

NORTHWESTERN *Banker*

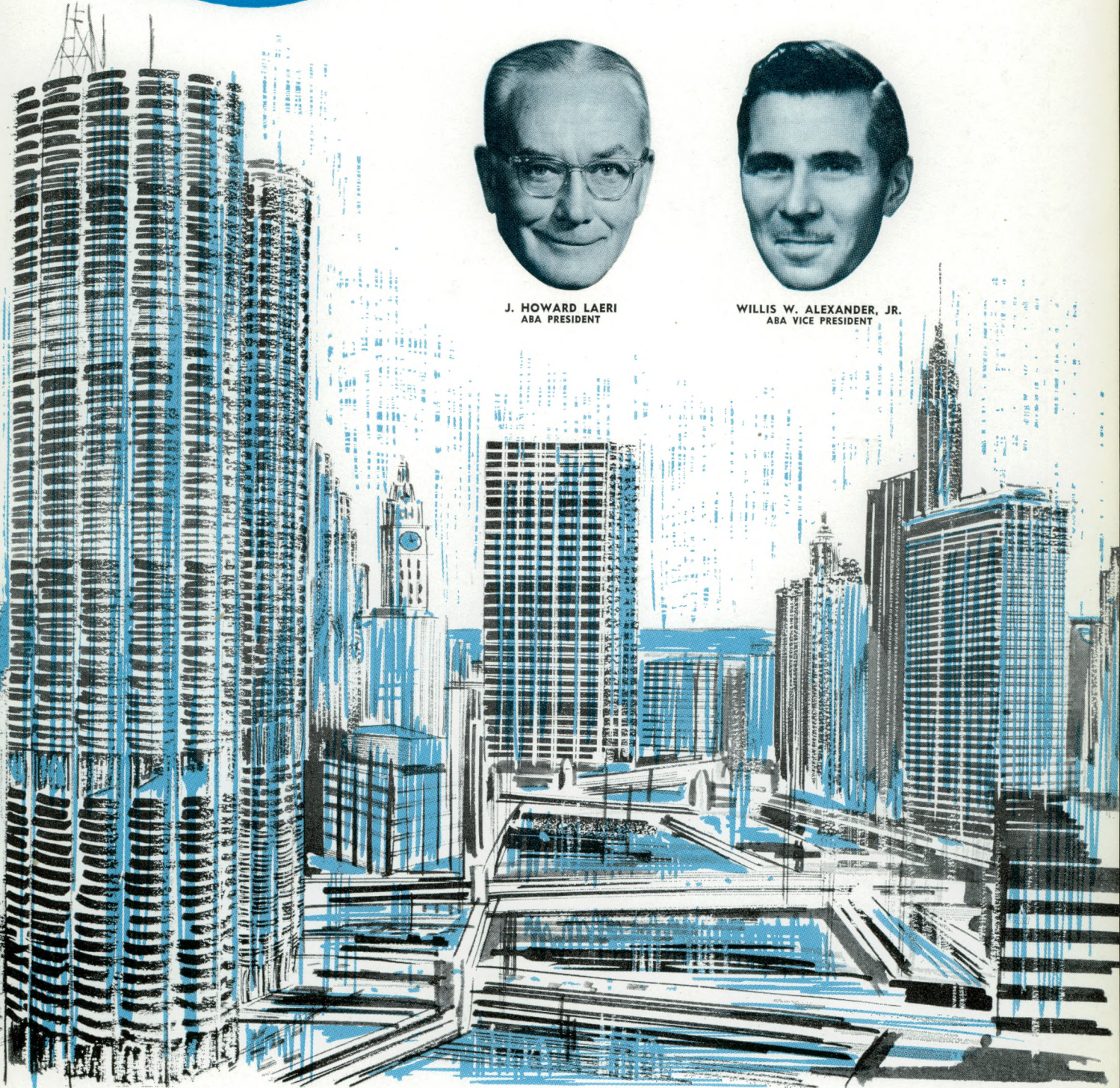
SEPTEMBER
1968



J. HOWARD LAERI
ABA PRESIDENT

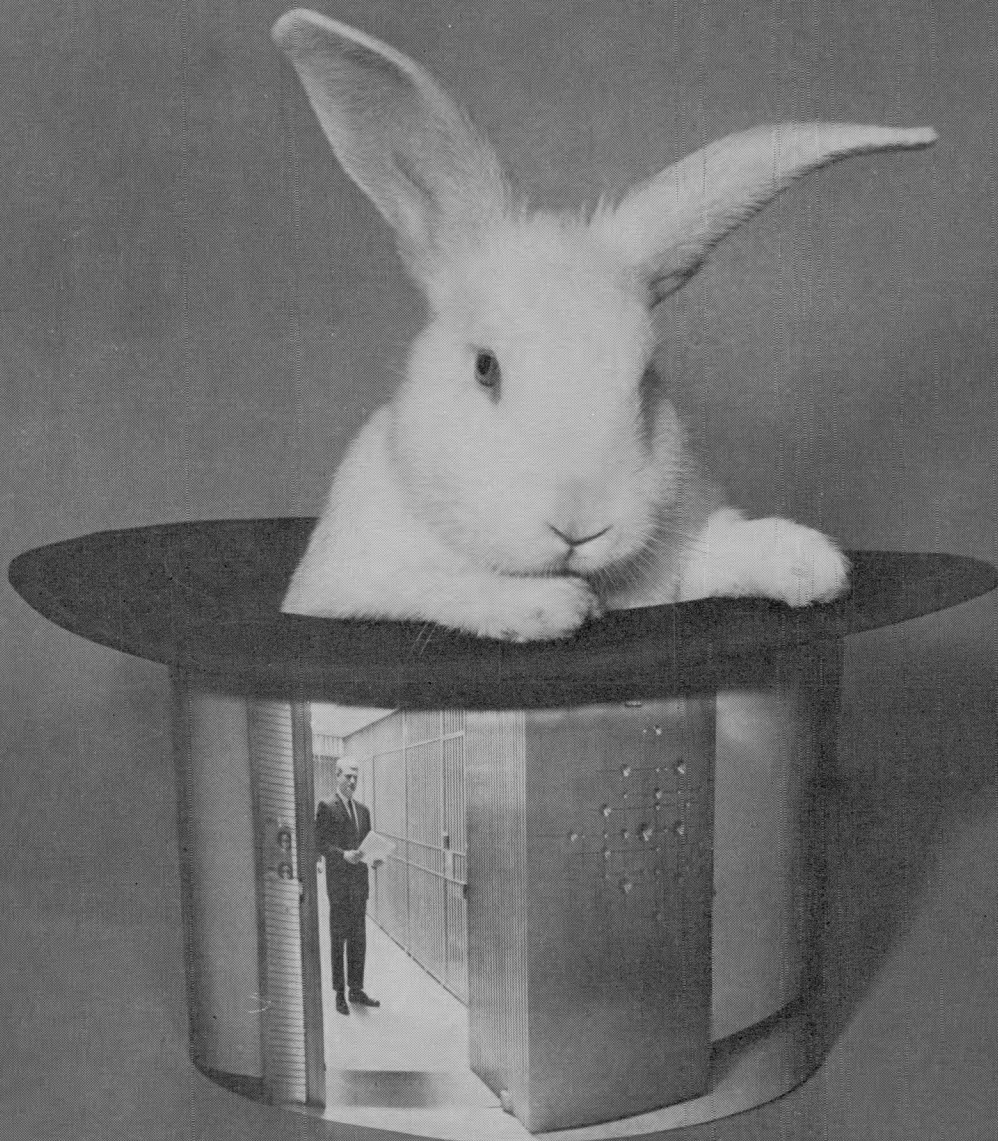


WILLIS W. ALEXANDER, JR.
ABA VICE PRESIDENT



ABA CONVENES IN CHICAGO, SEPT. 28—OCT. 2—Page 37

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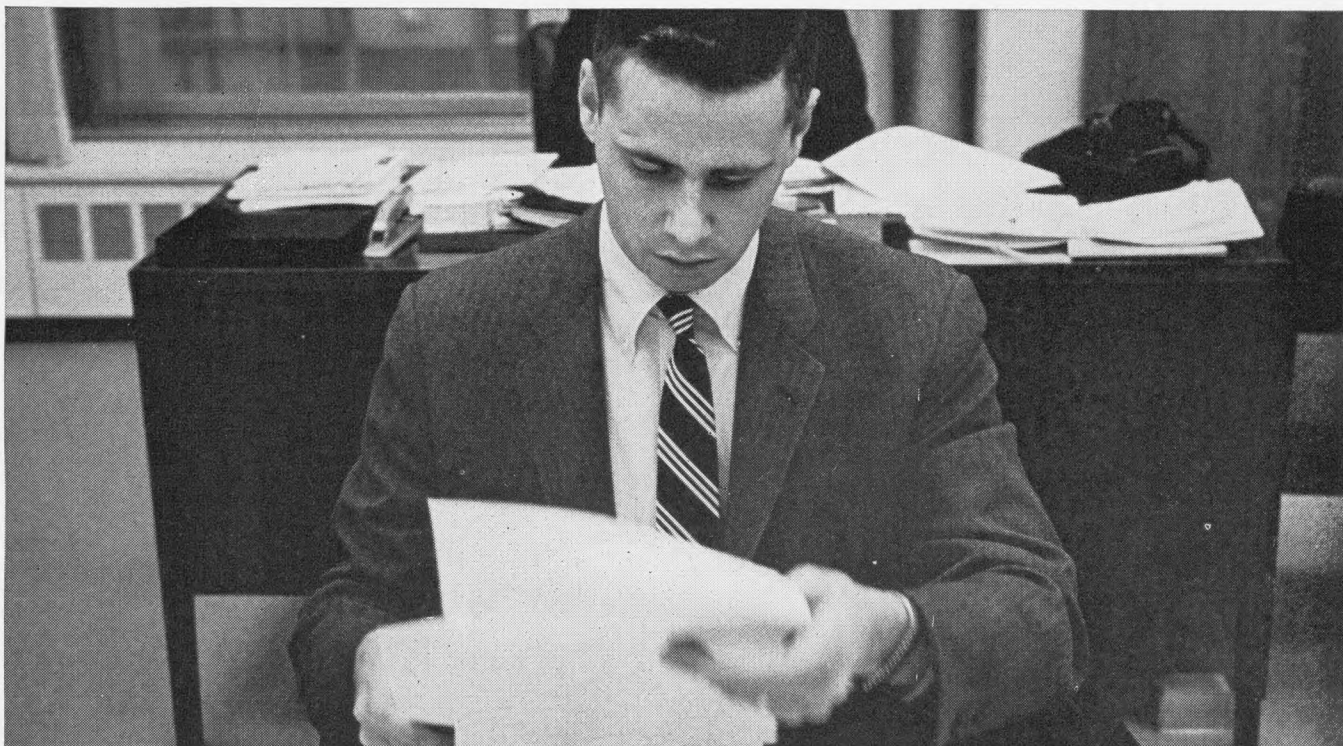
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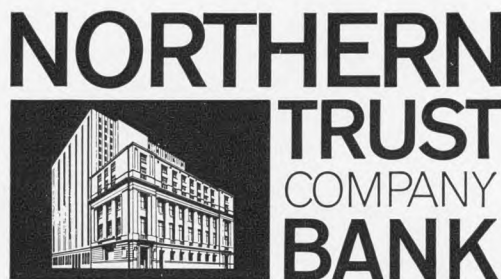
Trust Northern to have the men who get things done. These are first-string men . . . men who can make lending decisions.

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Federal Reserve Bank of St. Louis

the Picasso and I welcome you to Chicago, (and the ABA convention).



as you see, there's an elegant view of Chicago's famed Picasso from my office

window, and I cordially invite you to enjoy it. It's open house at Scarborough during the convention. We'll have folks here to welcome you and show you our brand new premises. Our counselors will be available if you have any insurance problems, and if you're downright insistent, we'll consent to show you what's new and knowledgeable in bank insurance during this interesting period of higher risks and exposure.

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President

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Northwestern Banker, September, 1968

NORTHWESTERN Banker

Oldest Financial Journal West of the Mississippi

for your SEPTEMBER, 1968, reading

74th Year No. 1118

LaSalle to Form Holding Company

HAROLD MEIDELL, chairman of the board, and Milton F. Darr, Jr., president, announced recently that La Salle National Bank of Chicago has called a special meeting of shareholders for Wednesday, September 18, for the purpose of voting on the issuance of an additional \$3,000,000 principal amount of subordinated debentures, the retirement of the outstanding issue of preferred stock with the proceeds from the sales thereof, and approval of the board's action in entering into a contract for forming a one-bank holding company.

Mr. Meidell and Mr. Darr stated that "the proposal will result in additional strength and flexibility to enable us to improve our present services, to add new services and to continue to contribute to the economic growth of the city of Chicago and other areas presently served by the bank." Initially, the only investment of the holding company will be stock of La Salle National Bank, and no other investments are contemplated at this time.

Acquires Bank of Jamestown

William H. Moore, chairman of Bankers Trust New York Corporation, and S. Henning Swanson, president of the Bank of Jamestown in Jamestown, New York, announced last month that their respective boards have approved the acquisition of the stock of the Bank of Jamestown by the New York holding company. If approved, the Jamestown bank will be the fifth bank owned by the corporation, whose chief member is Bankers Trust Company of New York.

New Gamble-Skogmo Symbol

B. C. Gamble, chairman of Gamble-Skogmo, Inc., of Minneapolis, recently unveiled a new corporate symbol for the retail and wholesale firm. The symbol consists of a stylized letter "G," and is a modernized version of the identification used for more than a quarter of a century on company stores, letterheads, trucks and products.

Along with the symbol, the company has initiated a new typeface to replace the script logo it has been using, and introduced "Gamble Green," a shade of olive green, as the official company color of identification.

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NORTHWESTERN BANKER

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Northwestern Banker, September, 1968

Explains "Renting Money"



WALKER

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writes Harold Walker, V. P. THE HOME NATIONAL BANK of Arkansas City, Kansas

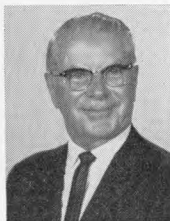
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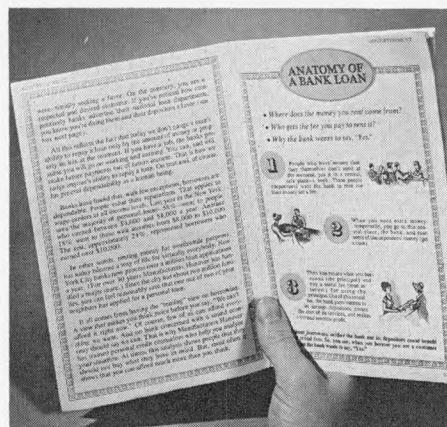
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THE Manufacturers Trust Company of New York has prepared a 16-page, full color insert entitled, "The Truth About Renting Money," for insertion into the metropolitan edition of this month's *Reader's Digest*.

Theme of the promotion piece is that borrowing is really renting money. Included are discussions of interest rates, where the money you rent comes from, who gets the fee you pay to rent it, why the bank wants to rent out money. The insert also includes a glossary of credit terms and examples of how families and small businessmen use rented money.



RENTING MONEY is explained in new 16-page brochure distributed by Manufacturers Hanover Tr. Co., New York.

The bank will also use newspaper space, radio and TV time, subway car cards, in-bank displays and direct mail for the promotion.

Manufacturers Hanover Trust has ordered an insert overrun of one and one-half million copies to be made available upon request. Copies may be secured from Manufacturers Hanover Trust Company, 350 Park Avenue, New York, N. Y. 10022.

Chosen Officers at Continental Illinois

Edward J. Murphy, Gerald K. Bergman and Donald H. Myers have been elected vice presidents of Continental Illinois National Bank and Trust Company, Chicago, it was recently announced. Mr. Murphy is a member of the bond department and Mr. Bergman and Mr. Myers are members of the commercial banking department.

Five second vice presidents were also elected: Bernard S. Knobloch, bond department; Craig R. Carpenter and Kenneth Rudnick, commercial banking department; William D. Plechaty, operating department, and Ed-

ward J. Buhle, retail banking department.

The bank also named James H. Davis and Maurice G. Friedman assistant cashiers in the commercial banking department, and James S. Scott assistant cashier in the retail banking department.

Karl Patek of the international banking department was named co-manager of the Frankfurt, Germany, branch of the bank scheduled to be opened this fall.

New Computer Program For Non-Programmers

Computer Resources Corporation of Wilton, Conn., has developed a new computer program which enables non-programmers such as auditors and bank managers to work with information inside of a computer in the same way they formerly could when the work flow was manual. Called "Audit-Thru," the new technique is accomplished through simple English language requests which are translated into computer language within minutes. No programming experience is necessary.

To Head Security National Business Development

Jack F. Holland, vice president of Security Pacific National Bank, Los Angeles, has been placed in charge of the bank's business development activities at the Northern California headquarters. He formerly headed the business development department at the Los Angeles head office.

Mr. Holland began his banking career with Farmers and Merchants Bank, a predecessor of Security Pacific, in 1932. He was elected vice president in 1955.

The bank also reports the death of Roy Littlejohn, vice president and counsel for the bank. Mr. Littlejohn was 53 years old.

Advance at Harris Bank

John R. Golden was advanced to the post of vice president and trust counsel at Harris Trust and Savings Bank last month. Mr. Golden has been trust counsel for the bank since 1955.

Elected assistant vice president, also in the trust department, was William C. Goodwyn, formerly an investment officer. Three new trust officers were also named. They are William Naftzger, George K. Spiel and William A. Thuma, Jr. Miss Rosemary Martin was appointed an investment officer.

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Northwestern Banker, September, 1968

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Gerald E. Leighton

Central National Bank has announced the death August 8 of Gerald E. Leighton, 45. Mr. Leighton joined Central National in 1965 as a correspondent bank representative, and he was elected assistant cashier in 1966. He had previously been a livestock commission broker at Union Stock Yards in Chicago.



G. E. LEIGHTON

Mr. Leighton is past president and director of the Chicago Livestock Exchange, and was a director of the International Livestock Exposition.

European Ventures for Chase Manhattan

The Chase Manhattan Bank and the Bank of Ireland announced joint formation of the Chase and Bank of Ireland (International), Ltd. last month. The new bank will have assets of \$20 million. It was formerly known as The National City Bank, Ltd., a wholly-owned subsidiary of the Bank of Ireland. Chase Manhattan's participation is being effected by its affiliate, Chase Manhattan Overseas Banking Corporation.

Appointed president of the bank was King F. Lowe, vice president of CMOBC. Also representing Chase Manhattan on the board are Victor E. Rockhill, Chase Manhattan executive vice president and chairman and president of CMOBC, and James W. Watts, vice president in the international department.

The bank has also announced application has been made to both United States and Swiss authorities for establishing a wholly-owned banking subsidiary in Geneva. The bank will initially be capitalized at the equivalent of \$6.3 million to do general banking business, but specializing in Euro-currency financing for multinational corporations.

Chase Manhattan Promotions

Charles M. Frey, James B. Doten, Jr., and Dominick H. Mottola have been advanced to vice presidents at the Chase Manhattan Bank in New York. Mr. Frey joined the bank's trust department in 1923 and was first elected an officer in 1958. Mr. Doten and Mr. Mottola are both in the bank operations department.



Retirement,

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That's how long it's been since Bankers Trust began pioneering retirement programs in the United States.

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So we also handle retirement plans for the self-employed.

Retirement programs were a pretty advanced idea back in 1916. But we've always been a pretty advanced bank.

We found ways of investing money in pension funds that no one had thought of before. We innovated the extensive use of common stocks, direct placements, mortgages and real estate.

Now we spend over \$1,000,000 a year on investment research alone.

We provide information and furnish annual reports to our pension plan customers to help them maintain the tax exempt status of their

trusts. We do all the paper work, keep up on new legislation, and keep down costs.

We've become so skilled since those early days that we can actually promise low administration costs, better means for investments, and more flexibility in financing.

As a matter of fact, since 1944 the pension plan guidebooks we publish have been the definitive sources of information for just about everyone interested in the subject. Even other banks.

If you're interested in working out a retirement plan, individual or corporate, you and your legal counsel ought to talk

it over with a Bankers Trust man.

He'll work with you on exemptions and other tax advantages. And he'll tell you how trusts can help you compete for better employees.

The fact is that we're so well equipped to administer these trusts because so many people trust us. We've proven ourselves.

When a Bankers Trust man works on pension trusts, that's all that he does. He handles the money as if it were his own.

In that sense he doesn't even work for us.

He works for you.

That's what trust is all about.

You'll find a trustee at Bankers Trust.

Northwestern Banker, September, 1968



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At American National, Chicago

Stults Succeeds Straus As Chief Executive Officer

ROBERT E. STRAUS, chairman of the American National Bank and Trust Company of Chicago, recently retired as chief executive officer of the bank. Mr. Straus continues as active chairman of the board. Assuming his position of chief executive officer is Allen P. Stults, president of the bank since 1963. The shift became effective September 1.

Mr. Straus began his financial career in 1923 with a family investment banking firm, S. W. Straus & Company, then the world's largest financier and distributor of real estate mortgage bonds. The firm founded the Straus National Bank in 1928, the name of which was changed to American National Bank and Trust in 1933. Mr. Straus has been an officer and director of the bank since that time.



R. E. STRAUS

A. P. STULTS

Mr. Stults also joined the bank in 1933, working in nearly every department of the bank for his first several years. He was first named an officer in 1942, became executive vice president in 1956, and a director the following year. He is president of the Illinois Bankers Association. Both Mr. Straus and Mr. Stults have been and remain very active in Chicago and Illinois business and civic affairs.

Bankers Trust Elects Sixteen Vice Presidents

William H. Moore, chairman, Bankers Trust Company of New York, recently announced the election of 16 first vice presidents and vice presidents.

Elected first vice president in the metropolitan banking department were Edwin J. Dikeman, Jr., head of the investment bankers and brokers division, and Harry F. Tappen, head of the loan administration division. Mr. Dikeman has been with the bank since 1927 and Mr. Tappen since 1929.

In the national banking department five first vice presidents were elected: Arthur B. Griffin, New York division; James K. Campbell, Eastern division; D. Burt Elliott, Central division; John Keat, Southern division; Russell W. Billman, Western division.

In the investment department five vice presidents were appointed. They include Richard Boyd, Stanley Taben, George P. Montgomery, Edwin L. Sibert and Thomas A. Cox. Four men were elected vice presidents in the trust department. They are Emil P. Cenci, Hugh F. Coyle, Walter I. Hughes and James E. Gaskin.

\$25 Million Harris Issue

The Harris Trust and Savings Bank of Chicago announced August 16 that it proposes to issue \$25,000,000 principal amount of convertible capital notes due in 1993. The offering will be on a subscription basis to shareholders at a ratio of \$100 principal amount of notes for each 10 shares of capital stock held on the record date, expected to be September 6. The First Boston Corporation is forming a group of underwriters to underwrite the offering.

Kenneth V. Zwiener, chairman of the board, stated that the proceeds of the issue would be added to the capital funds of the bank to provide for the continued growth of the bank's business, particularly increased loan demands of the bank's customers.

Walter Heller Sets Record Volume, Profits

Walter E. Heller & Company of Chicago achieved record volume and profits for the first half of 1968. Norman B. Schreiber, president and chief executive officer, said that earnings per common share, after preferred dividends, rose 5.3 per cent to 60 cents. Total net income for the period was \$6,038,436, compared with \$5,791,489 for the first six months of 1967.

Volume of finance business handled during the period rose 16.7 per cent to a record \$1.6 billion. Net receivables June 30 totaled \$602,216,141, a rise of 15.8 per cent over \$520,267,067 June 30 last year.



It takes a sharp pencil to draw a fine line

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Commerce Executive Change

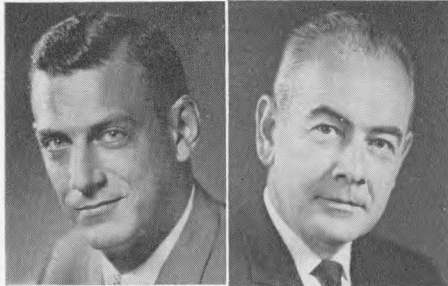
Frank E. Boesche, vice president, has been named to head the bank's business development division, one of the four major divisions of Commerce Trust Company, Kansas City. The post has been vacant since the retirement of Carl A. Charlson, senior vice president, a year ago. The business development division embraces the correspondent banking department, the national accounts department and

help spearhead its development efforts.

The correspondent banking department has altered its geographic scope of responsibility to embrace the states of Kansas, Missouri, Nebraska and Oklahoma. Banking relationships in other states will be handled by the national accounts department.

The national accounts department will be headed by Norman Cowperthwaite, vice president. The department will handle all territorial relationships, bank and commercial, in all states other than Kansas, Missouri, Nebraska and Oklahoma.

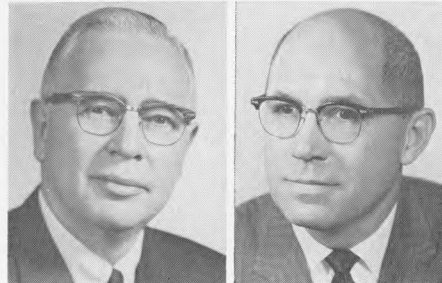
will also be responsible for Omaha, Dallas, Fort Worth and Houston. Don Anderson will continue to travel Ne-



J. BARTELS B. M. LAMBERSON

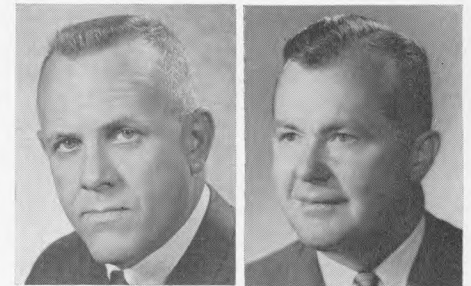
the metropolitan accounts department.

New head of the correspondent banking department is James Bartels, vice president. He replaces Bill M. Lamberson, senior vice president, who has joined the parent organization, Commerce Bancshares, Inc., to



T. C. CANNON N. R. COWPERTHWAIT

Tom C. Cannon, vice president, will be assigned to the national accounts division and will supervise corporate and correspondent bank business in Iowa, Minnesota and Michigan. He



F. E. BOESCHE R. S. SELBY

braska and will add northern Kansas.

The metropolitan accounts department is headed by Clark Page, vice president.

Robert S. Selby, recently head cattle buyer in Kansas City for Swift and Company, has joined Commerce Trust Bank as a vice president.

Three VP's for Amex

The appointment of three new vice presidents for American Express International Banking Corporation was announced last month. Named were Gero von Grotthuss, European area; William B. Beam, Middle and Far East areas, and Robert P. Hegeman, loan administration.

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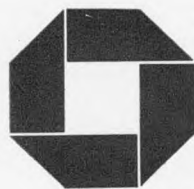
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What do Caracas and Manila have in common? The same international bank in Chicago.



If your business horizon includes Latin America and Southeast Asia, we invite you to become better acquainted with Continental Bank's newest international facilities. Our new Caracas office, headed by Hector R. del Rio. Our Manila office, managed by Jere L. Jones.

These offices are staffed with men who are able to give you knowledgeable local financial service. They know banking. They know their countries and the people who make things happen. They're on the job to help you.

Venezuela

The business atmosphere in Venezuela is invigorating. With a population of 9 million, the country is dwarfed by Brazil's 84 million or Mexico's 44 million. But in more meaningful marketing terms, Venezuela is something of a Latin-American giant.

	1966 Pop. (M)	U.S. Direct Foreign Invest (M)	Per Capita Income '66
Venezuela	9.03	\$2,678	\$735.00
Brazil	84.68	1,246	187.00
Mexico	44.15	1,244	446.00
Argentina	22.69	1,031	832.00

Venezuela has a high level of public and private expenditures per person in relation to other Latin-American countries. Per-capita income is among the highest in Latin America, as is U.S. direct foreign investment. The country is a leading importer of U.S. products.

Oil is of course the backbone of Venezuela's economy, and it provides substantial foreign exchange. But the government is actively working on diversification programs in agriculture and manufacturing.

Tariff protection helps create an attractive market for many new industries. For companies seeking world markets, many Venezuelan natural resources—such as petroleum products, iron ore, and hydroelectricity—offer substantial cost advantages. The Guri Dam, currently under construction, will have a greater hydroelectric output than Egypt's Aswan Dam.

Other important economic considerations:

- Venezuela has a stable currency, with no exchange controls.
- Its inflation level is low.
- Local financing can be arranged quite easily.

In total, we feel that the business atmosphere in Venezuela is favorable for the foreign businessman. We're prepared to give your firm local help for any needs in this dynamic marketing area.

Republic of the Philippines

The Republic of the Philippines is a "natural" marketing area for the U.S. businessman because of

the country's heritage. The Republic has a 60-year history of close economic ties with the U.S., and its educational system, courts, and legal codes are similar to ours.

Although the country was once very dependent on the U.S., it is now a vigorous, maturing democracy which is developing strong Asian economic ties. The Philippines serve as an important hub for the vast Southeast Asian market. The Asian Development Bank is headquartered there, as is the International Rice Research Institute.

An impressive list of U.S. businesses are currently located in the Philippines, and many Philippine corporations are now expanding internationally.

The Republic of the Philippines has some impressive economic strengths:

- For a developing nation, it has an abundance of qualified, experienced people.
- The government exerts few controls over business operations.
- The Investment Incentives Act favors nationals but provides good room for joint ventures.
- The country has good natural resources, including sugar, copra, timber, and new agricultural and mineral developments.

In many respects, this Asian democracy is in the development process. Filipinos' vigorous nationalistic feelings bode well for the Republic and have important positive implications for the businessman. Currently the area is receiving substantial new private investment. If your firm has interests in the area, Continental Bank is there to serve you.

In-depth Service

In the Philippines, in Venezuela, and throughout the free world, Continental Bank is prepared to deliver in-depth service. Our people are constantly probing foreign markets, watching international trends, and interpreting them to find successful solutions to complex financing problems.

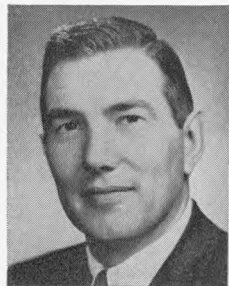
Continental serves you through an extensive network of branch offices, representative offices, affiliates, and correspondent banks, as well as through Continental Bank International in New York City.

**It's what you'd expect from
one of the world's great banks.**

Continental Bank

Bank PRMA Will Meet in Chicago, September 22-26

THE 53rd annual convention of the Bank Public Relations and Marketing Association (Bank PRMA, formerly FPRA) is scheduled for September 22 through September 26 at the Palmer House in Chicago. They should provide five of the busiest days any banker could find at a real working convention.



E. M. PENICK

With its theme geared to "The Customer," the 53rd convention will again offer "Dawn Duster" sessions via two breakfast meetings and four morning sessions! These are by the way of warming up for the 33 departmental sessions, 24 different clinic sessions, a bonus clinic on the last day, a general session each day addressed by noted American business and government officials, luncheons, annual banquet, and an assorted list of entertainment features.

Presiding at the general sessions

SCHNELL'S In Dickinson

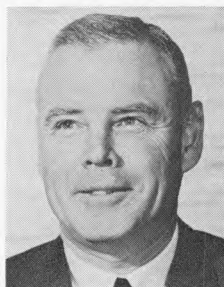
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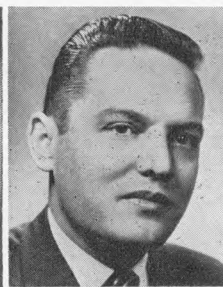
D. F. KRUSELL



F. J. BLAKE



W. N. FLORY



R. M. CHESELDINE

will be Edward M. Penick, president of Bank PRMA and president of the Worthen Bank & Trust Company, Little Rock, Ark. Officers of the association serving with him the past year are: First vice president—Donald F. Krusell, chairman, Peoples Bank, Trenton, Mich.; second vice president—Frederick J. Blake, senior vice president, Central National Bank, Cleveland, Ohio, and treasurer—William N. Flory, vice president, Harris Trust & Savings Bank, Chicago. Executive vice president at Bank PRMA headquarters in Chicago is Raymond M. Cheseldine.

Program Chairman George Stephen, assistant general manager of Montreal Trust Company, Montreal, Canada, has announced the following speakers for the general sessions: Monday, September 23—to be announced. Tuesday, September 24 — Thomas W. Moore, group vice president, American Broadcasting Companies, Inc. Wednesday, September 25 — Newsweek Periscope Panel moderated by Osborn Elliott, editor of *Newsweek*. Thursday, September 26 — Congressman Wilbur Mills chairman of the Ways and Means Committee, United States House of Representatives.

Awarding of 10 Golden Coin Awards will be made at the Tuesday noon luncheon. Inaugurated last year, the Golden Coin Award is given to those who have achieved "excellence" in public relations and marketing programs.

Each registrant will have a complete list of the locations and time

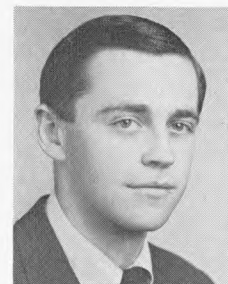
schedules for the departmental sessions and clinics. The departmental topics will cover advertising management, sales management, research management, marketing presentations, staff sales training demonstrations, trust marketing, public relations and communications.

Elected in Chicago Bank

Thomas R. Shattuck has been elected a consumer loan officer at Southwestern Bank in Chicago, according to a recent announcement. Mr. Shattuck was formerly in a supervisory capacity in credit and collection operations of the loan department at the Beverly Bank, Chicago.

Officer, Director Elected At New York Bank

James J. Byrnes has been named an assistant cashier in First National City Bank's national division. He is a commercial account officer in the division's Middle Western district, which includes nine states from Minneapolis to Wyoming.



J. J. BYRNES

Mr. Byrnes, a graduate of Cornell University, joined the bank in 1966.

