings Deaconess Hospital and the advisory board of St. Vincent Hospital in Billings. R. M. Waters, president, informed the assembled group that the Security Bank wishing to celebrate its birthday in a tangible manner, had authorized a donation of \$10,000 to a worthwhile organization in Billings. The decision was made to give \$5,000 to each of the two hospitals which are, at the present time, contemplating intensive care units. It was felt that this donation would spur interest in the units and would aid the hospitals in securing further financial help. Mr. Waters made the presentations to Sister Alice Marie administrator of St. Vincent Hospital, and to Clark Simon, president of the board of directors of the Billings Deaconess Hospital.

The week was climaxed on Saturday, October 15, when the bank held its 19th annual Correspondent Bank Party for the officers and directors of its correspondent banks. Three hundred fifty bankers from 65 banks in Montana, Wyoming and North Dakota attended the gathering. The day began with a golf tournament at the Yellowstone Country Club, and con-



SECURITY BANK Pres. R. M. Waters presents \$5,000 check to Clark Simon, pres., Billings Deaconess Hospital. Seated at Mr. Waters' right is Sister Alice Marie, administrator of St. Vincent Hospital, who was also presented a \$5,000 check.

cluded with a banquet and entertainment. A special gift was presented by President Waters to Charles McDonnell, president of the Citizens Bank and Trust Company of Big Timber, Mont., in commemoration of the Citizens Bank maintaining an account with the Security Bank for 50 years.

State Chamber President

F. M. Gannon, executive vice president of the Union Bank and Trust Company of Helena, was recently elected president of the Montana Chamber of Commerce.



F. M. GANNON

Mr. Gannon was born in Aberdeen, S. D., and both his father and grandfather were Aberdeen bankers. He served with several banks in North Dakota, South Dakota, Minnesota and Montana. He came to Helena in 1946 and was on the staff of the Helena branch, Federal Reserve Bank of Minneapolis prior to joining the Union Bank.

Heads Court Group

Claude R. Erickson, president of the First Security Bank in Livingston, has been selected chairman of the committee to coordinate study and action on the recent Citizens' Conference on the State Courts in Great Falls.

Mr. Erickson is a past vice president of the Montana Bankers Association, and is also vice president of the Liberty County Bank in Chester.

Correction!

In the October issue of *NORTHWESTERN BANKER* the sale of the First State Bank, Stevensville, Mont., was reported. However, the name of the purchaser was incorrectly listed. The actual purchaser of controlling interest in First State Bank is D. L. Scythorn, president. Mr. Scythorn purchased the interest from D. J. McDonald and R. W. Baxter on September 19.

Building 2 Computer Centers

Two \$1.5-million regional processing centers will be built by Security First National Bank. Construction began last month on Los Angeles and Orange County sites.

Identical 40,000 square-foot buildings are planned to be completed by the fall of 1967 and to replace Security Bank's seven existing centers by the spring of 1968, reported Paul Smith, senior vice president in charge of the bank's control services department.

Hold Party for Correspondents



MONTANA BANKERS ASSOCIATION officials were among the nearly 300 guests of the Midland Natl. Bk. correspondent party. From LEFT: MBA 2nd v.p. **Dewey Street**, v.p., First Natl., Bozeman; **Mrs. Arline Street**; MBA 1st v.p. **Jack Tenge**, pres., Midland Natl., Billings; **Mrs. Marie Tenge**; MBA pres. **Al Brubaker**, pres., State Bk. of Terry; **Mrs. Ivy Brubaker**; **Lucille Fluss**; **Mrs. Sally Wallace**, wife of Bob Wallace; **Jay Fluss**; and MBA secretary-treasurer **Bob Wallace**, Helena.

NEARLY 300 bankers, including their wives and guests, took advantage of the invitation to "Come On Over Neighbor" to enjoy a Correspondent Bank Party hosted by the Midland National Bank of Billings. Guests included bankers from Montana, Wyoming and North Dakota.

Special guests at the party were officials of the Montana Bankers Association who met in conjunction with other activities. MBA officials in attendance are pictured above.



GUESTS of the Midland National Bank gather in the bank lobby for the pre-game buffet. Shown at left is the world-famous **Gold and Sapphire Exhibit** which has been on display through the summer at the bank. The Exhibit was last seen by millions in the Montana pavillion at the New York World's Fair.

The evening social hour and buffet were held in the bank lobby. Center of attraction in the lobby was the world famous **Gold and Sapphire Display** which has been on display at the bank throughout the summer of 1966.

Entertainment for the event included a golf outing on Billings' three golf courses, and University of Montana-University of North Dakota football game in the evening.

Ing Peterson, vice president of Midland National Bank, stole the golf

show by hitting a hole-in-one on Yellowstone Country Club's 205 yard 17th hole.

3 New Trust Men

The addition of three men to the staff of the trust department of the First National Bank and Trust Company, Tulsa, has been announced by Guy O. Bayless, senior vice president and trust officer, and head of the department.

Named to the trust staff were Ray F. Hamilton III, in the trust development division; Gary G. Brasel, in the personal division, and Edward E. Glass, in the corporate division.

Statement of Condition

November 17, 1916

RESOURCES

Loans and discounts	\$ 98,543.68	
Bonds, stocks and warrants	24,722.53	\$123,266.21
Overdrafts	None	
Banking house furniture and fixtures	285.50	285.50
Cash Reserve:		
Gold coin	5,020.00	
Silver coin	3,486.38	
Currency	10,640.00	
Due from approved reserve agents	165,973.74	185,120.12
Due from other banks		25,789.94
Checks and exchanges for clearing house		4,879.45
Other cash items		77.04
Expenses in excess of earnings		981.67
Total		\$340,399.93

LIABILITIES

Capital stock paid in	\$100,000.00	\$100,000.00
Due to banks and bankers	129,821.49	
Individual deposits subject to check	80,328.04	
Cashiers' checks	10,671.63	220,821.16
Time certificates of deposits due on or after 30 days	13,593.50	
Savings deposits subject to 30 days notice	5,985.27	19,578.77
Total		\$340,399.93

September 20, 1966

RESOURCES

Cash and due from Banks	\$11,017,284.68
U. S. Government Bonds	14,168,188.70
Other Bonds and Warrants	1,649,912.81
Total Cash and Securities	\$26,835,386.19
FHA Title II R. E. Loans	3,086,578.47
GI Real Estate Loans	788,305.09
Other Loans and Discounts	38,298,857.95
Total Loans and Discounts	\$42,173,742.51
Stock in Federal Reserve Bank	120,000.00
Federal Funds Sold	2,000,000.00
Other Resources	9,303.36
TOTAL RESOURCES	\$71,138,432.06

LIABILITIES

DEPOSITS	
Demand	\$37,229,817.55
Time	27,981,004.88
Total Deposits	\$65,210,822.43
Capital Stock (Common)	2,000,000.00
Surplus	2,000,000.00
Undivided Profits	830,015.67
Reserves	632,247.16
Total Capital Accounts	\$ 5,462,262.83
Other Liabilities	465,346.80
TOTAL LIABILITIES	\$71,138,432.06

OLD IN EXPERIENCE . . . MODERN IN PROGRESSIVE POLICY

Fifty years is a long time. Many changes and innovations have come to banking since The Security Bank opened its doors on October 9, 1916. Modern banking concepts and practices enable Security to offer services undreamed of fifty years ago. Geared to serve not only business but every member of every family, Security has become the first bank in Montana to grow in resources to \$70 million. We at Security look back on our record with pride and look forward to future growth with Billings and the Midland Empire . . . through Service.



SECURITY
TRUST & SAVINGS
BANK
BILLINGS, MONTANA

...Your Friendly Bank

Member of Federal Deposit Insurance Corporation

Member of Federal Reserve System



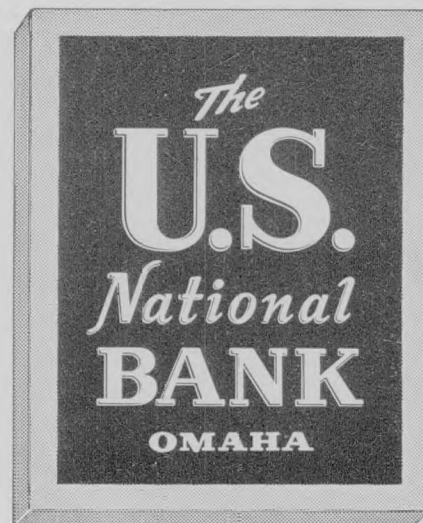
...takes more than Mama in the feedlot!

Mama's okay when they're little. But once they move to the feedlot, it takes a *lot* of money to put those "ready-for-market" pounds on hungry feeders.

That's when the men from U. S. National Bank can help. With cattle feeding financing know-how. With sound credit programs to fit all your customer's needs. Feedlot cattle participation loans are our "meat".

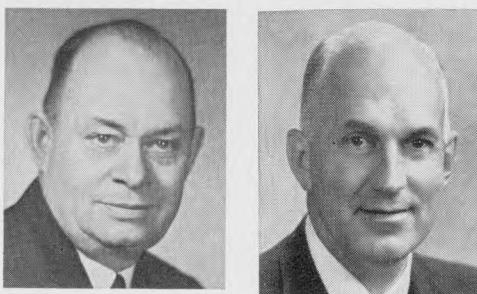
When "Mama's" no longer around — and your cattle feeder customers call on you — that's the time to call the U. S. National, 341-8765, in Omaha.

Member, Federal Deposit Insurance Corporation



Nebraska NEWS

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



Open New Bruning State Bank



OPEN house in the new building of the Bruning State Bank, Bruning, drew 1,000 people throughout Saturday, and additional visitors were still coming in early the following week.

Visiting bankers, supervisory officials and professional men were guests after their tour at the home of Frank Bruning, president.

Mr. Bruning revealed that just prior to open house the bank's deposits reached the \$4,000,000 mark for the first time and a goal of 1,000 total customer accounts was surpassed.

A number of gifts were given away

to registrants by a drawing in the bank lobby. The public was entertained with a musical program.

This is the bank's 75th year of operation. Mr. Bruning became president in 1965 following the death of his father, Fred Bruning, who had held that post since 1942. The senior Mr. Bruning was a past president of the Nebraska Bankers Association. His widow is currently chairman of the board of the bank. Bruning State Bank started in 1891 with \$10,000 capital and total assets of \$19,754. Those figures today are \$100,000 capital and assets of \$3,383,317.

70th Anniversary

Approximately 450 people registered for open house during the 70th anniversary celebration of the Bank of Clatonia, according to Herbert J. Riechers, president. Other officers of the bank are Charles W. Schuerman, cashier, and Henry W. Steinmeyer, vice president. The bank opened in 1896 at its present location.

Sim Bonsall

A former cashier and director of the Lexington State Bank, Lexington, died recently. He was Sim Bonsall, 85, who is survived by his widow and one daughter.

Feeder Tour Led by Bank

Officials of the Otoe County National Bank, Nebraska City, recently took a number of farm customers on the bank's annual cattle feeding and farm tour in the Harlan and Audubon areas of western Iowa.

Named Cashier

Directors of the First National Bank of Valentine have advanced Russell B. Foster from assistant cashier to cashier. Also, they elected Ralph May a vice president. He is farm representative of the bank.

Dale L. Hupf

Funeral services were held in Hastings last month for Dale L. Hupf, 29, assistant cashier in the installment loan department of the First National Bank. Mr. Hupf died unexpectedly at his home, apparently from an asthmatic condition with which he had been afflicted. The emergency unit of the Hastings Fire Department was unable to revive him.

Sponsors Feeder Meeting

The ninth annual Feeder Outlook Seminar sponsored by the First National Bank of Ord was held recently, according to a report from Clark Weckbach, president of the bank.

Joins North Platte Bank

David Holmes has been named an assistant vice president on the staff of the North Platte State Bank, according to Lloyd A. Bacon, president.

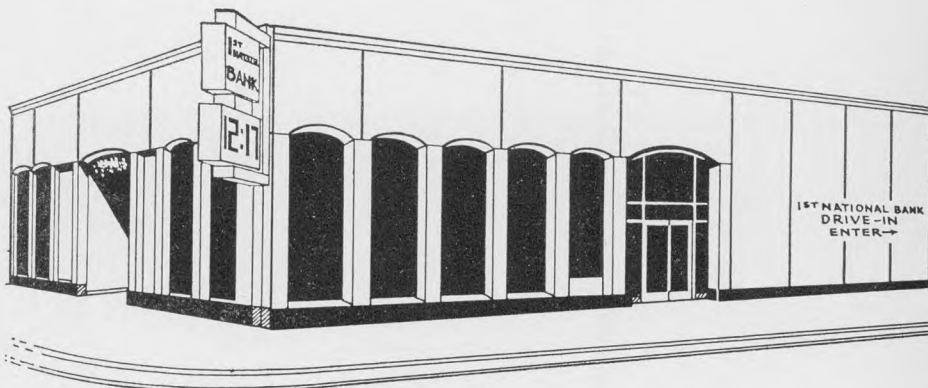
John C. Green

John C. Green, 81, a long-time resident of Nebraska and a former banker in Burwell, Sargent and Creighton, died last month.

New Bank Building

The 82-year-old First National Bank of O'Neill will hold open house this month in its new building located in the heart of the O'Neill business district. The old bank building and three other office buildings were razed to clear the site for the new bank facility, according to John C. Watson, president.

Some of the features included in the new building are: Drive-in teller window, parking lot for customers at the rear of the building, community room in the basement, a night depository, a time and temperature sign, six teller stations in the main lobby, two private offices as well as an open desk area, and a carpeted lobby.



ARCHITECT'S SKETCH of 1st National Bank, O'Neill.

Omaha News



MORRIS F. MILLER, president of The Omaha National Bank, was crowned King of Ak-Sar-Ben last month at the Ak-Sar-Ben Ball, Nebraska's top social event of the year. The honor came to Mr. Miller as the bank he heads is in the final stages of its Centennial Year.

Crowned Queen of Ak-Sar-Ben, to rule over all functions of the civic organization during the coming year, was Mary Helen (Sunny) Durham, 22-year-old first grade teacher, whose father is a prominent Omaha neurosurgeon.

A capacity crowd of 8,500 persons watched the 72nd coronation ceremony in the redecorated Ak-Sar-Ben Coliseum.

Presiding as Chancellor over the proceedings was **Kermit Hansen**, sen-



MORRIS F. MILLER
King Ak-Sar-Ben LXII

ior vice president of The United States National Bank of Omaha.

* * *

Work has begun on a three-story, \$800,000 addition to the First West Side Bank at Seventy-second and Farnam Streets.

The bank's teller services will be on the first floor. The two upper floors will be leased to businesses and professional men, said **James Irving**, president.

Four drive-in windows will be underneath the addition on the west side of the present bank, which will be converted to commercial loan offices, a safe deposit area and additional offices.

There will be parking for 100 cars.

The addition is to be completed in about a year.

* * *

Edward J. Carlson, vice president and director, First National Bank of Omaha, revealed last month that **Lucy Gunderson** of Lake Platte View, Waterloo, Nebraska, was the winner of First National's "Salute to Education" \$500 Scholarship Fund. The scholarship was the grand prize awarded the lucky entry. Entries were deposited in the lobby of the bank and at the drive-in.

In addition to the grand prize, additional weekly prizes were awarded: Nebraska and Omaha U. football tickets, "Go Big Red" books, reading lamps, and passes to Joslyn Memorial Museum.

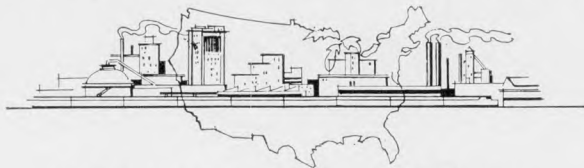
A Random House Collegiate Dictionary was given to savings depositors opening new accounts or adding \$100 or more to present accounts. Highlighting the promotion, **Bennett Cerf**, chairman of the board, Random House, Inc., spent a day in the bank and was the principal speaker at a noon luncheon to which the leading educators of Omaha were invited. He also spoke to the employees at the kick-off campaign for the employee contest. More than 90 percent of the bank's employees participated in the staff contest. Points were awarded to individuals bringing in the largest number of new deposits. Over 300 employees were awarded a dinner at a steak fry held last month at the Omaha Country Club.

* * *

Kenneth G. Harvey, president of the Douglas County Bank, announced last month that the board of directors had made the following staff promotions:

Advanced to vice president—**Duane C. Chunka, Harlan O. Falk and Jack K. Harvey**. Elected assistant cashier—**Donald Falk, Loyd A. Fleming and Richard V. Warrender**.

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Our Merv Aegerter lives with 500 head of cattle. He knows the livestock market—period.



Merv Aegerter (center) reviews his feeding operation with First National Bank Vice Pres. Don Ostrand (right) and Farmer Marvin Schulz.

The livestock market is Merv Aegerter's life. So far in 1966, he has fed out 1,200 head of cattle on his 440 acre farm near Seward, Nebr. He lives on the farm and directs the entire operation, too. Fortunately for us, Merv Aegerter somehow finds time to work full time in our Correspondent Bank Department.

As an Asst. Vice President, he's our anchor man on livestock loans of all types. If you have a livestock situation that calls for an expert . . . there's none better than Merv Aegerter. Give us a call.

Always the First to Serve You.



**FIRST
NATIONAL
BANK
OF OMAHA**

Member Federal Deposit Insurance Corporation

Northwestern Banker, November, 1966

Frank Rezek retired from South Omaha Stockyards National Bank last month after 41 years of service with that institution. After graduation from Wahoo High School, Mr. Rezek worked his way through Grand Island Business College, graduating in 1923. His first job was with the Corn Exchange National Bank in downtown Omaha, then two years later in 1925 he joined the Stock Yards National Bank, which became South Omaha Stockyards National two years ago.



F. REZEK

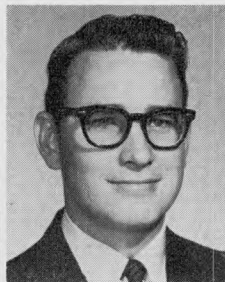
Mr. Rezek started as a messenger, progressed through various departments and became an officer in 1951. At the time of his retirement he was assistant vice president and manager of the transfer department.

* * *

Edward W. Lyman, president of the United States National Bank of Omaha, has announced the election of **Gene L. Burgen** to comptroller of the bank and **Patrick Joseph Ryan** to auditor. "Due to the growth of the bank," said Mr. Lyman, "and to improve internal operations, these two functions which were previously handled by Mr. Ryan are now being divided into two distinct areas of responsibility."



P. J. RYAN



G. L. BURGEN

Mr. Burgen, a native Nebraskan, has had 15 years' experience in various areas of banking. He assumed his new position at the U. S. National on November 1.

A graduate of Weeping Water High School, he began his banking career at the Nebraska State Bank of Weeping Water in 1951 as a bookkeeper. From 1955 to 1959, Mr. Burgen was an assistant examiner for the Federal Deposit Insurance Corporation in Kansas City.

In 1959, Mr. Burgen became auditor of the Center Bank in Omaha. In 1965, he was elected comptroller. He has served in this capacity for nearly two years.

Mr. Ryan graduated from Creighton

Bank Buys Beauty's Beast



TOP PRICE—First National Bank of Omaha last month purchased the 1,000 pound Champion Shorthorn Steer, "Red Ago-Go" at the 1966 Nebraska State Fair from 4-H member, pretty **Jeanne Aegerter**, Seward, Nebraska, at an all-time record price for a Breed Champion of 85c per pound. She is pictured with **Don R. Ostrand**, vice president of First National. Miss Aegerter is the daughter of **Mervin F. Aegerter**, assistant vice president in the correspondent bank department of First National.

The bank will feature this Championship Beef at its Second Annual Chuck Wagon Round Up on March 30, 1967 at Ak-Sar-Ben Field. The First of Omaha's correspondent banks and their livestock customers from eight states will be presented another top program featuring the very latest trends in livestock production and marketing in both beef cattle and hogs and will include live demonstrations.

Preparatory School and attended Creighton University. Beginning as a messenger in 1930, Mr. Ryan has progressed through various departments of the bank.

* * *

First National Bank of Omaha introduced **Bancardchek** to Omaha last month with newspaper and TV announcements that this new service would be available to customers of the bank meeting necessary credit requirements. Bancardchek has been placed in use by a great number of banks in many cities to provide regular customers with a combination credit card, travelers check, cashier's check and line of credit instrument.

The customer is issued a Bancardchek identification card and 20 checks entitling him to write checks aggregating up to \$500, or higher to the \$5,000 limit if authorized in advance by the bank.

This nationwide credit card program is expected to appeal primarily to businessmen using such a card for

entertainment or travel. A bank spokesman said it should be fully compatible with First National's present charge account system that customers have been using with local merchants for a number of years.

* * *

Clarence F. Witt, 76, retired Omaha banker, died last month in Phoenix, Ariz., where he had made his home the past six years. He underwent surgery early in July.

Mr. Witt was president of the South Omaha Savings Bank, later renamed the South Omaha Bank, from 1942 to 1954, and was chairman of the board for another year before he retired.

Mr. Witt was cashier of the First National Bank of Winona, Minn., before coming to Omaha.

* * *

The second of three pictures of Nebraska scenes commissioned by the Omaha National Bank from nationally known artists in observance of its

OMAHA NEWS . . .

(Turn to page 76, please)



OMAHA
*...as painted
 by Dong
 Kingman*



Dong Kingman, painter of this Omaha landscape, is considered one of the finest water color artists in the world. Born in California, this Chinese genius returned to the Far East for art studies, completed his training in San Francisco while working as a house boy and has captured the fancy and respect of art lovers and critics on four continents.

We realize that the tugboat is native to the Hudson, not the Missouri, but Kingman, employing artistic license, viewed our city this way. Happily, he also saw the Omaha National Bank eagle occupying a more prominent position than that afforded by architectural reality. This forgivable emphasis may have been prompted by the fact that Kingman is one of four artists commissioned by the Bank, as part of its centennial celebration, to portray the city of Omaha.



THE OMAHA NATIONAL BANK

Nebraska Group Meetings —1966 Engagement

By LARRY NOTHWEHR
Business Manager

NEBRASKA 1966 Group Meetings—they started at Sidney on Monday and ended Friday in Lincoln. In between were stops at North Platte, Norfolk, Fremont, and Hastings.

In brief, the week saw six meetings, nearly 1,500 attending bankers, plus over 600 miles. It saw the usual offering of association information and ideas for more effective banking. And it saw one member of the troupe following the meetings across state miss the chartered bus which served as transportation, though some felt it was simply a desire to call something other than a bus home . . . for a few hours, at least.

The meetings, which were basically the same across the state, featured Tom Aron, president of the Nebraska Bankers Association and president of the Crete State Bank. Mr. Aron appeared at all the meetings except the Columbus Day session at Fremont. Marion Morgan, NBA vice president and president of the First State Bank of Elwood, took over the duties there.

Other speakers included Harris Os-

terberg, NBA executive vice president, at Sidney; Nebraska Senator Richard D. Marvel, Hastings; and Floyd I. Wilson, Omaha field office supervisor for the U. S. Department of Labor.

Of special interest at each of the group meetings was a team of "Seven Minute Men" who discussed a variety of subjects ranging from beef futures to the cattle outlook to public relations. The teams were made up of members of the NBA Correspondent Bank Club.

Each group also elected new officers. These are listed elsewhere in this issue.

* * *

In reviewing association activities, Mr. Aron first cited Nebraska bankers for their 100 per cent membership in the NBA.

He also pointed out that the NBA Bank Management Committee has given very serious thought to altering the structure of the Crete Bank Management Conference. An analysis of

- Nebraska Group Officers**
- Group 1** Pres.—John W. Cattle, president, Cattle National Bank, Seward. Vice Pres.—William B. Brandt, secretary and general counsel, First National Bank, Unadilla. Secy.-Treas.—Winton Buckley, vice president, National Bank of Commerce, Lincoln.
- Group 2** Pres.—Harold Qualsett, president, Farmers & Merchants, Schuyler. Vice Pres.—Grove Nelson, president, Farmers State Bank, Millard. Secy.-Treas.—Charles Athey, vice president, First National Bank, Columbus.
- Group 3** Pres.—Richard Adkins, cashier, Osmond State Bank, Osmond. Vice Pres.—James B. Rossitter, president, First National Bank, Walthill. Secy.—Lyle Droescher, assistant cashier, DeLay First National Bank, Norfolk. Treas.—Ronald L. Schmeits, National Bank of Norfolk, Norfolk.
- Group 4** Pres.—George Rainbolt, vice president and cashier, First National Bank, McCook. Vice Pres.—Bill Slocum, assistant cashier, Franklin State Bank, Franklin. Secy.-Treas.—Russell J. Morgan, cashier, First National Bank, Elwood.
- Group 5** Pres.—Wayne R. McKinney, executive vice president, Platte Valley State Bank, Kearney. Vice Pres.—J. H. Oliver, president, The Ravenna Bank, Ravenna. Secy.-Treas.—Ted Cole, president, Bank of Taylor, Taylor.
- Group 6** Pres.—Joe J. Huckfeldt, president, Gering National Bank, Gering. Vice Pres.—Mel Adams, executive vice president and cashier, Keith County Bank, Ogallala. Secy.-Treas.—Tom Olson, executive vice president and cashier, Lisco State Bank, Lisco.

registrants at the conference has shown that a minority of Nebraska bankers have taken advantage of the conference. He reported that the con-



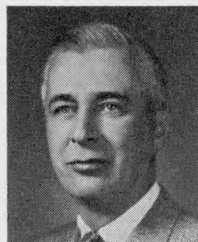
LEFT: George Alff, v.p., Denver U. S. Natl., and F. W. Pivonka, v.p., First State, Lodgepole. CENTER: Bill Fleming, a.e., Colorado Natl., Denver, and Leo V. Krieger, pres., Sidney Natl. RIGHT: A. C. Peterson, chmn., First State, Lodgepole, and Don Ectermeyer, a.e., Central Bank & Trust, Denver.



LEFT: Sam Addoms, a.e., Continental Bk., Chicago, and E. E. Brodkey, chmn., Sidney Natl. CENTER: Charles W. Jarvis, D.D.S., San Marcos, Texas, and Paul Howes, v.p., American Natl., Denver. Dr. Jarvis was the banquet speaker at four meetings. RIGHT: Mrs. Mel Adams, Ogallala; Ray Dieball, a.e., First Natl., Chicago; and Mrs. Lew Mehling, American Natl., Sidney. Mrs. Adams is the wife of Mel Adams, new v.p. of Group 6 and exec. v.p. and cashier, Keith County Bank, Ogallala.



Gene Eaton
Senior Vice President



Glenn Yaussi
President



Myron Weil
Exec. Vice President



Herman Brockmeier
Senior Vice President



Thomas J. Waldo
Vice President



Robert A. Wekesser
Senior Vice President



L. E. Alford
Vice President



Robert L. Hans
Asst. Vice President



Wilbur Baack
Vice President



Wayne Smith
Ag Representative

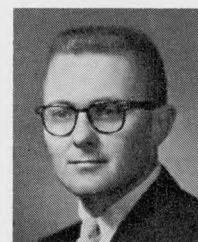


Winton Buckley
Vice President

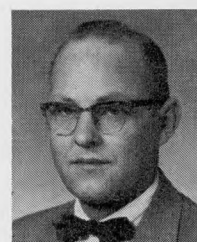
Who says
it's
not



Rex Miller
Vice President



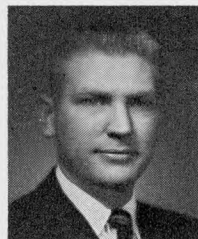
A. C. Holmquist III
Asst. Vice President



Ed Huston
Assistant Cashier



Rodney Vandenberg
Asst. Vice President



Jim Nissen
Vice President

what you know . . . ?

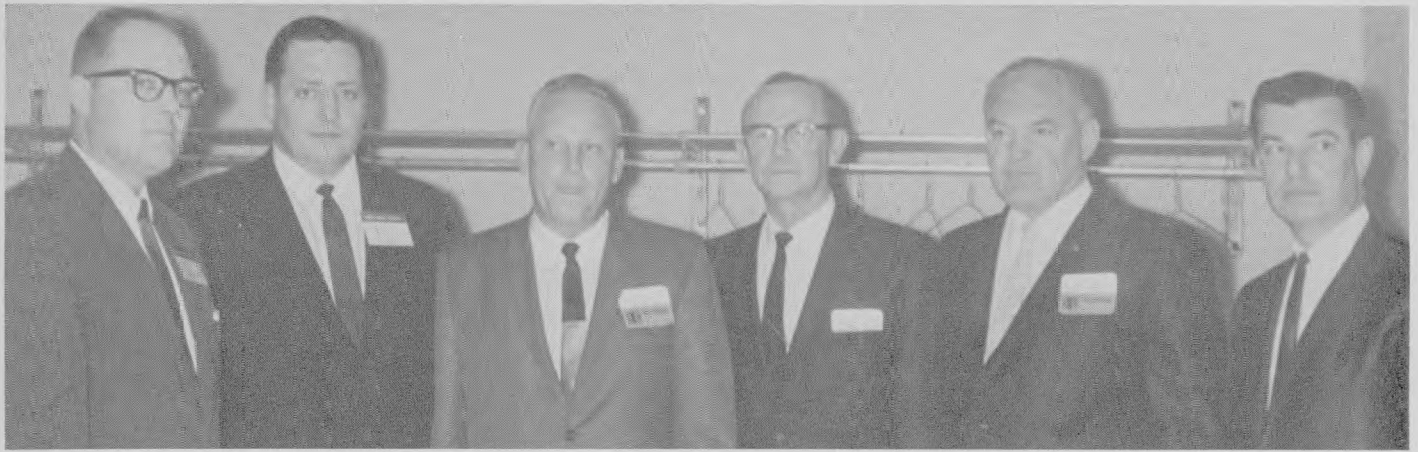
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MEMBER: F. D. I. C.
LINCOLN, NEBRASKA

Northwestern Banker, November, 1966



7 MINUTE MEN. At each of the six group meetings, the **NBA Correspondent Bank Club** provided speakers on a variety of banking topics. This is the group which appeared on the Group Five program at North Platte. They are: left to right: **Frank Sibert**, v.p., South Omaha Stockyards Natl.; **Wayne Thorndyke**, v.p., U. S. Natl., Omaha; **Don Ostrand**, v.p., First Natl., Omaha; **Roger Cunningham**, v.p., First Natl. Bk. & Tr., Lincoln; **Marvin Werve**, sr. v.p., Omaha National; and **Bernard Farmer**, v.p., National Bank of Commerce, Lincoln.



LEFT: Group Five officers: **Wayne R. McKinney**, exec. v.p., Platte Valley State, Kearney, pres.; **J. H. Oliver**, pres., The Ravenna Bank, v.p.; and **Dale E. Walkenhorst**, v.p., First Natl., North Platte, retiring pres. **CENTER:** **Dale Stine**, pres., North Loup Valley Bk., and **Wayne Thorndyke**, v.p., U. S. Natl., Omaha. **RIGHT:** **Tom Waldo**, v.p., Natl. Bank of Commerce, Lincoln, and **E. C. Driscoll**, cash., Security State, Sumner.



LEFT: State Senator **Richard D. Marvel**, Hastings, and **Harold E. Dietemeyer**, pres., First Natl. Bk. & Tr., Beatrice, retiring Group One pres. Senator Marvel addressed the meetings at North Platte, Fremont, Hastings and Lincoln. **CENTER:** **Leo T. Adams**, exec. v.p., First Natl., Atkinson, and **Jim Foley**, Chiles and Co., Omaha. **RIGHT:** **Wm. Dietemeyer**, a.v.p., First National, North Platte converses closely with **Herb Ectermeyer**, sr. v.p., Omaha Natl., who seems to be saying "Well I'll be darned!"

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LEFT: **W. L. Chaloupka**, v.p., First Natl., Hastings, and retiring pres. of Group Four; **Benton O'Neal**, v.p., First Natl., St. Joseph, Mo.; and **Bill Dexter**, a.v.p., First Natl., Kansas City. CENTER: **Cecil Means**, sr. v.p., South Omaha Stockyards Natl., and **E. J. McBride**, v.p., Commercial Bk., Blue Hill. RIGHT: **Don Folks**, v.p., American Natl., St. Joseph; **H. S. Kingsley, Sr.**, pres., Bk. of Bertrand; and **Everett Crume**, v.p. American Natl., St. Joseph.



LEFT: **Eldon G. Freudenburg**, exec. v.p., First Natl., West Point, retiring Group Three pres.; and **Richard Adkins**, cash., Osmond State, new Group Three pres. CENTER: **Mr. and Mrs. James Adams**, pres., Bank of Brady. RIGHT: **Dean Kugler**, a.v.p., Gothenburg State, and **Don Anderson**, a.e., Commeree Tr., Kansas City.

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ference will probably be moved to a central Nebraska location and shortened to one or one and a half days in length in an effort to make it attractive to more Nebraska bankers.

It was also announced at all the Group Meetings that the NBA has made a \$2,500 grant to the University of Nebraska College of Business Administration. The purpose of the grant is to stimulate and provide assistance for research in the area of banking and finance.

Mr. Aron also announced that the Association's stand against branch banking has been reaffirmed, and that the views of the majority of Nebraska bankers will prevail in this question and all questions facing the NBA.