Elected to the board of directors of the New York bank is

Charles B. McCoy, president of E. I. duPont de Nemours & Company. Mr. McCoy, a graduate of the University of Virginia and Massachusetts Institute of Technology, began with duPont as a machine operator and was elected president last year.

Opens London Branch

First Wisconsin National Bank of Milwaukee has been authorized by the Federal Reserve Board to open a branch office in London, England, according to Joseph W. Simpson, Jr., bank chairman. Mr. Simpson said that the office, which is expected to open in early 1969, is "a necessary step toward providing a full range of international banking services to our midwest clients and toward meeting their growing need for Eurodollar and other forms of non-resident financing."

Edward R. Ernst, Canadian banker with over 40 years experience in international banking, has been named by the bank to manage the office. First Wisconsin has had a representative office in London for several years.



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ACROSS *the* DESK from the Publisher

Dear Marvin L. Rye:

*Minnesota Commissioner of Banks,
St. Paul, Minnesota.*

"The real danger in the banking business today is that some authorities consider it an inevitable situation where national banks take over the entire banking scene."

This was the warning sounded by Phillip Hewes, president of the National Association of Supervisors of State Banks (and commissioner from Connecticut), at the District Two meeting of NASSB, which you hosted at Breezy Point Lodge near Brainerd, Minnesota.

Willis W. Alexander, Jr., vice president of the American Bankers Association, and president of the Trenton Trust Company, Trenton, Missouri, joined Mr. Hewes in warning the 250 delegates of the dangers to the dual banking system. He said:

"A booming economy, rising income, a more sophisticated consuming public and a dynamic free enterprise system are making tremendous demands on all financial institutions.

"State banking regulatory officials must establish a climate in which their banks can satisfy the changing financial needs of the public. If the states do not make certain that banking is able to respond in a sound, yet progressive manner, then the federal government will. And when it does, it may not be through the banking system at all!

"For the federal government has a distressing habit of organizing its own financial institutions, or of taking charge of the direction of financial matters whenever it feels that important economic and financial problems are not being solved by the existing structure."

It seems to us that executives of both state and national banks are equally disturbed at the tendency of the federal government to intrude ever more deeply into the banking business. Some of

these intrusions may have been desirable, but the accumulation of them over the past few years has become almost overwhelming. Perhaps we cannot reverse this trend—but, we can take steps to see that further intrusion will not be made without justification. On a local level, this can best be done by keeping in touch with your congressmen and state legislators.

At the same time, state supervisors must recognize the need for banks to enter new areas so as to properly serve the public's needs. Mr. Alexander warns that in the past there has been far too much "knee-jerk reaction"—to either stop what is happening or to copy it. With qualified commissioners like you, Mr. Rye, and some of your counterparts in surrounding states, we have confidence that Americans will continue to be best served by the dual banking system. "Knee-jerk reactions" will give way to a dynamic and progressive state banking system.

Dear Arthur E. Lindquist, Jr.:

*Secretary, Iowa Bankers Association,
Des Moines, Iowa.*

Over 25,000 people visited the display booth sponsored by the Iowa Bankers Association at the Iowa State Fair, and we feel that you and the Association should be commended for this outstanding effort to "sell" banking services to Iowans.

More than 70 Iowa bankers cooperated in taking turns manning the display during the 10 days of the State Fair. It was particularly gratifying to see members of the younger generation take an interest in the basic fundamentals of handling money through a bank at your animated display.

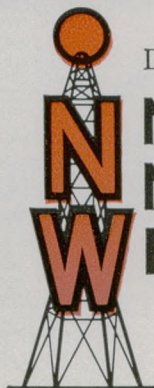
We hope that other bankers groups, on both a county and state level, will follow the lead of the Iowa Bankers Association in this progressive effort.

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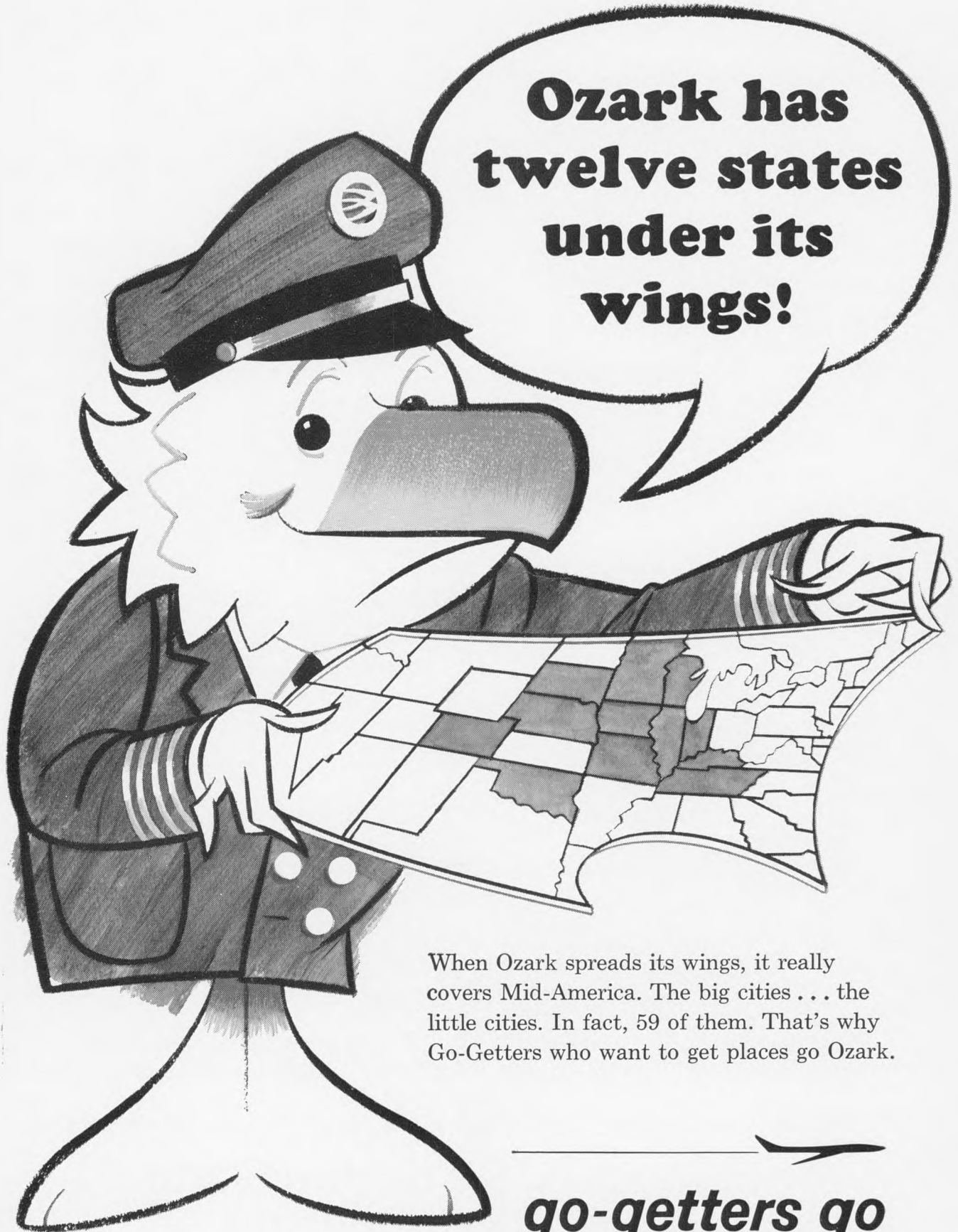
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DEPARTMENT OF BANKS AND BANKERS

**Northwestern
National
Bank of Minneapolis**

Northwestern Banker, September, 1968



When Ozark spreads its wings, it really covers Mid-America. The big cities . . . the little cities. In fact, 59 of them. That's why Go-Getters who want to get places go Ozark.

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 go-getters go
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 A I R L I N E S



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It's an important service to bankers. It helps you make loans to customers where you might normally have to turn them down. Experience has proven—for loans which may exceed your present guidelines, the CDC Plan is faster than a special board meeting! It's surer than correspondent bank assistance. The "Bankers Cooperative Program" is safer than raising loan limits . . . and smarter than saying "no" to a good customer.

Check these meaningful advantages:

- 1** You turn down fewer loans—you have more satisfied customers.
- 2** You make loans beyond the customer's loan limits without referral to another bank.
- 3** All financing is arranged through you. We handle all the details, report regularly to you.
- 4** Our people work with you, or your clients . . . if requested.
- 5** You get all the credit for arranging the excess financing—an extra measure of prestige for your bank.

Phone or write for the complete story on the CDC "Bankers Cooperative Program."



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For business on the grow.

Aubrey R. McPherson, Jr., president



Northwestern Banker, September, 1968

Offers Counseling by Computer

COMPUTER speed is being linked with financial counsel in a new capital planning service announced by Harris Trust and Savings Bank, Chicago. Bank officials say the service is one of several in a series of computerized financial consulting services Harris is developing.

According to Harris President William F. Murray, the capital planning service provides management with greater flexibility in determining capital needs over several years. An important part of the service is personal consultation with corporate financial officers to project sales and income for five years and to determine capital requirements.

Rather than project just one level—traditionally called the “best guess”—projections are also made for both high and low levels of sales and income. By using several projections, a range of possible capital needs can be produced and the effects of variations in sales and income can be seen by management. Thus requirements of a financing program can be assessed well in advance of a peril point, Mr. Murray added.

As part of the service Harris financial specialists review most historical

operating statements and balance sheets. Existence of trends is noted and compared with future forecasts. For each year, three estimates of future sales growth and three estimates of future profit margins are made. Two levels of asset requirement are determined.

Projected figures for sales, profits, and assets are used for computer computations to provide 18 different balance sheets for each of the next five years or a total of 90 possible balance sheets. From these calculations, Harris financial specialists work with management for interpretation of the projections and recommendations for handling capital needs.

Harris started development of the program one year ago. According to Mr. Murray, during the experimental period the bank found the program worked well with both large and medium size companies.

McKinney Elected Senior Officer by Irving Trust

George W. McKinney, Jr., has been elected senior vice president and head of the investment administration division of Irving Trust Company, New

York. Mr. McKinney was an officer of the Federal Reserve Bank of Richmond, Va., before coming to Irving Trust in 1960 as an assistant vice president and economist. He was elected vice president in 1961.

He is chairman of the Bank Management Committee of the American Bankers Association, and a member of the Advisory Council on Educational Policy at the Graduate School of Business Administration of New York University. He served as president of the National Association of Business Economists from 1965 to 1966 and was named a Fellow of that organization last year.

Mr. McKinney holds Master's and Doctor's degrees from the University of Virginia. He is a graduate of the Stonier Graduate School of Banking at Rutgers University, and serves on the faculty of that school.

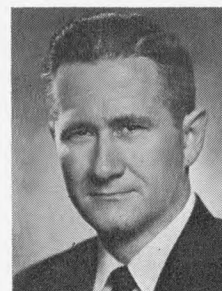
Named to Posts at Bank of America

Four senior vice presidents were recently named to serve on the advisory council of the board of directors at Bank of America. They are Joseph A. Carrera, Robert H. Fabian, Paul E. Sullivan and G. Robert Truex, Jr.


Mr. Carrera, responsible for administration of international activities, and Mr. Fabian, head of all the bank's legal activities, are headquartered in San Francisco. Mr. Sullivan, coordinator of Southern California activities of the bank, and Mr. Truex, head of the international banking in California, are located in Los Angeles. Mr. Truex was named recently as southern division senior credit executive.

The bank has also announced the election of Joseph Schmedding as senior vice president and senior trust officer of the bank's statewide trust department, headquartered in San Francisco. Mr. Schmedding, who joined the bank in 1947, has been head of the Northern California trust activities since 1963.

The bank's New York subsidiary, Bank of America, New York, has announced the recent election of Robert G. Mayer to the position of senior vice president. Mr. Mayer has charge of the administration of the bank. He has been with Bank of America since 1947 and with the New York bank since its formation in 1950.



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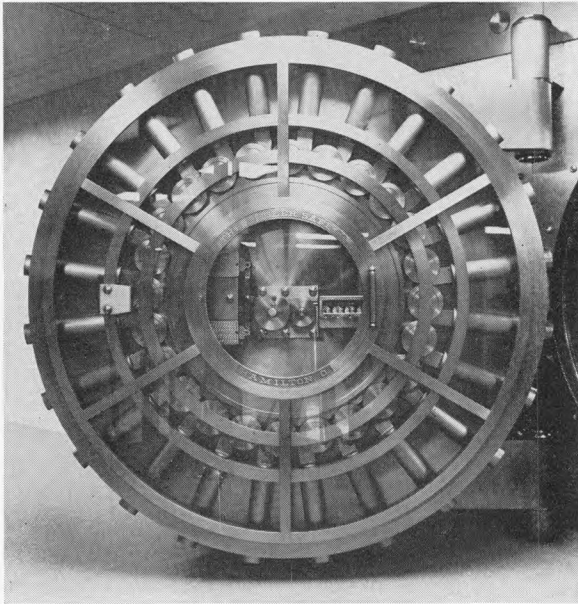
Because...the correspondent banker at the First is a thorough, systematic banker and business man. His firsthand knowledge and insight in many business fields, augmented by his extensive banking experience, mean the kind of correspondent banking service that is second to none.

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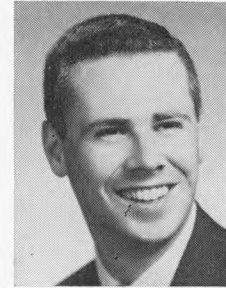
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LaMonte Division, Nutley, N.J.—Burlington, Iowa
George LaMonte & Son, Ltd., Canada

Three Senior V.P.s At Northern Trust

Three new senior vice presidents were elected August 20 by Northern Trust Company of Chicago. They are Charles H. Barrow, national group; James D. Hinchliff, Chicago metropolitan group, and Lynn H. Miller, administrative division.

Robert L. Lambert was elected vice president in the personal checking division of the banking department.



J. N. FIX

Also promoted in the banking department to second vice presidents were Phillip H. Boersma, Chicago group; John N. Fix, national group, and Ernest P. Waud III, international banking. Oliver E. Rose was named second vice president in the personnel department. Mr. Fix is well-known to bankers in upper Midwest states.

Named assistant cashiers in the banking department were Robert C. McCall and Leslie Southorn.

Directors also announced that the quarterly dividend rate on the 1.5 million shares of capital stock will be increased from 65 to 75 cents, payable October 1 to shareholders of record September 10.

1st of Chicago Elections

Four men were recently elected officers by The First National Bank of Chicago. Thomas A. Vaughan, formerly assistant cashier, was elected assistant vice president. Mr. Vaughan, who has been with the bank since 1963, is in the investment department. William D. Maloney was elected assistant vice president in the auditing department. He has been controller at the American National Bank and Trust Company of Rockford, Ill.

Theodore Wouk, who has been with the bank 45 years, was elected trust officer. John G. Day was elected assistant manager of the international banking department. Mr. Day will be the bank's Far East representative with an office in Tokyo, Japan.

Announcement was also made of the retirement of Orville H. Strong, assistant vice president in the trust department. He joined First National in 1923 in the bond department, and has been in the trust department for 35 years. He was elected trust officer in 1963 and assistant vice president in 1965.

What to do when a big farm loan problem crops up?



Call us.

From the start, you'll talk with a banker whose full-time job is working with banks in your part of the country. He speaks your language. This really helps.

Behind him are The First's farm credit specialists. Men with real farm backgrounds and years of experience in agricultural financing. It's their business to know the ins and outs of farm loans all over the country.

Together, you and these men

can handle any farm loan problem.

This is just one of many ways the correspondent bankers in Division F at The First can help. When we can help you, just dial Area Code 312 372-0408.

The First National Bank of Chicago



Member Federal Deposit Insurance Corporation

Northwestern Banker, September, 1968

SHREWD BUYERS AUTOMATE WITH AUTOMATIC COIN WRAPPERS



AUTOMATIC COIN WRAPPERS

- Precision made on special machines from finest quality materials.
- *Patented Red Bordered Windows automatically indicate the total amount and denomination of contents.
- Diameter of coin automatically positions value of contents in red window openings.
- Save time for tellers, buyers, stockkeepers and depositors. Eliminate errors.
- For years a favorite with leading banks and financial institutions.
- Wrap all coins from 1¢ to \$1.00 in following amounts:

50¢ in pennies	\$10 in quarters
\$2 in nickels	\$10 in halves
\$5 in dimes	\$20 in dollars
- Packed 1,000 to a box. Tapered edges. Available Imprinted. For details on other high quality "Steel-Strong" Coin Handling Products, call your dealer or send coupon.

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Morgan Management Revamped

Thomas S. Gates, chairman of Morgan Guaranty Trust Company of New York, announced last month that the bank's top management will be restructured. Mr. Gates said a five-member "corporate office" will be established to head the bank.

On January 1 Mr. Gates will become chairman of the executive committee and will be succeeded as chairman of the board and chief executive officer by John M. Meyer, Jr., now president of the bank. Ellmore C. Patterson, presently chairman of the executive committee, will become president.

Walter H. Page and Ralph F. Leach, both executive vice presidents, have been named vice chairmen of the board, effective September 1, and will join Mr. Gates, Mr. Meyer and Mr. Patterson as members of the five-man group heading the bank.

Dale E. Sharp, who has been a vice chairman of the board since 1962, will retire November 1 from that position. He will continue as a director. Lewis T. Preston has been elected executive vice president to succeed Mr. Page as head of the international banking division. He has been vice president and manager of Morgan Guaranty's London offices. Frank P. Smeal will succeed Mr. Leach as executive vice president and treasurer to head the government portfolio and bond division; Mr. Smeal has been senior vice president in charge of the bond division. Langdon P.



J. P. McGINNIS

Cook, vice president, will succeed him in that position.

John P. McGinnis was elected senior vice president. Mr. McGinnis, who has been vice president since 1961, heads the investment advisory group in the trusts and investments division. Also elected senior vice president was Alexander M. Vagliano. Mr. Vagliano has been chief executive officer of Banca Morgan Vonwiller in Milan, Italy, in which Morgan Guaranty holds majority ownership.

Elected vice presidents were John A. Scully, George W. Young, Gerald A. Fix, John E. Page, Regis E. Moxley and David S. Bennett.

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 ST. LOUIS, MO. **TRUST**
COMPANY MEMBER
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Northwestern Banker, September, 1968

does he... or doesn't he?



(Only smart feeders know for sure)

Does he subsidize his own bankruptcy? It's very possible, if he buys feed from a company which competes against him in the market place by raising turkeys, broilers, eggs or cattle. Some of the great feed companies do not compete against their customers. The O. A. Cooper Co. is one of them.

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The Carnation Co. (Albers Feeds)	YES	YES	YES	YES	YES	NO	YES
Central Soya Co. (Master Mix Feeds)	YES	YES	YES	NO	NO	NO	NO
The O. A. Cooper Co. (Cooper Feeds)	NO	NO	NO	NO	NO	NO	NO
Doughboy Industries, Inc. (Doughboy Feeds)	YES	YES	NO	NO	NO	NO	NO
Hubbard Milling Co. (Hubbard Feeds)	NO	YES	YES	NO	NO	NO	NO
International Milling Co. (Supersweet Feeds — Professional Feeds)	YES	YES	YES	NO	NO	NO	NO
Nebr. Cons. Mills — Nixon & Co. (Red Hat Feeds - Birdsey Feeds - Nixon Feeds)	YES	YES	YES	YES	YES	NO	NO
The Peavey Co. (P.V. Feeds)	NO	YES	NO	YES	NO	NO	NO
The Quaker Oats Co. (Ful-O-Pep Feeds)	YES	YES	NO	NO	NO	NO	NO
Ralston-Purina	YES	YES	YES	YES	NO	NO	YES
Swift & Co. (Swift Feeds)	YES	YES	NO	YES	NO	YES	NO



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Northwestern Banker, September, 1968

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Federal Reserve Bank of St. Louis



The Cattle Outlook

IN ITS annual survey of livestock bankers in feedlot and range areas of the upper midwest and mountain states on the topic "The Cattle Outlook," the NORTHWESTERN BANKER has learned that these experienced cattlemen expect the price of fat cattle to hold up at late summer levels until at least late in the year. The general consensus is that choice steer calves will remain strong at prices of \$30 and upward.

A major area of concern to all is the low price of contracts for new corn, priced from 87 cents to 95 cents per bushel in many places, with some experienced farm operators anticipating a possible drop in corn price below 80 cents per bushel.

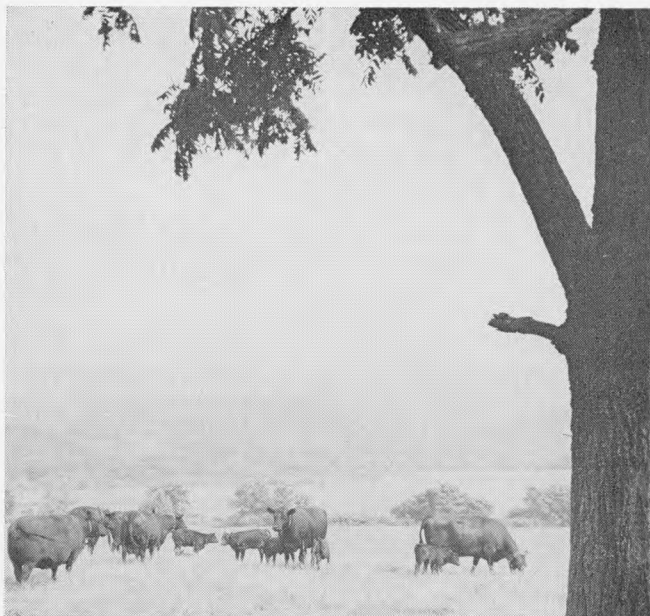
One respondent points out in his analysis of the outlook for cattle this fall that the old adage "cheap corn means cheap cattle" did not materialize in the past feeding season, but it remains a factor that is uppermost in the planning and thinking of cattle feeders. A number of bankers also note that the increased feeding of cattle has not visibly affected the fat cattle price yet because orderly marketing at lighter weights has continued.

Those who feed cheap grain to cattle to heavier weights could add substantially to slaughter tonnage very quickly.

The abundance of cheap grain apparently assures producers of a continuing strong demand for replacement cattle at prices holding up well with those paid a year ago by feeders. Spotty drouth conditions in range areas has affected prices in restricted locations, but generally it is reported that range conditions are good, ranchers have ample supply of feed and forage and are expecting to sell calves and replacement cattle at top prices. Early sales in late summer and contracts established in some locations substantiate these firm prices.

The replies received from the survey appear on the money supply for routine cattle loans is simple, although interest rates have inched up. They also anticipate that regular feedlot operators who continue their well established marketing programs will make money this year, although the profits are generally termed "fair."

The replies received from the survey appear on the following pages.



JOHN ROUZIE

President

The First National Bank
Bowman, North Dakota

WE HAVE had a rather dry season—very dry in April and May, perhaps three and one-half inches in June, and rather dry again in July and August. Harvest has started on the wheat crop—winter wheat is averaging 25 to 40 bushels, spring wheat 10 to 30 bushels; continuous cropping of corn ground having very poor yields. The barley and oat crop is poor to fair.

Loan demand is moderate, due to the fact that government subsidy checks were paid early. Pasture continues below average.

Cattlemen are expecting 400-pound range calves to bring \$30 to \$34, and yearling steers, \$27 to \$29. These prices are anticipated, provided the fat cattle market holds up to the \$28 to \$30 level.

There are few fat cattle in this area. The bulk of our steers sell early, at 750 to 900 pounds.

Good bred yearlings will again bring \$200 and above.

B. L. HAUENSTEIN

Vice President

First National Bank of Chicago
Chicago, Illinois

THE old adage of "cheap corn means cheap cattle" did not materialize during the past feeding season, as fed cattle prices have remained at a profitable level for over twelve months. In the months ahead, the question is "Will cheaper corn mean cheap cattle?" Again, this may not be necessarily true, but it is one factor cattle feeders will consider in planning their feeding operations for the year ahead.

Another near record corn crop is forecast, and the soybean crop will be a new record. Current contracts for new corn at local elevators is 87c a bushel and 95c at river points in Illinois. The soybean price will be at support level, less marketing costs at harvest time. This adds up to the lowest feed grain prices in nearly three decades and a near disaster for a lot of grain farmers.

The most recent report of cattle on feed insures an abundant supply of beef for the consumer. The major increases have occurred in California and Texas, and 12 percent of the increase is in the heifer class. This indicates the total tonnage of beef will not increase, in relation to the 7 percent increase in cattle on feed.

There has been a large increase in commercial feedlots, particularly in Texas, and to a lesser degree in the

central plains states. The pressure is great to keep these lots filled to capacity. Outside investors have more interest in feeding cattle, because of the profits in recent months. This will create a strong demand for feeder cattle this fall.

The current contracts are 30 to 34c for choice steer calves and 28 to 30c for heifer calves. Yearling steers are being contracted for 26 to 28c. A year ago, there was an opportunity to "lock-in" a profit by hedging cattle in the futures market. This opportunity for price insurance is very limited with present feeder prices, in relation to the cattle futures market.

The fat cattle market should stay near present levels until late in the year. Cattle feeders should expect some decline from present levels by December and this will probably carry over through the first quarter of next year. I would expect the decline to be \$2 to \$3 per hundredweight. Interest rates will be somewhat higher than a year ago, as bankers have increased rates to offset higher rates paid on savings and due to strong loan demand. There will be ample loan funds for the good cattle feeder. The successful cattle feeder will follow his normal program and should expect reasonable profits during the coming feeding season.

ARTHUR R. McCLASKEY

Assistant Vice President

First Stock Yards Bank
South St. Joseph, Missouri

THE July 1 cattle-on-feed report indicates that the number of cattle on feed was 7 percent larger than a year earlier. Most of the increase in number was in the group weighing less than 900 pounds and heifers again accounted for a large part of the increase.

Also, according to the July 1 report, feeders intend to market 5 percent more cattle in the third quarter of 1968 as compared to 1967. Weights could be an important factor. By feeding cattle to heavier weights due to the low cost of corn, cattle feeders could easily increase the beef supply sufficiently to add considerable downward pressure on prices.

Prospects are for the supply of fed cattle on markets to remain large. If demand stays strong, and weights do not run too heavy, prices will remain steady on fed cattle until early fall and then there will be a seasonal drop in the market in the fourth quarter, possibly as much as \$1.00 to \$1.50 per cwt.

At the present, I don't think replacement cattle prices will weaken, due to a strong demand and the prospects for a big feed supply. If fat cattle prices decline due to increased marketings in the fourth quarter, replacement cattle prices will probably all move a little lower.

D. R. STOTT

Executive Vice President

Shoshone-First National Bank
Cody, Wyoming

WE BELIEVE that the situation in our area with respect to producers is quite similar to the situation that existed last year at this time from the standpoint of range conditions and general feed and forage supplies. The carryover stock of feed and forage was somewhat better than we first anticipated a year ago, in that the winter was fairly open and cattle were able to range better and for a longer period than we had first thought. The supply of feed and forage will apparently be ample again this year. Range conditions have been better than average to very good in most areas, although the high range grass was somewhat shorter than last year because of the cool weather conditions earlier in the season.

We anticipate that the calves should come off the range with good weights, again somewhere in the 400 pound range or better. We anticipate that contract prices

for average weight steers will be in the 32c range, with somewhat lower prices, of course, for heavier weights.

To date, few of our producers have contracted. We believe that their attitude is that there is some good prospect for slightly higher prices either on later contracts or open market selling. Our producers have been caught in the increasing cost squeeze and as a consequence are hoping for and holding for somewhat higher prices than last year.

We have again advised our customers to test the market carefully in its early stages, keeping in mind, however, that with the probable marketing of slaughter cattle at somewhat higher average weights than usual, the market might tend to depress somewhat in the late winter and early spring period.

W. L. HAESEMEYER

President

Central State Bank
State Center, Iowa

FOR the past weeks we have been in close touch with reliable feeder cattle sources over an eight state area, and a fair number of our "repeat buyers" have contracted yearlings for current September 20th delivery. We find some yearlings available at prices identical with early prices last year. Steers 650 pounds to 750 pounds are priced and were bought at \$26 to \$26.25, heifer mates at \$24 to \$24.25, FOB western loading points, all strictly choice quality.

Calf prices are also quoted at figures comparable with last fall. Calves that we know, are now priced from \$31-\$33 per hundredweight on steers, heifer mates at \$27 to \$28.50, some areas a dollar higher. They are still in ample supply. With some chance of a lower fat cattle market in the October-November-December period, feeders for delivery then might best be bought later on.

The availability of diverted acres for grazing on September 1st, together with excellent corn crop prospects and lower cash prices, therefore, may combine to stimulate demand and run up prices on light cattle for current delivery.

We were 10 percent short of our five year average on feeders this year, but expect that the above-mentioned factors will cause our cattle men to fill up their lots again this fall.

Money will be available as usual, and our interest rate is unchanged.

With prospects for lower feed costs and no higher feeder prices, I am mildly optimistic for fair profits again next year for the efficient operator, who is also an informed buyer and a good salesman.

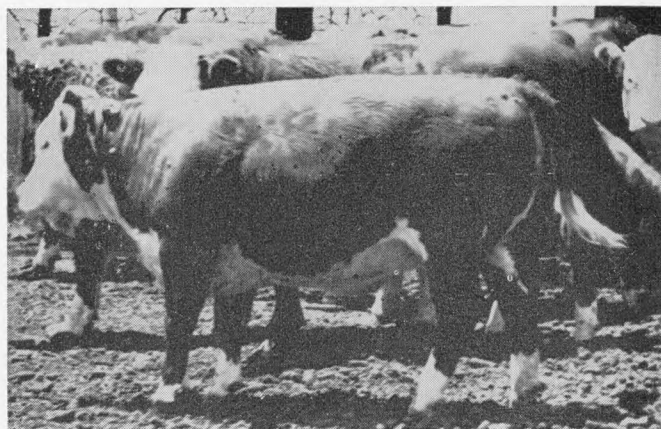
H. V. ROWENHORST

President

Northwestern State Bank
Orange City, Iowa

IT SEEMS that each year when we review the cattle outlook for the oncoming year, the banker has numerous reasons to be very cautious and, in some instances, rather pessimistic as to the profitability of the cattle feeder for the coming period. Certainly, 1968-69 is no exception when we consider increased cattle numbers, abundant feed supplies, high cost of money and general increased cost in the cattle feeding business.

In our opinion, it becomes increasingly important to develop a financial relationship with cattle feeders who are very definite about their exact costs as pertains to the manufacturing of beef. Cattle feeding operations are no longer a means of consuming roughage and some of the products grown on the individual farms but are becoming a highly mechanized, intricate manufacturing operation where management plays an ever important role. Certainly, as we look at replacements costs for cattle, they seem high in comparison to present fat cattle



prices and with projected fat cattle prices for the last half of 1969.

More important in our opinion are the efficiencies that can be used to reduce the cost of gains and increase the pound per day gain to enable the cattle feeder to market these cattle at a lower price if necessary and still maintain a profit. We would anticipate that with the consumer demand at an all time high, the first half of 1969 will show good cattle prices with fat cattle selling probably below the \$25 level in the last two quarters of 1969. This is based on the indication that there is an abundance of light calves on the range coming to market this fall and a rather limited number of yearling type cattle.

It becomes increasingly apparent that due to the size of the normal cattle feeding operation and the tremendous investments made to accommodate the increasing numbers, greater emphasis must be placed on cattle, money, and feed management, with somewhat less concern over replacement costs, hopefully looking for a time when we can systematically market cattle at lighter weights to maintain strong consumer demand.

C. W. MEANS

Senior Vice President

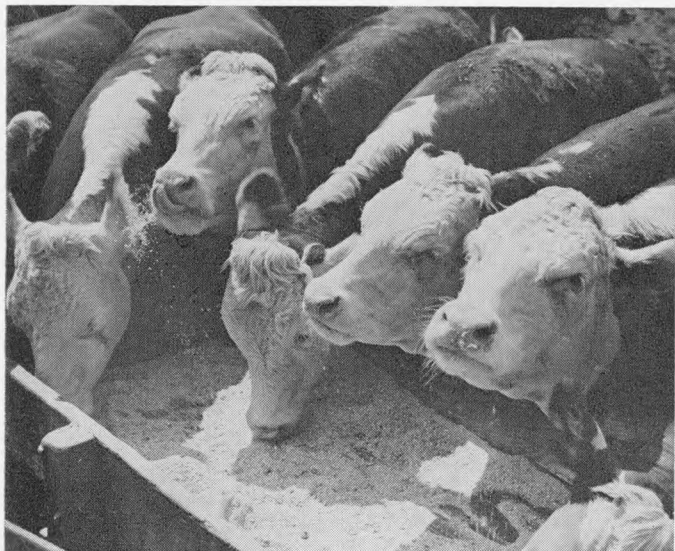
Stock Yards National Bank
Omaha, Nebraska

MOST cattle feeders have had good profits up through early August of this year. Most market men, however, feel that we are near or at the crest of fat cattle prices for this year. Most of our feeders are taking a long look at the price of feeder cattle as it exists today. Steer calves have been contracted in the range of \$32 to \$35 per cwt. with heifer calves at about \$2.00 per cwt. behind them. Yearling steers are being quoted at from \$26.00 to \$28.00 depending on quality and size. Yearling heifers show a spread of only about \$1.00 at \$26.00 to \$27.00 and 2-year-old steers are bringing from \$25.00 to \$26.50.

It is the feeling of most of our feeders that they have never known any year in which they had continuously good markets with decent profits for the whole twelve months and many of them seem to think the cattle feeder is apt to run into difficulty sometime later this year. The only problem is they do not know when. They feel that so far it has been a feeder's year but that the balance of the year might be the rancher's turn to make some profit.

For the most part, crops look good. There are a few spots where it has been awfully dry and some spots have been hailed out, but basically it looks like we will have a bumper crop in the cornbelt this fall. If this develops, we can expect cheaper feed than we had a year ago which will create a big demand for feeder cattle and we do not anticipate that feeder cattle will work lower this fall as they did a year ago.