* * *

Featured speaker at the meetings in North Platte, Fremont, Hastings and Lincoln was Senator Richard D. Marvel of Hastings. Senator Marvel presented a "non-political" discussion of state government in Nebraska, emphasizing strongly that state government as is known in Nebraska and other states is at a moment of crisis. With

the increasing encroachment of federal government into areas always controlled by the states, we must face the fact that states must become stronger or "go down the drain."

He discussed the objectives of state governments and the problems they face in accomplishing these objectives. As a member of the budget committee of the Nebraska Legislature, he discussed authoritatively the problems of obtaining sufficient funds to carry out

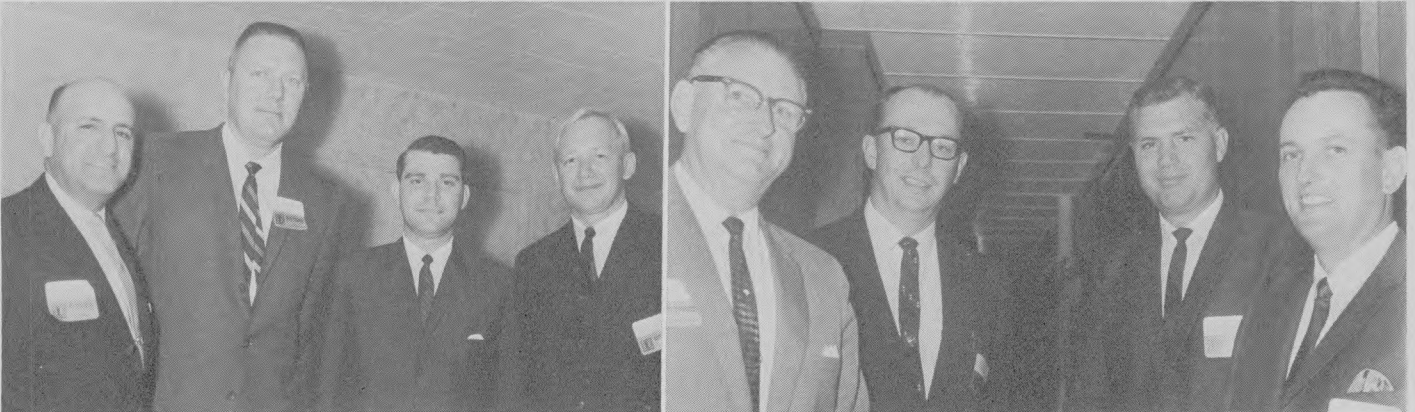


GROUP TWO OFFICERS. Front: **Harold J. Luchtel**, v.p., Columbus Bank, retiring pres.; and **Harold Qualsett**, pres., Farmers & Merchants Bk., Schuyler, new pres. Back: **Grove Nelson**, pres., Farmers State, Millard, new v.p.; and **Joe Fuhr**, a.v.p., First Natl., Fremont, retiring secy-treas.

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LEFT: Bill Beavers, a.v.p., Van Horne Inv., Omaha, and Warren B. Fowler, exec. v.p., Harlan County Bank, Alma. CENTER: Roger L. Cunningham, v.p., First Natl., Lincoln, and A. A. Mousel, pres., First Natl., Cambridge. RIGHT: C. E. Egenberger, cash., Bank of Brady, and Don Ostrand, v.p., First National, Omaha.



LEFT: Group Six Officers—E. K. Yanney, pres., First State, Lodgepole, retiring pres.; Joe J. Huckfeldt, pres., Gering Natl., Pres.; Mel Adams, exec. v.p. & cash., Keith Co. Bk., Ogalalla, v.p.; and Tom H. Olson, exec. v.p. & cash., Lisco State, secy.-treas. RIGHT: Group Four officers—W. J. Chaloupka, v.p., First Natl., Hastings, retiring pres.; Bill Slocum, a.c., Franklin State, v.p.; George Rainbolt, v.p. & cash., First Natl. of McCook, pres.; and R. J. Morgan, cash., First Natl., Elwood, secy.-treas.

programs desired by the people.

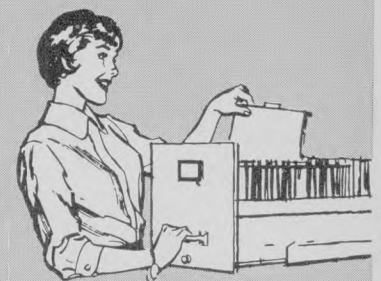
In this area, he discussed broadly the current efforts to relieve the property tax burden in Nebraska through an income tax, sales tax or a combination. Noting that this is a change which will come to Nebraska, he advised a combination income tax and sales tax to replace these property tax revenues in the most equitable manner.

Senator Marvel pointed out that one major problem facing state government organizations was the shortage of qualified personnel. "We must be competitive on salaries in key areas to get and keep men," he said. "We

must also create an atmosphere and a challenge to encourage top people to stay with us—in addition to adequate compensation."

"We are so strapped for manpower that we cannot keep up with 20 per cent of the bills which we are asked to rule upon," he stated.

He urged bankers to act as opinion leaders in their communities, and to be able to adequately "mirror" the situation in their communities to their legislators. Good legislators must find men in their districts who can correctly inform them of the feelings in their district. Who is more logical than the banker, he queried.



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Lincoln News



AN ORDER for a third Burroughs B-300 computer has been placed by National Bank of Commerce, according to **Glenn Yaussi**, president.



G. YAUSSEI

He said this computer will be installed in a new computer center in Fremont sometime during 1967.

Mr. Yaussi said the Fremont center will provide complete operations for demand

deposit, proof and transit service for correspondent banks, plus other services such as savings, CD's, installment loans and other accounting. The center also will provide service to commercial businesses.

This is National Bank of Commerce's third complete computer cen-

ter. The first has been in operation in Lincoln three years. The second will be opened in North Platte about April 1, 1967, and the one in Fremont will open after the latter date.

Mr. Yaussi said representatives of the bank presently are calling on banks in the area discussing the automated service program for their use.

In another important area of activity, Mr. Yaussi notified customer banks "the time has come when we feel it is necessary to raise our Certificate of Deposit interest rate. Effective October 31, we will pay 5 per cent on 90-day C.D.'s"

This action coincides with announcements from major Omaha banks and several others around the state that they have gone to a similar rate.

* * *

First National Bank & Trust Company has announced the addition of **Robert W. Johnson** to its correspond-



R. W. JOHNSON

ent bank staff. A native of Lincoln, Mr. Johnson is a graduate of Lincoln High School and the University of Nebraska where he received his Bachelor of Science degree in business administration.

Mr. Johnson served with the U. S. Navy from 1952-56. During the past four years he has been employed by the First National Bank of Denver. Prior to that he was for five years part owner and operator of a farm in Atchison County, Missouri.

* * *

Burdette Schoen has joined the staff of the First National Bank and Trust Company as a farm representative for eastern Nebraska. Mr. Schoen is a graduate of the University of Nebraska College of Agriculture and, immediately prior to joining the bank, was manager and supervisor of the University's Agronomy Experimental Farm in Lincoln for six years.

He also had additional experience in farm management before managing the Experimental Farm.

OMAHA NEWS . . .

(Continued from page 68)

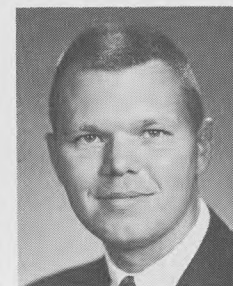
centennial was unveiled at the bank.

The oil by **Mrs. Constance Richardson** of Philadelphia shows a rural scene near Oxford, Neb. Mrs. Richardson made the preliminary sketch in July, 1965.

The paintings will be on display at the bank. Later they will be presented to Joslyn Art Museum for permanent showing. The third painting, by **James Penney**, will be shown this month. **Dong Kingman** made the first, a water color of Omaha from the Iowa side of the Missouri River.

* * *

Morris F. Miller, president of The Omaha National Bank, has announced today the appointment of **Lawrence Comine, Jr.** as an officer of the bank.



L. COMINE, JR.

He will hold the title of assistant public relations officer.

Mr. Comine joined the Omaha National in 1958 as a part-time employee and is now a member of the bank's advertising-public relations department.

New Quarters for Norfolk Bank



EXTERIOR VIEW of newly remodeled and expanded home of DeLay First National Bank, Norfolk. Originally half the size shown here, the bank took over vacated space immediately to the west and was able to double the ground floor area of the banking floor, as well as gain valuable basement and second floor space for service functions of the bank. The exterior remodeling ties the entire project into one attractive front for the bank. Open house was scheduled for November 11 and 12.



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Homer Jensen



Gordon Dodge

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Des Moines, Iowa

Member: F. R. S.

Member: F. D. I. C.





UP TO THE MOMENT he had to be called to the platform (reluctantly on his part), Frank Warner was hard at work (left) keeping the convention running smoothly as he has done in such great fashion for 50 years. When he finally appeared on the platform he was greeted by a standing, thunderous ovation from the crowd that jammed the Fort Des Moines Hotel Ballroom. Several of the participants in the "Frank Warner Day" program standing behind him in the center photo are Clifford DePuy, chmn., NORTHWESTERN BANKER, Des Moines; V. W. Johnson, now retired, former pres. & chm. of 1st Natl., Cedar Falls; J. F. Kennedy, pres., 1st Natl., New Hampton, chmn. of the special program committee, and IBA President Ed Spetman. RIGHT —President Spetman presents Mr. Warner with a gift certificate for a leisurely trip to any foreign country of his choice. At right is the oil painting the IBA Council of Administration presented for permanent display in the association office.

'Frank Warner Day' Climaxes 80th Iowa Bankers Convention

Dale C. Smith Elected 1966-67 President;
Arthur E. Lindquist, Jr., New Secretary

By MALCOLM FREELAND, *Publisher*
and
BEN HALLER, JR., *Editor*

AS A CLIMAX to the 80th annual convention of the Iowa Bankers Association last month in Des Moines, the final day of the meeting, October 19, was declared "Frank Warner Day." It was a fitting and well deserved trib-

ute to Frank Warner on the completion of his 50 years as secretary of the Iowa Bankers Association.

Moments before this impressive ceremony, the first order of business of the concluding session was election of Dale C. Smith as the new president of IBA, and W. L. Baggs as the new vice president and treasurer. Mr. Smith is vice president and head of the correspondent bank division of Central National Bank and Trust Company, Des Moines. Mr. Baggs is vice president and cashier of Hancock County National Bank, Garner.

Following the convention, the exec-



CONGRATULATIONS are extended to the new president of the Iowa Bankers Association, Dale C. Smith (center), by retiring president Ed H. Spetman, Jr. (left). At right is the new IBA vice president and treasurer, W. L. Baggs.

ON THE COVER

Presenting special honors to Frank Warner (right) were, left to right: Glenn L. Ingle, Iowa state director, U. S. Savings Bonds division, Des Moines; David M. Elderkin, Cedar Rapids, president, Iowa Bar Association, and E. W. McNeil, Montezuma, past president, Iowa Bar Association and a long-time friend of Mr. Warner.

Northwestern Banker, November, 1966



A MOVING and heart-warming response to the recognition given him on his 50th anniversary as Secretary of the Iowa Bankers Association was delivered by **Frank Warner** in a brief appearance at the microphone.

utive council met for luncheon and took up the task of electing a successor to Mr. Warner, who had submitted his resignation as secretary of the Iowa Bankers Association earlier, as was previously announced. After reviewing suggested candidates for the position, the council voted unanimously to hire Arthur E. Lindquist, Jr.

Iowa ABA Election

Ernest C. Bartik, ABA vice president for Iowa and president of the Corwith State Bank, presided at the ABA meeting during the Iowa Bankers Association convention. The following men were elected:

Executive Council (three-year term) — John F. Spies, president, Iowa Trust & Savings Bank, Emmetsburg.

Nominating Committeeman — J. H. Pullman, Jr., president, Fremont County Savings Bank, Sidney.

Alternate Nominating Committeeman — Charles W. Eastburn, president, Iowa State Bank & Trust Company, Fairfield.



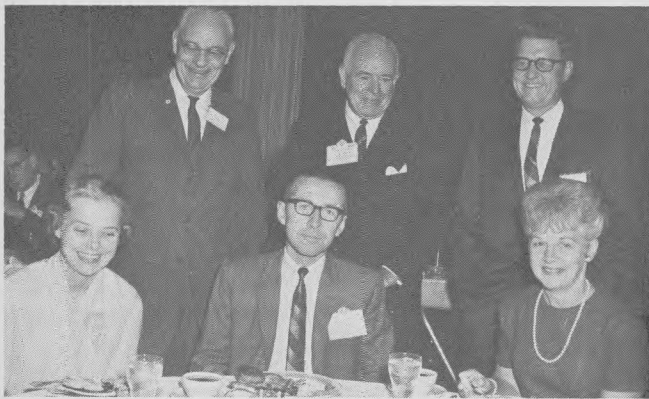
NEW PRESIDENT of the Iowa Bankers Association **Dale C. Smith** poses before the platform with his "two best girls," daughter **Linda**, a student at the University of Iowa, and wife **Kay**.

Details of this action appear in a separate story.

Attendance at the convention went over the 5,000 mark for the second straight year. It was 5,115, compared to 5,241 last year. Attendance consisted of 2,684 men and 2,431 ladies.

Immediately following the election of officers, retiring President Ed H.

Spetman, Jr., president of Council Bluffs Savings Bank, declared October 19 as "Frank Warner Day." Then he turned the platform over to J. F. Kennedy, chairman of the special program committee. Mr. Kennedy is a former president of the IBA and president of First National Bank, New Hampton.



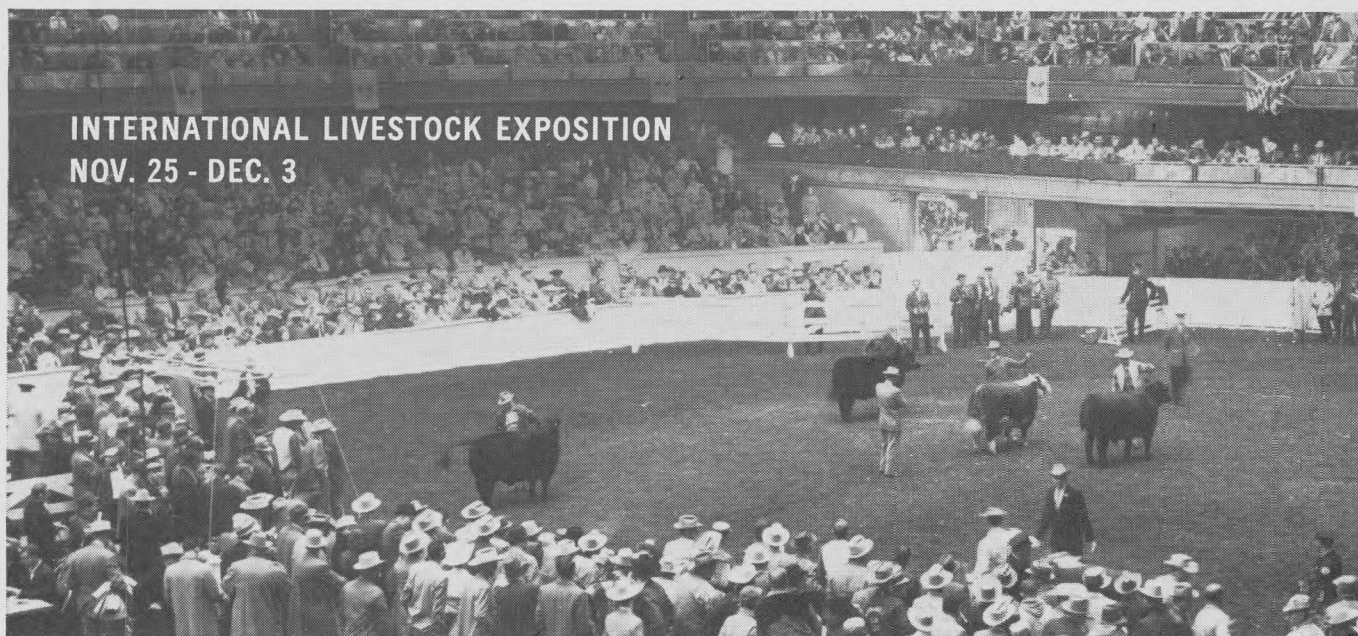
LEFT—Mrs. W. C. Miller, whose husband is pres., Polk City Savings; **Max Kiernan**, v.p., Alton Savings, and **Mrs. Kiernan**. Standing—**Gerald O. Nelson**, v.p.; **Calvin W. Aurand**, pres., and **Robert L. Buenneke**, a.v.p., Iowa-Des Moines Natl. **RIGHT**—**Mr. and Mrs. Ben E. Summerwill**, v.p., Iowa State B&T, Iowa City, and **Mr. and Mrs. David D. Baer**, a.e., Northern Trust, Chicago.



LEFT—**Allen Stults**, pres., American Natl. B&T, Chicago; **Mrs. Wm. Groote**; **Mr. Groote**, pres., Grundy Natl., Grundy Center, and **Wm. O. Kurtz, Jr.**, v.p., American Natl. B&T, Chicago. **RIGHT**—Beautiful mum corsages, each with the initial "A", were presented to women attending the American National Bank & Trust of Chicago breakfast by these pretty hostesses, all three wives of officers of the bank. From left they are **Mrs. George Spence**, **Mrs. William O. Kurtz**, and **Mrs. Robert Walcott**.



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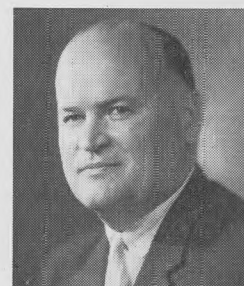
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Northwestern Banker, November, 1966



A PROUD MOMENT came for **Lew Ross** (left), chmn., Council Bluffs Savings Bank, when he was given the honor of presenting the Ivory Gavel to retiring IBA President **Ed H. Spetman, Jr.**, who is also pres. of Council Bluffs Savings. Mr. Spetman learned the banking business from Mr. Ross and from his own father, Ed Spetman, Sr., retired v.p. of the bank, who is a long-time associate and close friend of Mr. Ross. Mr. and Mrs. Spetman, Sr., were present for this traditional ceremony.

Mr. Kennedy paid tribute to Mr. Warner, saying: "Frank is the essence of courtesy and old-fashioned courtliness, but I would warn any who would attack the Iowa Bankers Association that his glove contains an iron fist. . . . He is personally responsible for the Iowa Bankers Association's high standing in our own state and in the nation. He would always stand up for the small bank when it was in the right."

Clifford De Puy, chairman and former publisher of the NORTHWESTERN BANKER, was the next to honor Mr. Warner. He said: "There are three qualities, in my opinion, that make a great association secretary of any organization:

"1. Knowledge of the needs and problems facing the industry to be served.



Drawing Winners

Three exhibitors at the Iowa Bankers Association convention held drawings for prizes to be awarded lucky registrants at their booths. The exhibitors, prizes and winners were:

National Fidelity Life Insurance Company—Portable TV set, won by Mrs. A. H. TePaske, whose husband is vice president, First National Bank, Sioux Center. Radio, won by Don Weimer, vice president, First National Bank, Marion.

Guardsman Life Insurance Company—A framed portrait of an Iowa town, done in oils by George Shane, prominent artist with *Des Moines Register & Tribune* Syndicate. Won by LeRoy Darby, president, Union State Bank, Monona.

Tension Envelope Company — Sunbeam three-speed blender, for closest guess to actual envelope production in Des Moines plant. First day winner was G. W. Cornwell, director, Boone State Bank & Trust Company, with guess of 1,015,350; actual production that day of 1,057,485. Second day winner was Ernest J. Buresh, president, Citizens Savings Bank, Anamosa, with guess of 1,732,849; actual production that day of 1,733,190.

"2. Initiative and performance to help solve those problems as they arise.

"3. Loyalty to the officers and members of the association by the secretary.

"Knowledge, initiative and loyalty have been three cardinal virtues which Frank Warner has always had through 50 years of service to the Iowa Bankers Association."

Glenn L. Ingle, state director of the U. S. Savings Bonds division, Des Moines, then presented Mr. Warner with a beautiful plaque which is the first of its kind ever presented an Iowan. The award was commissioned



A TYPICAL GESTURE by Charles Dillon "Casey" Stengel emphasizes an evasive point in Casey's round-about method of relating about "Sports and Banking 1910 to 1966" to his confused and amused audience.

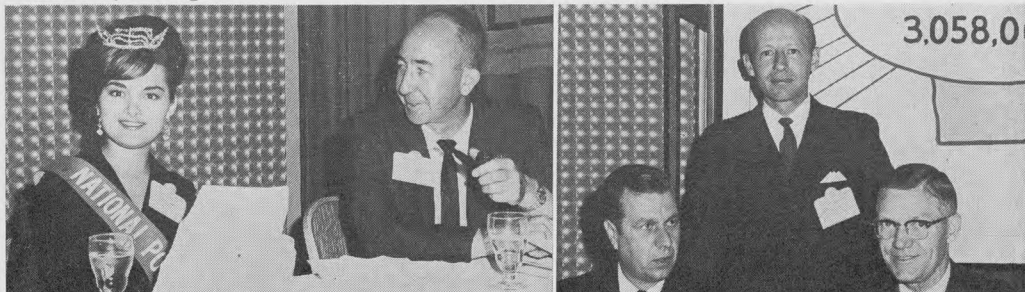
by the Secretary of the Treasury in gratitude for Mr. Warner's 25 years of assistance to the savings bonds program since its inception a quarter of a century ago to help finance government expenditures in World War II.

David M. Elderkin, Cedar Rapids, president of the Iowa Bar Association, revealed that his association had voted an honorary membership to Frank Warner and stated why: "Because of Frank Warner, the rapport between the banking profession and the law profession in Iowa has grown to the stature it has today as the leading state in the nation exemplifying the cooperation that has benefited not only our two professions, but the public as well."

E. W. McNeill, Montezuma, a past president of the Iowa Bar Association and a long-time friend of Mr. Warner, was given the privilege of presenting the framed honorary membership to Mr. Warner.

Next came **Vivian W. Johnson**, chairman of the special resolutions committee and himself a former president of the Iowa Bankers Association,

LEFT—**Richard W. Carey**, t.o., Iowa-Des Moines Natl. Granger, Ia., who holds title of "National Pork Queen," visiting with **E. Leland Ballou**, pres., Security T&S, Storm Lake, at Agricultural Breakfast Conference. RIGHT—Also speaking at the Ag Breakfast were **Ed H. Spetman, Jr.**, now the immediate past pres., of IBA and pres. of Council Bluffs Savings Bank; **Thomas H. Huston**, chmn. of IBA ag committee and exec. v.p., Columbus Junction State and **Ernest T. Baughman**, v.p. & dir. of research Federal Reserve, Chicago.

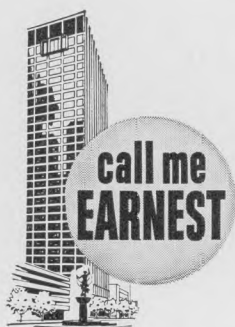




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Northwestern Banker, November, 1966



LEFT—John B. Monahan, v.p., Bankers Trust, Des Moines; Mrs. Monahan; Edward P. Kautzky, exec. v.p., Valley B&T, Des Moines; Mrs. Kautzky, and Don Jackson, v.p., Irving Trust, New York. RIGHT—Malcolm Erickson, cash., Live Stock Natl., Sioux City; Lawrence E. Goodrich, cash., Cleghorn State.

now retired in Cedar Falls. Mr. Johnson read the affectionate resolution drawn by representatives of the 10 IBA groups and presented a framed copy to Mr. Warner.

On behalf of the association, **President Spetman** and retiring IBA Vice President **Jay A. Fordyce**, vice president of Mount Vernon Bank & Trust Company, unveiled a large oil portrait of Mr. Warner specially completed by the executive committee for permanent display in the association offices. Then Mr. Spetman presented the near-

ly bewildered, but still composed, secretary with a gift certificate entitling him to a trip to any foreign country of his choice, with transportation by air or ocean vessel, at any time of his choosing.

After all these accolades and awards, Frank Warner stepped hesitatingly to the microphone. Speaking to the packed ballroom he said humbly: "I shall always remember with deep gratitude and a deep sense of feeling the tremendous loyalty you all have shown to your association and to your

industry, and the fine tribute you have given to me, your humble servant, today.

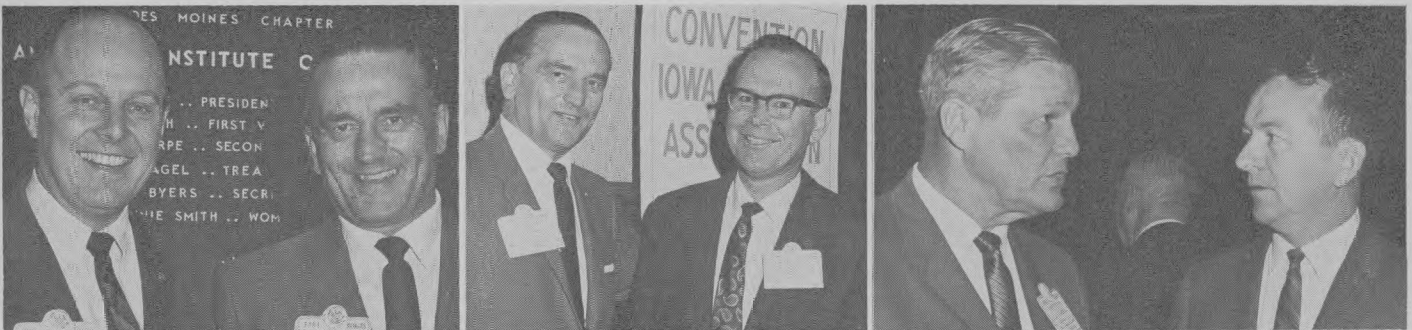
"I am proud to be an Iowa banker. I am so profoundly grateful to all of you.

"Nothing has been so rewarding to me as to see the Iowa Bar Association and the Iowa Bankers Association develop a strong comradeship that has been so beneficial to the good of all the citizens of our great state."

This part of the program was concluded as it had started—with a stand-



LEFT—Mrs. Jim R. Thomson, whose husband is a.c., Cresco Union Savings; Robert G. Ziemer, v.p., Northwestern Natl., Minneapolis; Mrs. J. H. Thompson, and Mr. Thomson, v.p. & cash., Cresco Union Savings. RIGHT—Charles H. Walsh, pres., Farmers & Merchants B&T, Burlington, and Henry C. Fordtran, exec. v.p., Natl. Boulevard Bank, Chicago.



LEFT—Two "IBA" officers are **Stan Barber**, pres., Wellman Savings, who is first v.p. of the Independent Bankers Association of America and who will advance to the presidency of that group next year, and **Dale C. Smith**, v.p., Central Natl. B&T, Des Moines, newly-elected pres. of the Iowa Bankers Association. CENTER—Mr. Smith and **Vic B. Perkins**, pres., Farmers State, Whittemore. RIGHT—**Ed Jorgensen**, v.p., 1st Natl., Clinton, who seconded Mr. Smith's nomination and also reminded the delegates that **Oliver Hansen** (right), pres. of Liberty T&S, Durant, would be re-nominated next year for presidency of the Iowa Association. Mr. Hansen withdrew in favor of Mr. Smith and asked that a unanimous ballot be cast.



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Got a hot problem? Depend on it—Gerry Morse will get to see you—and with solutions that work. When you hear that siren, you can relax. For Gerry is thoroughly experienced in banking procedures of every kind. Backed, too, by all the specialists and the full resources of American National.

If Gerry 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 you—fast. We'll even borrow the Fire Chief's personal car if necessary.

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American National Bank

AND TRUST COMPANY OF CHICAGO/LASALLE AT WASHINGTON 60690
FRANKLIN 2-9200 MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



LEFT—Chas. Walcott, v.p., 1st Natl., Sioux City; Henry Visser, pres., 1st Natl., Hawarden, and W. J. Grotenhuis, pres., Security State, Stanton. RIGHT—Larry Frowick, v.p., Continental Illinois National, Chicago; Mrs. Frowick; Mrs. Robert J. Sterling, whose husband is pres., Bankers Trust, Des Moines; Mrs. Rudy Swanson, and Rudy Swanson, pres., Citizens State, Clarinda.

ing, one-minute ovation for the man who is known as "Mr. Iowa Banker."

Following the successful format of Iowa conventions, the first business session was the 18th annual Agricultural Breakfast Conference.

Ernest T. Baughman, vice president and director of research, Federal Reserve Bank of Chicago, discussed "Futures Market and Farm Finance." He said in part: "There is greater specialization on farms today, tending to change risk characteristics and changing the device by which products are sold. A modest change in price can have an amplified effect on net income. But farmers now may be willing to trade this gamble with net income for an established price well in advance. The growth of futures de-

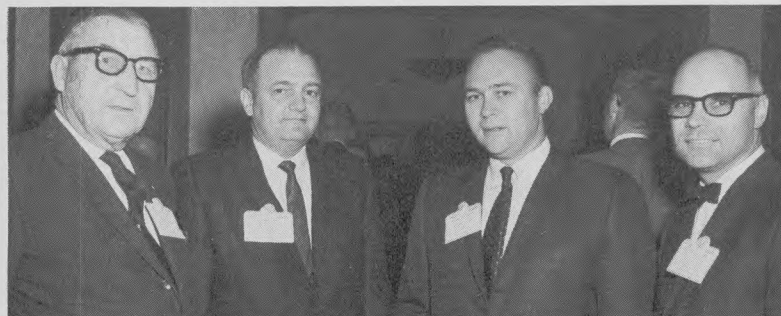
pends on farmers' willingness to shift the risk to others.

"The implications of futures for bankers include:

- "1. Bankers must be able to discuss futures with farm customers.
 - "2. In some cases, bankers may be called on to supply credit for futures customers.
 - "3. Futures may help young, aggressive farmers who are shy on capital.
 - "4. Futures will be attractive to highly specialized livestock farmers.
- "Inasmuch as farmers become increasingly interested in having the use of farm resources as opposed to farm ownership of such resources, then there will be greater interest in shifting the risk of such operation."

Charles A. Swisher, general sales manager, Walnut Grove Products, Atlantic, Iowa, said, in discussing "The Impact of a Changing Agriculture": "It is simply good business to get out to your customer's place of business and work with him there. There are complex problems in agriculture today and the better you know your customer, the better you can help him."

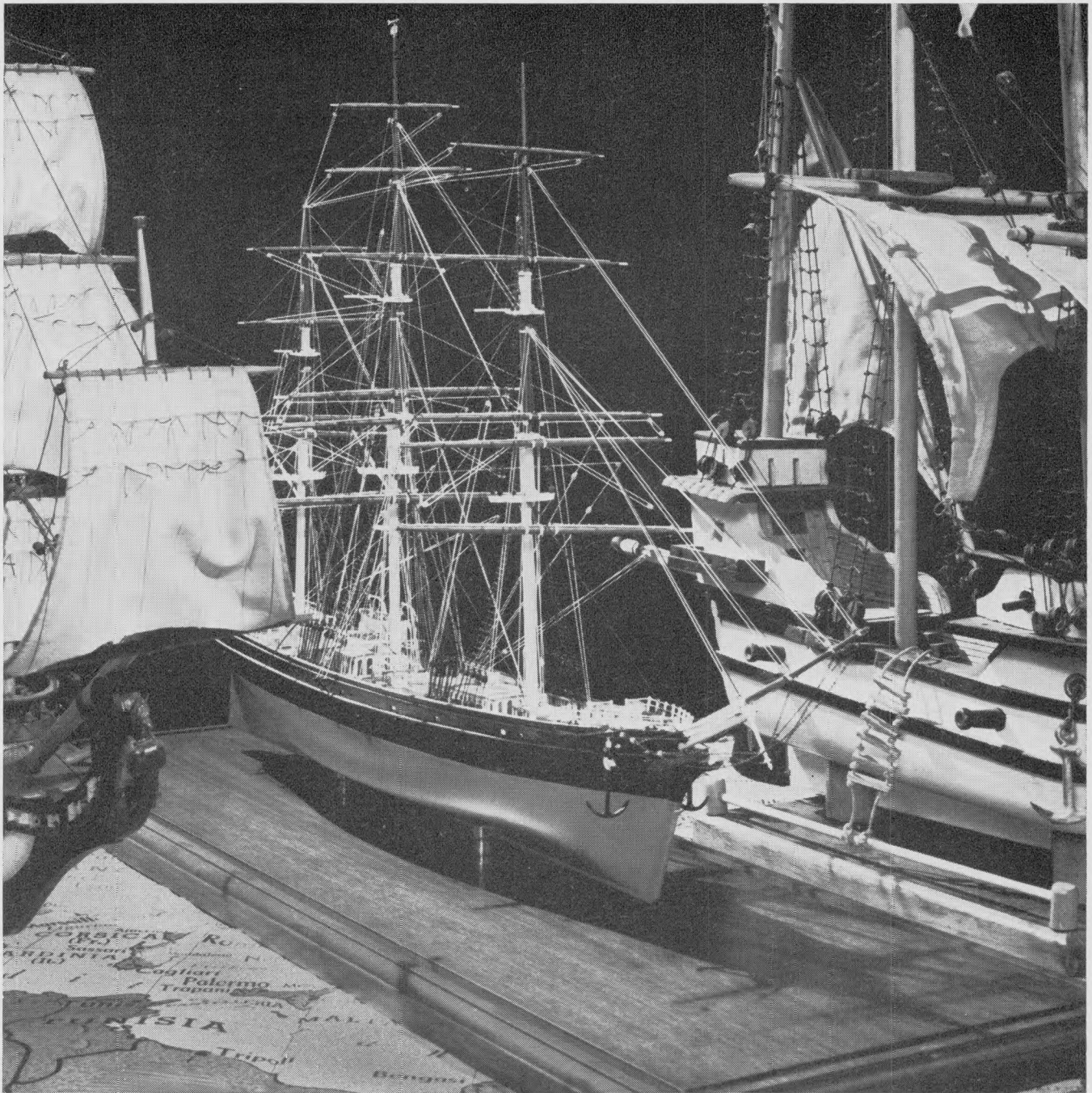
Miss Diane Botts, a junior at Iowa State University, Ames, and a former past state president of the Iowa 4-H Girls, told the audience briefly "how 4-H'ers learn and live good citizenship." She said "citizenship is learning to live well with others. It's exciting to find the differences in people, but it's even more amazing to learn the likenesses of people are much greater.