Some feeders in our area have already pulled in their



horns and stopped replacing, feeling that they want to conserve the profits they have made and not lose them in the last few months of the year.

Creditwise, again it looks as though any deserving feeder will be able to finance his purchases, although he may not particularly like the interest rate that he has to pay.

LOREN ANDERSON
President
 Cherokee State Bank
 Cherokee, Iowa

THERE is no doubt that we will have strong feeder prices this fall with the cheap feed and the abundance of it. It will entice a lot of farmers, who did not feed last year, to be looking at cattle to market their corn.

This is not a lucrative situation for the so-called "in and outers." There has been some resistance to the prices, but the later it gets, the less likelihood of any price softening, as to the amount to be paid for cattle this fall rests on the eagerness of the "in and outers" to get in the cattle business this year.

Any way you look at the picture it is going to be expensive with a lot of built-in losses with the purchase. I do not think this past year's prices will be repeated next year, so the only solution is to get as cheap a gain as possible and a very economical operation. How to do this is a problem for each individual operator. Some have no choice, but to go light, and too many heavy cattle can put a drag on the market. Proper marketing will be the answer, but it will take a lot of will power for the feeders to move their cattle on a down market when they are fed to a marketing grade.

DAVID R. JOHNSON
Vice President
 Omaha National Bank
 Omaha, Nebraska

THE 1968 profits in the cattle business to date give all segments of the industry a ray of hope for better things to come. Although we cannot visualize the fat cattle market staying at the current levels, the supply and demand factors are running at such a close balance that it is difficult to predict a serious setback as was experienced in the 1962-1963 reversal. In the next six to eight months the average price of slaughter steers (Omaha basis) should not average under 25 cents per pound during any market week.

Feeder cattle may be a little scarce on the yearling order, with a large number of steers already moved into the feed yards and more heifers held for cow herd replacements. A record calf crop was produced again this

year, so calves should be in good supply. A number of local calf feeding areas are short on feed, which could temper the demand. We would expect a fall replacement market at lower than present prices, with the break to come in mid-October to mid-November.

Our greatest problem is outside of the beef industry, and that problem is one of having a strong national economy. Be prepared for a "rugged" wage and price freeze after the new President takes office.

Loanable funds will be more plentiful this fall as other segments of the economy begin to feel the slowdown. The cost of borrowing should be steady to possibly a shade lower except in historically low interest areas. Two old *rules of thumb* for this business come to mind, (1) the higher the market price goes on the up side the lower it goes on the down side, and (2) tall grass and bumper corn crops eventually result in cheap beef and pork.

GEORGE H. SPENCE
Agricultural Representative
 American National Bank & Trust Company
 Chicago, Illinois

CATTLEMEN have enjoyed a quite prosperous and successful year. At the present time, it looks as though this prosperity may continue for a while longer. In the territory in which I travel, I cannot see that the buildup in fat cattle will bring about a major break in the market in the very near future. However, I do believe that with killing weights and publication of the "Government on Feed Report," 1968 prices have probably peaked.

As the new cattle crop begins to reach market finish in mid-October to mid-November, we may see a break in our fat cattle prices. However, with orderly marketing and a continuation of the policy of selling cattle when they have reached finish at lighter weights, I do not believe this will be a break of major proportions. The possibility is \$1.50 to \$2 per hundredweight for the balance of 1968, as I see it.

Next year is a different question: given the general state of our economy and the fact of upcoming elections, I don't believe anyone can accurately project for the first half of 1969.

Replacement cattle present an entirely different outlook. At the present time, demand tends to exceed the supply. Also, the numbers shown in our last government report would appear to be more in the hands of the commercial feedlots than in the hands of farmer-feeders; many of the farmer-feeders in the territory I travel are low on inventory of cattle.

This, together with this year's abundant crops, will lead to a good demand by the farmer-feeder for calves and light yearling cattle to utilize this abundance of grain. The supply of feed has seldom been greater; there are very few drouth spots in the cornbelt, and a large section of this area can look forward to a bumper harvest. With today's present grain prices and another bumper crop practically assured, it seems impossible to expect anything but lower feed costs in the coming year.

I believe all these factors will contribute to and support a higher price for feeder cattle throughout the fall months, and especially calves and light yearling cattle that will work in a farming program utilizing roughage and silage for cheap gains.

There are three factors, however, which may give us problems:

- (1) The old axiom that a year of abundance of feed and low feed costs seldom proves to be a good cattle or hog year holds quite true in nine years out of ten.
- (2) It is very, very seldom that one exceptionally good cattle year follows another.
- (3) Our greatest concern is the general economy: Just

how top-heavy is it? How much impact is the 10 percent surtax going to have on the laboring man's take-home pay, and how will it affect his eating habits? These questions, I believe, are unanswerable at the present time. Also, in our general economy picture is a lot of talk and rumor of a post-election tough wage and price freeze. This would naturally have a great effect on our cattle prices in 1969.

M. G. FABRICIUS
Vice President
Osage Farmers National Bank
Osage, Iowa

EACH year seems to put increasing pressure on the cattle feeders to get feeders bought at a price that they can show a profit. Growth of cattle feed-lots throughout the cattle feeding area, plus cheap feed, looks like the stage is set for high replacement costs this fall. We are fortunate in having beef as a favorite in the meat trade and hope we can keep consumption at its present level.

It looks like the main corn belt has crop prospects above average in yields for corn and soybeans. We have had an abundance of rain and corn prospects have probably never looked any better in our area.

The supply of capital to finance the feeder cattle this fall looks adequate. The cost of money is high and prospects for any change aren't apparent at this time. Banks are paying a high interest rate on time money, and need the high interest rates on loans to cover their operating costs.

Good established cattle feeders will have sufficient credit, but inexperienced feeders with small equities could have more trouble financing at the higher cost of replacement cattle. Light weight feeder cattle would be easier for the feeder with light equity in his business to get financed by banks and other lending agencies.

ROBERT J. NORRISH
Assistant Cashier
Central National Bank in Chicago
Chicago, Illinois

BEEF will be in somewhat greater supply this fall, as confirmed by the July 1 cattle on feed report. It indicated feeders were finishing 9,304,000 cattle for market—7 percent more than last year. Of this total, marketing of steers in the 700 to 900 pound weight group at the time of the report was 8 percent more than in 1967. It is this weight group of the total which will be moving to market from September to November which will most influence price levels immediately ahead.

Of critical importance during this period will be the slaughter weights of the cattle to be marketed. Orderly marketing of fed cattle as they reached the desired degree of finish for their grade has greatly contributed to the strength in prices we have experienced so far this year. Looking ahead, another favorable factor is that approximately 14 percent more heifers are included in the numbers to be marketed from September to November. Less total tonnage can be expected since heifers are usually marketed at weights averaging about 200 pounds less than steers.

Should this moderate market weight trend continue, prices for choice steers should average in the \$26 to \$28 range for the remainder of 1968, despite the indicated larger supplies. Unlike 1967, should market weights of slaughter cattle increase this fall, burdensome supplies of beef could result in a deterioration of price levels to around \$26.50.

Of favorable comment is the expectation that hog slaughter numbers during the last three months of the year should be slightly less than in 1967, and consumer demand is expected to continue strong into next year.



Feed supplies again this year are expected to be near record with government reports estimating the total corn supply to be around 5,650 million bushels. With feed supplies from spotted to generally good in the cattle producing states, and excellent throughout the Corn Belt, a brisk feeder cattle demand and strong price levels will probably prevail. Weights are expected to be normal or slightly lighter, due to dry conditions existing earlier in the year in a number of areas of the West.

Should the fed cattle market continue to maintain current levels, into the fall, I believe we can expect a strong demand for loans throughout the Corn Belt. Prices for choice feeder calves will probably average \$29 to \$31, with some fancy offerings somewhat higher. Yearlings should average \$26 to \$28. Should the fed cattle market develop weakness, a softening of the feeder cattle price level could be a possibility.

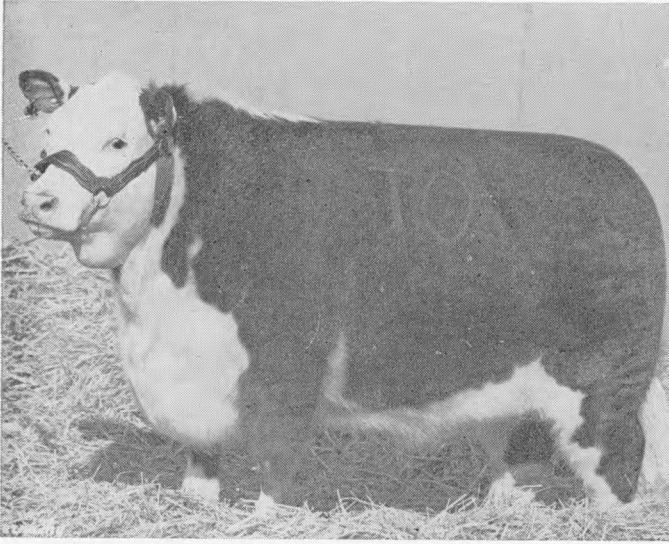
Again this year, margins in cattle feeding will remain narrow, suggesting that when the price relationship between cash cattle and live cattle futures produces a profit cattle feeders should consider hedging their purchases. While it is recognized that there have not been many opportunities to hedge cattle purchases profitably this past season, looking ahead, cattle feeders should avail themselves of this means to lock in a profit.

LARRY LUNSFORD
Manager
Sandhills Cattle Association
Valentine, Nebraska

THE majority of the Sandhills have been blessed with another good year moisturewise. The major exception is in the eastern area from around Bassett on through the O'Neill, Ewing areas. Native hay yields have been reportedly running from 50 percent below last year's to normal in the areas of good rainfall. Some of the dry pocket areas in the eastern part report very limited supplies.

Most of the Sandhills experienced very cool weather this past spring, with a fairly hard freeze as late as May 8, this accounting for the lighter hay yields. A severe late spring blizzard hit most of the western portion of the Sandhills, causing considerable losses of spring calves, yearlings and some cow losses. Varying accounts of the total number lost were reported, although it does not

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appear that the total supply will be smaller than in past years.

We have had good rains this past weekend and off-and-on this week (Aug. 12-17); it appears that it may have come too late to help the eastern sections. Cattle movement in this area has started earlier than usual. Movement is normal throughout the western parts of the "Hills." Most of the trading has been throughout the local markets with the normal amount of contracts, mostly on yearling heifers for late August and September delivery. It will probably be another month before yearling steers start to move.

At the present time yearling heifers and steers and 2-year-old steers are in good demand. Light weight fall calves are also in heavy demand. I look for the demand for the heavier cattle to drop off rapidly and the lighter weight cattle to be in the spotlight most of the fall.

It is hard at the present time to say what effect the dry areas and light hay crop is going to have on the supply of stocker and feeder cattle. It would appear that spring calves for fall delivery may be greater in number than in past years. Also, the supplies of breeding cattle for sale may be heavier than normal.

At present, there are no emergency needs for credit. I do not foresee any big money problems for the ranchers in obtaining operating capital, although the higher interest rates will be one of the regulating forces, especially for the smaller operators. Interest rates are averaging 7 to 8 percent.

I have a guarded air of optimism in looking ahead to the fall marketing season. Although the total number of cattle on feed may be up somewhat from a year ago, it appears the total beef out-put is not likely to increase too much. It would seem that the slaughter of cows and non-fed cattle will probably be less than last year and, with the larger number of heifers on feed, the total weights of fed cattle may be less. Also, if movement of finished steers continues at lower weights this will help keep the total supply in line with demand. Considering the many factors that can affect the market in the coming months, I still look for a fairly strong fat cattle market.

The way things look now, prices on the average this fall will probably be:

Two-year-old steers	\$25.50-\$27.50
Yearling steers	\$26.50-\$29.00
(Light weight steers in heavy demand)	
Yearling heifers	\$25.00-\$27.50

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(Good demand)

Steer calves (Heavy demand) ..\$32.00-\$36.00

Heifer calves (Heavy demand) ..\$27.50-\$31.00

The final verdict on the prices will be made by the buyers.

EVERETT P. BROWN

Assistant Cashier

The United States National Bank of Omaha
Omaha, Nebraska

CATTLE feeders are optimists "as usual" and with some basis for their belief. Actually, in 1968 this carries forward to both the ranchers and the feeders.

Range conditions have been good most of the summer. Parts of the eastern sandhills area are presently a little dry, but Wyoming and western Nebraska still retain good cover. (As good as last year at this time.) Considering normal conditions carry through the fall, the rancher stands in a relatively good bargaining position.

Contracts have not been plentiful. There was some activity late last spring, calling for fall calves to be delivered in July and some spring calves to be delivered October 15. Most of these contracts were in the \$30 range for steers and \$26 for heifers. We felt the prices at that time were mutually satisfactory to both parties, provided the weights were adjustable. It is interesting to review the price pattern for calves, as they are following the 1967 pattern, at about \$1.25/cwt higher.

The first six months here on the Omaha market, 400 lb. choice steer calves averaged \$29.45, as compared to \$28.64 for the same period in 1967. It certainly appears that steer calves purchased this fall will exceed this price, as we look for \$30 steer calves weighing from 425 lbs. to 450 lbs.

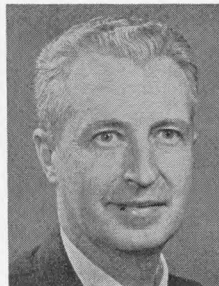
The supply of feeder calves will certainly be adequate, as there was another small increase in spring calves dropped. We can look for part of this increase to be retained for herd replacements and possible expansions. As long as prices retain their strength, this trend will continue and will not affect prices this fall as demand for beef continues to be impressive.

Fed cattle numbers are being marketed in greater numbers than in 1967 and at a higher price. Here in Omaha, the excessive volume has not been noticed as prices are favorable. A sprinkling of prime cattle at \$30 has been consummated with choice steers averaging \$27.33 in July. Here again we must look to the demand side for our support. As long as the "demand" for beef is working for the cattle feeder, we can expect more stability than depending on a cutback in supply, for a strong market (\$25.50 to \$27.00) is expected to carry well into fall.

Some publications have indicated heavier weights over a year ago. This is not the case in the Omaha area as the weights have been consistently lower than last year, for the first six months. Imports are increasing and the caution flag could show; however, if they do not become excessive, weights will influence our prices more than any other factor.

For the cattle feeder in the middle west, feed supplies will be plentiful, realizing, of course, isolated cases of crop shortages in parts of western Iowa and northeastern Nebraska. Grain prices are certainly geared for the heavy users. Corn prices have not come close to the 1967 level and show an extremely favorable relationship between that and fed cattle. We can expect our farm customers to be pushing for the purchase of calves, even at higher prices. Current production, as well as carry over for corn, milo, beans and barley, is considerably more than adequate to stimulate any large increase in grain prices this fall.

Factors That Affect Prices of Bank Stocks Today



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

THE recent spectacular buying and selling activity on the major security exchanges has resulted in new highs in trading volume. It has also forced the "big board" to curtail the time allocated for security trading so that the "backroom" operations of brokerage firms can catch up on their backlog of work.

While only a handful of bank stocks are traded on exchanges, they and their over-the-counter cousins are attracting today increased investor interest. Some financial analysts believe the interest is simply a result of the fact that the prices of so many other industrial groups have been run up. Thus, by comparison, many bank stocks today look attractive on a price times earnings basis.

Two Prices for Small Banks

There is a danger in over-simplification as to what motivates stockholders to buy or sell and how they capitalize the future prospects of a company. This column will not provide answers to such questions. It will strive, however, to raise some pertinent points for thoughtful consideration.

The price of a small bank's stock has been akin to the two-tier price system of gold. That is, one price, generally a premium, averaging 30 per cent over and at times even higher of adjusted book value of a bank's stock is paid for a controlling interest in a small bank. The other tier price, paid to minority stockholders of small banks is lower, often substantially lower. The market is very thin and spotty. Quotations are hard to come by. Often it is the executive officer of the bank who "makes" the market by advising the minority stockholder of the price at which the "last" sale of stock was consummated. This, in effect, becomes the "offer" and since the stockholder is known and thus presumed interested in selling, it is likely, if the dividend paid on the bank stock has not recently

changed, that the previous transaction is accepted as the standard of value for selling the stock.

Holding Company Approach

Recently, in those states where the holding company device has been given the green light by state and federal supervisory agencies, there have been spectacular variations upward in the prices of small bank stock. The offers are predicated upon "control" but tenders also are extended at premium prices to minority stockholders as well as majority interests.

Apparently, it is the belief of those extending such offers that substantially higher profit performance can be anticipated from banks in the holding company than if it performed as a unit bank. Whether some of the high premiums and future capitalizations are justified becomes a matter of some serious conjecture.

In the case of larger banks there does exist somewhat less than adequate over-the-counter markets. In these markets it is hard to gauge the extent of an over-the-counter dealer position and the volume of floating supply.

"Insider" Stock Trading

The periodic release by the Federal Reserve Board of "insider" stock trading; that is, by officers, major stockholders, and directors of covered banks, is informative and should give the interested individual additional insight as to the apparent reasons an insider is buying or selling his bank's stock. The majority of banks, however, are not covered by the "insider" regulations.

Prices of the largest bank's stock display some fascinating features which reflect market appraisal of future expectations. The range of price/earnings is substantial. The range appears to have geographic overtones. For example, the southern banks, Citizens and Southern, and the Wachovia Bank and Trust Com-

pany (at the time this is being written) respectively are selling at 20.5 and 18.9 times earnings while Shawmut Association of Boston and First National of Boston sell at p/e ratios of 10 and 12.6. The big midwestern giants, Continental Illinois with a 12.1 p/e ratio and the First National of Chicago with an 11.5 p/e ratio, still appear to share the adverse implications of the start-up costs of their entry into credit cards.

S & H Purchase Offer

Several esoteric developments have affected prices of bank shares and call for increasing study on the part of bankers. For example, on July 3, 1968, Sperry and Hutchinson Company, a trading stamp company, made a \$27 million offer of stock to obtain control of the National Bank of Connecticut. National Bank of Connecticut has 33 branches in 19 communities. Sperry and Hutchinson is a conglomerate as well as a trading stamp company. It owns over 95 per cent of the stock of Bigelow-Stanford, Inc., a carpet manufacturer. There is a financial magic in such tenders. Remember the p/e ratios of the afore mentioned eastern banks? When such earnings are "taken into" conglomerates' consolidated statement they are typically capitalized at a higher p/e ratio. The "under capitalized" bank earnings are "mixed" upward with the higher p/e structure of the conglomerate and this provides a probability that the price of the conglomerate stock will rise.

In another way, S & H is an interesting company to academic theoreticians in money and banking. The conventional definition (M_1) of "money" has spread from simply currency and demand deposits to include time deposits, S & L shares, etc. (M_{2-4}). If one accepts a "broad" (M_5) definition to include "any generally acceptable

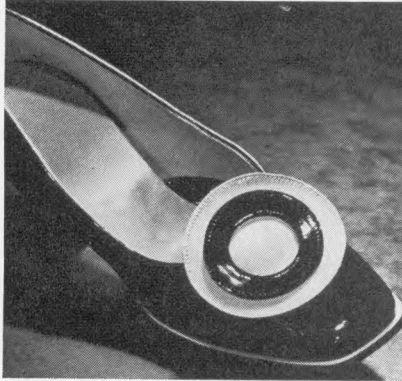
BANK STOCK PRICES . . .

(Turn to page 52, please)

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CUT OUT FOR CHICAGO IN SEPTEMBER

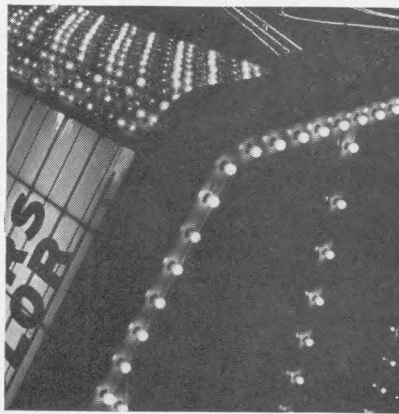
Here's a sampling of September's Chicago . . . a big, busy city we've been growing in—and helping to grow—for over 86 years. We hope you'll find it every bit as exciting and fascinating as we know it is!



You'll find shopping at its best in Chicago, with State Street's department stores, Michigan Avenue's boutiques, Old Town's specialty shops and antique row on Wells Street.



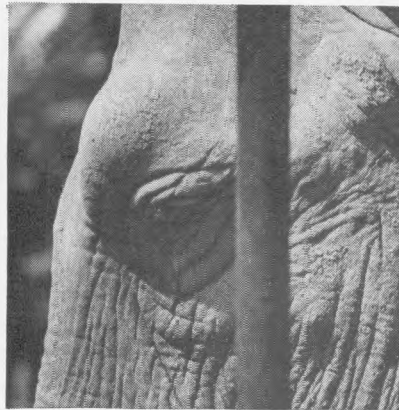
Chicago's long been known as a city of fine restaurants . . . with culinary specialties ranging from the sublime to the very special. And you can enjoy your fare in rooftop splendor—or intimate spots where the service and the solitude are especially relaxing!



Visit any of a score of intimate productions that make theater-going in Chicago a must!

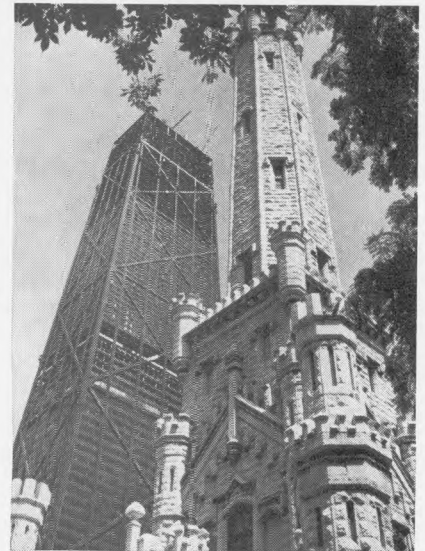


Two of the world's finest museums are just a short cab-ride away: The Field Museum of Natural History and The Museum of Science and Industry. Or gaze at the stars in Chicago's world-famous Adler Planetarium, or visit the Art Institute (famous for its collection of French Impressionists and Thorne Miniature Rooms).



A park-like setting hundreds of acres wide makes Brookfield Zoo one of the biggest—and best. Or stroll through the Lincoln Park Zoo's menagerie, just outside the Loop.

For after-dark entertainment, head for Chicago's Rush Street. More than a mile of nationally-known nightclubs and restaurants are there . . . each offering the entertainment of night-life's greatest stars. And don't miss Old Town—a quaint district of coffeehouses, pubs, and intimate night spots.



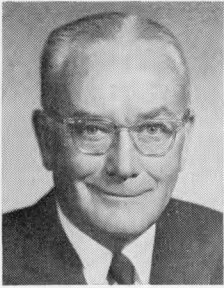
And if you'd like a personally conducted tour of our city's sights, do it aboard one of the many sightseeing boats that anchor in our downtown river, weather permitting . . . or take advantage of a reasonably-priced bus tour.

We've only space for a few of the many sights and sounds our city has to offer. We hope you'll try to find the time in your busy ABA schedule to include them . . . and to enjoy Chicago as much as we do!

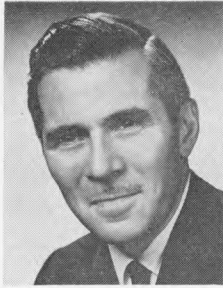
HARRIS Trust and Savings **BANK** 

111 West Monroe Street, Chicago, Illinois 60690

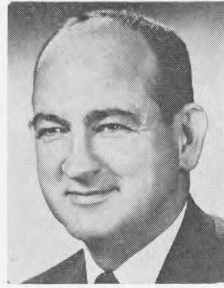
Organized as N. W. Harris & Co. 1882, Incorporated 1907 • Member Federal Deposit Insurance Corporation • Federal Reserve System



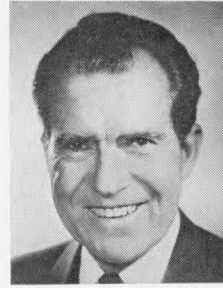
H. J. LAERI



W. W. ALEXANDER



C. E. WALKER



R. M. NIXON



H. H. HUMPHREY

Nixon and Humphrey Invited to Address ABA Convention

Chicago Is Site for 94th Annual Convention, September 29-October 2

THE presidential nominees of the two major political parties—Republican Richard M. Nixon and Democrat Hubert H. Humphrey—have been invited to address general sessions of the 94th annual convention of the American Bankers Association in Chicago this month, it was announced by J. Howard Laeri, ABA president.

Mr. Laeri, who is vice chairman of the First National City Bank of New York, also announced other details of the convention, which will be headquartered at Conrad Hilton Hotel.

No confirmation had been received at press time from either nominee of acceptance of the invitation, although it was strongly felt both would be in attendance to address the nation's bankers. Mr. Nixon has been invited to speak at the first general session on Tuesday, October 1. Mr. Humphrey has been invited to address the second general session on Wednesday, October 2.

One of the final orders of business at the recent second and concluding general session on Wednesday, October 2, will be the inauguration of new officers for the 1968-69 association year. Serving as vice president of the ABA the past year and scheduled to succeed Mr. Laeri as president is Willis W. Alexander, Jr., president, Trenton Trust Company, Trenton, Mo. Treasurer is Paul I. Wren, president, Old Colony Trust Company, Boston.

Other speakers at the general session on Tuesday will include Mr. Laeri and Dr. Charles E. Walker, executive vice president of the ABA.

Also speaking on Wednesday will be Andrew Heiskell, chairman of the board of *Time Inc.*, and co-chairman of The Urban Coalition. His subject will be "Business and the Urban Crisis."

MONDAY, SEPTEMBER 30

The four divisions of the ABA will meet on Monday, September 30, and each will elect new officers.

National Banks

William B. Camp, Comptroller of the Currency, and U. S. Representative William B. Widnall from New Jersey, will address the National Bank Division in the Grand Ballroom. Presiding will be Seward D. Schooler, president of the division and president, Coshocton National Bank, Coshocton, Ohio.

Savings Division

Speaking before the Savings Division, which will meet at 9:30 in the Grand Ballroom, will be Harry R. Mitiguy, vice president of the Federal Reserve Bank of Boston, and Dr. Donald H. McKinley, associate dean and professor of banking at Pennsylvania State University. Archie W. McLean, president of the division and president, The Planters National Bank and Trust Company, Rocky Mount, N. C., will preside.

State Banks

The State Bank Division, meeting at 9:30 a.m. in the Continental Room, will hear three speakers: J. L. Robertson, vice chairman of the Board of Governors of the Federal Reserve System, Washington, D. C.; Frank Wille, superintendent of banks, New York, and Professor Charles M. Williams, Harvard Graduate School of Business Administration, Boston. Offering remarks will be Philip Hewes, president of the National Association of Supervisors of State Banks and bank commissioner of Connecticut. Russell A. Blanchard, division president and first vice president, Georgia Railroad Bank & Trust Company, Augusta, will preside.

Trust Division

The Trust Division will meet at 9:30 a.m. in Private Dining Room No. 2. Chalkley J. Hambleton, senior vice president, Harris Trust and Savings Bank, Chicago, and president, Trust Division of the Illinois Bankers Association, will give a report on trust advertising competition. Offering greetings will be Howard J. Johnson, executive vice president of American National Bank and Trust Company of Chicago, and president, Corporate Fiduciaries Association of Chicago. Presiding will be Cecil P. Bronston, division president and vice president, Continental Illinois National Bank and Trust Company, Chicago.

TUESDAY, OCTOBER 1

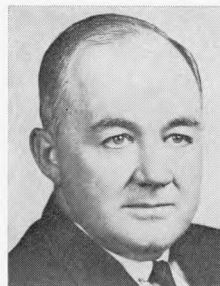
Advance programs for the workshops, which have been increased from three to five, show that they will be held concurrently beginning at 2:00 p.m. on Tuesday, October 1. Subject areas include economic education, agricultural credit, bank management, state and federal legislation and competition in banking. (To next page)



R. A. BLANCHARD



S. D. SCHOOLER



A. W. McCLEAN



C. P. BRONSTON

Workshop on Economic Education

"The Importance of Economic Understanding in a Democracy"—Allen Morgan, chairman, Board of Trustees, A.B.A. Foundation for Education in Economics; president, chief executive officer, First National Bank, Memphis.

"How Much Does the Average American Learn About Economic Principles?"—Vernon Alden, president, Ohio University.

"What Programs Are Now in Operation to Improve the Teaching of Economics?"—M. L. Frankel, moderator, president, The Joint Council on Economic Education, New York.

Panelists:

Dr. Darrel R. Lewis, executive director, Minnesota Council on Economic Education.

Dr. Donald M. Clark, director, Center on Economic Education, Buffalo State College, New York.

Dr. Suzanne Wiggins, economic consultant, Contra-Costa Public Schools; director, Center on Economic Education, San Jose State College.

"What Can Bankers Do to Help Improve Economic Education?" — Louis B. Lundborg, chairman, Bank of America N.T. & S.A., member, Board of Trustees, Foundation for Education in Economics.

Workshop on Agricultural Credit

"Credit Power for Agriculture"—Theodore D. Brown, moderator, chairman, Agricultural Committee A.B.A.; president, The Security State Bank, Sterling, Colo.

Panel Members:

Dr. L. L. Boger, chairman, Department of Agricultural Economics, Michigan State University, East Lansing.

Robert E. Hamilton, senior vice president, Central National Bank, Chicago.

Monroe Kimbrel, president, Federal Reserve Bank of Atlanta.

Edward M. Norman, president, The First National Bank, Clarksville, Tenn.

Workshop on Bank Management

"Bank Decision Making—Today and Tomorrow"—Chief Executive Officer Richard D. Hill, president, First National Bank of Boston.

Loan Officer—Harold J. Still, Jr., president, Central-Penn National Bank, Philadelphia.

Investment Officer—Edward R. McMillan, senior vice president, National Bank of Commerce, Seattle.

Comptroller—E. T. Shipley, comptroller, Wachovia Bank and Trust Company, Winston-Salem, N. C.

Marketing Officer—Edward C. Boldt, senior vice president, Director of Marketing, First National Bank, Memphis.

Outside Board Member—Arthur Jacobsen, treasurer, J. C. Penney Company, Inc., New York City.

Workshop on State and Federal Legislation

Lewellyn A. Jennings, chairman and moderator; chairman, Federal Legislative Committee, A.B.A.; chairman of board, Riggs National Bank, Washington, D. C.

"Financial Legislation in the 91st Congress"—John W. Holton, Federal Legislative Counsel, A.B.A.

"Uniform Consumer Credit Code"—Panelists to be announced.

Workshop on Competition and Monopoly in Banking

Wesley Lindow, chairman, executive vice president, Irving Trust Company, New York City.

"Market Structure, Public Convenience and the Regulation of Bank Mergers"—Hon. Andrew F. Brimmer, Board of Governors, Federal Reserve System.

"The New C's of Credit: Conglomerate, Congenerics, and the Clayton Act"—Gerald Fischer, professor, Temple University School of Business Administration, Philadelphia.

Panelists:

Charles F. Haywood, Dean, College of Business and Economics, University of Kentucky, Lexington.

Merlyn N. Trued, senior vice president, Central National Bank, Cleveland.

Rex J. Morthland, president, Peoples Bank and Trust Company, Selma, Ala.

Entertainment

"Up With People," a vocal and instrumental musical presentation, will occupy the traditional Tuesday evening entertainment and is scheduled for the International Ballroom of the Conrad Hilton Hotel.

"Up With People" is a troupe of 200 young men and women who present a musical program planned as an affirmation of American ideals. An outgrowth of the Moral ReArmament movement, "Up With People" tours the country, singing at conventions, colleges and military bases. They have also performed on network television and toured in foreign countries.

Other convention entertainment features will include the traditional ladies' luncheon and a reception for all registrants.

Foundation Meeting

Nationally syndicated humorous newspaper columnist Art Buchwald will speak at the annual meeting of the Foundation for Commercial Banks on Saturday, September 28, at the Conrad Hilton Hotel in Chicago, Richard B. Beal, Foundation executive vice president, announced.

Mr. Buchwald will comment on national politics and the Presidential election at the Foundation's fifth annual event.

The Foundation, which is celebrating its 10th anniversary this year, will also present a report on its current \$2.5 million national advertising and promotion program at the meeting.



These are the people of the Ruston State Bank & Trust Company of Ruston, Louisiana

This is
"their office" in
New York



You'll see Louisiana Tech students and a representative of the lumber industry with the Ruston bankers above. Both are important to the Ruston State Bank & Trust Company—the bank that gets things done in this community. And, to get things done in New York or throughout the world, the people of the Ruston State Bank rely on their correspondent relationship with Citibank. It's their New York "office" for a broad range of banking and related services.

If you'd like to get things started with Citibank, write our Correspondent Bank Department. Or call 212-559-4832.

FIRST NATIONAL CITY BANK

Member Federal Deposit Insurance Corporation



Northwestern Banker, September, 1968

Your Hosts in Chicago

CHIEF executive officers and representatives of the correspondent bank departments of Chicago banks will be hosts to the more than 10,000 bankers and wives who are expected to attend the 94th annual convention of

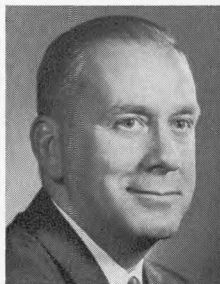
the ABA, September 29 through October 2.

The men from Chicago's nine major correspondent banks who serve bankers in upper midwest and mountain states are pictured on the following three pages.

Continental Illinois National



DISCUSSING staff plans with **Tilden Cummings** (seated), pres. of Continental Illinois National B&T, concerning their bank's role as a host at the ABA convention are (left to right): **Lawrence H. Frowick**, v.p.; **Robert C. Suhr**, sr. v.p., natl. division, and **William H. Grove**, v.p. Mr. Frowick and Mr. Grove are in Group E of the natl. division, which is headed by **Richard C. Rastetter**, v.p. A member of Group G of the same division is **James P. Johnson**, v.p. These two Groups serve banks in the NORTHWESTERN BANKER area.