LEFT—Clifford Fritcher, v.p., Security T&S, Storm Lake; Ed W. Claussen, pres., Farmers State, Schleswig; Richard C. Taylor, v.p., 1st Natl., Sioux City, and Charles Wetzeler, exec. v.p., State Bank, Spirit Lake. RIGHT—David L. Miller, exec. v.p., West Des Moines State; Rigoberto Areces, mgr., foreign dept., Merchants Natl., Cedar Rapids, and Al Maser, pres., 1st Natl., LeMars.



LEFT—Richard O. Weyrauch, a.v.p., 1st Natl., Minneapolis; Mrs. Weyrauch; Mrs. Don Wenthe; Miss Jean Wenthe, and Don Wenthe, 1st v.p. & cash., National Bank of Waterloo. RIGHT—Ward Hatter, v.p., Iowa County Savings, Marengo; Leo R. Gruber, pres., Drivers Natl., Chicago, and Paul Abel, a.v.p. & farm rep., Natl. Bank of Burlington.



How much are they worth if the house burns down?

A more or less unselfish message from The St. Paul Insurance Companies.

Any regular homeowner's policy takes a severely statistical view of the contents of your house. Covers them as if they were average. (40% of house value.) But a collection like this could boost "contents" value way above average.

If what's in *your* house is more than average, if it includes the old and rare: heirlooms, paintings, antiques . . . call a good insurance man. See the Yellow Pages for an

independent Agent or an insurance broker. . .

. . . and with any luck at all you'll end up with your above-average possessions insured by kindly old us: The St. Paul Insurance Companies.

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Northwestern Banker, November, 1966



LEFT—Neal A. Sands (right foreground), pres., Valley B&T, Des Moines, with officers and directors of Somers Savings Bank. At Mr. Sands' right is Chester Sorenson, pres., and to his right is Charles Brockett, chm. RIGHT—George H. Schaller, a.c., Citizens 1st Natl., Storm Lake, and Gene Hagen, a.c., Security Natl., Sioux City.

Consequently, we must value the likenesses more than the differences."

Dr. Jonathan S. Tobey, technical director for agriculture, The Chase Manhattan Bank, New York, predicted "continued good production and prices for the next 12 months. The high pressures resulting from this expansion into larger farm units is reducing capital in farms."

Dr. Charls E. Walker, executive vice president and executive manager, The American Bankers Association, New York, reviewed "The Washington Financial Scene," which covered bills considered or passed by the present Congress. In regard to one of Rep. Wright Patman's bills for consolidating all federal bank supervisory authorities into one agency, Dr. Walker stated: "Once you centralize bank supervisory control in one man or one board, instead of decentralizing control, you lay yourselves open to having our trillion dollar industry used as a political tool."

James W. Moore, director of the division of Student Financial Aid in the U. S. Department of Health, Education, and Welfare, substituted for Peter P. Muirhead, associate commissioner for higher education, who was detained in Washington for Congressional hearings. Mr. Moore told about federal aid in student college loan

programs covered in the Higher Education Act of 1966. He made the statement that every college student in the United States today can get financial assistance for college.

Charles E. Shewalter, senior vice president and controller, Commerce Trust Company, Kansas City, gave an exceptionally fine analysis of "Top Management's Responsibility for Control." A synopsis of this talk appears in this issue as a special feature article.

Richard W. Carey, trust officer, Iowa-Des Moines National Bank, Des Moines, assayed the merits of "Revocable Trusts." A summary of this important talk will appear as a separate article in the feature section of the December issue.

Dr. Earl J. McGrath, chancellor of Eisenhower College, Seneca Falls, N. Y., espoused the value of a liberal arts education for all students in higher education before they begin their specialization in any business or professional studies. Dr. McGrath's theme was that we must teach young people today a greater understanding of life, the people around us and true values, in order to give a more rounded education they may never get in the rush to specialization.

Arthur Rosenbaum, economist, Chi-

cago, made extensive use of color slides in his "Economic Outlook for 1967." In his summary, Mr. Rosenbaum said: "Nineteen sixty-six is rolling along at a fast pace of \$738 billion GNP, up 8¼ per cent over 1965. Projected for 1967 is a \$781 billion GNP figure, up about 5¼ per cent over 1966. . . . Government purchases of goods and services will continue to rise another 10 per cent on top of 1966's 11 per cent gain. . . . Personal consumption expenditures will also rise (6 per cent over 1966) with less vigor than in recent years. Consumers have already curtailed spending on automobiles; other durables may also be similarly affected. (They) are showing a degree of restraint in purchases of goods and use of installment credit that does not seem to be present in the actions of businessmen in what to me is an unsustainable level of capital goods expansion. Some programs completed in 1957 and 1958 were not put to profitable use until five to eight years later. Some of today's expansion may face similar conditions."

James B. Eckert, chief of the banking section, division of research and statistics for the Federal Reserve Board, Washington, D. C., discussed "The Outlook for Smaller Banks in an Interest-Sensitive Economy." His



LEFT—Ben Hauenstein, a.v.p., and Nevin Bowser, v.p., both 1st Natl., Chicago, with Charles R. Atwell, pres., Mt. Pleasant B&T. RIGHT—Bernie Miller, a.v.p., Drovers Natl., Chicago; Laurence Knudtson, exec. v.p., Elgin State, and Fred Cummins, v.p., Drovers Natl., Chicago.

It's only a letter to a widow . . .



Go ahead and dictate it!

One of the toughest letters a banker has to write is one to a widow, "reminding" her there is a "balance due" of \$1,500 on an automobile loan that her *late* husband initiated with the bank. Of course, if credit life had been "sold in a package" right along with the loan, the banker would have been spared that embarrassment.

Today, credit life IS accepted without question by the borrower when it is properly presented by the lender. And this is where the experience of a National Fidelity field representative pays off, for he can

demonstrate how hundreds of banks have been successful in fully insuring their installment loan portfolios.

The banker who is not *offering* credit life on *all* installment loans is not providing the fullest measure of service for his customers. Also, that banker is missing the added income that can be obtained from a fully insured loan portfolio.

But the banker need not stop with his installment loan portfolio when he deals with a National Fidelity representative. The

NFL representative can help him *remove some of the risk from large commercial loans, too*. Large real estate loans or loans on heavy equipment (trucks, tractors, etc.) or manufacturing equipment provide ideal situations for added insurance protection to the bank.

The NFL representative can, in fact, provide the banker with the ultimate in Finance Insurance Protection—from a \$100 personal loan to a \$1 million commercial loan. A letter or phone call will bring more information to your bank.



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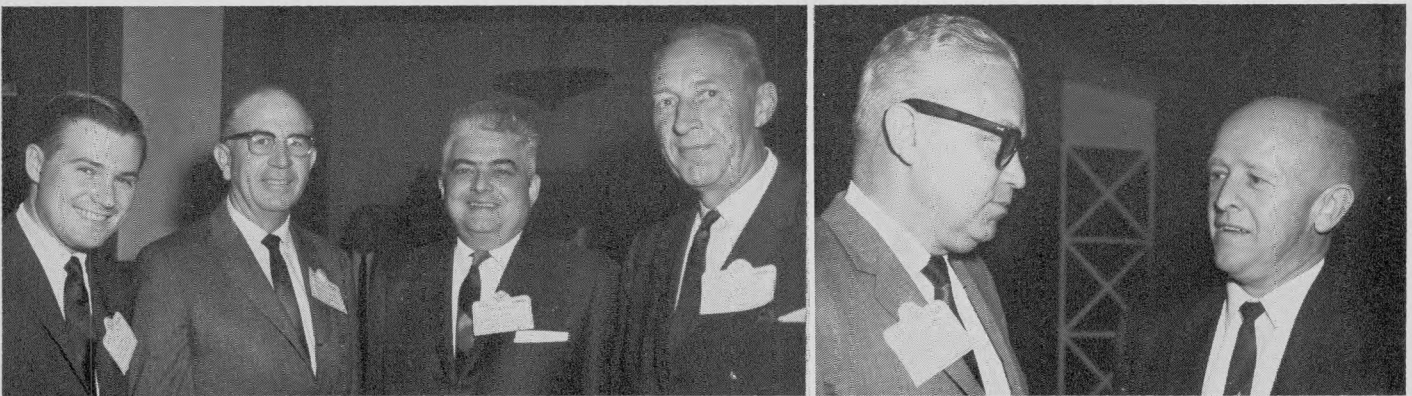
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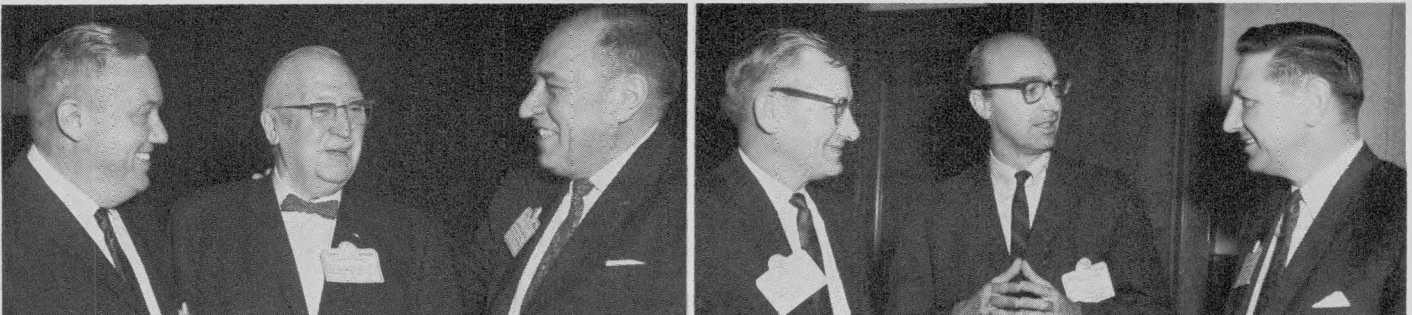
LEFT—Al Crespo, asst. treas., Chase Manhattan, N. Y.; Ernie A. Kenny, Jr., exec. v.p., Burlington, and Wm. J. Heimerman, sr. v.p., Northwestern Natl., Sioux Falls. RIGHT—Robert J. Sterling, pres., Bankers Trust, Des Moines; J. Bradley Young, pres., Iowa T&S, Centerville; Homer Jensen, v.p., Bankers Trust, and C. R. Jack Bailey, exec. v.p. & cash., Jasper County Sav., Newton.



LEFT—Officers of the Iowa Club, Central States Graduate School of Banking at Madison: Harlan Pose, cash., 1st Natl., New Hampton, retiring pres.; Don Heineking, pres., Security State, Hubbard, new pres., and Richard E. Miller, cash., Citizens State, Iowa Falls, new v.p. The new secy.-treas., Harold Lewis, v.p. & cash., Hartford-Carlisle Savings, Carlisle, was not present for the picture. RIGHT—Richard C. Lee, pres., Capital City State, Des Moines; Robert T. Knapp, pres., Bettendorf B&T; Max A. Roy, v.p., LaSalle Natl., Chicago; Ernie Kenny, exec. v.p., Burlington B&T, and Cy Kirk, v.p., LaSalle Natl., Chicago.



LEFT—Peter McKay, 1st Natl. City, N. Y.; Robert D. Dixon, pres., Rolfe State; Robert W. Thom, a.v.p., 1st Natl. City, N. Y., and Wesley Johnson, dist. mgr., St. Paul Terminal Warehouse, Des Moines. RIGHT—Stanley W. Evans, pres., Live Stock Natl., Sioux City, and George Montgomery, v.p., First Federal State, Des Moines.



LEFT—John E. Jackson, repr., and J. M. Burch, Jr., chmn., Dubuque B&T, with Leonard R. Moeller, asst. secy., St. Paul F&M, St. Paul. RIGHT—Churchill T. Williams, pres., Oelwein State; P. A. Mack, ag loan repr., Harris T&S, Chicago, and John Mangold, v.p., Merchants Natl., Cedar Rapids.



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Amounts and denominations automatically indicated by patented "red bordered windows". Amounts in windows always in register... eliminates mistakes. Accommodates all coins from 1c to \$1.00.

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Especially designed for machine filling... a real time-saver. Packed flat. Instant patented "Pop Open" action with finger tip pressure. Denominations identified by color coding... 6 different standard colors.

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Color coded for quick, easy identification. Red for pennies... blue for nickels... green for dimes... to indicate quantity and denominations... eliminates mistakes. Tapered edges.

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Extra wide... extra strong. Designed for areas where halves are wrapped in \$20.00 packs... "red bordered window" for ease of identification. Accommodates \$20.00 in dollars, \$20.00 in halves. Tapered edges.

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Ideal for packing currency, deposit tickets, checks, etc... do not break or deteriorate with age. Size 10 x 7/8 inches and made of strong brown Kraft stock with gummed end for ease of sealing. Packed 1000 to a carton.

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Basic coin wrapper in extra strong kraft stock. Printed in 6 different standard colors to differentiate denominations. Triple designation through colors, printing and letters. Tapered edges.

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Wraps 4 denominations in half size packages. A miniature of the popular "Automatic Wrapper"... 25c in pennies, \$1.00 in nickels, \$2.50 in dimes, \$5.00 in quarters.

7 FEDERAL BILL STRAP

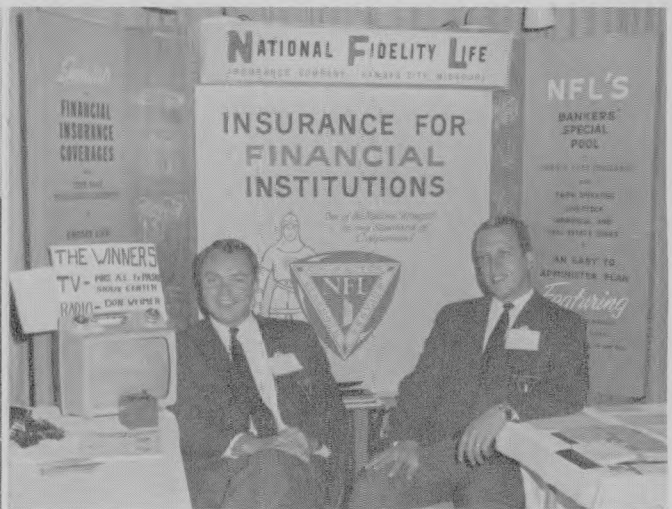
Package contents clearly identified on faces and edges by color coded panels with inverted and reverse figures. Made of extra strong stock to assure unbroken deliveries. Only pure dextrine gumming used.

8 COLORED BILL STRAP

Entire strap is color coded to identify denomination. Printed amount appears on top and bottom of package. Extra wide for marking and stamping. Extra strong stock for safe delivery and storage. Pure dextrine gumming.

SEE YOUR DEALER OR SEND FOR FREE SAMPLES
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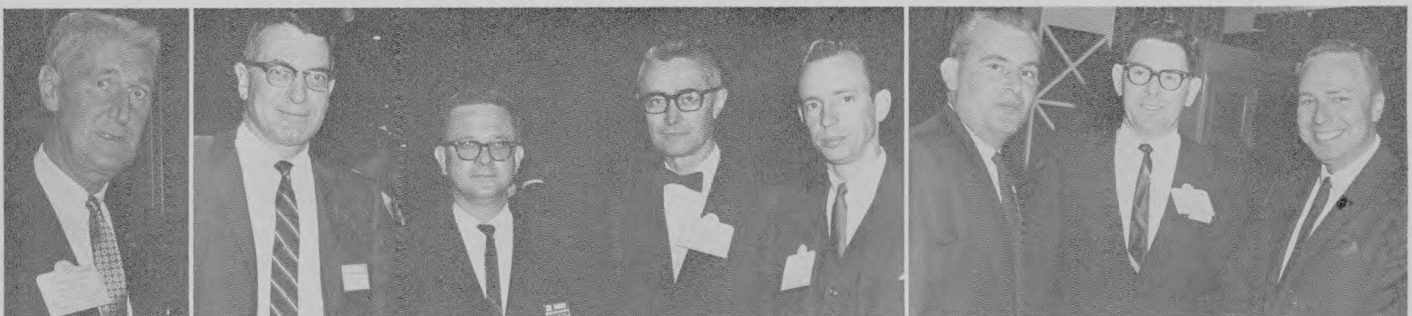
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LEFT—Don Frankland, repr., Recordak Corp., demonstrates microfilmer for Dick Nachazel, v.p., Farmers and Merchants B&T, Burlington, and Jack Campbell, Jr., v.p., Humboldt T&S. RIGHT—Chuck Gustavson and Roger Fleming, representatives of National Fidelity Life, exhibit portable TV set award to two winners.