R. C. RASTETTER



J. P. JOHNSON

LaSalle National Bank

AMONG the LaSalle National officers who will greet ABA guests are: **Harold Meidell**, chmn.; **Milton F. Darr, Jr.**, pres.; **C. Ronald Fairs**, sr. v.p., bond dept.; **Max L. Baughman**, sr. v.p., internatl. dept, and **Cyrus D. Kirk** and **Max Roy**, v.p.'s in the correspondent group.



H. MEIDELL



M. F. DARR, JR.



C. R. FAIRS



M. L. BAUGHMAN



C. D. KIRK



M. ROY

Northwestern Banker, September, 1968

for ABA

Northern Trust Company

REPRESENTING Northern Trust at the ABA convention will be these officers who serve correspondent bank customers. They are: **Douglas R. Fuller**, pres.; **Robert E. Hunt**, exec. v.p.; **Robert P. Kline**, and **Don W. Hummel**, v.p.'s; **John N. Fix**, 2nd v.p.; **Stephen White**, a.e., and **Thomas W. Walvoord**, div. asst.



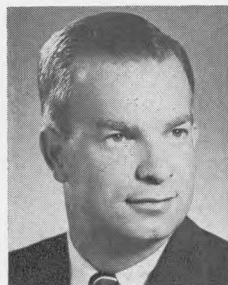
D. R. FULLER



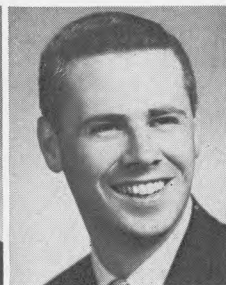
R. E. HUNT



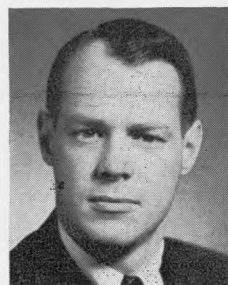
R. P. KLINE



D. W. HUMMEL



J. N. FIX

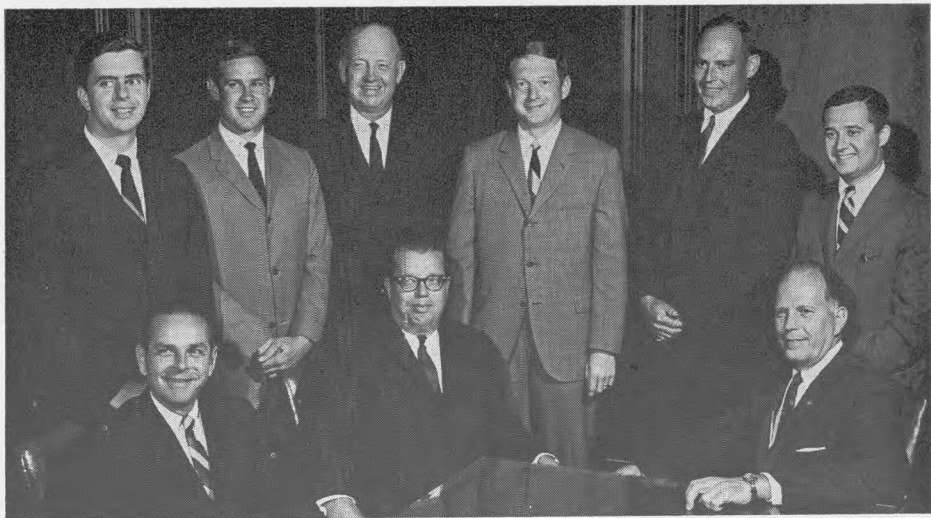


S. B. WHITE

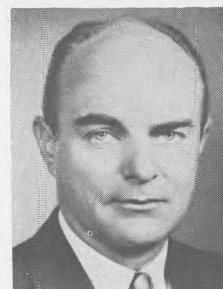


T. W. WALVOORD

American National Bank & Trust



THE TEAM of correspondent bank officers of American National are shown here with two senior officers of the bank. Seated, left to right, are: **John H. Baldauf**, v.p., and head of the correspondent bank division; **William O. Kurtz, Jr.**, now sr. v.p. and former head of the department, and **Allen P. Stults**, pres., whose appointment by the board as chief executive officer was announced last month. Standing are, left to right, **William J. Davis**, a.v.p.; **Douglas C. Mills**, a.e., and **Gerald G. Morse**, **Robert O. Walcott**, **William B. Aldrich** and **W. David Milligan**, all a.v.p.'s. Not present for this group picture, but shown separately, are **J. Roy West**, a.v.p., and **George H. Spence**, ag officer.



J. R. WEST

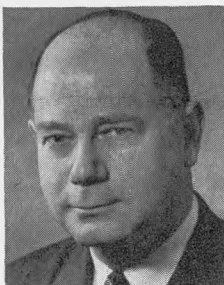


G. H. SPENCE

Harris Trust and Savings Bank



THREE of the Harris Trust and Savings Bank officers who will act as hosts for their bank during the ABA convention are (left to right): **William F. Murray**, pres.; **William W. Howell**, a.v.p. who services corporate accounts in the midwest, and **David L. Webber**, v.p. and head of the correspondent bank dept. One of the veteran members of the correspondent dept. who is known to many bankers is **Gilbert J. McEwen**, a.v.p.



G. W. McEWEN

**Chicago
ABA
Hosts**

**First National
Bank**

CHAIRMAN of the board and chief executive officer of the First National Bank of Chicago is **Homer J. Livingston**. Head of Division F, banks and bankers, is **William T. Dwyer**, v.p. In charge of the Northwest Division is **Nevin G. Bowser**,



H. J. LIVINGSTON

v.p. Serving with him are **Raymond V. Dieball** and **Andrew J. Nielo**, a.v.p.'s, and **Clarence E. (Bud) Cross, Jr.**, a.c. First National's **Bennett E. Hauenstein**, v.p., maintains close liaison with many area banks through his duties as head of the bank's agriculture department.



W. T. DWYER



N. G. BOWSER



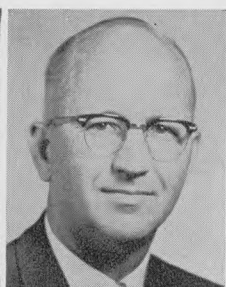
R. V. DIEBALL



A. J. NIELO



C. E. CROSS

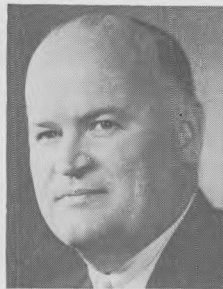


B. L. HAUSTEIN

Drovers National Bank



R. LOUGH



F. D. CUMMINGS



B. D. MILLER



L. E. MAKOBEN

SINCE Drovers National is the only bank in Chicago's famed stockyards complex, these four men and the staff of the bank keep in constant touch with bankers in Iowa, Illinois and neighboring states where livestock is a major industry. President of the bank is **Robert Lough**. Head of the division serving banks is **Fred D. Cummings**, v.p. Serving banks in Iowa and Illinois are **Bernard D. Miller**, v.p., and **Larry E. Makoben**.

Central National Bank

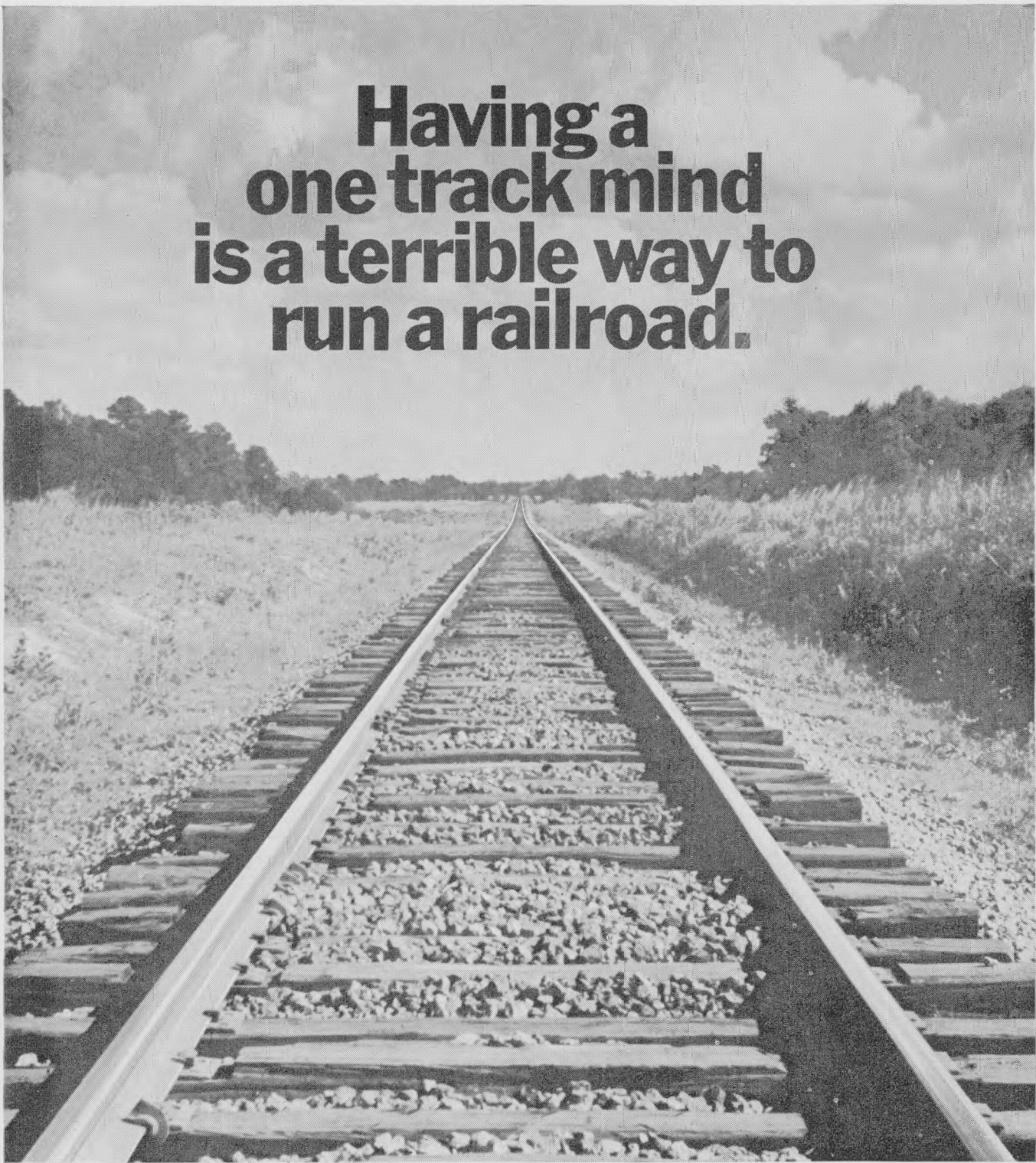


HEADING the group of officers who will welcome visiting bankers at the Central National Bank hospitality suite during the ABA convention are these officers (left to right): **Howard H. Beermann**, v.p.; **Robert J. Norrish**, a.c.; **Robert E. Hamilton**, sr. v.p., and **Frank E. Bauder**, pres.

National Boulevard Bank



REVIEWING the special invitation mailed to correspondent bank customers of National Boulevard Bank to visit their hospitality suite during the ABA convention are: **Francis Wagner** (left), v.p. and head of the correspondent department; **Irving Seaman, Jr.** (center), chief exec. off., and **Hans W. Wanders**, pres.



**Having a
one track mind
is a terrible way to
run a railroad.**

At Manufacturers Hanover, our National Division officers' number one job is working with you to get things on the right track. It's a job that calls for imaginative cooperation — and it gets you where you want to go.

OUR COOPERATORS IN THE MID-WESTERN STATES:

*John J. Evans, John F. King, George R. Bennett, Carl G. Carlson, Nathaniel S. Howe, Jr.,
Russell H. Eichman, Frederic J. Sears, Thomas I. Chatfield*

...it's good to have a great bank behind you



MANUFACTURERS HANOVER TRUST

Member Federal Deposit Insurance Corporation

Northwestern Banker, September, 1968

AS A 14-YEAR-OLD high schooler, Willis W. Alexander, Jr., attended his first American Bankers Association convention in 1933 with his father, Willis, Sr., and his brother, Maurice, at the former Stevens Hotel (now Conrad Hilton) in Chicago. This month, just 35 years later, he will return to the Conrad Hilton in Chicago for the ABA's 94th annual convention, where he is scheduled to be advanced from vice president to president of the association.

In the three and one-half decades since his first convention, Willis W. Alexander, Jr., has fashioned a dedicated career of service to his bank, his community and the banking industry that has equipped him well for his forthcoming role as the leader of the nation's commercial banks.

From his father (who died several months ago), Willis learned first-hand that banking provides a unique opportunity to serve people in more ways than probably any other type of business. His father was president of the Missouri Bankers Association in 1934-35 and exactly 25 years later, Willis followed him in that position for the 1959-60 term. He joined his father in the Trenton Trust Company at Trenton, Mo. (pop. 7,500) in 1947 after serving six years in the Navy Supply Corps during World War II. In 1960 he succeeded his father as president of the bank. At mid-year, Trenton Trust Company had assets of \$10,833,620.

During his years of service to the Missouri Bankers Association, Willis headed up the committee that established the Robert E. Lee Hill Chair of Banking at the University of Missouri. This was named for the man who had served the MBA faithfully for many years as secretary. The chair presently is held by Dr. Lewis E. Davids, who authors a monthly financial article for the *NORTHWESTERN BANKER* and who also just completed writing a history of Missouri banking. Willis Alexander wrote the preface for this book.

In addition to his work at the state level, Willis has served on the faculties of the Central States Graduate School of Banking at the University of Wisconsin, Madison, and at the Banking School of the South at Baton Rouge, La. He served on the credit union and uniform tax treatment committees of ABA before being elected vice president of ABA at the convention last year.

Willis Alexander is a native of Trenton, where he was born January 2, 1919. His brother, Maurice, is with Merrill Lynch, Pierce, Fenner & Smith investment firm in Kansas City.

Meet Willis Alexander, Jr. ABA—President Elect



PICTURED before the fireplace in the living room of their beautiful home on the shore of a small lake at Trenton are **Willis and Doris Alexander** with their two daughters, **Patricia** (left) and **Barbara**. Their son, **Eric**, who is in Vietnam with the Navy, is pictured separately.

His sister, Mrs. C. L. Brewer, lives in Dallas.

He was graduated from the University of Missouri College of Business Administration with a B.S. degree in 1940, and received his M.B.A. degree in 1941 from the Wharton School of Finance in Philadelphia. It was there he met Doris Vosburg, a native Philadelphian, and they were married June 20, 1942.

The Alexanders have one son and two daughters. Eric W. 24, is a Lt. j.g. in the United States Navy and went to Vietnam three months ago as pilot of a helicopter gunship in the Mekong Delta area. Barbara, 18, will be a freshman at the University of Missouri in Columbia this fall. Patricia, 16, will be a sophomore at Trenton High.



ERIC ALEXANDER
Lt. j.g.

Willis Alexander has traveled throughout the

United States addressing bankers' meetings and has had an opportunity to discuss many problems and projects with individual bankers. Among the most important questions bankers must resolve, he believes, are those pertaining to the changing structure of banking itself, the future of country banks, and its related subject of the future of small towns.

In regard to the pointed discussion of the day on banking structure, he says:

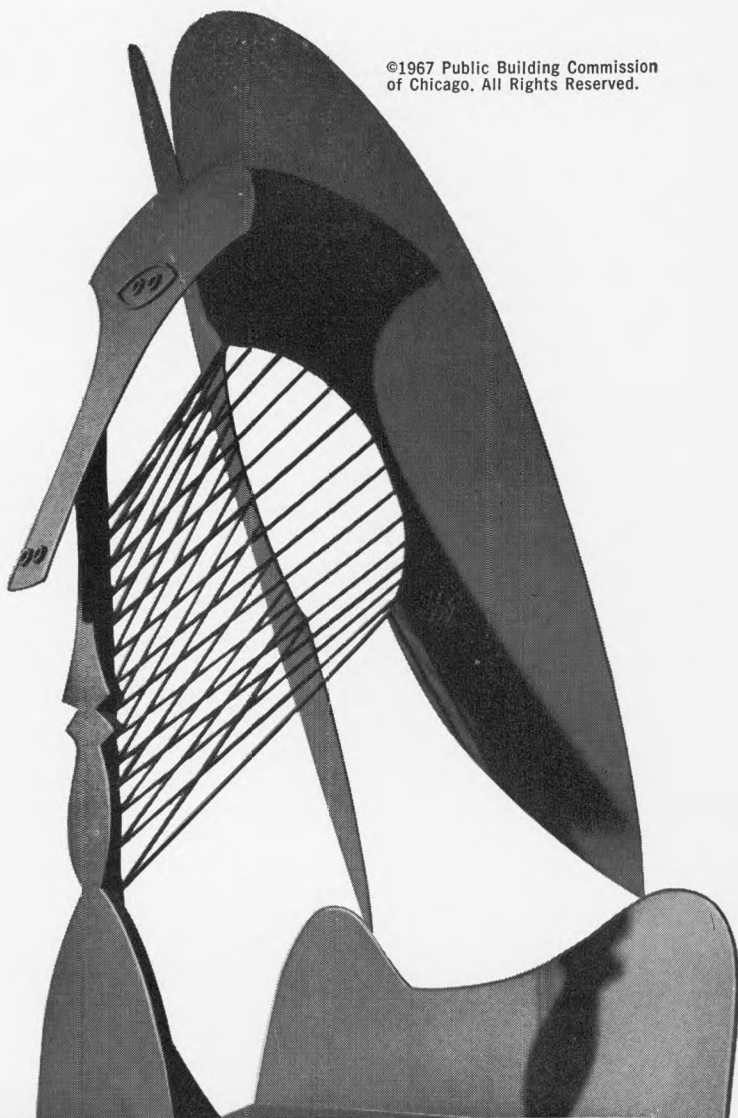
"I would endeavor to encourage banking to adapt itself to changing public requirements and needs to the end that it can serve the economy and community development. Yesterday is not good enough. The status quo is unsatisfactory. Our eyes must be on tomorrow, for the needs of the public will be made known by the public and not by bankers."

Speaking directly to the matter of structural changes in banking, Willis Alexander states: "It is unrealistic

ALEXANDER . . .

(Turn to page 46, please)

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What is it?

It's the world's most provocative sculpture designed for Chicago by Picasso. Is it a dog? A lion? A lady?

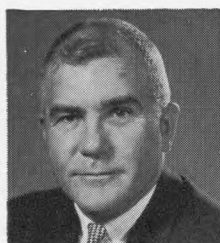
Only you can answer that question.

However, these men from the City can provide the answers to your correspondent banking problems.

They're looking forward to seeing you at the A.B.A. Convention in Chicago.



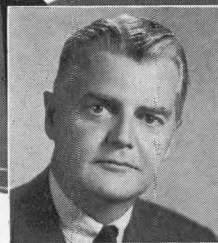
R. Crosby Kemper, Jr.



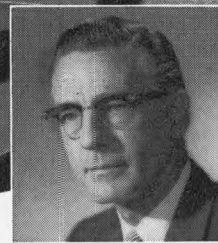
Charles G. Young, Jr.



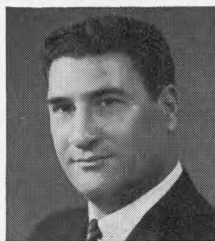
John J. Kramer



Charles W. Koester



Roy A. Thompson



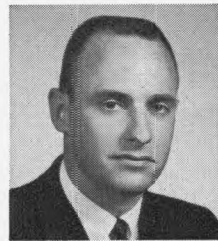
Samuel A. Blasco



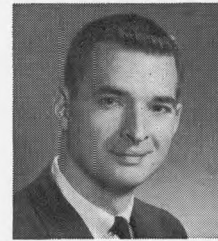
George William Sherman



Jerome H. Scott, Jr.



Max R. Meuli



Van W. Cooper



City National Bank
& Trust Company
Kansas City, Missouri

Northwestern Banker, September, 1968

ALEXANDER . . .

(Continued from page 44)

to say that **any** form of banking—whether unit, branch, holding companies, etc.—is forever hallowed. It is good so long as it serves the public need. When it doesn't, it must change to meet that changing public need. In my judgment, the unit bank can **still** serve the community need, but it must run with its focus on the future, rather than on the past.

"Evidence has shown that unit banks cannot only survive but serve even **better** in competition with branch and holding company banks because they are forced to be competitive. If you **want** to survive, you **can**, and we don't need to legislate protective boundaries for ourselves."

The common thread of philosophy that runs through Willis' thinking on this and other important subjects is that there is "no future in the status quo."

He believes the local banker to be everyman's economist. He notes that the ABA is preparing a continuing program, to start soon, of providing every bank with a one or two sheet explanation of economic problems, and these will assist the local banker in getting a capsule summary of the current problem as well as needed but brief facts and projected answers or solutions.

This need for the local banker to be an "answer man" and a leader in the community is one that Willis Alexander believes in strongly. It ties in with his belief that only through intelligent, aggressive leadership will the "country" bank and

town be able to compete equitably and survive.

In his opinion, size alone is not a detriment or handicap. It's whether the small town banker wants to move with the changing times and pace of business. The small banker, Willis states, can innovate far easier and more quickly than a large bank. It can make a mistake and find out what it tried is really wrong, then have the facility to adjust and adapt fast. Policy is a merit up to a point, he emphasizes, and then it can become handcuffs. He says:

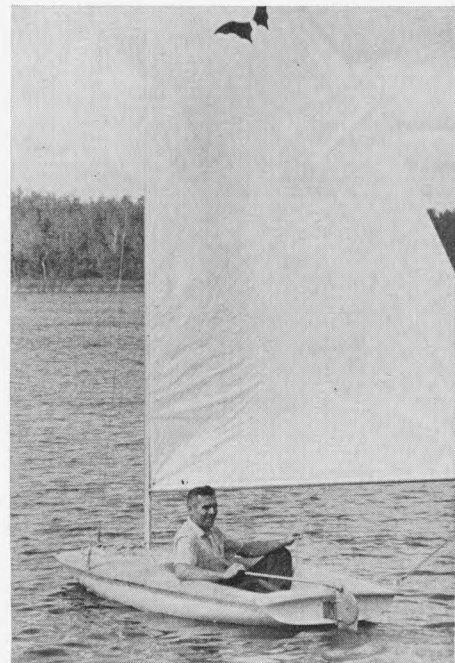
"The banker who is an innovator is the one who takes the heat!"

In regard to serving farm operators, Willis says emphatically that dealing with this segment of country bank business should be no different than servicing commercial accounts. He outlines his philosophy of serving country bank business this way:

"Country bankers should recognize the 15-25 per cent of the farmers they can live with for the next five to 15 years to come, and go with them. Schedule in one year of failure and stay with them. Certainly, we must serve the needs of other farmers but don't devote the same amount of time as with the others who will be the heart of your business.

"The banker must make a judgment as to whether he can help an individual make money. If he can't, he's better off demurring at the start. The same holds true for business credit, so why any difference?"

Recognizing that city correspondent relationships are an integral part of today's successful commercial banking system, Willis Alexander



THE SKIPPER was snapped with telephoto lens by the **NORTHWESTERN BANKER** as he enjoyed one of his favorite sports at a regional meeting of the National Association of Supervisors of State Banks at Brainerd, Minn., last month.

stresses another point. "A correspondent relationship must be deserved and earned. For example, if I want my correspondent to take care of my overlines, I must be willing to maintain balances and use his facilities—investment advice, counsel, expertise. The country bank must sell overlines that are worthy. This is a two-way street."

What about the legitimate credit needs of the farmer—are they being taken care of by country banks? Willis' answer to this is "Yes." He adds for the record, "Just because farmers want, or farm-related industries **say** they want it, **doesn't** make it a real credit need. It's the same as business credit—if the farmer can't respect his credit standing, he'll lose it."

Willis Alexander has a long string of community service credits to his name. In referring to a banker's obligation to serve his community, he quotes James E. Shelton, who was president of the American Bankers Association a decade or so ago. (Mr. Shelton was then president of Security First National Bank, Los Angeles).

Jim Shelton used to say, Willis recalls, "Service is the rent you pay for the space you occupy on the earth," and that includes service to our fellowman, to our church, to education, the community, profession or govern-

CONFERRING with Willis Alexander are three members of the well-trained team he relies on to manage the Trenton Trust Company while he is away on ABA business. Left to right, they are: **Edward E. Holt**, and **Curtis LaFollette**, v.p.'s, and **George Constant**, v.p. and t.o. Painting on wall is of Willis W. Alexander, Sr., who died several months ago.



Northwestern Banker, September, 1968

WILLIS ALEXANDER . . .

(Turn to page 73, please)

Kodak

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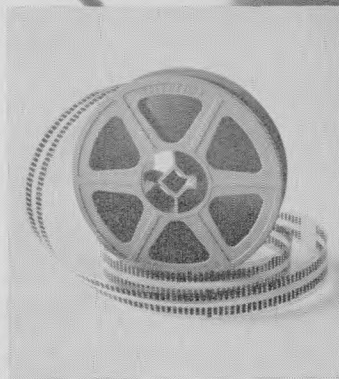
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Northwestern Banker, September, 1968

Reserve Reform and Banking

By WILLIS W. ALEXANDER
 President
 Trenton Trust Company
 Trenton, Missouri
 Vice President
 American Bankers Association

■ In his address titled "Reserve Reform and the Banking Structure," given recently at the Southwestern Graduate School of Banking at Southern Methodist University in Dallas, Texas, Mr. Alexander discussed a proposal by the Board of Governors of the Federal Reserve System to change reserve requirements. This proposal as originally presented was two-pronged — the first was to change the percentage method of computing the reserves and eliminating the traditional "city" and "country" bank designations, and the second was to require all insured banks to carry reserves with the Federal Reserve System. This article deals primarily with that part of Mr. Alexander's talk covering the proposed requirement for all insured banks to carry reserves with the Fed and its inherent threat to correspondent banking and the dual banking system.

THE Federal Reserve proposal goes much beyond simple reform of the existing percentage requirements; it contemplates inclusion of nonmember banks within the proposed new reserve structure, both with respect to required rates and to holding balances with the Federal Reserve. It is this aspect of the proposal which raises very serious questions for the continuation of the dual system of banking. Certainly, improvement in existing requirements can be accomplished within the membership of the Federal Reserve System, and by the states individually with respect to nonmember banks. This can be done without extending Federal requirements to nonmember banks.

What are the reasons advanced for imposing Federal Reserve requirements on some 7,500 nonmember banks?

First, and most importantly, it is maintained that this will give to the Federal Reserve better control over the reserve base and thus assist it in carrying out monetary policy.

It is further argued that an inequity results from the fact that nonmember banks are not subject to the reserve burdens of Federal Reserve member banks.

It is stated by Governor Andrew Brimmer and others that to include all banks within existing requirements is not a new proposal and that, in any event, nonmember banks would not be required to join the Federal Reserve System.

Other arguments are sometimes advanced, such as the claim that because all commercial banks hold in the form of deposits the bulk of the nation's money supply, and as commercial banks comprise the mechanism through which money is created, there is a responsibility or obligation to have their reserves under the control of the central bank.

Not a Convincing Case

Frankly, the case is not very convincing. There is no clear evidence that the ability of the Federal Reserve to implement monetary policy is handicapped by the fact that many banks choose not to be members. All non-

member banks combined hold only about 17 per cent of the deposits in the commercial banking system. We know from observation alone that in periods of monetary ease or stringency nonmember banks react in much the same fashion as member banks of similar size. This must be so in a banking system such as ours, with its extensive correspondent relationships, since no nonmember bank can afford for long to go against the tide when the Federal Reserve seeks to expand or contract bank credit.

As a matter of fact, I should think that the 1966 experience provides the final refutation to this particular argument for extending Federal requirements to all insured banks. If ever there was a demonstration of the magnitude and scope of the impact of Federal Reserve authority we had it at that time. The effects of the monetary squeeze were felt throughout the entire banking system and, indeed, by institutions quite remote from direct Federal Reserve authority, most notably savings and loan associations and mutual savings banks.

The charge that the present reserve system is inequitable because member banks in many instances carry a heavier burden than competing nonmember banks deserves attention. There is no disputing the fact that differences do exist, not only with respect to percentage requirements but also because of the place in which reserves may be kept. For example, a nonmember bank may count its correspondent balances as part of its reserve, whereas aside from vault cash a member bank can only count balances kept with its Federal Reserve Bank.

Inequity Depends on Viewpoint

Whether or not this difference is inequitable, however, depends on the manner in which all of the many regulations and limitations on banking are viewed. There is a strong voluntary element in the American banking structure, so that banks may choose their charter (national or state) and thus the set of laws (Federal or state) under which they will operate; may join or remain outside of the Federal Reserve System (if a state bank); may convert from one charter to another; may choose deposit insurance or remain uninsured. Because of the various options just mentioned they may, in effect, select the particular regulatory agency to which they will be subject. The matter of reserve requirements is only one of many factors which any bank must consider in reaching a decision with respect to its charter. Once made, such a decision immediately gives rise to a variety of differences. Thus a national bank may be at a disadvantage relative to a state nonmember bank with respect to reserve requirements, limits on loans to one borrower, and capital requirements but, at the same time, may be

Structure

in a relatively better position than the state nonmember bank with respect to the operation of subsidiary corporations, direct leasing, payment of sales tax, or doing business in other states. Any particular authority, or limitation thereon which gives rise to a difference between banks can be characterized as "inequitable," but such a view is not very realistic when placed in broader perspective.

It is true, of course, that there are certain fundamental limitations on banking which must be essentially the same for all classes of banks if there is to be approximate competitive quality. Branch banking limitations provide a good illustration, but it is quite doubtful that the same is true of reserve requirements. It is interesting to note that the majority of state banks converting to national charter over the past several decades have been banks which were not members of the Federal Reserve System, thus indicating that differences in reserve requirements may be less significant than one might suppose, given the advantages which converting banks obviously see in national charters and membership in the Federal Reserve System. If in fact member banks are disadvantaged because of reserve requirements then perhaps a change is needed but there is no reason why such a change cannot be made by the Federal Reserve with respect to its own member banks.

Adverse Effect on Correspondent Banking

The need for a more convincing case for the Federal Reserve plan is evident when we consider some of its possible manifestations. Few would deny that its imposition would substantially reduce the volume of interbank balances. Proponents of the plan seem to suggest that this is relatively unimportant, particularly if it is offset to some extent by lower requirements.

But the shrinkage of the correspondent system is not so easily dismissed. The correspondent system makes possible the utilization of equipment and techniques not otherwise feasible, contributing to both internal and external economies of scale for the city correspondent. The resulting benefits are shared by the city and country banks.

For small nonmember banks in particular the shift of balances to Federal Reserve Banks might well create a severe problem. Through balances now held with city correspondents, smaller banks are able to obtain needed services not otherwise available. A shift of a substantial portion of present balances to Federal Reserve Banks could lead to higher cost and fewer customer services, thus making small banks less profitable and less competitive.

Lower Reserves Not Assured

I realize, of course, that the institution of a new re-

serve system could be combined with a significant reduction in reserve requirements, thus offsetting to some extent the impact both on the large correspondent banks and on the need for smaller country banks to draw down their correspondent balances. While it is an interesting mathematical exercise to compute how much could be saved, it is not at all clear that the level of reserve requirements will in fact be significantly lower.

Certainly we know that there are those in Congress who would vigorously oppose any significant reduction of reserve requirements. Moreover, it is evident that even if requirements are reduced and banks receive what amounts to a reserve windfall, the Federal Reserve could not permit an undue credit expansion and thus would have to take away through open market operations what it might appear to be conceding in terms of specific requirements. In short, I fear that lower reserve requirements, while perhaps sincerely desired and advanced as an argument on behalf of this plan, would in the final analysis turn out to be illusory.

Another important implication of the Federal Reserve proposal is its possible effect on the Federal bank regulatory structure. I believe I speak for the majority of bankers when I say that centralization of all Federal bank regulatory authority in a single agency would have severe consequences for our dual system, and yet it is precisely in this direction that the reserve proposal may lead us.

It seems to be quite obvious that if nonmember banks are required to keep reserves on deposit with Federal Reserve Banks at levels identical with member banks that there would then be little further reason for remaining nonmembers, particularly when by entering the system they could benefit from some of the additional services which accrue to members. I would anticipate under these circumstances that a very large number of banks presently in the nonmember category would convert to membership. If so, this means that they would leave the direct supervisory responsibility of the FDIC.

Two Aspects to Consider

The eventual outcome of the extension of reserve requirements to the nonmember banks would, therefore, have two aspects.

First, it would quite effectively remove the FDIC from the Federal supervisory picture, perhaps taking the first step in an eventual consolidation of supervisory powers into one agency.

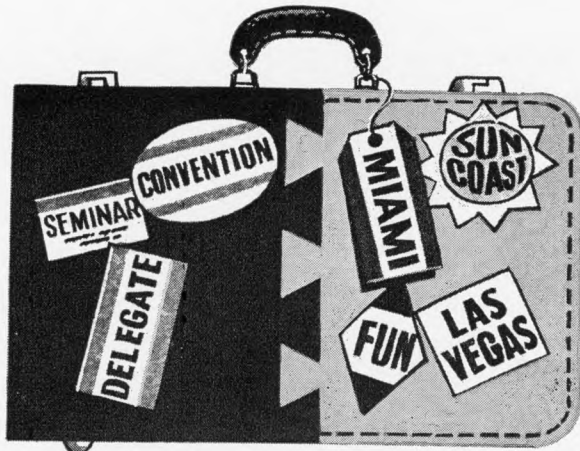
Second, it would probably result in a substantial number of conversions to national charter, thus further upsetting the balance inherent in the dual system.

The Federal Reserve Board has fulfilled one of its responsibilities to the American economy in proposing changes in reserve requirements. This proposal recognizes that the function of reserves has changed, and that possibly a lower level will permit the banking system better to serve the needs of the economy.

Not so welcome, nor so universally acceptable, is the strategy of piggy-backing the basic reform proposal with other conditions essentially unrelated, which carry unmistakably the seeds of centralization of the American banking system.

Our unique decentralized system has served well the public interest. It may lack the organizational symmetry so dear to the planner's heart. To its credit, it has functioned to provide a banking system innovative and responsive to other changing needs.

Reserve requirement reform is one issue; centralization through *de facto* mandatory Federal Reserve membership is quite another. Each must be examined on its own merit.—**End.**



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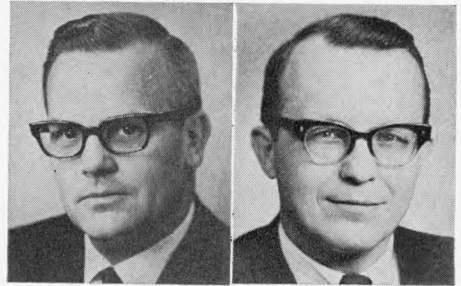
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Bank Building Appointments

President William F. Cann has announced the promotion of Joseph S. Drachnik to the new post of training director for new personnel, and the appointment of William E. Wilkinson as manager of estimating.



W. E. WILKINSON J. S. DRACHNIK

Mr. Drachnik has been with the St. Louis firm since 1955, serving four years as a mechanical engineer and then as research director, a post in which he will continue along with his new position. Mr. Drachnik, who earned a degree in mechanical engineering at Washington University in St. Louis, is also first vice president of the Construction Specifications Institute and a councilman for American Standard Testing Materials.

Mr. Wilkinson has been with the systems group of TRW, Inc., Los Angeles, since 1962. Prior to that he was with Westinghouse Electronic Corporation.

Commerce Bancshares Buys Two Missouri Banks

James M. Kemper, Jr., president of Commerce Bancshares, Inc., of Kansas City, Mo., has announced that the Mechanics Bank of St. Joseph and the Citizens National Bank of Kirksville have signed contracts of affiliation with the new holding company.

The Mechanics Bank has assets of \$25 million, and the Citizens National, \$10 million, which increases Commerce Bancshares' total assets to \$700 million.

The agreement with the Mechanics Bank calls for the exchange of 25 shares of Commerce Bancshares for each 2,000 shares of Mechanics Bank stock. The agreement with the Kirksville bank calls for the exchange of eight shares for each 2,000 shares of Citizens National stock. Both transactions are subject to approval of the Federal Reserve Board, and are contingent upon Commerce Bancshares acquiring at least 80 per cent of the stock of each bank.

The holding company, organized two years ago, now has six member banks with the new acquisitions. Commerce Trust Company of Kansas City is its primary banking affiliate.



The Cavalryman, famous for nick-of-time rescues, symbolizes American Express Travelers Cheques. The Rescue Money.

How The Rescue Money gallops ahead of all other travelers cheques to give your customers on-the-spot refunds.

We call American Express Travelers Cheques The Rescue Money, because, like the Cavalry of the Old West, we go to extraordinary lengths to rescue tens of thousands of travelers in distress every year.

We make our own refunds.

American Express has a worldwide network of hundreds of offices and representatives where we make our own refunds. They are staffed with people who are trained, paid and whose main job is to serve travelers and make Travelers Cheque refunds. *In English.*

Notice we underscore the word make. That's because some travelers cheque issuers boast about their

worldwide network of selling agents who are "authorized" to make refunds.

Is "authorized" enough?

What happens if the "authorized" agent doesn't even know he is "authorized"? Or isn't familiar with the procedure of making refunds? Or isn't interested in making refunds? Or doesn't even speak English?

This could create serious problems for your customers. Also, with an "authorized" refund system, the selling agent is expected to handle all the tedious paper work. This can really eat up time and keep you from more profitable banking business.

Our refund system doesn't tie you up.

American Express doesn't ask you to take on the time-consuming, troublesome and unprofitable job of making refunds to non-customers. All you're expected to do is make a profit selling American Express Travelers Cheques.

THE MORAL: You don't have to worry about your customer when he carries American Express Travelers Cheques. When he needs a refund to rescue his trip, you can be sure he'll get one.

Only American Express can make this promise. After all, when it comes to serving your customers—nobody gallops as fast as we do.

AMERICAN EXPRESS®

American Express Travelers Cheques — The Rescue Money

Bank Stock Prices . . .

(Continued from page 35)

medium of exchange," a rational argument could be made that S & H already is creating money (M₅) and through the "float" on redemption of the ubiquitous stamps is exercising the "goldsmiths" principle of multiple expansion (via fractional reserves). When one recognizes that S & H had stamp service revenue of over \$300 million in 1967 it can be appreciated that its bid for National Bank of Connecticut raises some very provocative facets as to the changing structure of banking.

Holding Company Flexibility

On the same day S & H made its stock tender, the innovative First National City Bank of New York announced that it plans to form a one-bank holding company. It also would seek listing on the New York Stock Exchange.

The reasons are cogent, and in line with the realities of the market place. The financial magic desired is diversification. First National City could then do some of the things S & H can and does do.

A single bank holding company can, under present federal and state regu-

lation, perform under the general laws which cover businesses and thus obtain greater flexibility than banks now possess. For example, the holding company could without bank regulatory control establish subsidiaries to accommodate the bank's equipment leasing, to handle the growing field of travel accommodations, computer operations, factoring, management science, etc. It also, with a slight bit of legal sophistication, could obtain insurance companies and tie these into its over-all operations.

Independent of the banks' rapidly changing competitive structure, a number of insurance authorities are now anticipating that federal rather than state control may be in the offing for the insurance industry. A few years ago this possibility would have been most unlikely. The reasons are complex, but one very significant factor is the trend of insurance companies acquiring one another and also converting like banks into holding company type conglomerate organizations.

Problems for Directors

When the preceding developments

are appraised along with Representative Wright Patman's July, 1968, study comprising two volumes of 2,000 pages on director "links" and trust department holdings of banks and the increased interest shown by the Justice Department in severing directorships under the Clayton Anti-trust Act, it appears that all bankers who serve on boards of commercial companies should re-examine their relationship to insure that they do not inadvertently violate the Act.

Like it or not, banks and insurance companies are correctly interpreting a firmer stance by the Justice Department on conflicts of interests on the part of directors.

It would be unfortunate for society if the value of the broad and diversified, mature judgment of outside directors should be whittled down as a result of the trends toward holding companies—and the counter reaction of the Justice Department.—**End.**

Two Promoted at Talcott

Two members of the Chicago district office of James Talcott, Inc., have been advanced, according to Orville R. Johnson, vice president and district manager. Laurel A. Haney was named manager of the equipment finance and leasing department. Mr. Haney joined Talcott in 1961. Bernard J. Clancy was promoted to manager of business development in the equipment finance and leasing department.

Naperville Firm Installs EDP System

Associated Data Services, Inc., of Naperville has recently installed a Burroughs B300 electronic data processing system valued at \$400,000.

A.D.S. is a cooperative of five suburban banks which previously used the data processing service of their correspondent banks in Chicago. The system is now handling demand deposit accounting, savings, installment loans and other customer services.

Wilson, Kidd Chair Chicago Fund Drive

Christopher W. Wilson, executive vice president and cashier, The First National Bank of Chicago, and Alan Kidd, vice president, Northern Trust Company, were named last month as co-chairmen of the banking section of the 1968 United Settlement Appeal.

Now in its seventh year, United Settlement Appeal supports 45 agencies, members of the Chicago Federation of Settlements and Neighborhood Centers. Goal of the campaign is \$385,000; the share designated for Chicago banks amounts to \$5,000.

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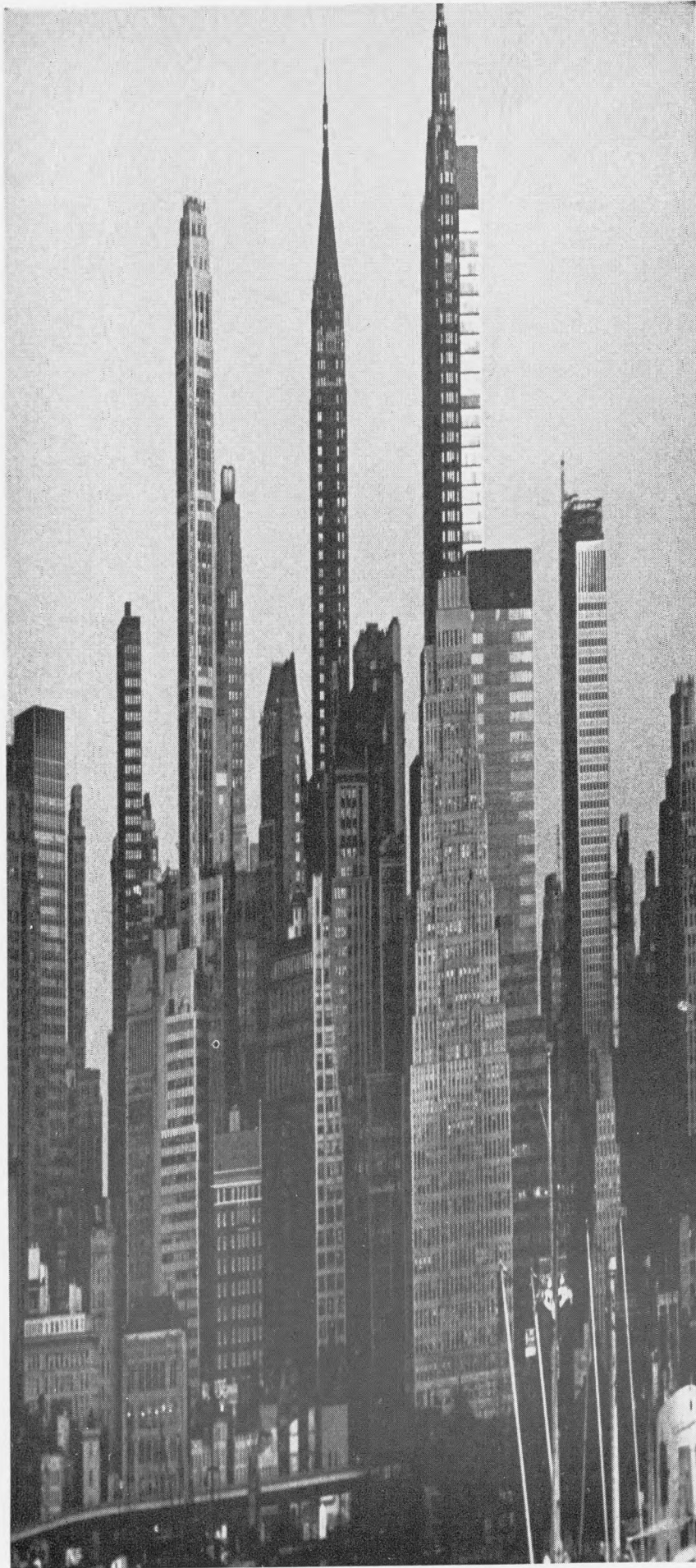
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As a banker, now more than ever, you must be able to meet the exacting needs for information and assistance desired by your customers, whether corporate or trust.

That's why an *investment-oriented* bank on your team can give you an edge. By *investment-oriented* we mean knowing and thinking "investments" as well as "banking" and approaching our customers' financial problems on the basis of a complete and in-depth analysis and evaluation of the total investment picture. As a matter of fact, The Bank of New York devotes a greater proportion of its revenues and talent to investment skills than any other major New York commercial bank.

You'll also find that The Bank of New York provides every expected correspondent service — with unexpected care, thoroughness, and personal attention. Remember, at The Bank of New York we have never confused bigness with excellence.

Shouldn't our difference make a unique difference for you? We think so, too.

The Bank of New York

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Main Office: 48 Wall Street

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Northwestern Banker, September, 1968

Two-way traffic keeps money moving in our Twin Cities

Money in motion knows no boundaries

Money in the Twin Cities area is vital, restless, on the go. And the financial freeways are wide open to let it reach and energize every portion of the Twin Cities market and the vast Ninth Federal Reserve District beyond.

The Twin Cities are the financial center for the seven-state Federal Reserve District. The Federal Reserve Bank and the Farm Credit Banks are headquartered here, and so are the three largest commercial banks in the district. They are the Northwestern National Bank, First National of Minneapolis and the First National Bank of Saint Paul, with resources to pace our flourishing economy.

The financial demands of this growing metropolitan community no longer draw lines between cities or counties or states. Thus, money from a Saint Paul bank can finance the construction of a parking ramp in Minneapolis. And vice versa.

Money in motion knows no boundaries.

First National Bank of Saint Paul is dedicated to serving the changing financial needs of a dynamic Twin Cities metropolitan community. For First National of Saint Paul, there are no limits—city or otherwise—to the economic growth of the Twin Cities area.



*Come to Minnesota's oldest,
Saint Paul's largest
Full Service Bank.*



First National Bank of Saint Paul

Member Federal Deposit Insurance Corporation

Northwestern Banker, September, 1968

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.

A NEW eight-zone monitor that provides continuous surveillance of up to eight doors or groups of doors from a single, central point has been developed by Mosler, Hamilton, Ohio.

Designated Mosler Model DSM-8, the monitor is used in conjunction with magnetic door switches and local alarm bells to authorize or monitor the opening of fire, loading, exit and other doors. Any unauthorized opening produces an audible buzzing alarm and a visual indication of entry on the monitor panel and an optional bell at the doorway. An intrusion or circuit alarm is indicated by red lamps on the panel. Amber lamps signify authorized access.

The monitoring circuits can be used as part of a night alarm system. A single, key-operated switch on the panel transfers the monitoring circuits from their day function as an annunciator system into additional

night protective circuitry as an integral extension of a premise alarm system.

Further information is available from Mosler Electronic Systems Division, 9 South Street, Danbury, Conn. 06810.

BANKS save 45 per cent of regular passbook costs with this new idea from LeFebure Corporation. The new LeFebure passbook shell consists of one full passbook page glued to the inside of a cover.

A study by a large Midwestern bank revealed that almost 98 per cent of the savings accounts they closed out did not fill one page of a standard passbook. Now all accounts can be issued a LeFebure passbook shell and then when the account does fill up, a regular passbook can be issued.

Safety paper with the "full service" symbol is now available from LeFebure. The high-quality paper comes

in green, blue or buff for cashiers checks, money orders and passbook pages.

Additional information on both the passbook shell and the safety paper is available from the LeFebure Corporation, Cedar Rapids, Iowa 52406.

THE Cummins-Chicago Corporation is now making available a set of promotional material to users of the new Cummins Automated Savings Passbook, a system developed to help deposit institutions sell more savings accounts and improve internal procedures and reduce lobby congestion.

John Jones, Cummins president, stated that the savings promotion kit is intended to demonstrate how the customer appeal of the system provides an opportunity to sell and acquire new savings accounts on what motivates many savers more than the interest rate—convenience.

The program includes four ads, customer folders, stuffers, lobby posters, publicity releases, scripts and teller lapel buttons, as well as suggested coordinated schedules for conversion and promotion and instructions for bank personnel. A sample of the kit may be obtained from Cummins-Chicago Corporation, 4740 North Ravenswood Avenue, Chicago, Ill. 60640.

Comptroller Appointee

Comptroller of the Currency William B. Camp has announced the appointment of John Nicoll as his administrative assistant.

Mr. Nicoll, who has been associate chief counsel for bank operations, succeeds Wayne G. Wickham, who has resigned to accept the position of executive vice president and chief operating officer of Union National Bank, Little Rock, Ark.

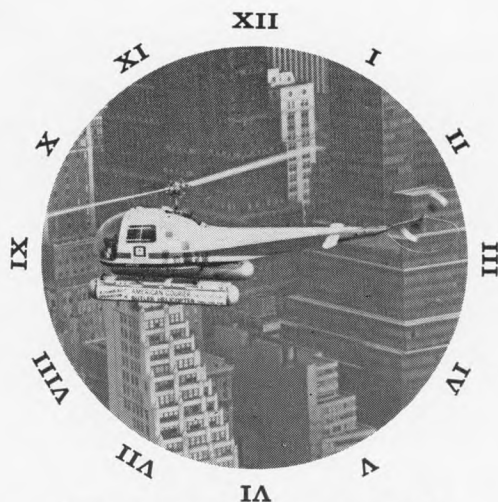
Promoted at Chicago Bank

Thomas J. Quinn was elected an assistant vice president at the August meeting of the National Boulevard Bank board of directors and was assigned to Division B in the commercial department, according to Irving Seaman, Jr., chief executive officer of the Chicago bank.

Mr. Quinn, a graduate of Tri-State College, Angola, Ind., with a Bachelor of Science degree, has spent 22 years working in New York and Chicago banks, having both commercial and installment lending experience.



T. J. QUINN



TIME FLIES

(SO DOES AMERICAN COURIER)

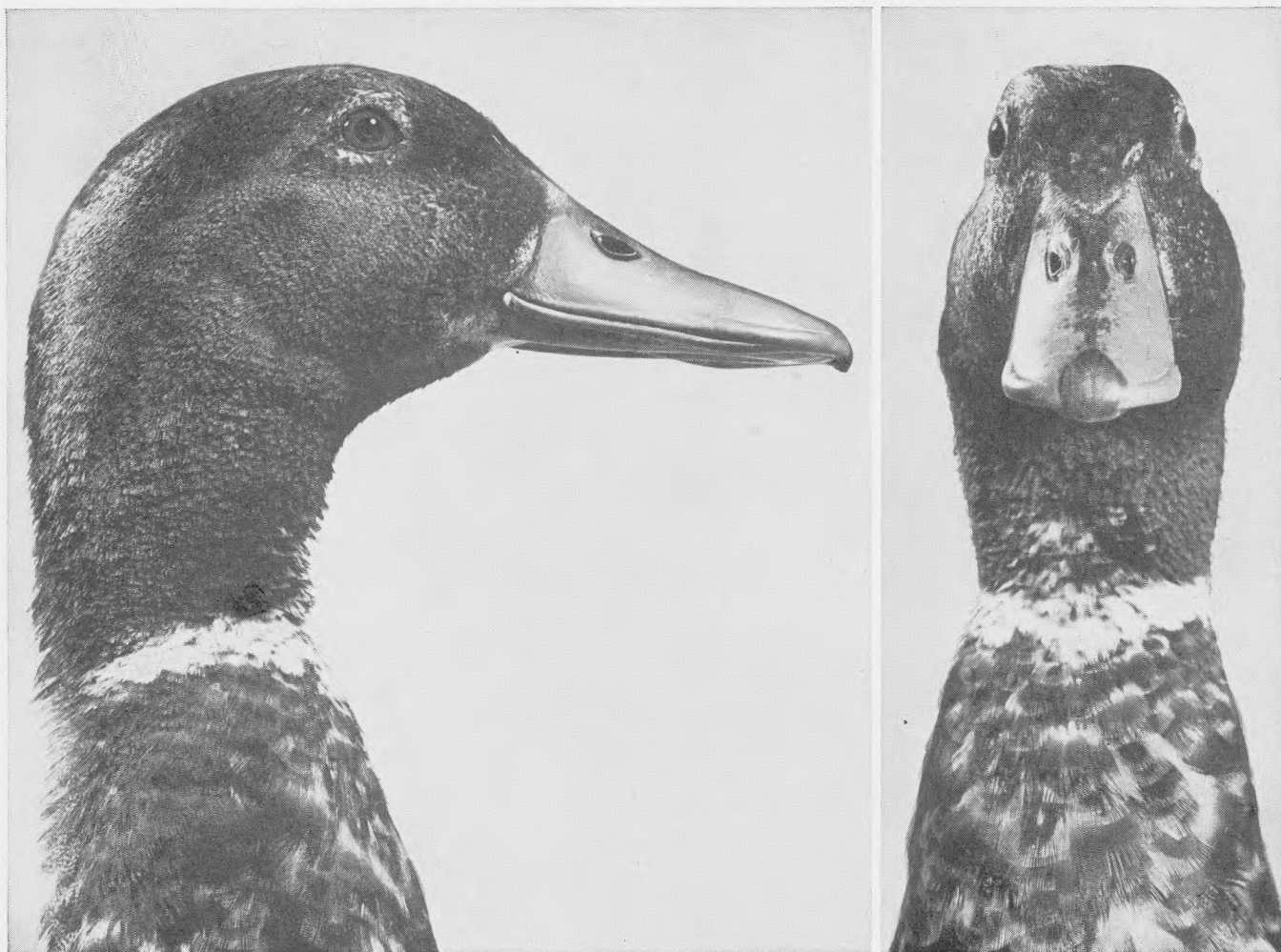
American Courier Corporation knows how expensive time can be. That's why we've expanded our air courier service to keep pace with our growing ground fleet. To save you time . . . when time means money. □ Why not ask your local American Courier representative to show you how we can save you valuable time. And ask about our efficient transporting service for over 7,000 banks and firms across the nation and Canada. □ It's worth a call. What can you lose? □ You may save a lot of time.



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Could you watch a duckling die from lack of water—and do nothing to help? Tens of thousands die that way every year. And thousands more in flooded-out nesting grounds.

To a duck, water is life. Too little or too much means death.

Since its inception, Ducks Unlimited has banded over 153,000 ducks and geese, collected over \$16 million from sportsmen. This year alone, Ducks Unlimited's programs include construction of 42 new projects, creating or restoring 520,000 acres of prime waterfowl habitat with 887 miles of productive shore-

line in the Canadian provinces of Manitoba, Saskatchewan, Alberta, British Columbia, and the Maritime provinces.

No U.S. duck stamp funds can be used in Canada—where 80% of the North American waterfowl are produced. Ducks Unlimited's action programs spell DUCKS for the future, because DU builds its "duck factories" in the vital Canadian waterfowl nesting grounds.

Won't you please help? Send your contribution of \$10 or more (it's tax deductible) to: Ducks Unlimited, Dept. H8, P.O. Box 66300, Chicago, Ill., 60666.

Northwestern Banker, September, 1968

562 NABAC Students a New High

A RECORD high of 562 bankers were enrolled in the 15th session of the NABAC School for Bank Audit, Control and Operation held at the University of Wisconsin in Madison last month. Those attending from upper midwest and mountain states include:

Colorado

SENIOR: Walter L. Kappes, The American National Bank of Denver.

JUNIOR: Robert R. Kapman, Colorado National Bank of Denver, and Edwin L. Pounds, The Colorado Springs National Bank, Colorado Springs.

FRESHMAN: Conrad G. Kern, First National Bank in Boulder; Lawrence T. Likness, First National Bank of Colorado Springs; Wayne P. Meider, Continental National Bank, Englewood, and Sammy B. Reiser, The Colorado National Bank, Denver.

Illinois

SENIOR: Walter J. Brockman, Alton Banking & Trust Co., Alton; Norman R. Duplissie, International Illinois National Bank & Trust Co., Chicago; Mrs. Aletha B. Edmison, First National Bank & Trust Co., Mt. Vernon; David F. Kennedy, First National Bank in Harvey, Harvey; John P. Kilroy, Lake View Trust & Savings Bank, Chicago; William J. Long, Continental Illinois National Bank & Trust Co., Chicago; Eugene E. Martin, The First Lake County National Bank at Libertyville, Libertyville; Peter T. Pelfas, First National Bank of Oak Brook; Charles J. Ricard, Lake Shore National Bank, Chicago; John H. Robinson, The Northern Trust Co., Chicago; David R. Starin, Federal Reserve Bank of Chicago, and Lawrence E. Tardiff, Bank of La Grange Park.

JUNIOR: Kenneth L. Casper, Commercial National Bank of Peoria; Frederick C. Fischer, Devon Bank, Chicago; Jack A. Geatches, Continental Illinois National Bank & Trust Co., Chicago; Edward H. Hard, Jr., Continental Illinois National Bank & Trust Co., Chicago; Charles B. Hoag, The Northern Trust Co., Chicago; Thomas A. Kennedy, Pullman Bank & Trust Co., Chicago; Richard D. Mills, Harris Trust & Savings Bank, Chicago; Richard E. Nylander, Bank of Mundelein, Mundelein; James L. Ringel, National

Boulevard Bank of Chicago; Ralph G. Rink, Northwest National Bank of Chicago; Mrs. Betty J. Salter, First National Bank of Moline; Thomas J. Sheehy, The First National Bank of Chicago, and William J. Thiel, Elmhurst National Bank, Elmhurst.

FRESHMAN: O. Jack Ballion, The Citizens National Bank of Decatur; Mrs. Marjorie D. Berry, City National Bank, Kankakee; Tom R. Bradley, Harris Trust & Savings Bank, Chicago; Gordon R. Brockway, The First National Bank & Trust Co., Barrington; B. Helge Carlson, The First National Bank of Chicago; Robert P. Cornelisen, Federal Reserve Bank of Chicago; John L. Haupt, First Security Trust & Savings Bank, Elmwood Park; Stanley L. Hedrick, First National Bank of Des Plaines; Miss E. Jean Heithold, State Street Bank & Trust Co., Quincy; Miss Pauline Howe, Rock Falls National Bank, Rock Falls; Robert J. Kaminski, Continental Illinois National Bank & Trust Co., Chicago; Francis S. Kmetz, The Streator National Bank, Streator; Kenneth L. Lay, The Northern Trust Co., Chicago; James W. Mueller, Harris Trust & Savings Bank, Chicago; Joe M. Nachbin, Continental Illinois National Bank & Trust Co., Chicago; Donald A. Noren, Zion State Bank and Trust Co., Zion; Joseph Parrillo, Midwest Bank and Trust Co., Elmwood Park; Robert L. Patton, Busey First National Bank, Urbana; Earl C. Petersen, American National Bank & Trust Co. of Chicago; William P. Polen, Park National Bank of Chicago; Albert E. Radeliffe, Roselle State Bank, Roselle; Chester C. Shaffer, First National Bank of Blue Island; Gerald R. Shawgo, First National Bank of Belleville; Thomas G. Stuhr, Western National Bank of Cicero; Lawrence P. Walton, Southeast National Bank of Moline, and Michael J. Wixted, Harris Trust & Savings Bank, Chicago.

Iowa

SENIOR: James Bloomberg, Burlington Bank & Trust Co., Burlington, and Fred A. Diekmann, The Security State Bank, Algona.

JUNIOR: Carl R. Mueller, Houghton State Bank, Red Oak.

FRESHMAN: Robert E. Bullock, Iowa Trust & Savings Bank, Oskaloosa; Donald W. Christensen, The First National Bank, Humboldt; Lonnie G. Sulzberger, First National Bank of Muscatine, and Jay D. Vos, Security State Bank, Sheldon.

Minnesota

SENIOR: Timothy J. Getter, Chicago Lake State Bank, Minneapolis; Dale R. Hill, Northwestern National Bank, Rochester; Glendon J. Olson, First Bank System, Inc., Minneapolis, and Miss Betty J. Rieckerman, First National Bank, Pipestone.

JUNIOR: David M. Anderson, First National Bank of Minneapolis, and Robert D. Johnson, Northwestern National Bank, Minneapolis.

FRESHMAN: Joseph J. Birchem, Jr., First National Bank of Minneapolis; Richard P. Conlin, First National Bank of Minneapolis; William J. Duma, The First National Bank of St. Paul; Arlen H. Funke, Drovers State Bank, South St. Paul; Ralph R. Grams, American National Bank & Trust Co., St. Paul; Norman R. Hagstrom, Northwestern National Bank of Minneapolis; Robert G. Rood, Midland National Bank of Minneapolis; Paul D. Schiesman, First National Bank of Minneapolis, and A. Hugh Thompson, Northwestern National Bank of Hopkins, Hopkins.

Montana

JUNIOR: Richard A. Cramer, The First National Bank of Missoula.

FRESHMAN: Larry L. Dover, The Midland National Bank of Billings; Wayne C. Leiner, The Great Falls National Bank, Great Falls, and Roy F. Nelson, Security Trust & Savings Bank, Billings.

Nebraska

SENIOR: Gene L. Burgen, United States National Bank, Omaha, and Jerome J. Schumacher, The Omaha National Bank, Omaha.

JUNIOR: Ronald L. Lahm, Omaha Branch, Federal Reserve Bank of Kansas City, Omaha.

FRESHMAN: Kenneth A. Cain, Beatrice National Bank & Trust Co., Beatrice; D. Dwayne Catron, Center Bank, Omaha; Lawrence L. Jordan, Bank of Bellevue, Bellevue; Larry L. Nelson, National Bank of Commerce Trust & Savings, Lincoln, and Jim D. Philpott, The United States National Bank of Omaha.

South Dakota

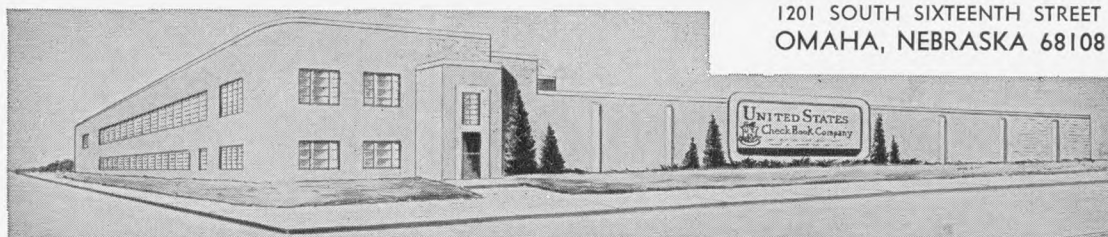
SENIOR: Gilbert E. Mjoen, American State Bank, Yankton.

FRESHMAN: Eldon E. Haseche, Northwestern National Bank of Sioux Falls.

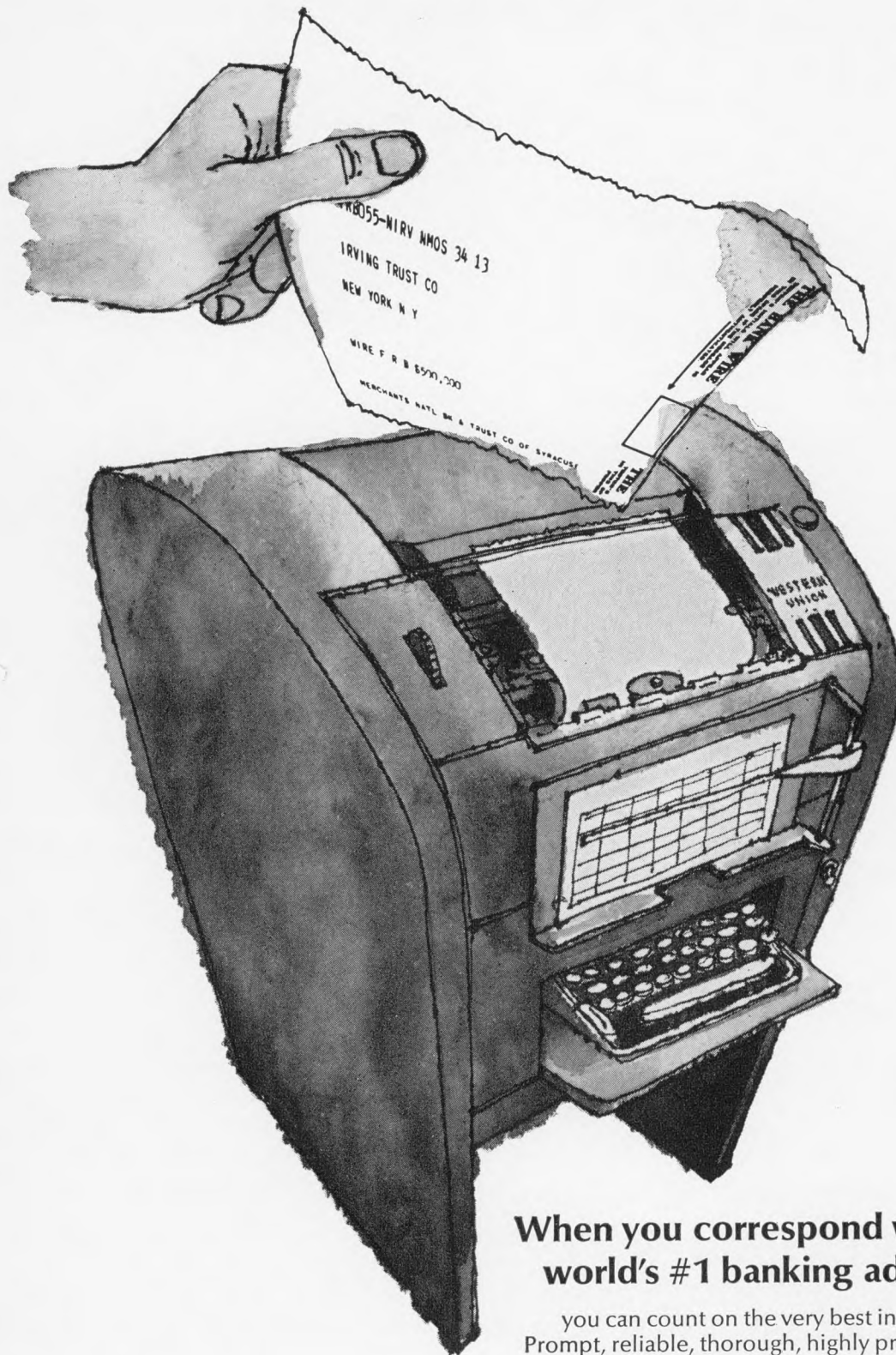
Wyoming

FRESHMAN: Joseph W. Miller, Cheyenne National Bank, Cheyenne.