LEFT—Walter Paustian, pres., Donahue Sav., and G. W. Thompson, a.v.p., & secy., 1st T&S, Davenport. CENTER—Mark A. Arneson, pres., Clear Lake B&T; George Henry, v.p., 1st Natl., Minneapolis, and John Diefendorf, v.p., Security Natl., Sioux City. RIGHT—Robert G. Roese, cash., Keystone Sav., and Howard Beermann, v.p., Central Natl., Chicago.



Joe Snyder, a.v.p., Manufacturers Hanover Trust, New York; Richard S. Gwinn, asst. div. mgr., Diebold, Inc.; Wm. H. Osier, sales engineer, Diebold; Wm. F. Werner, v.p., United Home B&T, Mason City; Richard C. Newlin, genl. mgr., Bankers Service Corp., Des Moines; Gordon Dodge, a.c., Bankers Trust, Des Moines; Harold J. Gallagher, v.p., Sheffield Savings, and Al Maser, pres., 1st Natl., LeMars, and 1st Natl., Sibley.

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And, Central National Bank In Chicago will show you how to establish a competitive advantage in attracting demand deposits.

This little coupon will bring you information on how you can offer REC-CHEK™, the first really new bank service in a long time. It attracts the business you need the most — demand deposits.

REC-CHEK means record checks. It is the first workable system by which you can print out automatically complete money records for your farm, business and personal customers, from the information on the checks themselves.

In addition to his normal statement, your customer gets (for a nominal fee) a comprehensive report containing periodic and year-to-date totals of expenditures by business or tax category. In

addition, he receives a Transaction Journal that lists each check and deposit by category number. The system is easily tailored to any customer's specific needs.

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REC-CHEK is available through Central National Bank In Chicago.

Central National Bank In Chicago

Northwestern Banker, November, 1966

remarks detailing possibilities open to smaller banks for countervailing action appear as a special article in the feature section of this issue.

The inimitable **Charles Dillon "Casey" Stengel**, professional baseball's newest inductee into the "Baseball Hall of Fame" at Cooperstown, N. Y., was the concluding speaker at the 80th annual convention. No one is quite sure what Casey said, but as

he spun from one episode to another in his review of "Sports and Banking 1910 to 1966," he did recount many hilarious incidents of a colorful career. One thing stood out vividly, however, and that was Casey's memory.

A case in point was his introduction after the program to Malcolm Freeland, publisher of the **NORTHWESTERN BANKER**. He said without hesitation, "Yes, I knew your father. We went

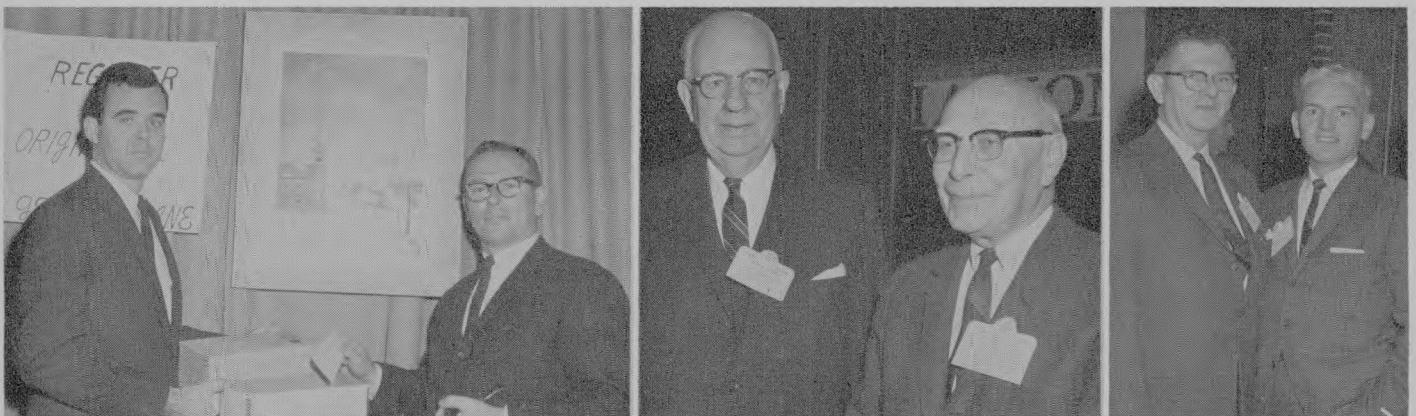
to dental college together in Kansas City. He died a couple of years ago and didn't he leave all his dental instruments and equipment to a mission or charity in Africa?" Publisher Freeland was nonplused by this because few people knew this had taken place. Questioned as to how he found out this information, Casey glibly replied, "Oh, I still get all those bulletins from the Western School of Dentistry down



LEFT—Roland Hellwig, exec. v.p., Keystone Savings; Prentiss G. Folvag, pres., Benton County Savings, Norway, and Joe Burreight, Kirk Gross Bank Planning Co., Waterloo. RIGHT—Harold P. Johnston, sr. v.p., Central Natl., Chicago; L. T. Harlan, v.p., Hillsboro Savings, and Frank E. Bauder, pres., Central National, Chicago.



LEFT—B. L. Poulson and L. H. Olson, v.p.'s, Toy Natl., Sioux City; J. C. Blackford, sr. v.p., Union B&T, Ottumwa, and G. W. Sherman, a.v.p., City Natl., Kansas City. RIGHT—Ted Welch, pres., Peoples B&T, Cedar Rapids; J. P. Novak, v.p. (retired pres.), Clutier State, and Earl Caywood, v.p., Peoples B&T, Cedar Rapids.



LEFT—Michael Owen and Bill Littrell, representatives of Guardsman Life, Des Moines, drawing name of winner of original oil painting displayed on wall of company booth. CENTER—S. E. Coquillette, chm. exec. committee, Merchants Natl., Cedar Rapids, and Russell S. Howard, pres., Mahaska State, Oskaloosa. RIGHT—Willis Henze, v.p., 1st National of Arizona, Phoenix, and Leo Kane, v.p., American T&S, Dubuque.

there and I keep track of everybody. You know there's only six of us left now and I'm one of them!"

In his platform talk, Casey said he had dozens of top players on his teams, but the best of them all in his 60 years of baseball was the osteomyelitis victim from Ardmore, Okla., Mickey Mantle, who Casey says does more things in baseball than any other player has ever done, and does them better.

Commenting on the World Series recently completed, Casey said with a jaw-jutting gesture, "One feller dropped three fly balls and everybody thought it was terrible. Why blame it on the sun? The sun's been there for years!"

He related that people said the Mets couldn't get going in New York trying to start there when the World's Fair was on. He dismissed this by recalling, "The World's Fair went broke but the Mets didn't and they're going strong." He added, alluding to some drab Met performances despite filled stands, "Some people complained about all them women and kids bringing banners into the stadium. One day there were 96 banners in Mets Stadium but they didn't bother anybody because nothing was going on down on the field!"

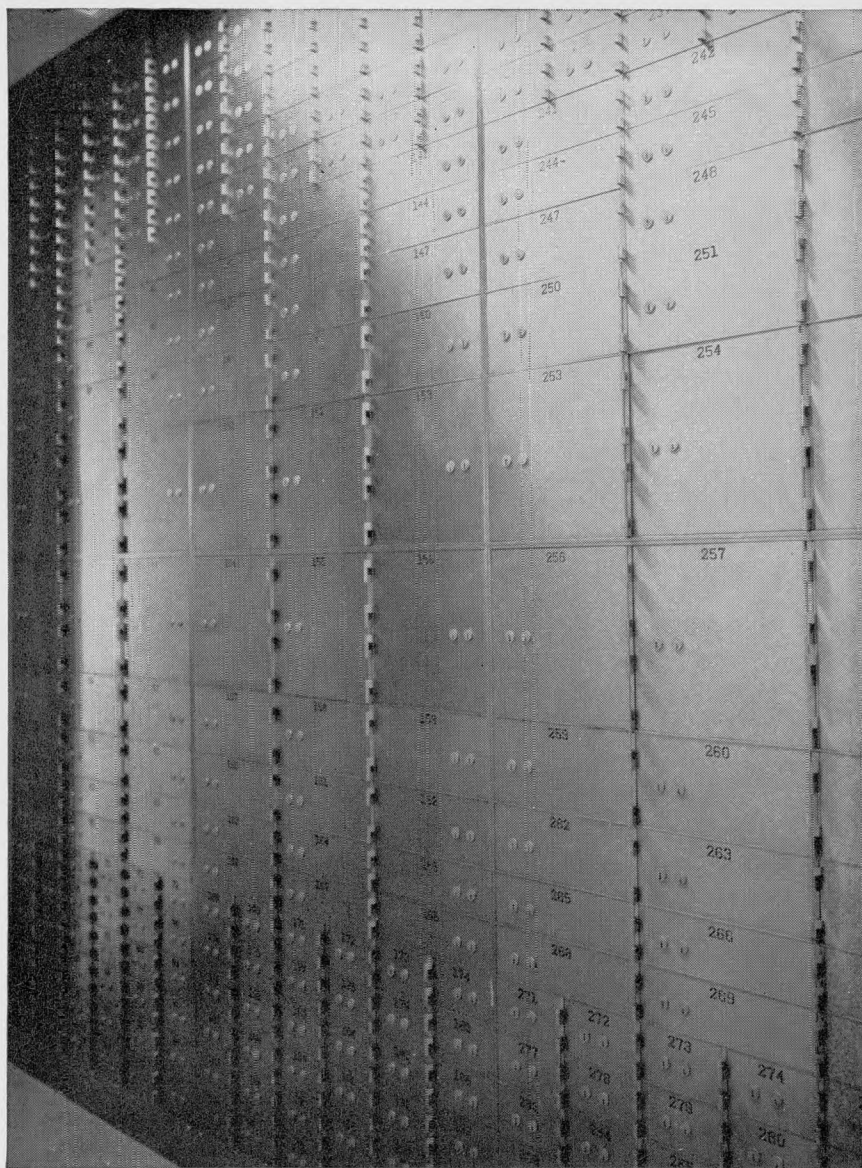
Entertainment

Entertainment for the convention was in the tradition of past years when registrants have been treated to the best and the unusual. Sunday night they heard Mrs. Scott Carpenter, wife of the famous astronaut, tell of her daily life in such a charged-up atmosphere. Following this was the Fort Dodge Glee Club, as excellent a choral group as can be found anywhere.

Monday evening at Val Air Ballroom, the supper dance was another resounding success, with dancing until a late hour.

Tuesday afternoon the ladies had a full and entertaining program. Presiding was Mrs. Ed Spetman, Jr., wife of the retiring IBA president. The variety show she introduced featured The Four Step Brothers, prominent TV entertainers; Reneaux, a sophisticated magician; The Farrell Sisters, well-known singing and dancing team, and The Four Lads, another well-known quartet that has entertained people from foreign lands throughout America, on stage and TV.

The final entertainment feature came Tuesday evening with a delightful presentation of "Flower Drum Song." The excellent cast made this one of the best performances of this play yet seen.—End.

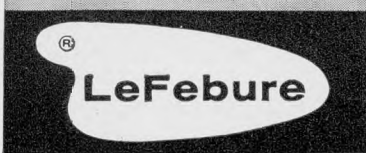


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Lindquist Named IBA Secretary

AT THEIR meeting on the final day of the Iowa Bankers Association convention October 19, members of the IBA Council of Administration elected Arthur E. Lindquist, Jr., as secretary to succeed Frank Warner.

Mr. Warner had previously submitted his resignation upon the completion of 50 years as secretary and had asked the Council to select a successor.



A. E. LINDQUIST, JR.

Mr. Lindquist is a well-known banker to Iowans throughout the state. He resigned as a vice president of American National Bank and Trust Company, Chicago, to accept this new appointment. He had joined American National on January 1, 1964. Prior to that he had worked for Iowa banks since 1933.

Mr. Lindquist was born at Gowrie, Iowa, October 29, 1911. He completed his high school work there and went to the University of Iowa at Iowa City, from which he was graduated in 1933 with a Bachelor of Science in Commerce degree.

Shortly thereafter, he went to work for the First National Bank (now First State Bank) in Gowrie. His grandfather had founded the bank in 1883. His father, A. E. Lindquist, Sr., and his father's brother, Frank, worked in the bank for more than 50 years. Mr. Lindquist, Sr., died last August and Frank is honorary chairman of the First State Bank.

In 1935, Art Lindquist joined the farm loan division of Metropolitan Life Insurance Company in the Fort Dodge office. In 1939 he resigned to go with the Fort Dodge National Bank. From 1942 to 1945 during World War II, Mr. Lindquist served in various east coast cities with the Federal Bureau of Investigation. Upon completion of this assignment, he returned to Gowrie in 1945 and began working for the First National Bank there.

It was in 1950 that he moved to Cedar Rapids to start work in the correspondent bank division of The Merchants National Bank. He progressed through various officer positions, and at the time of his resignation on December 31, 1963, to move to Chicago, he was vice president in charge of Merchants National's correspondent bank department.

In those 14 years, Mr. Lindquist compiled a unique record that is prob-

ably second only to Frank Warner's. In that span he attended all 10 group meetings in Iowa each of the 14 years, attended every Iowa Bankers Association state convention, as well as every American Bankers Association convention.

While at Gowrie he served several years as secretary for the Webster County Bankers Association and is credited with getting it reactivated after World War II. During his 14 years at Cedar Rapids he was secretary of the Linn County Bankers Association most of the time. At the same time he held the post of treasurer for the Cedar Rapids Elks Club nearly 10 years.

Mr. Lindquist's ties with Iowa banking have been long-lasting. On September 14, 1935, he was married to Waldine Miller of Denison. Mrs. Lindquist (known to her friends as Dean) had also graduated from the University of Iowa. Her father, J. W. Miller, Jr., was president of the Commercial State Bank of Denison. Mrs. Miller still resides in Denison, and Mrs. Lindquist, Sr., still lives in Gowrie.

Art and Dean Lindquist have three daughters. Sherry (Mrs. Stanley Curry) now lives in Long Beach, Calif., and has three children. Karen (Mrs. Scott Ellwood) lives in Winnetka, Ill., and also has three children. Marcia is a stewardess for United Air Lines, headquartering in Chicago. Sherry and Karen attended the University of Iowa, while Marcia attended Iowa State University at Ames.

Mr. Lindquist plans to take up his new duties as secretary of the Iowa Bankers Association on November 21.

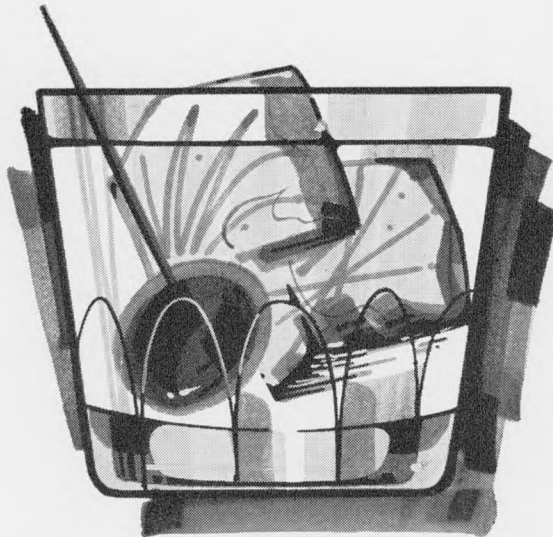
Lansing Bank Uses Computer

Kerndt Brothers Savings Bank, Lansing, Iowa, announced last month completion of its program to completely automate its checking accounts. The first statements, produced on a 1440 IBM computer, have been mailed to all checking account customers. This bank bookkeeping system is made possible by a special lease arrangement utilizing a computer now rented by Lansing Company, Inc., Lansing, Iowa.

The bank's work will be processed under bank supervision on an after-hour basis. Actual checks and deposits will remain in the bank and all information will be transferred to the computer by use of IBM cards produced in the bank with special equipment under lease from the IBM company, reports T. M. Kerndt, president of the bank.