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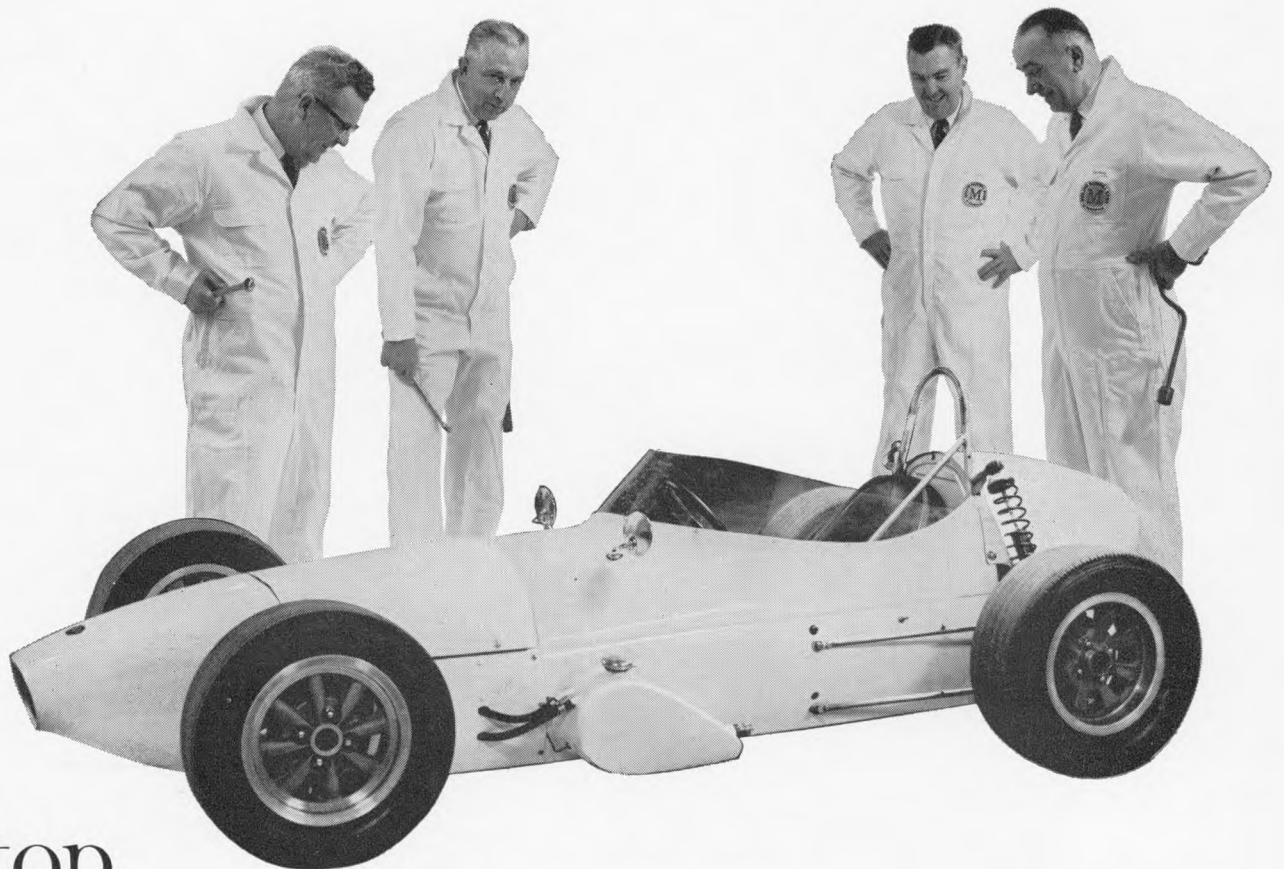
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Northwestern Banker, September, 1968



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Minnesota NEWS

J. J. CHOROMANSKI President Crystal

K. A. WALES Exec. Secretary Minneapolis



Plan MBA District Meetings

BANK legislation in 1969 will be the key topic to be discussed at the annual district meetings to be held by the Minnesota Bankers Association, according to J. J. Choromanski, MBA president.

The meetings will be as follows:

September 16—District 9, Country Club, East Grand Forks.

September 17—District 6, Maddens' Resort, Brainerd.

September 18—District 8, Northland Country Club, Duluth.

September 19—Districts 3, 4 and 5, Town and Country Club, St. Paul.

September 23—District 7, Country Club, Montevideo.

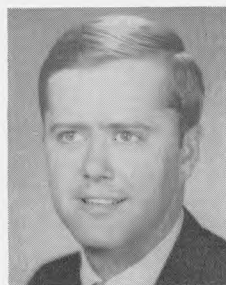
September 24—District 2, Orchid Inn, Sleepy Eye.

September 25—District 1, Kahler Hotel, Rochester.

Each meeting will start at 4 p.m. A social hour will follow at 6:00 p.m. A dinner will be served at 7:00 p.m. The after-dinner speaker will be Bob Conklin of Minneapolis. Districts 3, 4 and 6 will elect members to the MBA council. M. L. Rye, commissioner of banking for Minnesota, will appear at all meetings.

Joins Association Staff

Wayne F. Berthiaume has joined the staff of the Minnesota Bankers Association, according to Association President J. J. Choromanski, president of the Crystal State Bank.



W. F. BERTHIAUME

ciation.

Mr. Berthiaume, 24, was a loan officer for Industrial Credit Company in Minneapolis prior to joining the Min-

nesota Bankers Association, and previously was manager of a state loan office in Minneapolis.

Edina Bank President

Warren R. Hinze, formerly president of the First State Bank of St. Paul, has been elected president and director of the First Edina National Bank, effective September 1. Mr.



E. OREDSON

Hinze succeeds Eugene W. Oredson, who is now chairman of the board until his retirement next year.

Mr. Hinze, a graduate of the Stonier School of Banking at Rutgers University, New Brunswick, N. J., began his banking career in 1935 with the Western State Bank in St. Paul. In 1936 he joined the First State Bank of St. Paul, of which he

Mr. Hinze is a member of the advisory council to the commissioner of banks of Minnesota, and is also a member of the MBA public relations committee.

MBA Nominations Revealed

The nominating committee of the Minnesota Bankers Convention has announced its recommended candidates for the association's top positions for 1969-70. Nominated for president of the association is S. R. Wheaton, executive vice president of the First National Bank, Elk River. Mr. Wheaton is currently serving as MBA vice president.

Chosen for the vice presidential position is Marvin R. Campbell, president of the First National Bank of Crookston. Mr. Campbell is a former member of the MBA council of administration. Proposed as the candidate for a second one-year term as treasurer is Ora G. Jones, Jr., presi-

dent of the First National Bank in Le Bank in Red Wing.

The nominees will be proposed for endorsement at the various district meetings this month.

Promotions at Marshall

Arlen Krugerud has been promoted from assistant vice president to vice president of Western State Bank in Marshall. Mr. Krugerud joined the bank in 1962.

Robert McVenes has been elected assistant vice president. Mr. McVenes, who also joined the bank in 1962, will be in charge of real estate loans.

Douglas Anderson was promoted from assistant cashier to cashier. He succeeds Earl Gibson, who has resigned to enter the bank examining field. Virgil Como has been named assistant cashier and manager of the bank's insurance department.

Tower Bank Begins Remodeling

Warren Kregness, president of the State Bank of Tower, recently announced plans to remodel the exterior of the bank building. Plans call for the front portion of the building to be completely changed in style, and for new brick to be placed on the west side of the building. Wellander Construction in Tower has been awarded the contract for the remodeling.

Buys Insurance Agency

Russell Noble, executive vice president of the First National Bank in Le Roy, has purchased an insurance agency from Richard Blake of Le Roy. Mr. Noble has employed Kent Viers of Maxwell, Iowa, to service insurance accounts.

New President for St. Anthony Village

Dan A. Burrill has been named president of the State Bank of St. Anthony Village, according to an announcement made last month. Mr. Burrill succeeds Allan R. Burrill, who was named chairman of the board.



D. A. BURRILL

Dan Burrill was previously executive vice president of the suburban bank, which moved into new quarters last winter. He is also vice president and director of the Dassel State Bank of Dassel, Minn.

Twin City News



Otto B. Klett was elected president and director of the First State Bank of St. Paul last month. He succeeds **Warren R. Hinze**, now president of the First Edina National Bank in Edina.



O. B. KLETT

Mr. Klett, a *cum laude* graduate of the University of Minnesota and a graduate of the Stonier Graduate School of Banking of Rutgers University, has been a vice president and director of the First Grand Avenue State Bank in St. Paul. He began his banking career in 1937 with the First National Bank of St. Paul. In 1952 he was elected cashier of the First Grand Avenue State Bank, and in 1958 was elected vice president and cashier of the bank.

* * *

The St. Anthony Falls Office of the First National Bank of Minneapolis recently celebrated its 75th anniversary. It was founded in 1893 as the St. Anthony Falls Bank by **J. E. Ware**, early Minneapolis settler. By 1922 the bank on East Hennepin and 4th Street had grown to be "the oldest and largest bank in East Minneapolis," paying a handsome 4 per cent on savings accounts.

That year the bank was bought by the First National Bank of Minneapolis and became an office of the First National. Its resources had grown to \$6.2 million at that time.

A few months after the bank was founded, it had half a million dollars on deposit. According to **Kirby Scroggins**, assistant manager, the bank's resources have grown about 500 per cent since 1922. **Donald S. Oren**, vice president, is currently manager of the St. Anthony Falls office.

* * *

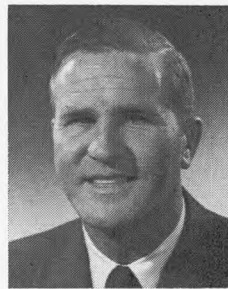
Harlie J. Privette has been appointed

Northwestern Banker, September, 1968

ed assistant vice president and manager of the installment loan department at the Columbia Heights State Bank. He joined the bank in 1964. **Gerald J. Hurd** was elected assistant cashier.

* * *

The American National Bank of St. Paul has announced the election of two new vice presidents in the business development and marketing division. Elected are



W. PRICE

Paul B. Bremicker, Jr., formerly vice president of Northwestern National Bank of St. Paul, and **Frank H. Delaney, Jr.**

Mr. Bremicker has been in the banking business for 15 years, prior to which he was with a New York investment banking firm. He is a graduate of the Graduate School of Banking at the University of Wisconsin. Mr. Delaney joined the bank in 1966.

Named corporate planning officer and assistant to the president is **William T. Price**. Mr. Price, who has



F. DELANEY



P. B. BREMICKER

been with American National since 1956, will assume responsibility for real estate development and planning of other long-range projects.

* * *

Jerome D. Johnson has been advanced from assistant cashier to assistant vice president of Guaranty

State Bank of St. Paul. Mr. Johnson has been with the bank since 1965.

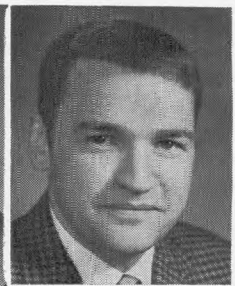
* * *

John M. Ditzler has been appointed manager of the Guaranty Agency, Inc. Mr. Ditzler was previously with the Northwest Agency of Edina.

Also announced was the recent leasing of additional quarters by the bank. The added space results in a 65 per cent increase in operating area, and has made possible expanded teller operations, bookkeeping and accounting operations.



J. D. JOHNSON



J. M. DITZLER

Bangkok Bankers



FOREIGN VISITORS—**Manoch Kanchanchaya**, second from left, chief, advances and discount section of the Bank of Thailand, Bangkok, observed banking operations at First National Bank of Minneapolis during a visit last week. He is shown with First National host bankers, from left, Assistant Cashier **Robert Gruman**, correspondent bank division; Vice President **William F. Ogden, Jr.**, international banking division; and Assistant Cashier **Richard L. Parnell** of the commercial banking department.



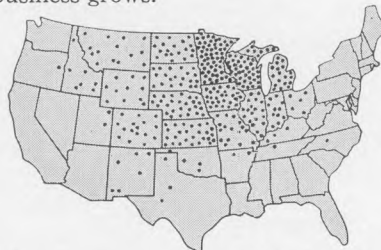
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*B. C. Gamble, Chairman of the Board
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Gambles is looking for intelligent, ambitious men to join its franchise store organization. For them, Gambles has a franchise plan that simplifies all phases of opening and operating a retail store successfully. A plan that has brought prestige, happiness and financial security to thousands of people in all walks of life.

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A Gambles franchise is an excellent opportunity for both the man we're talking about and you. For him: a successful business of his own. For you: a new commercial customer in your bank. If you know the kind of man we're talking about, show him this ad, or write us about him.



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Edmund Dunn has been named a director of First Southdale National Bank. Mr. Dunn is a partner in Dunn & Curry Real Estate Company.

* * *

Services were held August 12 in St. Paul for **Albert T. Larson**, former vice president of Stock Yards National Bank. Mr. Larson retired from the bank in 1960, after 23 years with Stock Yards.

* * *

Howard J. Dewes has joined Dain, Kalman & Quail, Inc., of Minneapolis, a regional investment banking firm, as a research analyst and assistant

vice president. Mr. Dewes was previously research department manager for Robert W. Baird & Company of Milwaukee.

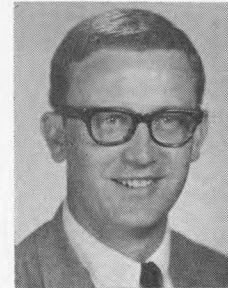
* * *

The First Bank System's midyear report shows a 9.2 per cent increase in assets to a total of \$3,306,687,643. Consolidated net operating earnings were up 8 per cent over the first half of 1967 to \$14,221,821. Total operating revenues increased 17.6 per cent to \$94,683,019, and total operating expenses were up 20.4 per cent to \$72,239,424. Cash dividends for the first six months were 90 cents per share,

compared to 80 cents per share in the same period of 1967.

* * *

Darrell E. Pederson has joined the staff of Northwest Bancorporation as public affairs assistant. Mr. Pederson has been assistant cashier at the State Bank of Virginia, Minn., a Northwest Banco affiliate. From 1965 to 1967 he served with the First National Bank of Denison, Iowa, as a North-



D. E. PEDERSON

west Banco trainee.

Mr. Pederson, a native of South Dakota, is a graduate of the University of South Dakota.

* * *

David M. Hyduke has joined the Marquette National Bank, Minneapolis, as vice president in charge of the commercial loan division. Mr. Hyduke was formerly assistant vice president at the First National Bank of St. Paul.



D. HYDUKE

In his new capacity Mr. Hyduke will be involved in the supervision of all commercial loans and the creation of commercial banking services to aid area businessmen and industry.

* * *

Russell A. Alm has been elected assistant vice president of First Bank System of Minneapolis. He will direct the building and design department, which coordinates the building program for affiliates of First Bank System.

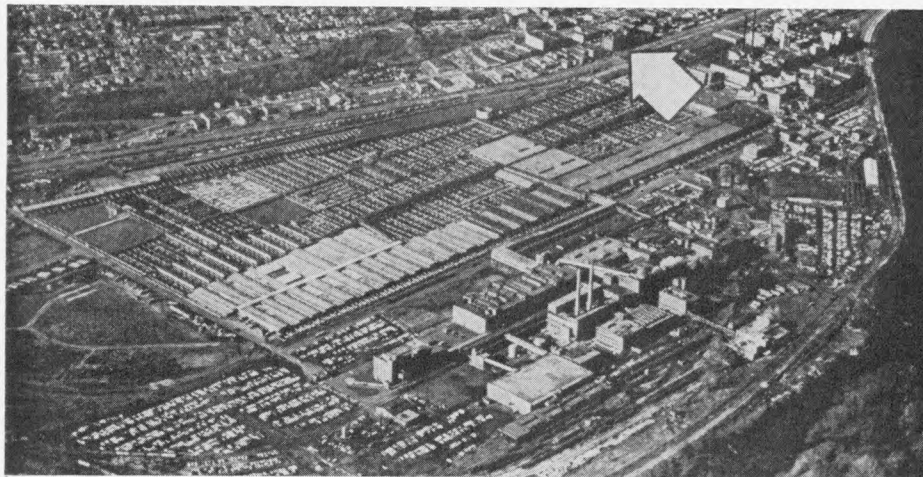


R. A. AIM

Mr. Alm joined the building department of First Service Corporation, the servicing affiliate of First Bank System, in 1946. He was named manager of the department in 1955 and assistant secretary in 1965. Last year he was elected assistant secretary of First Bank Stock Corporation.

* * *

First Bank System of Minneapolis recently announced it has received preliminary approval of the Comp-



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Northwestern Banker, September, 1968

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Assistant Vice President
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Independent Bankers
Convention at the
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troller of the Currency in Washington, D. C., to establish First Plymouth National Bank in a predominantly black area of Minneapolis. Federal Reserve



J. M. WARDER

Board action on the application is pending. Selected as president of the new bank is **John M. Warder**. Mr. Warder, who most recently has been vice president of Litho Supply Depot, Inc., was also elected assistant to the president of First Bank System with responsibility for organizing and planning the new bank.

Mr. Warder has held important positions in numerous Minneapolis organizations, including the Minneapolis School Board, of which he is clerk, the Chamber of Commerce, United Fund, Minneapolis Urgan League, and other groups.

Alexandria Promotions

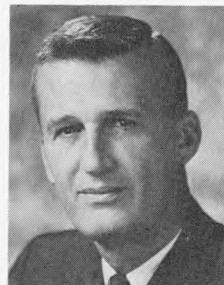
Three officers of the Alexandria State Bank have been advanced, according to Martin Haar, president. Herman Felt, vice president and cashier, has been elected executive vice

president of the bank. Mr. Felt has been with the bank since 1947.

H. R. Rogers was promoted from assistant vice president to vice president, and Keith Goulet was advanced from assistant cashier to cashier of the bank.

Elected Vice President At Duluth Bank

Orley Rath has been elected a vice president and trust officer by the First American National Bank of Duluth. Mr. Rath, who joined the bank as a trust officer in 1967, attended the National Trust School of the American Bankers Association at Northwestern University.



O. RATH

He has been associated with law firms in Aberdeen and Rapid City, S. D., and from 1959 to 1965 served as a vice president and trust officer of

the First National Bank of Aberdeen. Mr. Rath, a member of the South Dakota and American Bar Associations, formerly served as chairman of the trust committee of the South Dakota Bankers Association.

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Blue Earth Construction Begun



CONSTRUCTION has started on the new building for Blue Earth State Bank.

PAUL LINDHOLM, president of the Blue Earth State Bank, has announced the beginning of construction on the bank's new building.

The building, of red brick construction and Georgian design, will measure 69 by 78 feet, and will provide space for six tellers, several private offices, and other banking facilities. Plans also call for a drive-up window and a parking area.

The bank will be topped with a copper-roofed cupola, and will have a fountain on the south wall near one of the entrances. A second entrance will open into a vestibule which will contain two customer services—an after-hour depository, and a commu-

nity bulletin and information board. The bottom floor of the building will house storage and service facilities, and a community room.

Resigns From Wilmont Bank

Mrs. Loreena Ennenga has resigned her position as assistant cashier at the First National Bank, Wilmont. Mrs. Ennenga has been with the bank for two years.

Named Windom Director

Dr. James Dokken of Windom has been elected to the board of directors of the First National Bank. Dr. Dokken's election fills the vacancy created by the recent death of Harold Cramm.

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ARTHUR A. HAESSIG
Vice President

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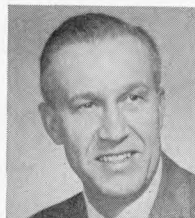
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SEPTEMBER 9-13



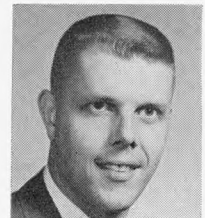
CURT LOVRE
President



IVAN STEEN
Vice President



JOHN KRASTINS
Assistant Vice President



TIM STERN
Assistant Vice President



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AND MADISON.

South Dakota NEWS

R. F. PETSCHOW President Elkton
R. W. TERWILLIGER Secretary Huron



Neil Milner New SDBA Secretary

THE South Dakota Bankers Association President Robert F. Petschow of Elkton has announced the appointment of Neil Milner as executive secretary-treasurer of the South Dakota Bankers Association to replace Roy W. Terwilliger, who recently resigned to accept a position with the American Bankers Association in New York. Mr. Milner began his duties September 1.

Mr. Milner has been serving as deputy manager of the Ohio Bankers Association, handling legislation, agricultural, and public relations and marketing activities.

Mr. Milner was born near Leesburg, Ohio, and graduated from Ohio State University, with a degree in agricultural economics. Upon graduation he received the Outstanding Senior Award for his participation in university activities. Following his graduation, he served as public relations director of the Milk Producers Federation of Cleveland and the Northwestern Cooperative Sales Association of Toledo, both dairy cooperatives.

He joined the Ohio State Bankers Association in 1962 as public relations director, and was promoted to deputy manager in 1966. He had the major responsibility for the revision and recodification of the Ohio banking laws enacted by the Ohio Legislature in 1967.

A 1964 graduate of the Bank Public Relations and Marketing School, Mr. Milner has also worked with that organization as a member of the Committee for Cooperation with Banking and Public Relations Associations and is currently a member of the nominating committee. In the American Institute of Banking he completed the course on "Principles of Bank Operations" and served as instructor for the Columbus, Ohio, chapter on bank public relations and marketing.

A recipient of the American Farmer degree from the Future Farmers of America, Mr. Miller served that organization as state president and was awarded the Honorary State Farmer degree for his work with the Ohio

Future Farmers. He served as president of the Ohio State Junior Fair Board for two years.

Mr. Milner is a member of the Masons, Eastern Star, the Ohio Trade Executives Association, and has been serving as president of its agricultural marketing forum. He is a member of the Presbyterian Church, and is active in local church and civic affairs. Mr. Milner is married and the father of two daughters.

Elected at Aberdeen

Thomas Holdhusen and Dennis Peck, who have been officer-trainees, have both been elected assistant cashiers at the First National Bank of Aberdeen. Both are in the installment loan department.

Convention Committees Appointed for 1969

SDBA President Robert F. Petschow has appointed the following bankers from Aberdeen to committees for the 77th annual SDBA con-

vention, scheduled for May 8-10, 1969, in Aberdeen:

General Chairman—Gerald L. Hill, chairman, Farmers and Merchants Bank.

Housing and Reservations — Lawrence Engelhart and Ronald L. Kranig, Aberdeen National Bank.

Golf Tournament — Terry Beddow and Dennis Christensen, Farmers and Merchants Bank.

Bowling Tournament — C. L. Koch and Gary Roth, First National Bank.

President's Reception—L. A. Johnson and Roy C. Hanson, Aberdeen National Bank.

Banquet and Entertainment—S. R. Larsen and D. W. McDermott, First National Bank.

Ladies' Luncheon—Mrs. S. H. Larson, Mrs. Gordon Curren, Mrs. L. A. Johnson.

Registration — Gordon Curren and Stan Peterson, Farmers and Merchants Bank.

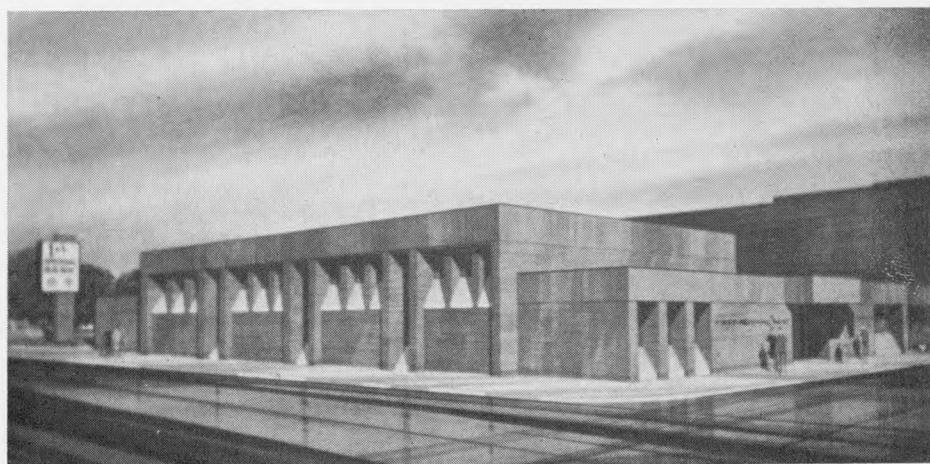
Publicity—E. C. Pieplow, First National Bank.

Transportation — Kent Baird and William Nelson, Aberdeen National Bank.

Increase Capital Stock

Two North Dakota banks have been given approval to increase their capital stock, according to the office of the state banking examiner. They are the Kindred State Bank of Kindred, from \$50,000 to \$75,000, and the First Western State Bank of Minot, from \$170,000 to \$306,000. Both increases will be by means of stock dividend.

Miller Plans New Building



WORK BEGAN last month on the new First National Bank building in Miller, S. D., according to L. E. Weaver, president. Dimensions of the building are 60 by 100 feet, plus a drive-in and depositors' window. The building will have a full basement, housing bookkeeping space, vaults, and a community room. The main floor will consist of the banking room, two conference rooms, and the insurance and installment loan departments. Completion is slated for June, 1969.

Northwestern Banker, September, 1968

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JOHN D. CLEARY
Assistant Vice President
BANKS and BANKERS

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September during the
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Program Details for 1968 Group Meetings Announced

ROBERT F. PETSCHOW, presi-
dent of the South Dakota Bank-
ers Association, has announced de-
tails for the five 1968 group meet-
ings. A. Neil Milner, newly-appointed ex-
ecutive secretary-treasurer of the
SDBA, will be introduced by Mr.
Petschow at each of the meetings.



PETE RETZLAFF B. KNOX

Programs for each of the meetings
are identical and are given below.
Dates and sites for the meetings are
as follows:

- Group II—Aberdeen, September 9.
- Group IV—Mobridge, September 10.
- Group V—Rapid City, September 11.
- Group III—Chamberlain, Septem-
ber 12.
- Group I—Sioux Falls, September
13.

Program

- P.M.
- 1:00 Registration.
 - 2:00 Remarks by Robert F. Pets-
chow, president, South Dakota
Bankers Association, and presi-
dent, Corn Exchange Bank,
Elkton.
Introduction of A. Neil Milner,
new executive secretary-treas-
urer of South Dakota Bankers
Association.
 - 2:20 Presentation of Study and Re-
codification of Banking Laws
by Boyd Knox, chairman, Bank-
ing Law Study Committee, and
executive vice president, Com-
mercial Trust & Savings Bank,
Mitchell; Howard Peters, presi-
dent, American State Bank,
Wessington Springs; Robert H.
Frei, president, Commercial
State Bank, Wagner; Russell
Halvorson, vice president, Na-
tional Bank of South Dakota,
Rapid City; Herman Lerdal,
president, Mitchell National
Bank, Mitchell.
 - 2:45 Coffee break.
 - 3:00 Discussion and questions on
proposed recodification.
 - 5:00 Group business sessions, group
presidents presiding; election of

- officers for 1969, election of ex-
ecutive councilmen in Groups
II and IV for three-year terms,
selections of 1969 meeting sites.
- 5:30 Group social hour.
- 6:30 Banquet; group presidents are
masters of ceremonies.
Introduction of distinguished
guests.
Banquet speaker: Pete Retzlaff,
Philadelphia, Pa. Mr. Retz-
laff is a former pro football
star with the Detroit Lions and
Philadelphia Eagles, and is
now a TV and radio sportscast-
er in Philadelphia. He was a
Little All American at South
Dakota State University, and
is a past president of the NFL
Players' Association.
- 8:30 Adjournment.

Group I: Loyal C. Olson, president;
executive vice president, Bank of
Union County, Elk Point. John Kras-
tins, vice president; assistant vice
president, Northwestern National
Bank, Sioux Falls. John W. Thomp-
son, secretary-treasurer; president,
Bank of Centerville.

Group II: Ivor H. Ochsner, presi-
dent; executive vice president, First
National Bank, Frederick. Thomas H.
Law, vice president; cashier, Gary
State Bank, Gary. Merlin L. Stocking,
secretary-treasurer; vice president
and manager, First National Bank of
Aberdeen, Milbank.

Group presidents will be in charge
of their respective groups. Group offi-
cers are:

Group III: Lewis Vanderboom,
president; vice president and manager,
National Bank of South Dakota,
Platte. Allan Larson, vice president;
executive vice president, Farmers
State Bank, Winner. Bernard H.
Horstman, secretary-treasurer; cas-
hier, Mitchell National Bank, Mitchell.

Group IV: Darrel E. Card, presi-
dent; vice president and manager,
Dewey County Bank, Isabel. Emmett
H. Johnson, vice president; cashier,
First State Bank, Roscoe. Kenneth R.
Zandstra, secretary-treasurer; assis-
tant cashier, Citizens Bank of Mo-
bridge.

Group V: Hugh Caton, president;
assistant vice president, Rushmore
State Bank, Rapid City. LeRoy Hofer,
vice president; vice president, Ameri-
can National Bank & Trust Company,
Hot Springs. Eugene A. Erickson,
secretary-treasurer; president, South-
ern Hills Bank, Edgemont.

Installment Credit Conference Will Be Held in Mitchell

THE Annual Installment Credit Conference conducted by the South Dakota Bankers Association will be held at the Mitchell Country Club in Mitchell on September 24.

Workshop sessions will be featured in the afternoon. The topics will be the subjects discussed during the morning program—Truth-in-Lending, Credit Life Insurance Regulations, and Sailors and Soldiers Relief Act.

The social hour and Dutch lunch will start promptly at 4:30 p.m. so registrants can be at the Corn Palace at 6:00 p.m. for the entertainment program. Headlining the show will be Eddie Arnold, The Gold Diggers, and Pat Morita, a Japanese-American comic.

The program follows:

Tuesday, September 24

- A.M.
- 8:00 Registration at Mitchell Country Club.
 - 8:30 Coffee served.
 - 9:00 Call to Order—Roy C. Hanson, Chairman, SDBA Installment Credit Committee; assistant vice president, Aberdeen National Bank, Aberdeen.
Official Welcome — Robert F. Petschow, president, South Dakota Bankers Association; president, Corn Exchange Bank, Elkton.
 - 9:10 "The Future of Our Current Economy"—Dr. B. A. Rogge, Wabash College, Crawfordsville, Ind.
 - 9:50 "Credit Life Insurance Regulations"—Warren E. Dirks, Commissioner, South Dakota State Department of Insurance, Pierre.
 - 10:20 "Truth-in-Lending and the Uniform Consumer Credit Code"—Lawrence J. Burns, member of

- the ABA Lawyers Committee on the Uniform Consumer Credit Code, Columbus, Ohio.
- 10:50 "The Soldiers and Sailors Relief Act"—Donald Porter, SDBA Legal Counsel, Martens, Goldsmith, May and Porter, Pierre.
- 11:20 Adjournment.

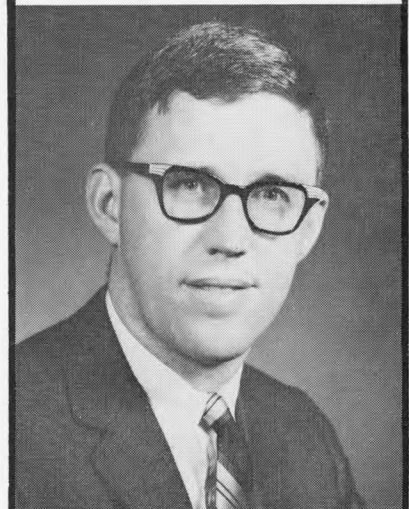
- 12:00 P.M.
Luncheon.
Introduction of Distinguished Guests.
Luncheon Speaker — George Night, Lt. Governor, State of Oklahoma, Oklahoma City.
- 1:45 Workshop Sessions:
Group A—David Russell, assistant vice president, National Bank of South Dakota, Sioux Falls.
Group B—G. D. Hansen, vice president, Valley National Bank, Sioux Falls.
Group C—Terry Beddow, assistant cashier, Farmers & Merchants Bank, Aberdeen.
- 3:30 Reconvene in large group in ballroom for general discussion.
- 4:15 Conference adjournment.
- 4:30 Social hour and dutch lunch.
- 6:00 Eddie Arnold show at the world's only Corn Palace. — **End.**

Attends Mortgage School

Robert K. Miller, assistant vice president, National Bank of South Dakota, Vermillion, was graduated from the National Mortgage School at Columbus, Ohio, last month. The school is sponsored by the American Bankers Association and the Ohio State University.

One week residency is required for two successive years with several extension projects completed at home to qualify for graduation.

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Correspondent Banking Officer
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Northwestern Banker, September, 1968

Advanced at Aberdeen

Gordon J. Curren has been advanced to the position of executive vice president and director of the Farmers and Merchants Bank, according to a recent announcement. Mr. Curren joined the bank in 1966 as vice president and cashier. He began his banking career with the Northwestern National Bank of Sioux Falls in 1947, where he became assistant vice president and manager of the Huron branch.

He succeeds Herman Lerdal, who recently resigned to become president of the Mitchell National Bank.

Advanced to vice president in charge of the farm department was Stanley M. Peterson. He joined Farmers and Merchants in 1962 as agricultural representative.

Promoted from assistant cashiers to assistant vice presidents were Dennis L. Christensen, in charge of the trust department, and Terry Beddow, head of the installment loan department.

State Banks Grow

An abstract published by the State Department of Banking and Finance reflects a 5.4 per cent increase in deposits at state-chartered banks in

South Dakota for the first six months of 1968, compared to the same period in 1967. Deposits are now \$534.6 million. Capital accounts in state banks grew from \$49.7 million to \$51.9 million for the same period.

Mitchell Bank Elects New Directors

Three new directors were elected last month to the board of the Commercial Trust and Savings Bank. They are James W. Stewart, vice president and trust officer of the bank; Ronald R. Jenkins, cashier and assistant trust officer, and Evan A. Tessier, president of Tessier Sheet Metal Works in Mitchell.

Black Hills Bank Celebrates 90th Birthday

The First National Bank of the Black Hills recently celebrated its 90th anniversary. The bank was chartered July 25, 1878, 11 years before South Dakota became a state.

The bank, headquartered in Rapid City, now has \$86.5 million in deposits and more than \$98 million in assets. Besides the main office, there are now 10 branch offices for the bank—two in Rapid City, and one each in Belle Fourche, Deadwood, Hot Springs, Lead, Newell, Spearfish, Sturgis and Villa Rancaero. Charles T. Undlin is president of the bank.

New Auditor for National Bank

Donald F. Bertsch has been appointed auditor for the National Bank of South Dakota. He will supervise auditing procedures for the bank and its 13 facilities across the state.

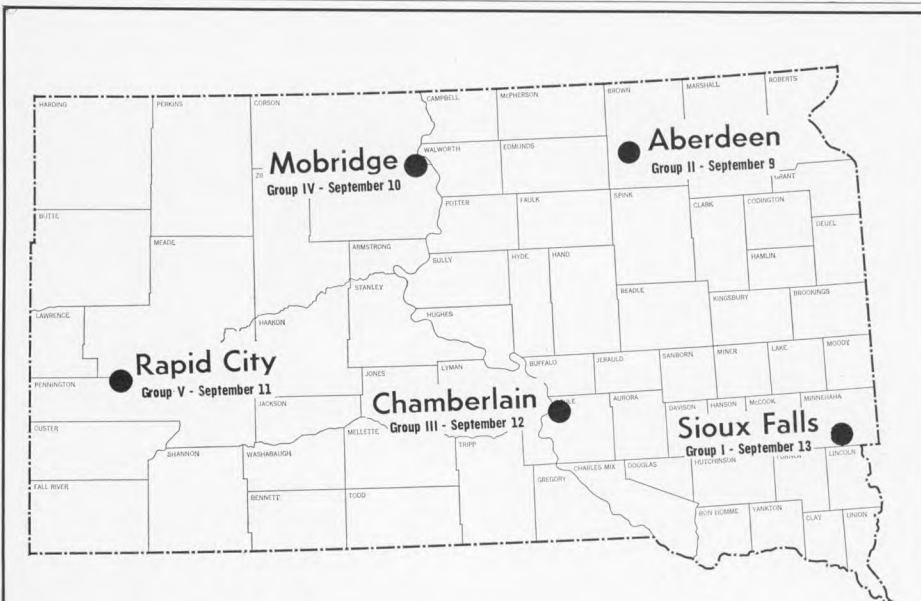
Mr. Bertsch began his banking career as cashier at the First Potter County Bank in Gettysburg, and since January of this year has been supervising examiner of the North Dakota regional audit for First Service Corporation, the servicing facilities of First Bank System, Minneapolis.

60 Enroll in IBAA Seminar

A capacity enrollment of 60 has been registered in advance for the second annual seminar for junior bank officers sponsored by the Independent Bankers Association of America.

The seminar will be held October 15-17 at Ball State University in Muncie, Ind. Howard Bell, IBAA executive director, said the registrants come from 23 states.

Topics slated for lectures and group discussions include loans, investments, marketing bank service, data processing, career development, and the independent banking philosophy.



Check Your Group Meeting Place and Date, and we'll look forward to seeing you there for informal discussions on current banking practices and problems.



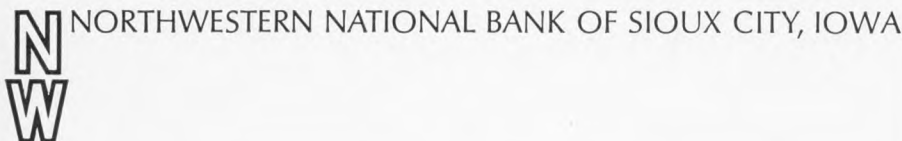
S. W. EVANS

We'll See You
at the
Group Meetings



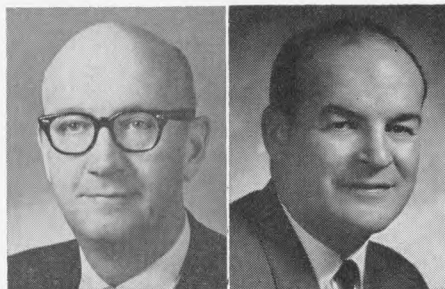
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North Dakota NEWS

E. L. OLSON President Grand Forks
W. J. DANER Secretary Bismarck



Legislative Program Will Be Topic for Group Meeting

THE principal topic for discussion at the North Dakota group meetings in October will be the association's legislative program that will be proposed for the 1969 session of the state legislature.

The meetings will be held October 8 at Devils Lake, October 9 at Williston, October 10 at Dickinson and October 11 at Jamestown.

Presenting the NDBA legislative program will be Edward L. Olson, president of the association and senior vice president of First National Bank & Trust Company, Grand Forks; John Rouzie, chairman of the legislative committee and president, First National Bank, Bowman, and William J. Daner, association secretary, Bismarck.

Each meeting will start at 4:00 p.m. The business session will be followed by a social hour and dinner.

WILLIS ALEXANDER . . .

(Continued from page 46)

ment. The community banker has another reason. His is the unique opportunity to determine the attitude toward progress his community holds and in cooperation with the news media—newspapers, radio and TV—he can move a community. As a corollary, he can encourage or discourage progressive attitude by the encouragement he gives to credit related progress."

Willis practices what he preaches and has been doing so for many years. In cooperation with the other bank in Trenton, the Trenton National Bank, the community has had the advantage of banking leadership assist it to bring industry into the county seat town of Trenton and in financing local business and farm operators. Willis is president of Wright Memorial Hospital and a member of the 75-bed hospital's board of trustees. He is active in the Grundy County Industrial Development Corporation. It is here he cites that "this is not the area

for competition between community banks, but cooperation."

He is also co-publisher of the local newspaper, the 104-year-old *Trenton Republican Times*, which is published six days a week.

He recognizes that there will always be problems confronting the industry, and also believes that bankers must not only keep abreast of changing requirements but ahead of them wherever possible. Two cases he mentions are the recently announced reform of Federal Reserve requirements, which permit state-member banks the same privileges enjoyed by national banks, and the ABA's effort to help solve some of today's social problems through its Urban Affairs Committee.

He favors Federal Reserve reform as a necessity, but opposes the Fed's continued effort to make it mandatory for all banks to carry reserves with the Fed. This is de facto membership, he states, and carries the seeds of centralized control.

He has special praise for the ABA Urban Affairs Committee for it is trying to get bankers to help solve problems at the lowest level of work possible.

Willis Alexander strongly believes in the capability of the local unit bank to compete and survive in today's rapidly changing economy, but only if the banking leadership in unit banks is willing to "roll with the punch" and make the service adjustments that will keep it apace with the public needs.

He strongly believes in bankers being community leaders, for they have the unique opportunity to serve as the financial eyes and ears for the community, affording them an opportunity to set the pace to serve their community's progress.

He also believes that bankers should want to serve their communities and the entire public need for the sake of sharing with others what experience

they have to offer for the common good.

These are the beliefs that form the foundation of service that Willis Alexander learned from his distinguished father and indicate the kind of complete and dedicated service that Willis will give in the tradition of ABA presidents when he is installed as president of the American Bankers Association this month for the 1968-69 term.—End.

Joins Larimore Bank

Herbert Emter, 29, has joined Elk Valley State Bank of Larimore as an assistant cashier, it was announced last month by President Curtis Cornelius.

Fargo Promotions

Myron Hovden has been appointed assistant cashier and assistant manager of the time pay department at The Merchants National Bank & Trust Company at Fargo. William Frost is transferring to an affiliate bank, the American National Bank of Little Falls, Minn. Keith Falconer is joining the bank as a unit man in the time pay department.

Mr. Hovden joined Merchants National in 1948 and Mr. Frost in 1963. Mr. Falconer has been with the Marquette National Bank of Minneapolis for two years.

Elected Director in Bismarck

Milton Rue, Jr., of Bismarck has been elected to the board of directors of the First National Bank. Mr. Rue's election fills the vacancy created by his father's death last May 29.

Columbus Bank Opens Station

The North Dakota State Banking Board has given approval to a proposed paying and receiving station at Lignite to be operated by the Columbus State Bank, Columbus.

Joins Rugby Bank

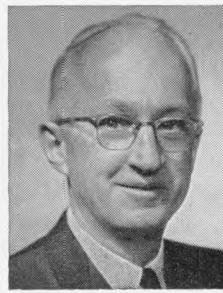
Richard A. Johnson has joined the Citizens State Bank, Rugby, as assistant vice president. Since 1966 Mr. Johnson has been manager of the Northwestern Bell Telephone office in Rugby.

Butte Station Approved

The Bank of Turtle Lake has been given permission by the North Dakota State Banking Board to establish a paying and receiving station at Butte. The bank hopes to have the station in operation by October 1, depending upon FDIC approval.

Montana NEWS

J. D. STREET **President** **Bozeman**
R. C. WALLACE **Secretary** **Helena**



Montana Resources Grow

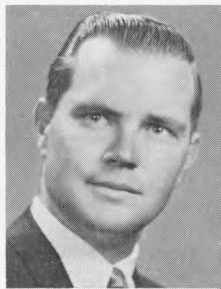
Midyear statements of Montana banks show an increase of 7.4 per cent in resources over the same time last year. An increase of more than \$97 million brings the total resources of all Montana banks to \$1,400.5 million, according to Albert E. Leuthold, state examiner.

Capital structure increased by \$5.1 million to a total of \$78.7 million. Loans and discounts for the fiscal year were \$746 million. The 86 state banks, one trust company, and 48 national banks showed a combined deposit total of \$1,072.4 million.

Promoted at Midland Of Billings

James A. Wempner was promoted recently to vice president in charge of the agricultural loan department, according to John Tenge, president. Mr. Wempner began his banking ca-

reer in 1948 in North Dakota, and came to Midland National in 1951. In 1964 he was elected assistant vice president.



W. E. HURLBERT



J. A. WEMPNER

At the same time Mr. Tenge announced the appointment of William E. Hurlbert to be an installment loan officer and manager of the installment loan section of the consumer finance department. Mr. Hurlbert has been with the bank since 1963.

BAI Officers

New officers for the Glacier Conference of BAI (formerly NABAC) for 1968-69 are as follows:

President—E. Eugene Gale, auditor, Security Trust & Savings Bank, Billings; **vice president**—Wallace E. Small, cashier, First National Bank, Missoula; **secretary**—Robert M. Panchich, assistant vice president, First Metals Bank and Trust Company, Butte; **treasurer**—T. E. Sell, vice president and cashier, First National Bank, Glendive.

Directors are: Charles L. Newland, state director, First National Bank, Bozeman; Barret L. Collier, assistant vice president, First National Bank, Great Falls; Donald A. Lees, auditor, First National Bank, Glasgow.

MBA Committee Chairmen

President of the Montana Bankers Association J. D. Street, chairman of the Security Bank and Trust Company of Bozeman, has announced the chairmen of standing committees of the Montana Bankers Association, as follows:

Nominating—Robert G. Henry, vice president, First Metals Bank and Trust Company, Butte.

Agricultural Credit Conference—William R. Tait, president, First National Bank, Dillon.

Bank Operations—Ken B. Jacobson, vice president and cashier, Midland National Bank, Billings.

Business Development—John E. Tenge, president, Midland National Bank, Billings.

Distributive Education Program—S. R. Erickson, First National Bank, Miles City.

Consumer Credit—Don G. Stewart, vice president, First National Bank, Bozeman.

Education—Ted Witzel, vice president, Security Bank & Trust Company, Bozeman.

Insurance—J. William Kearns, Jr., assistant cashier, State Bank of Townsend.

Legislative—Robert F. Burke, vice president, First National Bank & Trust Company, Helena.

Public Relations—Richard Rubie, president, Citizens Bank of Montana, Havre.

Real Estate Mortgage—A. W. Dickhoff, vice president, Great Falls National Bank, Great Falls.

Resolutions—C. H. Brocksmith, president and trust officer, First Security Bank of Glasgow.

Trust—George L. Beall, vice president and trust officer, First National Bank & Trust Company, Helena.



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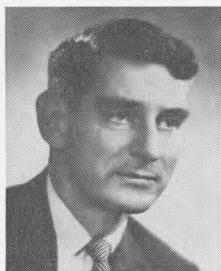
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Northwestern Banker, September, 1968

Colorado News

D. E. SCOTT
President
Colorado Bankers Association
Steamboat Springs



New Durango Bank

The Bank of Durango recently opened its doors to business. The bank, the third for Durango, is owned by the Turner family, owners of several other Colorado businesses. The bank opened with \$2.5 million in deposits and \$503,000 in capital, surplus and undivided profits.

Officers of the bank are Richard W. Turner, chairman and president; R. W. Turner, Jr., senior vice president; R. L. (Rod) Turner, executive vice president; Robert Sherwood, Fred Powell and James W. Sower, vice presidents; John W. Turner II, vice president and cashier, and Gene Siemens, assistant cashier.

Suburban Clearing Head

John D. Rankin, vice president and cashier of the Broomfield Bank, became president of the Suburban Clearing House Association at its annual meeting August 14. Mr. Rankin succeeds Dean Dearing, president of the North Valley State Bank, Thornton, as president of the association, which has 35 member banks.

Edward C. Hanifen, president of the Aurora National Bank, moved from secretary-treasurer to vice president, and Joseph Horan, executive vice president of the Arvada State Bank, was elected secretary-treasurer.

Denver U. S. President Heads Dartmouth Drive

Neil F. Roberts, president of the Denver U. S. National Bank, was recently named Colorado area chairman of Dartmouth College's Third Century Fund. Mr. Roberts is a 1935 graduate of Dartmouth College, and has been active in the Dartmouth Alumni Association. The college, located in Hanover, N. H., is seeking to raise \$51 million for academic programs and facilities, library funds and scholarships.

First National Extends Date for Exchange Offer

The board of directors of The First

National Bancorporation, Inc., Denver, voted at a special meeting August 28 to extend until 3:30 p.m., October 4, 1968, exchange offers for shares of The First National Banks of Denver, Bear Valley, North Glenn and Southglenn.

The original exchange offers would have expired at 3:30 p.m. August 10.

The extension was announced jointly by Montgomery Dorsey, chairman of the board of Bancorporation and The First of Denver, and Eugene H. Adams, president of Bancorporation and The First of Denver.

Mr. Adams said Bancorporation would provide stockholders with totals on shares which have been exchanged by 3:30 p.m. on August 29. Tentative totals, he said, show The First of Denver with "more than 60 per cent" of its shares exchanged for those of the Bancorporation and the three affiliates all with "more than 65 per cent."

To become a bank holding company, Bancorporation would have to receive for exchange 67 per cent of shares of The First of Denver and

51 per cent of shares of any one of the three affiliates.

Mr. Adams urged shareholders who have not yet exchanged "to do so immediately so as to insure the formation of the bank holding company."

Announce Auditing Course

A short course in auditing has been slated for October 14-19 at the University of Colorado, Boulder, by the Bank Administration Institute (formerly NABAC). Enrollment is limited to 50 persons.

The short course, tailored to the needs of banks with deposits under \$50 million offers an opportunity to start an inexperienced person in auditing training or enables someone already assigned in auditing to expand his knowledge and effectiveness.

The course of study will include: Introduction to Banking Accounting; Principles of Auditing; Deposit Auditing; Trust Auditing; Loan and Collateral Auditing; Cash, Due From Banks, and Collections; Securities and Safe Deposit Auditing; Income Auditing; Expense Auditing; EDP Audit and Control; Organizing the Audit Program and Audit Reports.

A minimum of four years of bank experience is required for admission. Two years of education beyond high school or two years of public accounting experience may be substituted for two of the four years of bank experience.

Applications should be directed to the Registrar, Education Division, Bank Administration Institute, P. O. Box 500, Park Ridge, Ill. 60068.

Wyoming News

MAX E. FISHER
Laramie
President
Wyoming Bankers Assn.



Appointed Meeteetse Manager

William Campbell, cashier of the Western National Bank of Lovell, was appointed manager of the First National Bank of Meeteetse last month. Mr. Campbell assumed his position September 1.

9 Per Cent Rise in Assets

Assets in Wyoming's 69 banks rose 9 per cent from June 30, 1967, to June 30, 1968, the state examiner's office reported last month. Total assets increased from \$636.6 million to \$693.5

million, State Examiner Dwight Bonham said.

For the same period, deposits in Wyoming banks increased from \$563.6 million to \$612.3 million, an 8.6 per cent rise.

Open House at Powell

The First National Bank of Powell recently held open house in its newly-remodeled quarters. The addition and remodeling of the bank provides expanded office space and a meeting room.



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Vice President



HOWARD NIELSEN
Assistant Vice President



EVERETT BROWN
Assistant Cashier



JESS ZIMMERMAN
Assistant Cashier

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Nebraska NEWS

H. GRAMANN, JR. **President** **Adams**
W. H. OSTERBERG **Exec. Mgr.** **Omaha**

Broken Bow Advancements

Charles R. Giles, cashier at the Nebraska State Bank in Broken Bow, has been elected vice president and cashier. John R. Brainard was also promoted to vice president and Norman Schipporeit to assistant cashier.

Joins Bank at Gothenberg

Ronald M. Rittscher joined the Gothenburg State Bank last month as an assistant vice president. Mr. Rittscher has been assistant manager of the North Platte office of Production Credit Association.

Retires From Top Positions

Clyde H. Sudman has announced his retirement as chairman of the board of the Guardian State Bank in Alliance, and as president of the Bank of Valentine, the Bank of Hemingford and the Gordon State Bank, all members of the Abbott group of banks.

Mr. Sudman began his banking career in 1921 with the Nebraska State Bank in Oshkosh. In 1929 he joined the Abbott banks at the Guardian State Bank in Alliance. He began as an assistant cashier and was named president in 1960 and chairman last year.

Mr. Sudman is succeeded by Paul M. Hefti as chairman at the Alliance bank and president at the Valentine and Hemingford banks, and by L. A. Brooks as president of Gordon State Bank. Mr. Hefti is also president of the Bank of Chadron and the Anchor Bank of Merriman, both Abbott banks, and is a director of all 11 Abbott banks. Mr. Brooks has been executive vice president of the Gordon State Bank.

Abbott Banks also includes banks at Scottsbluff, Hyannis, Mullen, Thedford, and Winner, S. D.

Sidney National Is Sold

Controlling interest in The Sidney National Bank has been sold by Edward Brodkey of Omaha, who was chairman of the bank, to Robert C. Conrad of Bancroft, Neb. Mr. Conrad will become chairman of the board and



chairman of the executive committee. No other executive changes are foreseen, Mr. Conrad said.

Mr. Brodkey has been associated with Sidney National for eight years. He said business interests in Omaha are monopolizing his time, and influenced his decision to sell his interest in the bank.

Loans Show Nebraska Credit "Not Tight"

State Banking Director C. R. Haines last month reported that Nebraska's 308 state-chartered banks increased their loans by \$43.8 million to \$523.7 million for the year ending June 30. The increase represents a 9.1 per cent jump over June, 1967. Mr. Haines said the figures show that the tight credit problem confronting the country has had little impact on Nebraska the past year.

Total resources of Nebraska state banks showed a 12.1 per cent increase for the year, going from \$893.6 million to \$1,007.6 million. Deposits showed a comparable increase, rising from \$791.4 million to \$896 million, a growth of 13.2 per cent. Mr. Haines' report said that the capital, surplus, undivided profits and reserves reached nearly \$100 million during the year.

Named Fremont Director

Rupert Dunklau has been elected to the board of Fremont National Bank, according to Thomas J. Milliken, president. Mr. Dunklau is executive vice president of Valmont Industries, Inc., of Valley.

Joins Alliance Bank

William Huffman has joined Guardian State Bank of Alliance as a vice president in the commercial loan department. Mr. Huffman has been with the First National Bank of Mitchell for 19 years, most recently as cashier. Prior to that he was with the National Bank of Neligh and the Nebraska State Banking Department.

Added to Havelock Staff

Wayne Matthes of Norfolk has been added to the staff of Havelock National Bank, according to A. C. Eichberg, president.

Will Join Gibbon Bank

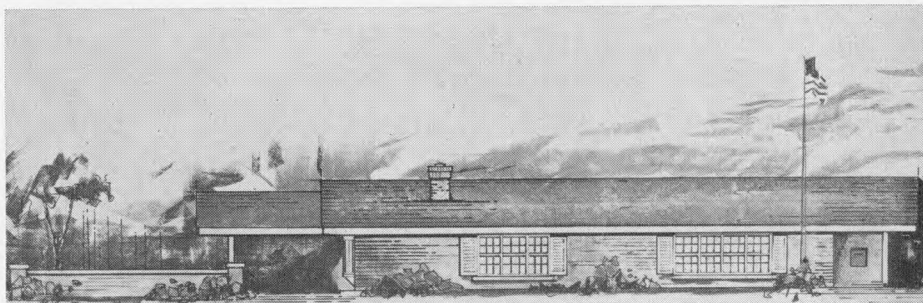
John Power has been employed by the Exchange Bank of Gibbon and will enter the bank's training program November 1, according to Ronald E. Bycroft, president of the bank.

Mr. Power, 28, is a native of Gibbon and was graduated from the University of Nebraska with a B.S. degree in Business Administration in February, 1963. He will be assigned work in bank operations as well as in the Gibbon Insurance Agency.



J. POWER

Butte State Bank Plans Building



SKETCH of Butte State Bank, Butte, Nebraska.

CONSTRUCTION began September 1 on the new building for the Butte State Bank, Butte. Completion is scheduled for February 1, according to J. G. Bewster, president.

The building is to be constructed on a corner northwest of the new Boyd

County Courthouse. The plan includes two vaults, a drive-in window and an after-hours depository. Keith Titus of Valentine is the architect, and Mobil Construction Company of Butte is the general contractor.

Omaha News



THE First National Bank of Omaha will hold its 10th annual Beef Cattle Conference and Forum of Finance Thursday, September 12. Featured speaker at the Men's Forum of Finance luncheon will be **Dr. James J. O'Leary** of Lionel D. Edie Company, New York, which provides economic information and consulting service for businesses throughout the country.



J. J. O'LEARY

Dr. O'Leary attended Wesleyan University and Duke University, and is a former teacher of economics at both schools. Since World War II he has been a frequent consultant on financial and economic matters to the U. S. Treasury, the

Federal Reserve Board, the President's Council of Economic Advisors, the Bureau of the Budget, the Federal housing agencies and several Congressional committees. He is a former president of the American Finance Association and a former chairman of the Conference of Business Economists, and is active in numerous business and financial associations.

Over 500 Omaha-area businessmen and Midwest bankers are expected for the conference. Bankers from eight states have been invited.

The Beef Cattle Panel presentation, devoted to beef cattle trends and outlook, will begin at 2:30 p.m., with **Mervin P. Aegerter**, second vice president of the bank, as the moderator. Other panel members include: **Ralph Kissinger, Jr.**, feeder from Fairfield, Neb.; **K. H. Dietz**, executive vice president, Walcott Savings Bank, Walcott, Iowa; **Gene Futrell** of the Cooperative

Extension Service, Iowa State University, Ames; **William E. Gray**, manager of the beef division, Wilson & Company packers of Chicago, and **B. T. Buell**, Rose, Neb., rancher.

Because of the current strong fed cattle and feeder cattle prices, relatively low feed prices, and likely build-up in fed cattle supply late in the season, it is believed that businessmen and bankers, as well as cattle feeders, will have more questions than usual concerning supplies and trends in cattle prices during the coming year.

An additional feature of the Beef Cattle discussion will be the "Crystal Ball Gazing Contest" for those bankers present, with a trophy going to the winner. Evening activities will include a cocktail hour, followed by dinner and entertainment for the banker guests and their wives.

* * *

First Nebraska Securities, Inc., Omaha investment banking firm, has entered the mutual fund business. The company recently purchased Fund Management, Inc., from Life Investors, Inc., of Cedar Rapids, Iowa. Fund Management is manager of First Security Growth Fund, Inc., which has a net asset value of \$160,000.



C. F. HEIDER

R. A. WESTCOTT

First Nebraska will operate Fund Management as a subsidiary. The transaction is subject to approval by the Securities and Exchange Commission.

Officers of the growth fund are **Charles F. Heider**, president; **Richard A. Westcott**, **Dwaine Rogge**, and **Roy J. Murphy**, vice presidents, and **Charles J. Burmeister**, secretary-treasurer. All are associated with First Nebraska Securities.

* * *

Two longtime employees of the U. S. National Bank recently retired. Leaving the bank after 42 years is Assistant Vice President **Thomas Gordon Johannsen**. Mr. Johannsen was manager of the bank's discount loan department. He served that department since 1943, and has been its manager since 1950.

Paul A. Grassman has retired after 28 years as the bank's chief engineer.

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THE Omaha National BANK

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Northwestern Banker, September, 1968

Both men were honored by the bank with a farewell party.

* * *

Tom W. Allen has been appointed assistant trust officer at the First National Bank of Canada. Mr. Allen joined the firm of **Storz-Wochob - Bender** in 1961, and continued with First Nebraska Securities, Inc., after the two firms merged.



T. W. ALLEN

* * *

Bruce E. Barks and **George Rebensdorf** have been named second vice presidents at the Omaha National Bank.

Mr. Barks was assistant cashier at

Omaha National until 1964, when he became executive vice president and cashier of the West Omaha National Bank. Mr. Rebensdorf was owner and operator of Provident Loan and Finance Company before joining the bank.

* * *

Herbert H. Davis, Jr., president of Kirkpatrick, Pettis, Smith, Polian, Inc., has been elected a governor of the Investment Bankers Association of America.

Mr. Davis will represent five states on the board when he assumes office at the group's annual meeting in Miami, Fla., in December. He is also president of the Nebraska Investment Bankers Association.

* * *

The First National Bank has formed a holding company that intends to acquire control of the bank, according

to **E. Phillips Giltner**, bank executive vice president.

The plans have been approved in principle by the bank's board of directors, and other necessary steps will be taken, including the filing of a registration statement with the Securities and Exchange Commission in the near future.

The new company, First National of Nebraska, Inc., has an authorized capitalization of \$5,000,000. This consists of 1,000,000 shares at a par value of \$5 each.

The incorporators, all directors or officers of the bank: **John E. Davis, John R. Lauritzen, Thomas L. Davis, Edward J. Carlson, Bruce R. Lauritzen, Varro H. Rhodes, Donald W. Ryan, Ernest T. Tanner, Fred W. Thomas, Charles K. Voorhees** and **Mr. Giltner**.

O. A. Cooper Company Gains

The O. A. Cooper Company, Humboldt, Neb., feed company, has had a 22.7 per cent increase in profits for the first six months of 1968 over the comparable period of 1967, according to Guy Cooper, chairman. Total feed tonnage for the same months is up 7.8 per cent.

The board also declared a \$12 per share dividend, compared with \$10 in 1967. Between December 31, 1967 and July, 1968, individual stockholder numbers have increased 16.21 per cent. Mr. Cooper stated the firm has authorized a capital stock increase from 20,000 to 30,000 shares, at \$100 per share.

Incentive Contest Successful

Mid-City National Bank of Chicago recently completed a successful employee incentive contest, designed to encourage employees to solicit actively new accounts for the bank. Several hundred accounts—including a \$3 million deposit, the largest in the bank's history—were opened, and bank employees received a total of \$13,000 in prize money.

The contest, which ran for 90 days, was inaugurated and directed by Kenneth Skopec, vice president. Each member of the staff was given a large button with a question mark on it for the duration of the contest. Largest prize awarded was \$1,700 to Mrs. Karen Teague, a drive-in teller, who solicited the previously-mentioned account of \$3 million.



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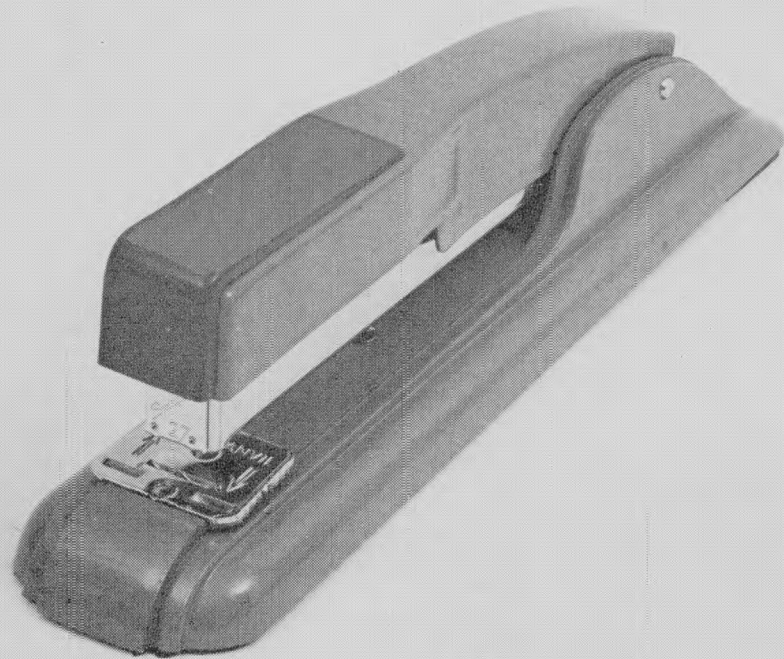
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Announces Details for Omaha Feeder Calf Show and Sale

CHARLES W. O'ROURKE, vice president, Union Stock Yards Company of Omaha, announces that the 24th Annual Omaha Feeder Calf Show and Sale will be held October 23 and 24, 1968.

This annual event is recognized as the top one of its kind in the Corn Belt area. It is designed to accommodate both buyers and sellers. Western producers are afforded a means of showing their top-quality calves to 4-H and FFA members, as well as to commercial feeders, at the gateway to the Corn Belt.

Twenty head—steer or heifer calves—will constitute an entry. (For competition, entries must be of one sex.) There is no limit as to the number of entries by one individual. All calves entered may be fitted. Calves will be judged commencing at 9:00 a.m., on Wednesday, October 23, under the lights in the sales arena. The sale will start at 9:00 a.m., Thursday, October 24. Only those calves awarded blue ribbons will be sold that day. All others not receiving blue ribbons will be sold on Friday, October 25, at the beginning of a special carload auc-

tion sale featuring commercial calves.

Consignors who receive a blue ribbon on a pen-of-20 calves will have the privilege of selling five head as individuals. The remaining 15 must be sold in lots of five.

\$2,310 in Cash Prizes

Premium money totaling \$2,310 will be offered. Entries must be awarded blue ribbons to be eligible for premium money. Cash awards will be paid to six places for each breed in the steer class and to four places in the heifer class. Cash awards and trophies will be given for the Grand Champion steers, Reserve Grand Champion steers, Grand Champion heifers, and Reserve Grand Champion heifers. The cash prizes will be furnished by the Union Stock Yards Company of Omaha, Omaha Live Stock Exchange, American Angus Association, American Hereford Association, and American Shorthorn Association.

A special trophy will again be awarded the Grand Champion load by the Stockyards National Bank, Omaha, Neb. This year, for the first time, the Angus, Hereford, and Shorthorn

Associations will award trophies for the champion steers and the champion heifers in each of their respective breeds.

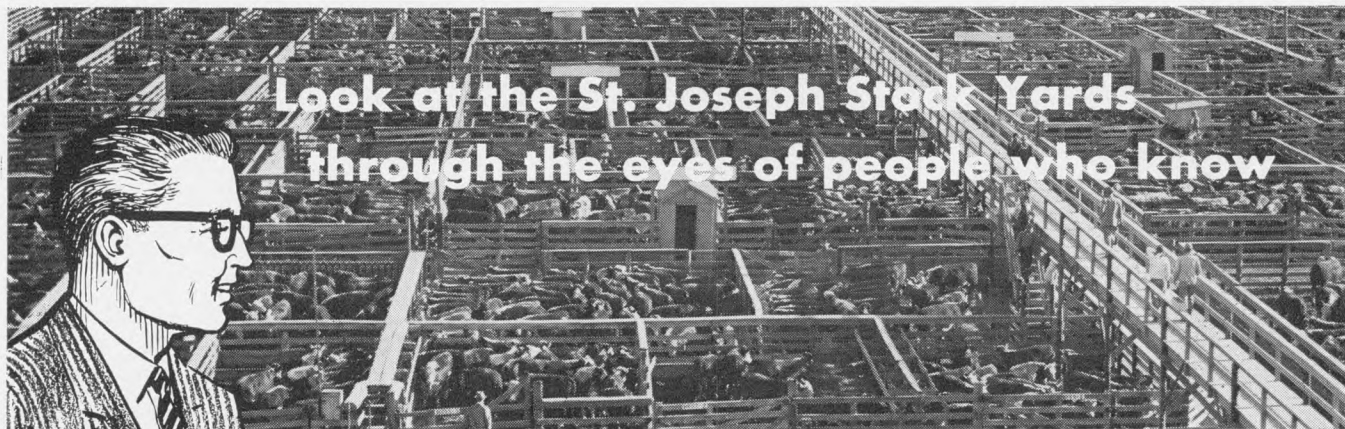
Judges for the calf show come from three states. They are: Orville Kalsen, a cattle feeder from Huxley, Iowa; John Kroner, a cattle feeder from Mahomet, Ill., and Joseph H. Watson, Cuming County extension agent from West Point, Neb. All are well-known, experienced judges. The auctioneer will be Colonel Dick Kane, Wisner, Neb.

The arena in which the sale will be held is heated for the comfort of the patrons and will accommodate over 1,000 persons. Each year it has been filled to capacity with buyers from most of the Corn Belt states.

Past shows and sales have drawn entries from Colorado, Wyoming, Idaho, Montana, Nebraska, and South Dakota.

All calves entered in the Omaha Feeder Calf Show will be given widespread publicity and advertising in the Corn Belt states through radio, magazine, and newspaper media.

Additional information and entry blanks can be obtained by contacting Charles W. O'Rourke, at the Union Stock Yards Company, Omaha, Neb. 68107.



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Northwestern Banker, September, 1968

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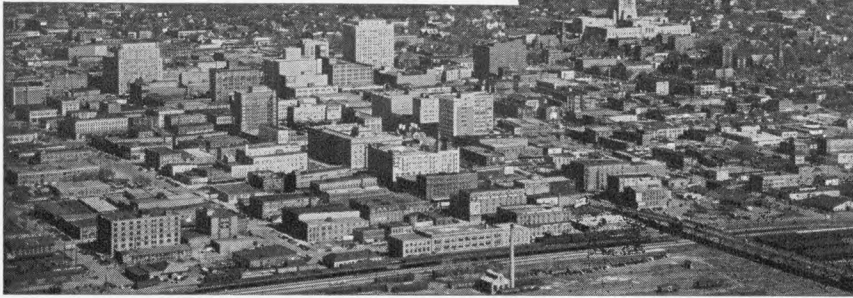


John F. Davis, Chairman of the Board, First National Bank of Omaha, displays a giant First Charge BankAmericard. The signature panel accurately portrays the position he holds, that of MR. AKSARBEN. As President of Ak-Sar-Ben with more than 50,000 members, Mr. Davis takes pride in the fact that, during 1967, Ak-Sar-Ben contributed more than \$580,000 to worthy causes, paid more than \$1,390,000 in taxes to the State of Nebraska, and furnished 47 full-time and 975 part-time jobs for a total payroll of more than \$1,100,000.