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and
go!



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Northwestern Banker, November, 1966

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Belmond Disaster Fund Grows

DONATIONS from organizations and individuals all over the United States have been coming into Belmond, Iowa, to assist this tornado devastated town in its gigantic rebuilding effort. The business section and a considerable part of the residential area were completely leveled by the disastrous tornado that roared through this northern Iowa community for three minutes, leaving \$7.5 million in damage that was incredible.

In the immediate hours following the disaster, medical help streamed in from all parts of the state, as well as neighboring states. Further help came in the form of utilities workmen who restored communication lines, gas and electrical power. Food and medical supplies were trucked and flown in.

The mounting number of donations necessitated setting up a special relief fund and this was done by Luin B. Cox, executive vice president and managing officer of Belmond's First State Bank. Mr. Cox also is treasurer of the Red Cross Chapter in Belmond. The extent of the rehabilitation job is staggering, and any help sent through the relief fund will be put directly to use, Mr. Cox emphasized.

A survey of the town showed that 119 homes had been totally destroyed (Belmond's population was 2,500), 160 homes suffered major damage, and another 308 need lesser repairs. Most of the business district is in rubble, or was immediately following the tornado. Debris has been cleared and plans are already underway for rebuilding. Many farms surrounding the area also were leveled.

Belmond and the surrounding area was declared a disaster area to put into effect necessary steps for obtaining federal disaster funds for such emergencies.

60th Anniversary

The 60th anniversary of founding of the Farmers Savings Bank at Grundy Center was observed early last month with open house. Coffee, other refreshments, free gifts, and registration for special prizes were available to visitors.

The bank first opened in nearby Holland, where it was chartered in June, 1906, and opened for business the following October 31. Following the bank reorganization period of 1934, headquarters was moved into Grundy Center and an office has been maintained at Holland since that year.

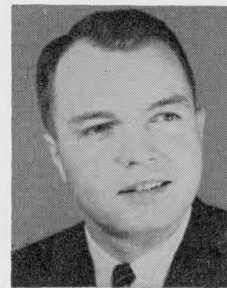
The bank was organized with \$20,000 in capital and had just one employee

its first year. Today total assets are \$5,818,802, with capital of \$458,000.

A. V. Dieken has been president since 1957. The Farmers Savings has been a leader in its area in the use of new procedures in banking. Within a short time, Mr. Dieken stated, the bank will be the first in its county to adopt electronic data processing of checks and deposits.

Iowan Promoted

Charles Gustaveson has been promoted from state manager in Iowa for National Fidelity Life Insurance Company, Kansas City, to regional creditor superintendent for a five-state area.



C. GUSTAVESON

He will now supervise credit life operations for his company with banks in Iowa, Minnesota, Nebraska, North Dakota and South Dakota.

Assisting him in Iowa and taking over much of the bank work formerly performed by Mr. Gustaveson is Roger Fleming.

Mr. Gustaveson joined National Fidelity Life in its credit life division nine and one-half years ago. He has been assigned during that entire time, calling on Iowa bankers, and has a wide acquaintance throughout the state.

Magazine Gets Honors

Hailcaster, published by Square Deal Insurance Company (Mutual), Des Moines, for agents and employees, has been awarded first place in the 1966 national company newspaper competition of the Mutual Insurance Council of Editors.

The award was presented to Merle D. Morgan, president of Square Deal, at a luncheon last month in New Orleans, La., at the annual convention of the National Association of Mutual Insurance Companies.

Hailcaster is edited by Fred Morgan, Square Deal agency supervisor, and produced by Wesley Day and Company, Des Moines advertising agency.

Cattle Marketing Trip

The 82 Marion area farmers and businessmen who went on the annual cattle market trip sponsored by Farmers State Bank, Marion, traveled in two buses recently to St. Paul, Minn.,

50th Anniversary As a Banker



MORE THAN 60 guests were present last month for a program honoring W. Loren Parr on completion of his 50 years with the Commercial Trust & Savings Bank in Charles City. Mr. and Mrs. Parr were presented with a color television set on behalf of directors and staff of the bank. Pictured above are, from left: Mr. Parr, exec. v.p.; C. M. Frudden, pres.; Mrs. Parr, and Carl Magdsick, dir., who has been associated with the bank 56 years.

where they toured the stockyards, attended a cattle sale and enjoyed a baseball game. J. Robert Bunn, vice president, said the group was gone over a three-day period.

New President of Live Stock National

Pictured here is Stanley W. Evans, whose advancement to the presidency of Live Stock National Bank of Sioux City was announced a short time ago. Mr. Evans succeeds the late Clifford L. Adams, who died unexpectedly after a brief illness at the age of 58.



S. W. EVANS

Mr. Evans has been associated with Live Stock National for a number of years and was elected first vice president on August 1, 1957. He is active in many civic and

charitable enterprises and at present is president of the United Fund board and the board of trustees of the Municipal Auditorium. Mr. Evans also is treasurer of the Siouxland Rehabilitation Center, a member of the board of directors of the Industrial Development Council and of the Council of Community Services.

During World War II, Mr. Evans served in Europe with the Chief of Finance Office, accompanying troops through France from the time of the Normandy invasion. He returned to the bank in 1947. In 1950 he was graduated from the Graduate School of

Banking at the University of Wisconsin. Last year he retired as finance officer of the 34th Infantry Division, National Guard, with the rank of colonel.

Bond Volunteers Appointed

Marvin M. Schmidt, volunteer state chairman for savings bonds activities, announces the appointment of two Iowa bankers to county posts.

Donald L. Smith, Macedonia, branch manager of the Macedonia and Henderson offices of the State Savings Bank, Council Bluffs, has been appointed volunteer chairman of the United States savings bonds program for East Pottawattamie county. He replaces Lester Coons, who had served as chairman since August, 1951.

C. R. "Bob" Dillin, assistant cashier, The Iowa County Savings Bank, Marengo, Iowa, has been appointed volunteer chairman of the program for Iowa county, replacing Wilbur Bowen, who died recently.

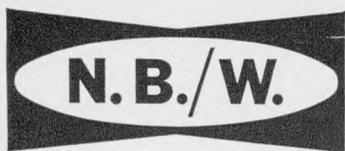
Gets Community Award

La Verne Tollinger, who was associated with Council Bluffs Savings Bank in Council Bluffs for 41 years until his retirement last January, was one of the recipients of a Community Service Award in Council Bluffs recently. Mr. Tollinger received the award from the Chamber of Commerce for his instrumental part in the preservation of the historic General Dodge House. Mr. Tollinger was a personal friend of General Dodge and later played an important part in the management of the Dodge estate.

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New Home Loan Bank Building



GROUND WAS BROKEN last month for the new office building of the Federal Home Loan Bank of Des Moines in the River Hills urban renewal area immediately north of the downtown business section. **Mrs. Ruth Bush**, widow of the late president of the bank, turned the first spadeful of earth. **John Dalton**, former governor of Missouri and chairman of the bank's board of directors, was master of ceremonies. Others joining in the ground-breaking included Des Moines Mayor **George Whitmer** and **J. M. Martin**, the new bank president.

The \$600,000 glass and marble building will be constructed by private developers and leased to the FHLB of Des Moines.

Celebrate 50th Anniversary

Mr. and Mrs. James H. Pullman, Sr., were honored by family and friends last month in Sidney, Iowa, on the occasion of their 50th wedding anniversary. They were married October 2, 1916, in Sidney.

As part of the anniversary observance, the Pullmans' daughter had miniature reprints made of the article appearing in the *Sidney Herald* of October 5, 1916, describing the wedding and giving background on "the young couple." The small reprint featured a 1916 picture of Mr. and Mrs. Pullman on the front page.

Mr. Pullman is chairman of the board of Fremont County Savings Bank. He served as president for many years, and was succeeded in that post several years ago by his son, J. H. Pullman, Jr.

Centennial in Clarinda

The 100th anniversary of Page County State Bank, Clarinda, was observed during October with a month-long open house during which customers were invited to register for a drawing to be held November 15. First prize of a \$100 savings account will be awarded at that time, along with several other gifts, according to Floyd F. Whitmore, president.

The original bank, founded as a private banking house in 1866, had capital of \$2,250. In contrast, Page County State Bank today has total capital accounts exceeding \$920,000. Deposits are at the \$7 million mark.

Each registrant during the month-long event was invited to guess what will happen in the next 100 years.

These written guesses were then collected and are being preserved in the bank vault for future generations to review.

900 at Roland Opening

More than 900 persons attended open house recently to view remodeled quarters of the Roland State Bank, it was reported last month by Duane Paulson, executive vice president. Visitors were greeted by officers of the bank, then were asked to register for door prizes. Refreshments were served and souvenir gifts distributed as they completed their tour of the bank.

Winthrop Building Opens

The Peoples State Bank of Winthrop recently occupied its new bank building. The red brick and white painted colonial styled one-story building provides a most attractive setting for the bank. It features the county's only drive-up window for auto banking. The bank was established in 1955.

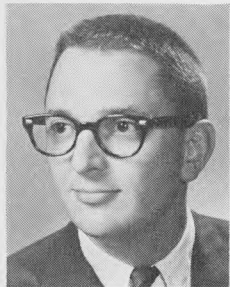
Drive-In Opened

An open house celebration was held last month on the occasion of the opening of the new drive-in facility for Peoples National Bank in Columbus Junction. Principal feature was awarding of a savings account for the amount of interest that would be earned for one day on \$1,000,000. Both the Muscatine County Grand Champion and Louisa County Reserve Champion beeves were on display in the drive-in area.

Des Moines News



E. T. MEREDITH III, assistant to the publisher of *Better Homes and Gardens* magazine, was elected a member of the board of directors of Bankers Trust Company last month, it was announced by **Robert J. Sterling**, the bank's president.



E. T. MEREDITH III

Mr. Meredith, a director and assistant secretary of Meredith Publishing Company, joined the company in 1956. He had attended the University of Arizona and served in the U. S. Army three years. Before his present position he had been in the sales department of Meredith Printing and the circulation department of *Better Homes and Gardens* and had managed the direct order department of Meredith Press.

John Ruan, chairman of the board of Bankers Trust Company, and president and owner of Ruan Transport Corporation, was named vice president at large of the American Trucking Association at that group's 33rd annual convention in Washington, D. C., last month.



J. RUAN

Mr. Ruan previously was third vice president of the trucking federation and was vice president at large in 1956 and fourth vice president in 1962. He is a member of the board of trustees of the association's foundation and a former president of National Tank Truck Carriers, Inc., an association unit.

In addition, Mr. Ruan, who began his business with one truck in 1933, also is president and owner of the

Ruan Leasing Company, Ruan Equipment Company and Ruan Cab Company, all of Des Moines.

* * *

The Barnetts Furniture site at 101 Third Street, recently leased by Valley Bank and Trust Company with an option to buy, has become an operative public parking lot. The building formerly on the lot was removed and the parking facility was opened to the public last month. The bank provides its customers a half-hour free parking in the new lot.

J. Locke Macomber, vice president and trust officer, will attend the ABA Mid-Winter Trust Conference in Chicago, November 17 and 18, and **Allon E. McGlothlen**, assistant vice president, attended the recent Bank PRMA meeting in Bal Harbour, Fla.

* * *

Phyllis Crawford has been named assistant cashier of the First Federal State Bank.

Miss Crawford, who has been em-

ployed by the bank for five and one-half years, is assigned to the Clive office, 8590 Hickman Road.

Lyon County Meeting

Officers elected by Lyon County Bankers Association at their recent meeting at the Rock River Golf and Country Club are:

President, Harold R. Bonander, president, Security Savings Bank, Larchwood. Vice President — Cliff Pruitt, president, Inwood State Bank. Secretary-Treasurer—Jerry G. Leahy, president, Lyon County State Bank, Rock Rapids.

Bank Gets 4-H Award

Herb E. Taylor, vice president of Onawa State Bank, Onawa, received a plaque last month on behalf of the bank from Larry DuVal, county extension director, who presented the award for the Monona County 4-H organization and the Monona County Extension Council.

Open House at Office

State Bank and Trust Company of Nevada held open house recently at its remodeled office in McCallsburg. Between 275 and 300 persons registered for the event. John C. Johnson, manager of the office, said prizes were awarded to several registrants.

Two Promoted at Fonda

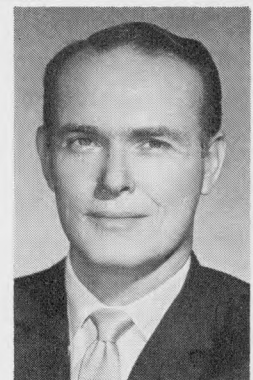
Directors of the First National Bank, Fonda, recently voted the promotion of Miss Marian Carlson to cashier from assistant cashier, and elected Larry Widmer as a new assistant cashier. Miss Carlson has been with the bank 13 years.

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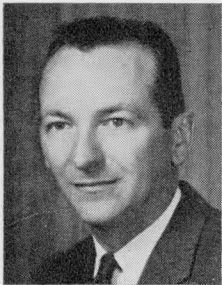
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Hansen Elected Chairman of Bankers Advisory Committee

Dr. Eugene E. Garbee, chairman of the board of governors of the Iowa College Foundation and president of Upper Iowa College, announces that Oliver Hansen, president of the Liberty Trust and Savings Bank of Durant, was recently elected chairman



O. H. HANSEN

of the Bankers Advisory Committee to the Foundation. Previous chairmen of the committee have been Ed H. Spetman, Jr., immediate past president of the Iowa Bankers Association, and George E. Allbee of Waterloo.

Mr. Spetman, in his recent address to Iowa bankers at their annual meeting in Des Moines, commended the bankers for their participation in the support of private higher education through the Foundation.

A report from the Iowa College Foundation indicates that the banking industry is keeping pace with other businesses. The Iowa bank donors accounted for 24 per cent of the total contributors (534) to the Foundation for the fiscal year ending June 30, 1966. The banks contributed 6.7 per cent of the total amount (\$337,969.05) collected and distributed to the 22 member colleges. During the same period, 130 of the 674 banks in the state participated in the Foundation's progress.

The new chairman of the advisory committee, Mr. Hansen, commented that the Foundation support provides an opportunity for the banks of Iowa to encourage the non-tax supported colleges to continue their important task of educating a significant number of our young people. Of the 79,299 college students in the degree granting institutions of Iowa this year, 35 per cent are in the 22 member colleges of

the Foundation. The added tax burden that would be required for the state to handle these 27,673 students would require a substantial increase in income or sales taxes.

Retires at Cresco

Harold H. Tod Webber retired last month as assistant cashier of the Cresco Union Savings Bank after having served with the bank for more than 48 years.

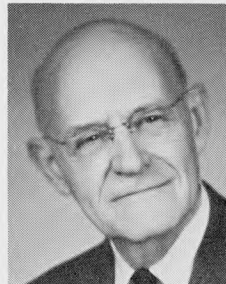
Big Feeder Sale

Considerable advance planning was undertaken by the Farm Feeders Day Committee of Humboldt as they worked out details of the Farm Feeders Days Sale staged in Humboldt November 7. They arranged for 70 carloads of feeder cattle to be shipped from Montana via Chicago and Northwestern Railway for the sale. Between 4,000 and 5,000 head of cattle were expected to be in the shipment. Humboldt bankers participated in planning and carrying out the sale.

62 Years as a Banker

A total of 62 years in banking was compiled last month by Osborne E. (Oz) Jones, 84-year-old president of Farmers Trust and Savings Bank, Williamsburg.

In 1904, Mr. Jones gave up a \$40 per month job in a grocery store to start



O. E. JONES

in a Williamsburg bank as a bookkeeper at \$15 per month. He had been with the bank ever since and was elected president in 1961. His office is in the same building where he started in 1904. The reorganized Farmers Trust & Savings opened in 1934 and Mr. Jones became assistant cashier, several years later advancing to cashier.

Mr. and Mrs. Jones have eight children. Two of his four sons are bankers.

John Wilkinson Retires

John F. Wilkinson, vice president of Mercantile Trust Company, St. Louis, Mo., retired October 31 after 36 years of service.

Mr. Wilkinson began his banking



J. F. WILKINSON

career in 1930 when he joined the Mercantile Commerce Company, an affiliated bond office of the former Mercantile-Commerce Bank and Trust Company, as a salesman. In 1934 when the office

was absorbed into the bank proper and a bond department formed, he came into the bank as sales manager.

In 1947 he was appointed an assistant vice president and assigned to banks and bankers. In August of 1952 he was elected a vice president. During his years with the bank, he has represented Mercantile Trust Company in almost every area of the United States where the bank serves correspondent customers.

Mortgage Market Symposium

A high level session on today's mortgage market will be held in the Mayflower Hotel in Washington, D. C., November 28-29, under the sponsorship of The American Bankers Association.

Known as the Senior Management Symposium on Mortgage Lending, the affair is designed to attract top level bank management. Major speakers will include Sherman J. Maisel, a governor of the Federal Reserve System, and Walter Hoadley, chief economist, Bank of America, N.T. & S.A., San Francisco. J. Howard Laeri, vice chairman, First National City Bank, New York City, will preside at the opening session.

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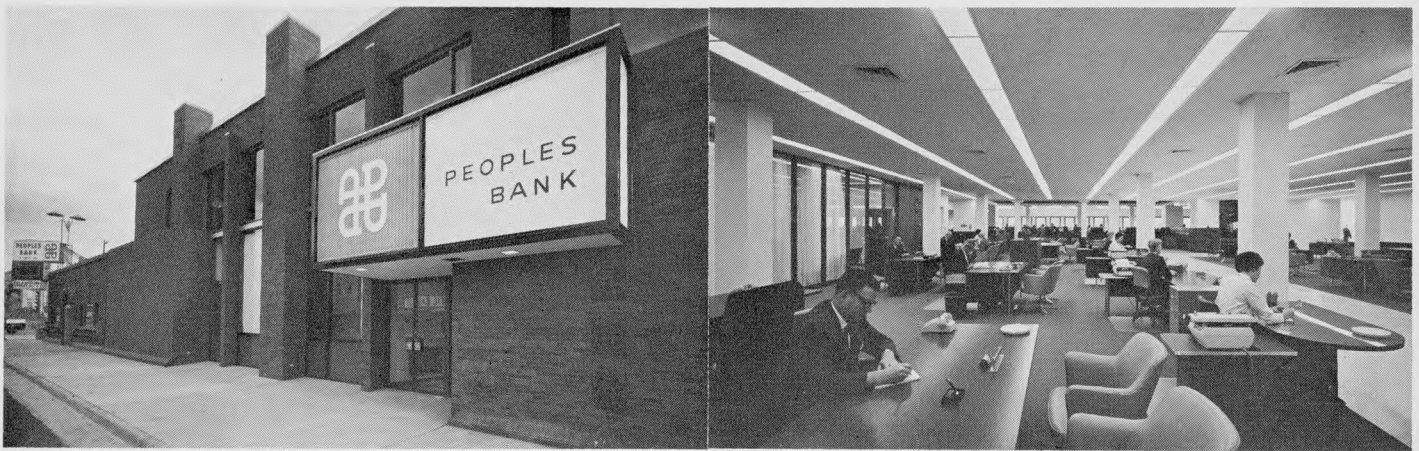
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ATTRACTIVE exterior of People's Bank and Trust Company, Cedar Rapids, features the bank emblem prominently displayed on the bank sign over the main door, and the same emblem repeated in the brick facing directly under the sign. Interior photo shows the commercial banking department with commercial tellers in background.

Peoples Bank Structure Unique

CONSTRUCTION has recently been completed on a new building and remodeled facilities for Peoples Bank and Trust Company, Cedar Rapids, according to Ted Welch, president.

The design of this new structure matches that of the old building, erected in 1910. The original building was designed by Architect Louis H. Sullivan, a teacher of the famous Frank Lloyd Wright. This building still attracts groups of teachers and students of architecture.

The new building was designed by Bank Building and Equipment Corporation of America, St. Louis, and constructed by Rinderknecht Company of Cedar Rapids, to conform with the lines of the original building. Even the bricks were matched as closely as possible to those used by Architect Sullivan. Construction began in November, 1965.

Some highlights of the new bank include a new safety deposit box area with new vault, lighted personal booths with individual locks for privacy, enlarged trust facilities, additional commercial teller windows, enlarged installment loan department, display area for products and services, and new modern data processing equipment.

The interior features light colored floor of terrazzo, contrasting with carpeted area. The newest and most modern office furniture has been added throughout.

In addition to the fine architecture work of Mr. Sullivan, the bank possesses four outstanding mural paintings by Artist Allen E. Phillbrick. Three deal with agricultural scenes characteristic of Iowa, and the fourth symbolizes the relationship of banking to industry and commerce.

Peoples Bank and Trust has assets

of nearly \$41 million, with more than \$36 million in deposits.

National Equity Gains

Leonard T. Heinen, president of National Equity Life Insurance Company, Des Moines, Iowa, reported a statutory gain from operations of \$20,517 for the nine-month period ending September 30, 1966.

The Des Moines based firm started

writing insurance on July 9, 1965. Mr. Heinen reported that the company's premium income for the period totaled \$217,803 and total income was \$296,020. This represents a 243 per cent increase over the company's initial period of operation which ended on December 31, 1965. The company's assets totaled \$2,556,437 at September 30, up 17 per cent from the year-end total of \$2,184,218. As of September 30, the company had insurance in force in excess of \$4¼ million.

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ary of National Motor Inn Corporation of Des Moines, Iowa.

Walter E. Heller Reports Record Earnings

Walter E. Heller & Company last month reported record nine-month and third quarter earnings.

President Norman B. Schreiber said that consolidated net income for the nine months ended September 30 was \$6,811,668, a record, compared with \$6,366,033 a year earlier. After preferred dividends, earnings per common share were 78 cents compared with 73 cents in 1965. There were 8,458,509 common shares outstanding for both periods.

Consolidated net income for the third quarter was \$2,404,912, a third quarter record, compared with \$2,236,202 in 1965. After preferred stock dividends, earnings per common share were 28 cents compared with 26 cents for the 1965 third quarter. Outstanding gross receivables at September 30 were \$660,128,687, up from \$595,704,301 on that date last year.

Mr. Schreiber said that the nine-month income figures included manufacturing net income of \$970,282 compared with \$679,871 for the same 1965 period. These gave effect to seven-month earnings of Spartus Corporation, which Heller acquired in February, 1966. Heller's other wholly-owned manufacturing subsidiary, Vulcan-Hart Corporation, was acquired in 1963.

St. Paul Terminal Changes Field Warehousing Setup

New York Terminal Warehouse Company announces the election of Thomas Clines, president and chief executive officer, with Richard C. Schall as senior vice president. D. G. McNeely becomes board chairman.

The announcement coincides with the decision of the parent St. Paul Terminal Warehouse Company to assign the accounts of its field warehousing division to New York Terminal Warehouse Company, effective January 1, 1967. As of that date New York Terminal Warehouse Company will be responsible for all outstanding field warehouse receipts and will thereafter direct the combined field warehousing operation from its headquarters in New York City.

In 1939, the St. Paul Terminal Warehouse Company, St. Paul, Minn., acquired all the stock of New York Terminal Warehouse Company, New York, N. Y. Since that time, New York Terminal has been operated as a wholly owned subsidiary engaged exclusively in field warehousing with its efforts concentrated in the eastern,

western, and gulf states. St. Paul Terminal continued to operate its own field warehouse division in the north central states in addition to its activities in public warehousing, industrial leasing and related areas.

American Express Names 2

Marion W. Sprague has been elected president of American Express Credit Corporation, according to an announcement last month. The Credit Corporation is a finance subsidiary of American Express Company and handles accounts receivable financing of the company's Credit Card Division. Mr. Sprague is also vice president-finance of Uni-Service Corporation, a wholly owned American Express subsidiary offering community retail credit in six states under the Uni-card plan.

O. K. Johnson has been named a special consultant for the Travelers Cheque Division of American Express Company, it was announced by M. E. Lively, vice president in charge of the division. Mr. Johnson is president of the Whitefish Bay Bank, Milwaukee, Wis. He has been associated with the Whitefish Bay Bank since 1937.

Prior to this time Mr. Johnson was a special deputy commissioner of banking for the state of Wisconsin. He is a past president of the Independent Bankers Association of America and a former president of Wisconsin Bankers Association.

BankAmericard Expands List of Licensee Banks

BankAmericard, the only bank-issued credit card with multi-state coverage, has licensed three additional major banks to issue its card, it was announced recently by Vern C. Richards, president of BankAmerica Service Corporation.

At the same time, Mr. Richards said seven other banks which were licensed earlier this year plan to begin issuing BankAmericards in November and December, and that initial development of the pilot program is approaching its final stages.

The three banks which announced BankAmericard license agreements last month are: Bank of Hawaii, First National Bank of Memphis and Texas National & Trust Company of Dallas.

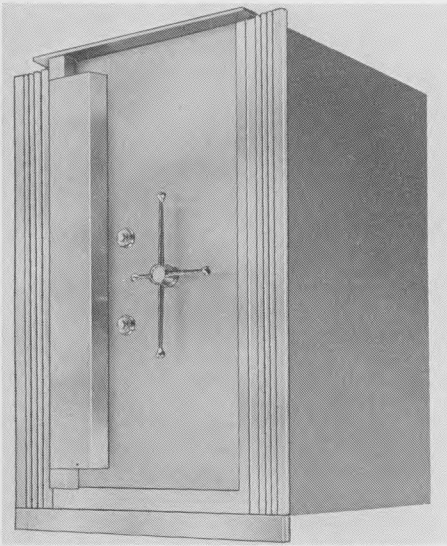
The seven banks who will begin issuing BankAmericards in November and December are expected to issue a total of nearly 1,000,000 cards, and have merchant membership totaling about 15,000. In California, where BankAmericard was originated in 1959 by Bank of America, there are presently 1,900,000 cardholders and 61,000 merchant members.

The Bankers' Market Place

A Page Telling What's New for Banks and Bankers

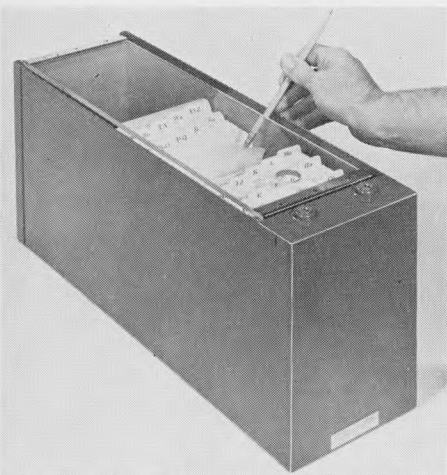
Each month the Bankers' Market Place will bring you listings of new products, specialty items, banking equipment, and gift items which will help you and your staff do a better job. This is the selection for this month.

The LeFebure Corporation, Cedar Rapids, Iowa, recently announced two new products in its line of protection equipment. The first is the development of the Univault, a complete vault and door combination, designed to provide effective security in a variety of applications where minimum space is available.



UNIVAULT pictured features 1½" door. Other size doors are 2½" and 3½".

Univault may be equipped as a safe deposit, cash or collateral vault, according to the requirements of the purchaser. There is a five-inch space between the one-half inch steel inner and outer walls. For additional security, this space can be filled with concrete or fire-resistant insulation.



DUAL-LOCK DORMANT ACCOUNT FILE

The interior of Univault may be any required size. Unit construction permits moving the entire vault from one location to another. Installation is fast and simple.

To provide two-party control over dormant savings accounts, LeFebure has developed the Dual Control Dormant Account Ledger File. It features a plexiglass lid to permit employees to refer to ledger cards without removing them; only a pencil is needed to locate the desired card. (See illustration.)

The double-lock system offers maximum security by allowing entry keys to be placed in the hands of two separate bank officers.

A NEW, 32-page brochure, "Banks Are For People," recently published by Bank Building and Equipment Corporation of America, graphically relates the company's philosophy in regard to the creation of people-oriented financial buildings.

The primary consideration, dramatically illustrated and fully discussed in this brochure, is the requirement that every financial institution be first functional and next beautiful. Basic factors determining the people function include: site selection with regard to population, ethnic compliments, people's mobility, children as people, automation and people, branch selection and the feasibility of leasing arrangements for high rise projects.

This highly interesting brochure is available to bankers from Bank Building Corporation of America, 1130 Hampton Avenue, St. Louis, Mo.

The gifted pen of Michael Braude, Kansas City bank officer, has produced another excellent story book for children. This one is titled, "Danny Graham, Banker."

Using fifth grader Danny Graham as its central character, the book projects Danny into a summer job learning more about his local bank so he can, in turn, teach friends what a bank really is and does.

The 32-page book follows the format of most children's books with hard cover featuring a pleasing illustration of Danny beside the bank, and liberal

use of color. Inside, the interestingly written text is set in large enough type for easy reading. Almost every page has an illustration in color drawn by the artist, Howard E. Lindberg.

Mr. Braude recently joined Mercantile Bank and Trust Company, Kansas City, as a vice president. Previously, he was a vice president of Commerce Trust Company where he was in charge of the Family Banking Center.

"Danny Graham, Banker" is published and copyrighted by T. S. Denison & Company, Inc., Minneapolis. The book is priced at \$2.75 per copy.

THE American Bankers Association has published a new and streamlined career booklet to help banks meet the growing demand for young personnel.

The 12-page booklet, titled, "BANKING . . . An Opportunity for YOU," emphasizes the many opportunities in banking in order to attract young people searching for a job which can lead to a challenging career.

The booklet explains the basic purpose of banking and its rapid growth, automation, typical starting positions, personal qualifications, training and advancement opportunities, salaries and working conditions.

The colorful new recruiting tool is designed for use in various guidance programs, including school workshops. Its 4 x 9 inch size is suitable for mailing. Copies can be ordered from the Personnel Administration and Management Development Committee, The American Bankers Association, 90 Park Avenue, New York, N. Y. 10016. Orders under 100 cost 15 cents each; over 100 and under 1,000 cost 12 cents each. On orders of 1,000 or more, the cost is 8 cents each, plus shipping charges. Booklets can be imprinted with the bank's name at \$4 per 1,000; minimum, \$3.

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In the DIRECTORS' ROOM



Some Impression

In the presence of a client he wished to impress, a high-powered executive flipped on his intercom switch and barked to his secretary: "Miss Thomas, get my broker!"

The visitor was duly impressed until the secretary's voice floated back into the room, loud and clear: "Yes, sir, stock or pawn?"

Elephant's Fault

Woman to Salesman: This must be an old piano. The keys are so yellow.

Salesman: Madam, the piano really isn't old. It's just that the elephant was a heavy smoker.

New Song

Father, listening to his seven-year-old scratch away on his violin while the hound dog howled nearby, finally asked the boy, "Can't you play something the dog doesn't know?"

It Better Be

"Oh! Just what I've always wanted—a real mink coat!" exclaimed the happy wife as she opened her anniversary present. Husband, "Well it better be, else I'm out 25 bucks."

No Discrimination

A Colorado ranch owner met the Civil Rights Law's nondiscrimination between men and women job applicants by placing the following ad in his local paper: "Cow Person Wanted. Applicant must be proficient in profanity to avoid inferiority complex in presence of experts and must share a bunkhouse with three cowboys who seldom bathe."

It's Confusing

Then there was the eccentric who parted his hair from side to side.

A friend asked him, "I don't care how you part your hair, but don't other people give you a hard time about it?"

"The only time it bothers me," said the eccentric, "is when people try to whisper in my nose."

No Difference

A woman tourist in Maine came to a fork in the road where signs to Portland pointed both ways. The lady called to a native who was standing nearby. "Does it make any difference which road I take to Portland?"

The man looked up and drawled, "Not to me."

CONVENTIONS

November 17-18—ABA 35th Mid-Winter Trust Conference, Drake Hotel, Chicago.

November 21-22—19th Annual Tax School, Iowa Bankers Association, Kirkwood Hotel, Des Moines.

1967

January 30-31—ABA 19th National Credit Conference, Hotel Utah and Motor Lodge, Salt Lake City, Utah.

February 5-8—ABA 48th Midwinter Trust Conference, Waldorf-Astoria Hotel, New York City.

March 2-4—Annual Convention, Independent Bankers Association of America, Hotel Roosevelt, New Orleans, La.

March 13-15—ABA 64th National Savings Conference, Atlanta Marriott Motor Hotel, Atlanta, Georgia.

March 20-22—ABA National Installment Credit Conference, Conrad Hilton Hotel, Chicago.

May 7-10—ABA National Automation Conference, The Americana of New York, New York City.

May 21-24—ABA 7th National Mortgage Conference, The Mayflower Hotel, Washington, D. C.

May 29-June 2—AIB National Convention, Statler Hilton Hotel, Detroit.

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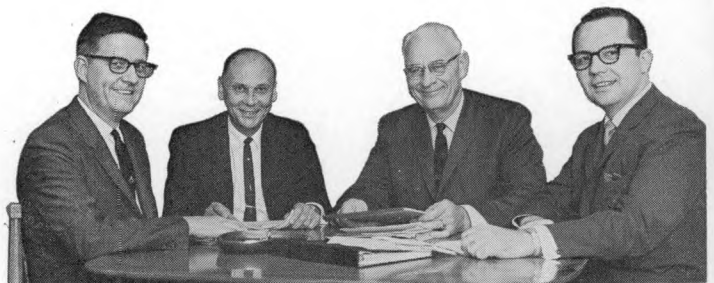
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