First National Bank of Omaha

Northwestern Banker, September, 1968

Lincoln News



THE First National Bank & Trust Company has announced completion of negotiations with David Murdock, Murdock Development Company of Phoenix, Ariz., to construct a new 20-story bank-office building at 13th and M Streets in downtown Lincoln.

The building, to be named the First National Bank Building, will be owned and managed by Murdock Development Company; First National Bank & Trust, which will move from its present building at 12th and N Streets, will be the principal occupant under a long-term lease. Under separate negotiations, First National has sold its present building and parking facility to Central Telephone and Utilities Corporation, which



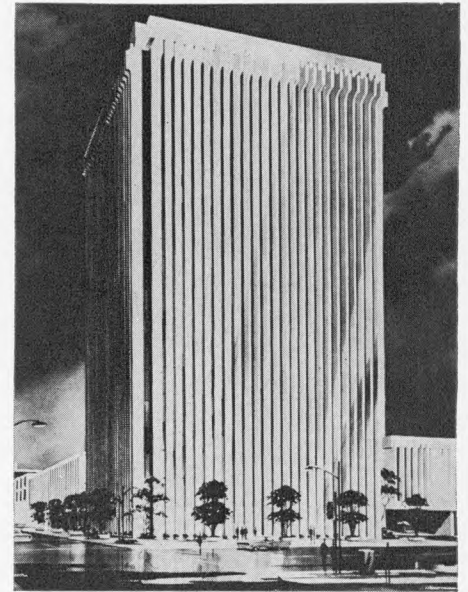
B. YATES

will take occupancy when the bank moves to its new quarters. Central Telephone and Utilities will use the property to house its national operating headquarters and its local gas utility office.

In reviewing the circumstances leading to First National's decision to move into the new building, bank President Burnham Yates noted the growth being experienced in all areas of the bank made it evident that First National was running out of space. Though four floors of the present bank building are leased to tenants, Mr. Yates said the bank felt that to displace these tenants would severely deter the future development of downtown Lincoln.

Architecturally, the new building is described as a square tower with the exterior being formed from vertical concrete ribs that will frame bronze thermopane glass panels. The main entrance will lead into a spacious marble, glass and terrazzo lobby, which will serve as First National's banking

floor. Parking for 180 vehicles will be provided on the second through fifth levels of the building. First National's occupancy will also include the lower level, where the bank's vaults will be installed, and the sixth through tenth floors, which will contain executives offices, the commercial loan, mortgage loan, correspondent bank, trust, municipal bond and investment departments, the computer center, and other operating departments. The building will have 290,000 square feet.



ARCHITECT'S RENDERING of a new 20-story high rise First Natl. Bk. bldg. planned for downtown Lincoln. The building will be a bank-office building with the principal occupant to be the First Natl. Bk. & Tr. Co. of Lincoln.

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The remaining floors will be devoted to rental office space, except for the top floor, which will feature a dining room for the bank and club facilities for all building tenants. Interiors for the building will be specially planned. Current plans call for construction to begin early this fall, with completion scheduled for early 1970.

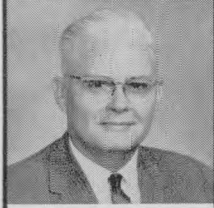
* * *

The National Agriculture Youth Institute was held in Lincoln August 5-16. The NAYI was first held a year ago to acquaint outstanding young men from Nebraska and around the nation with the opportunities in agriculture and allied businesses. Fifty-six Nebraska high school juniors from 47 counties were selected as hosts for the 55 visiting youths from 44 other states, Japan and Puerto Rico. Delegates to the institute were selected by deans of agriculture at land-grant colleges or by the interested states' governors.

This was the second annual session



Roger Cunningham



Lyle Stoneman



A. S. Chaves



Dale Shoemaker



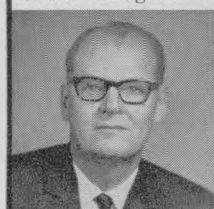
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of the institute, which is headquartered at the University of Nebraska's East Campus in Lincoln.

Winton W. Buckley, vice president of the National Bank of Commerce, was chairman of the farm credit panel for the event.

* * *

To permit the National Bank of Commerce Trust & Savings Association to broaden the services which can be performed by the bank, the bank's board of directors is proposing to its stockholders a complete reformation of its corporate structure.

A one-bank holding company is being proposed, with present bank stockholders owning shares in the bank holding company rather than the present bank. The holding company in turn would own the present bank and have capacity to own shares in other corporations providing such services as computer processing, real estate, insurance, leasing, credit cards, travel agency, bank management or mutual fund sales.

The announcement was made to stockholders in a letter August 17 from the chairman of the board, **Glenn Yaussi**.

A two-thirds vote of the stockholders is required to implement the reformed corporate structure. The board has indicated its intention to raise the present cash dividend by 10 per cent after the corporate changes, which include an exchange of two shares in the holding company for every share in the present bank.

National Bank of Commerce common shares currently sell around \$38 a share and the current dividend rate is \$0.80 a share.

Approximately four to six months would be required for a complicated series of legal steps to be completed to effect the change in corporate structure. The following series of proposed steps have been reviewed with the Comptroller of Currency in Washington whose approval is required under National Bank law, along with other federal agencies.

1. NBC Company, a business corporation, would be formed as the holding company and incorporated under Nebraska law.

2. A new temporary bank would be chartered under National Banking law to complete a merger with National Bank of Commerce Trust and Savings Association.

3. A merger agreement would be consummated and approved between the two banking corporations, at which time shareholders of National Bank of Commerce Trust and Savings Association would receive two shares in the holding company for every one share of bank stock they now own as a tax-free exchange. Any stockholder not electing this exchange would be paid an equivalent amount in cash rather than stock under provisions of the National Banking Act. The effect of this is to make the new bank a 100 per cent owned subsidiary of the new holding company without any minority stockholders, except those shares needed for qualifying directors during their term of office.

Directors of the present bank would continue as the directors of the new holding company and bank.

At the same time capital and surplus of the new bank would be increased from the present \$6,811,000 to \$7,200,000. Capital and surplus of the holding company would be in excess of \$12,500,000. The holding company will have a \$250,000 debt, the amount of capital of new bank corporation.

The bank letter said that the bank had no specific plans at the present

time to engage in broader forms of business but was taking the necessary first step corporatewise to be able to do these functions.

* * *

Hale Kreycik, president of the Lincoln chapter of the American Institute of Banking and assistant cashier at the National Bank of Commerce, has announced that AIB classes are beginning the first week of September. As in the past, each class is meeting once a week for 14 sessions.

* * *

First National Bank & Trust Company will hold its ninth Correspondent Bank Conference in Lincoln September 13-14 at the Lincoln Hotel. The theme of this year's conference will center on football: following the Friday men's luncheon **Bob Devaney**, head football coach at the University of Nebraska, will speak on "Cornhuskers—'68." Nebraska plays its first home game Saturday, September 14, against Wyoming, following the close of the conference.

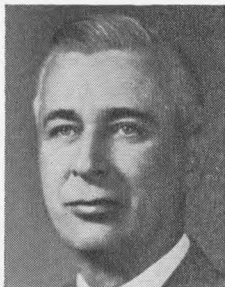
Consistent with the football theme, the "First Half Kick-off" will be led by **Sam Waugh**, Washington consultant to the Bank of New York international department, who will speak on the international trade situation. **James Monroe**, director of the Nebraska Department of Economic Development, will discuss "Industrial Development in Nebraska."

Saturday morning will highlight a breakfast for guests, followed by an agricultural panel entitled, "What Are We Going to Produce and What Are We Going to Do With It?" The panel will be moderated by **Dean E. F. Frolick** of the University of Nebraska's Department of Agriculture and Home Economics. **Raymond J. Doll**, vice president and senior economist of the Federal Reserve Bank of Kansas City, will present material on "Opportunities in Agriculture and Beef Cattle Industry."

A ladies' luncheon will be held on Friday at the "Top of the First," eighth floor of the First National Bank. Bankers and their wives will close the conference with a "Kick-Off Luncheon" on Saturday.

Begins Drive-In Expansion

The Commercial National Bank and Trust Company of Grand Island has begun demolition of a building adjoining its present quarters. Enlarged drive-in facilities and parking area will occupy the space. An area for walk-up customers and five drive-in lanes will be featured, according to **W. W. Marshall, Jr.**, president.



G. YAUSSI

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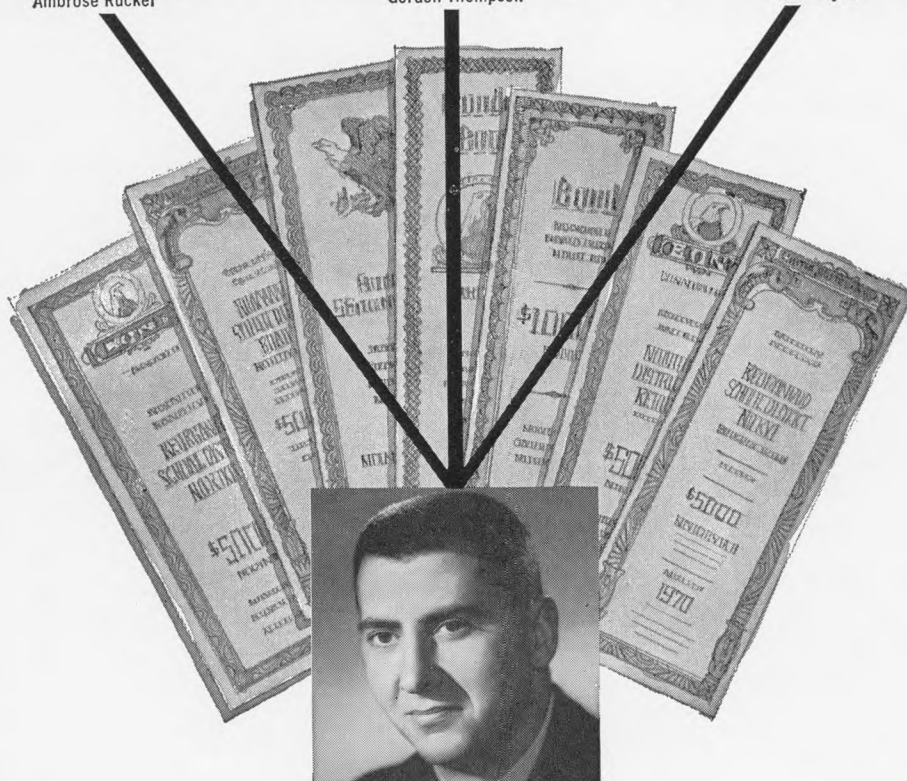
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Northwestern Banker, September, 1968

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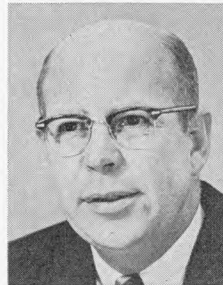
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Iowa NEWS

O. A. HANSEN President Durant
 A. E. LINDQUIST, JR. Secretary Des Moines



Start Bank Training Courses

A NEW concept in providing courses in principles of bank operations has started in the central Iowa area.

The American Institute of Banking, the Iowa Bankers Association and the Area XI Community College are cooperating by conducting the study courses on the basis of one meeting a week for a period of 14 weeks. A class of 24 students will be meeting each Tuesday evening from 7 p.m. to 10 p.m. at the First National Bank, Ames. The instructor is Dan Kreiger, assistant vice president of the bank.

A certificate from the Area XI Community College will be awarded to all who successfully complete the course. The course also applies toward an AIB certificate. Cost of the course is \$25, including textbook and all other fees. Instruction is designed for bank employees who wish to advance in their profession.

It is anticipated that similar programs will be established in other sections of the state, and further information may be obtained by writing Arthur E. Lindquist, Jr., secretary, Iowa Bankers Association, 630 Liberty Building, Des Moines.

Lee County Building Started

The Lee County Savings Bank has begun work on the construction of its new building, according to plans announced last April. Bank officials said actual construction of the building itself will begin sometime this month.

Bank Offers Maps

It has been announced by Jim Lipton, Jr., executive vice president of Ida County State Bank, Ida Grove, that the bank will give new 1968 plat maps of Ida County free to everyone at the Ida County Fair. The new maps are the most recent drawings of the county.

Dubuque Bank to Build Office

The Dubuque Bank & Trust Company has received permission to es-

tablish a banking office in the Kennedy Mall Shopping Center. Bank President William R. Jansen said the bank hopes to have the office in operation before the end of the year.

Ottumwa Banker Retires

Frank M. Pollard, vice chairman and chief administrative officer of the Union Bank & Trust Company in Ottumwa, retired August 31. Mr. Pol-



F. M. POLLARD

lard will continue to be a director of the bank.

Mr. Pollard began working with the Ottumwa Savings Bank in 1933 as a clerk. When that bank merged with Union Bank & Trust, he was named a teller. Mr. Pollard was elected vice president and cashier of the bank in 1947.

His grandfather, Frank McIntire, organized Ottumwa Savings Bank in 1887. His father, Hervey Pollard, was also an Ottumwa banker, serving as an executive officer of Union Bank & Trust until his death in 1952.

Mr. Pollard intends to pursue various personal interests in his retirement.

Named to Grundy Center Board

Dr. Don M. Geer, Grundy Center dentist, has been named to the board of the Farmers Savings Bank of Grundy Center. He succeeds H. Adolph Mertens, who will be retained as a consultant.

Retires After 51 Years

After 51 years as a Cedar Rapids banker, Stanley Mohrbacher has retired from the Merchants National Bank. Mr. Mohrbacher, vice president and head of the installment loan department, began his career with Merchants National in 1917 as a messenger. By the time he was 19 years old, he was head teller of the bank.

Mr. Mohrbacher explained his "bank

education" of 50 years ago as "where you move from department to department and learn as much as you can. The depression was part of the banking education, as well as four wars."

In 1939 Mr. Mohrbacher founded the installment loan department of the bank, and he has headed it ever since that time. He is a member of the Cedar Rapids Credit Association and of the advisory board to the credit consumer committee of the American Bankers Association.

Fete Rippey Banker For 50 Years of Service

On August 13 the First National Bank of Rippey held a dinner in honor of Max Riley and his wife on the occasion of his 50th anniversary as a director of the bank. Mr. Riley has also been president of the bank since 1930. Clark Bardole, cashier, spoke at the dinner and read a letter of congratulations from Arthur Lindquist, secretary of Iowa Bankers Association.

Bank Women Slate Meet For September 18-19

The Iowa group meeting of the National Association of Bank Women will be held September 18 and 19 at the Holiday Inn in Cedar Falls. William McKinley, mayor of Cedar Falls, will deliver a welcoming address. Miss Mavis Holmes, associate dean of students at Northern Iowa University, will speak on "Women—Facts, Fancies, and Forecasts."

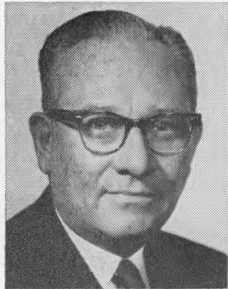
Speakers at the evening banquet on September 18 include Arthur E. Lindquist, secretary of the Iowa Bankers Association; Mrs. Lillian L. Watkins, president of the National Association of Bank Women, and Frances McCarty, regional vice president of the organization.

The main address of the evening will be delivered by Eads Poitevent, president of the International City Bank of New Orleans, who will speak on ideas and marketing techniques which have made his bank famous.

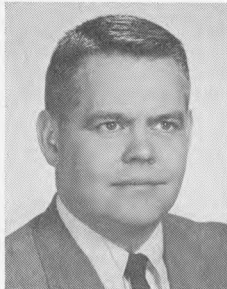
Other speakers and their topics include: Mrs. Aurelia Klink, instructor in office education at the University of Northern Iowa, "Forgotten, But Not Gone," a look at what makes good executives; Mrs. Lucille Potts, vice president, Poweshiek County National Bank, Grinnell, "Women's Activities"; Mrs. Lilli Ann Ayres, former executive secretary of the Modeling Association of America and founder of the Scholarship Foundation of America, "The Challenge of Sense—Not All Cents."



G. D. NELSON



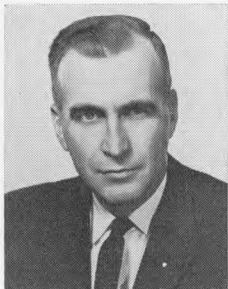
K. G. CONE



D. C. FISKE



R. L. SELLON



W. D. KING



W. B. GIBSON

13th Annual Iowa
Installment Lending Conference
Kirkwood Hotel
September 18 and 19

Wednesday, September 18

A.M.

- 8:00 **Registration**—Main Floor, Kirkwood Hotel, Des Moines.
- 9:00 **Call to Order**—Presiding—Gerald D. Nelson, chairman, Installment Loans Committee, Iowa Bankers Association, vice president and manager, installment loan department, First National Bank, Muscatine.
- Word of Welcome**—James W. Lipton, Jr., vice president, Iowa Bankers Association, executive vice president and cashier, Ida County State Bank, Ida Grove.
- 9:15 **Bankruptcy Law Developments**—Richard F. Stage-man, referee in bankruptcy, United States District Court for Southern District, Iowa.
- 10:00 **Coffee Break.**
- 10:15 **Check Guarantee and Overdraft Banking**—Richard L. Sellon, vice president, Iowa-Des Moines National Bank, Des Moines.
- 11:15 **The Uniform Commercial Code and the Credit Card**—Eric E. Bergsten, associate professor of law, University of Iowa, Iowa City.
- 11:55 **Recess for Lunch.**
- P.M.**
- 12:15 Presiding—Willard D. King, immediate past chairman, Installment Loans Committee, Iowa Bankers Association; vice president, Davenport Bank and Trust Company, Davenport.
- Five Years Ahead**—Keith G. Cone, senior vice president, LaSalle National Bank, Chicago, Illinois.
- 2:30 **Workshops**—Uniform Commercial Code, leader—Eric Bergsten.

Truth in Lending and Interest Rates, leader—Wendell B. Gibson, general counsel, Iowa Bankers Association.

Automatic Credit Banking, leader—Richard L. Sellon.

General Discussion—leader—Arthur E. Lindquist, Jr., secretary, Iowa Bankers Association. Each of the discussion leaders will be assisted by members of the Installment Loans Committee.

4:30 **Recess.**

5:30 **Cocktail Hour** in the Garden Room.

6:30 **Banquet**—Presiding—Leo M. Baldwin, vice chairman, Installment Loans Committee, Iowa Bankers Association; vice president, Fidelity Savings Bank, Marshalltown.

7:30 **The Mitchell County Barter Card**—Carl F. Conway, notary public and attorney at law, Osage, Iowa.

Thursday, September 19

A.M.

- 8:00 **Registration desk open.**
- 9:15 Presiding—Chairman Gerald D. Nelson.
- 9:20 **Word of Welcome**—Oliver A. Hansen, president, Iowa Bankers Association; president, Liberty Trust and Savings Bank, Durant.
- 9:30 **Bank Automation**—Donald C. Fiske, vice president in charge of Data Services Division, Texas National Bank of Commerce, Houston, Texas.
- 10:30 **Coffee Break.**
- 10:45 **Public Relations and Marketing**—Walter J. Connolly, Jr., senior vice president, The Connecticut Bank and Trust Company, Hartford, Connecticut.
- 11:45 **Adjournment.**

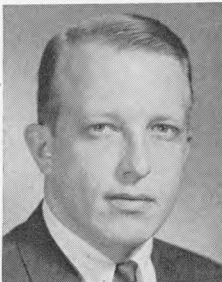


Yes . . . We Have Help for Your Instalment Loan Department on Accrual Accounting!

The Comptroller's ruling on accrual accounting will mean changes in methods for all national banks . . . and eventually for state banks as well. **LET US HELP YOU CONVERT YOUR ACCOUNTING IN YOUR INSTALMENT LOAN DEPARTMENT. WE WILL SEE YOU AT THE IOWA BANKERS ASSOCIATION INSTALMENT LOAN MEETING SEPTEMBER 18-19.**



C. GUSTAVSON



R. FLEMING

On May 1, 1967, the Comptroller of the Currency issued regulations that will require national banks to adopt accrual accounting, particularly in regard to accrual of tax liability. Banks on a cash basis *will not be required* to put all items of expense and income on an accrual basis, but *by implication they must comply* in order to meet the reporting requirements of Section 18.7 of the Comptroller's ruling.

One of the departments of your bank particularly affected by this ruling will be your instalment loan department, where accrual of income will now be-

come necessary in order to comply with tax reporting. In this department, we can offer your bank a tried-and-tested program (the Cummins Bankers Business Service program) that will provide your bank with detailed information on monthly accrued income (plus other valuable accounting and management information) calculated on the 12/78s method.

We invite you to discuss this with your National Fidelity man the next time he calls, or a note or phone call to our home office will bring full information.

We are pleased to announce that the National Fidelity has surpassed a billion dollars of life insurance in force.

National Fidelity now ranks among the top 12% of American and Canadian life companies

ASSETS \$44.6 Million CAPITAL & SURPLUS \$7.1 Million

More than 3,200 midwestern banks are now using the broad insurance portfolio of NFL! Let us show you how NFL programs can benefit your bank. Drop a note to our home office.

One of the Nation's Strongest by Any Standard of Comparison

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Northwestern Banker, September, 1968



Des Moines News

THE election of **John B. Roberts, Jr.**, as a trust investment officer of Central National Bank and Trust Company was announced last month by **B. C. Grandgaard**, chairman and president.



J. ROBERTS

Mr. Roberts, a native of Paducah, Ky., and a graduate of the University of Kentucky, comes to Des Moines from Louisville, where he has held a similar position with the Louisville Trust Company for the past three and one-half years.

Prior to that, Mr. Roberts was associated with the trust departments of Planters Bank and Trust Company of Hopkinsville, Ky., and the First Se-

curity National Bank and Trust Company of Lexington.

He will assume his position with the bank this month.

* * *

The Des Moines chapter of the American Institute of Banking held a membership and get-acquainted picnic at the Izaak Walton League in Des Moines, August 22. More than 200 bank officers and employees attended the event. Following the social hour and picnic meal, **Donald H. Jordahl**, president of the Des Moines chapter, introduced the new officers.

Herman Staak

Services were held August 9 in Trinity Episcopal Cathedral for Herman Staak, 82, senior vice president of Davenport Bank & Trust Company.

Mr. Staak had been a Davenport banker for 63 years. He began as a messenger at the former German

Savings Bank and later at the Iowa National Bank. When Iowa National merged with the former American Commercial Bank, he was elected an officer. He was appointed cashier of the Davenport Bank & Trust Company when it first opened in 1932, and was elected a director in 1933. In 1942 he was elected vice president.

Mr. Staak died after a brief illness.

Harrison County Officers

The Harrison County Bankers Association recently met at Missouri Valley and elected officers for the coming year. Edward Wood, vice president of the First National Bank of Logan, was elected president. Robert E. Brown, assistant cashier at the First National Bank of Missouri Valley, was named secretary-Treasurer. Outgoing President William Ryan, cashier, Home Savings Bank of Persia, presided at the meeting.

Joins Lohrville Bank

Arley Barker has been named farm representative by the Lohrville Savings Bank. For the past three years Mr. Barker has been manager of Cynamed Farm Supply Company in Lohrville.

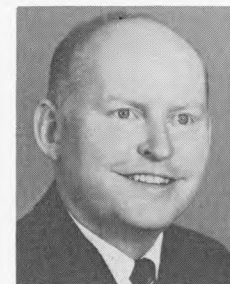
Elected at Marcus

Paul Arndt was recently elected assistant cashier at the Farmers State Bank in Marcus. Mr. Arndt has been with the bank three years.

Promoted at Marion

Clair J. Lensing was promoted from vice president to executive vice president last month by directors of the Farmers State Bank at Marion, according to an announcement made by

Morris Neighbor, president, following the board meeting.



C. J. LENSING

Mr. Lensing joined the bank in December, 1966, as a vice president. He went with the Iowa department of banking as an assistant bank

examiner in 1957 and was promoted to senior examiner in 1962, the position he held until moving to Farmers State Bank.

He is a graduate of the Agricultural Credit School of Iowa State University at Ames and the School of Bank Examining at the University of Illinois. Mr. Lensing is secretary of the Marion Industrial Development Corporation and vice president of the Linn County Bankers Association.

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specialists, any kind of computer service, or our extensive national and international connections. These services can be big and vital to your bank. You'll get fast proof from a call to Dale Smith, Dick Smith, Eddie Wolf or Pete DeRosier, of our Correspondent Department. Call 515—243-8181.

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25,000 See Bank Booth at Fair

WHEN the Iowa Bankers Association became an exhibitor at the Iowa State Fair for the first time last month the response from the public was far beyond expectations. An estimated 25,000 persons, plus several thousand small children, registered at the booth for a \$150 grand prize and to get information about commercial banks.

The idea for the booth was conceived by the public relations committee of the IBA and Thomas Wolff, owner of Thomas Wolff Associates, Des Moines, public relations consult-

ant to the association. Chairman of the committee, which laid its first plans for the booth a number of months ago, is Robert L. Davison, president of the First National Bank in Clarion. Vice chairman is Bill D. Paulsen, executive vice president of the Liberty Trust & Savings Bank at Durant.

To staff the booth, members of the IBA agriculture and public relations committees worked four-hour shifts during exhibit hours throughout the 10 days of the fair. Approximately 70 members of the two committees

participated. In addition, members of the IBA headquarters staff assisted at the exhibit.

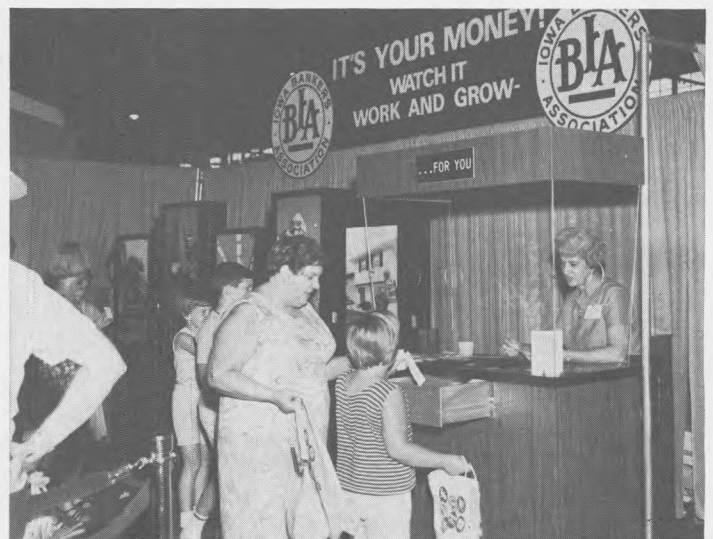
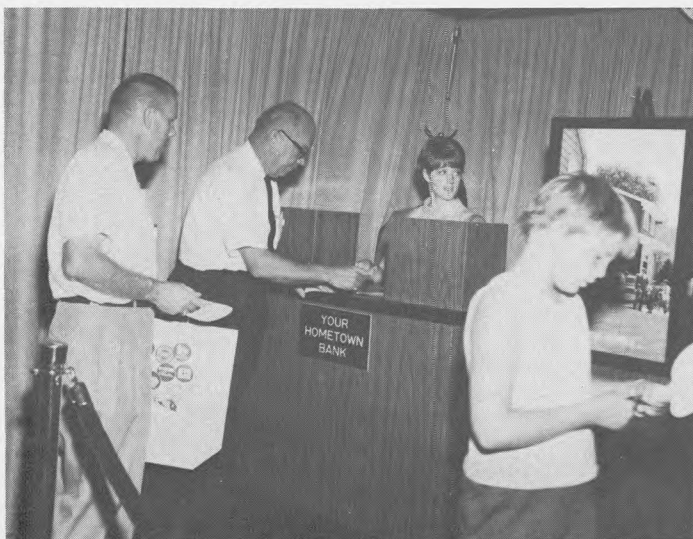
It was estimated that the daily average registration at the booth of 2,500 persons represented about 8 per cent of the daily new visitors to the State Fair. The IBA booth appeared to be one of the top attractions in the Varied Industries Building, which housed more than 100 exhibits of business firms and associations.

The booth is set up to simulate a bank. Four bankers were on hand at all times to hand out simulated money and registration cards to visitors, who stood three deep in front of the booth consistently. After filling in their name and address and the name of their home town bank, registrants then filed through the booth to a deposit teller window. At this point they "deposited" their simulated money along with their registration card. A numbered stub bearing a printed number identical to the registration card was returned to them as their deposit receipt. The teller window is similar to the kind found in most banks. At this point, the line passed a display of three lighted picture boxes that showed with enlarged color photos three examples of how money goes through the Iowa economy. To give the display action that expresses the high-speed computerization identified with modern banks, an endless belt carried the simulated money past the display pictures to give the appearance of the money going into each of the projects pictured—farming, business and homes.

The endless belt and photo display



A CONSTANT STREAM of visitors patronized the Iowa Bankers Association booth at the Iowa State Fair last month. In photo above, bankers are handing out cards on which each person could register for a \$150 grand prize. A piece of simulated money was given with each card. After writing in their name, address and hometown bank, the individual then proceeded through the booth to . . .



. . . **THE DEPOSIT WINDOW** where the simulated money and stub from the registration card were "deposited" with the teller. The "customer" then walked to the other side of the exhibit to . . . **THE WALKUP WINDOW** where he made a "withdrawal" in the form of simulated money with a new penny attached, literature on banking from the Foundation for Commercial Banks and an FDIC pamphlet on deposit insurance.

Northwestern Banker, September, 1968



“Those Central National Bankers are a Bunch of Farmers”

Of course we are. Or, at least, most of us were. That's what gives us an edge when it comes to solving agricultural problems. But we're also bankers. With more specialized banking knowledge than you'll find in most correspondent groups. We think that's a pretty good combination when it comes to serving country bankers.

“The *Agriculturally-Trained* Agricultural Group” of Central National Bank in Chicago.

CENTRAL NATIONAL BANK in Chicago
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Northwestern Banker, September, 1968

led the visitors to the exit side of the booth, where a glassed-in walk-up window was set up. At this point, the visitors showed the teller their "deposit" receipt stub and she opened the automatic deal drawer so each person could remove their "withdrawal." This consisted of banking literature prepared by the Foundation for Commercial Banks and an FDIC pamphlet on deposit insurance as well as a piece of simulated paper money with a genuine one cent piece attached.

The display booth is being made available by the Iowa Bankers Association to other banker groups for exhibit. Arthur E. Lindquist, Jr., IBA secretary, said it will be loaned to any interested state bankers association, county association or groups of banks, but will not be available for individual bank use. The only expense involved for such use will be transportation and setting-up costs which will be borne by the group using the equipment.

Dumont Banker Burned

Russell L. Harrison, president of the State Bank of Dumont, was burned at his home in Hampton recently when gasoline fumes ignited in his garage. He was reported in good condition at Franklin General Hospital following the accident.

Elected Iowa Falls Director

Roger Bjorenson, vice president of the Iowa Falls State Bank, was elect-

ed to the board of directors last month. Mr. Bjorenson, who has been with the bank for 20 years, succeeds the late Jess Capwell.

Elect Four Directors

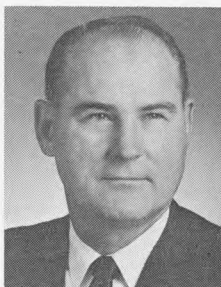
Four new directors were recently elected to the board of Northwestern National Bank of Sioux City. They are William A. Amsler, George Davis, A. C. Dohrmann and Royal Lohry.



W. A. AMSLER



G. F. DAVIS



R. LOHRY



A. C. DOHRMANN

Mr. Amsler is secretary-treasurer of the Zenith Radio Corporation of Iowa and is active in numerous business and civic groups in Sioux City.

Mr. Davis is a partner in the law firm of Sifford, Wadden & Davis, which is general counsel for the bank. Mr. Davis, a graduate of the University of Iowa College of Law, was corporate counsel for the City of Sioux City at one time. He will act as senior legal counsel for the bank in his new capacity.

Mr. Dohrmann is president of the A. C. Dohrmann Construction Company and of the Green Acres Nursing Home in South Sioux City, Neb. Mr. Lohry is president of the Kay-Dee Feed Company and vice president of the Nutra Flo Chemical Company.

Chosen Head of Farm Group

Raymond D. Vanderhorst, director of the State Bank of Bussey, was elected president of the National Association of Agricultural Stabilization and Conservation Service at its annual meeting last month. The organization represents 15,000 county office employees who administer federal farm programs around the nation.

Capital Increase by Cedar Rapids Bank

Ted J. Welch, president of the Peoples Bank and Trust Company of Cedar Rapids, announced last month that the capital stock has been increased from \$800,000 to \$1,000,000 by means of a 25 per cent stock dividend. The bank's surplus account was also increased from \$1,200,000 to \$1,500,000.

Security Seminar Scheduled

The Iowa Bankers Association has arranged a Bank Security Seminar in cooperation with the Federal Bureau of Investigation. The event is slated to begin at 9:00 a.m. Monday, September 26, in the auditorium of the Bankers Life Company building in Des Moines. Similar meetings are being held at Cedar Rapids September 24 and Sioux City on October 2. The IBA is urging bankers to attend the seminar.

W. H. Bischel

W. H. Bischel, 70-year veteran of the banking business, died recently. Mr. Bischel began his long banking career in Aurelia, and remained a director of the First Trust & Savings Bank there until his death. He was also chairman and director of the First Trust & Savings Bank in Galva, and a director of the First Trust & Savings Bank in Alta.

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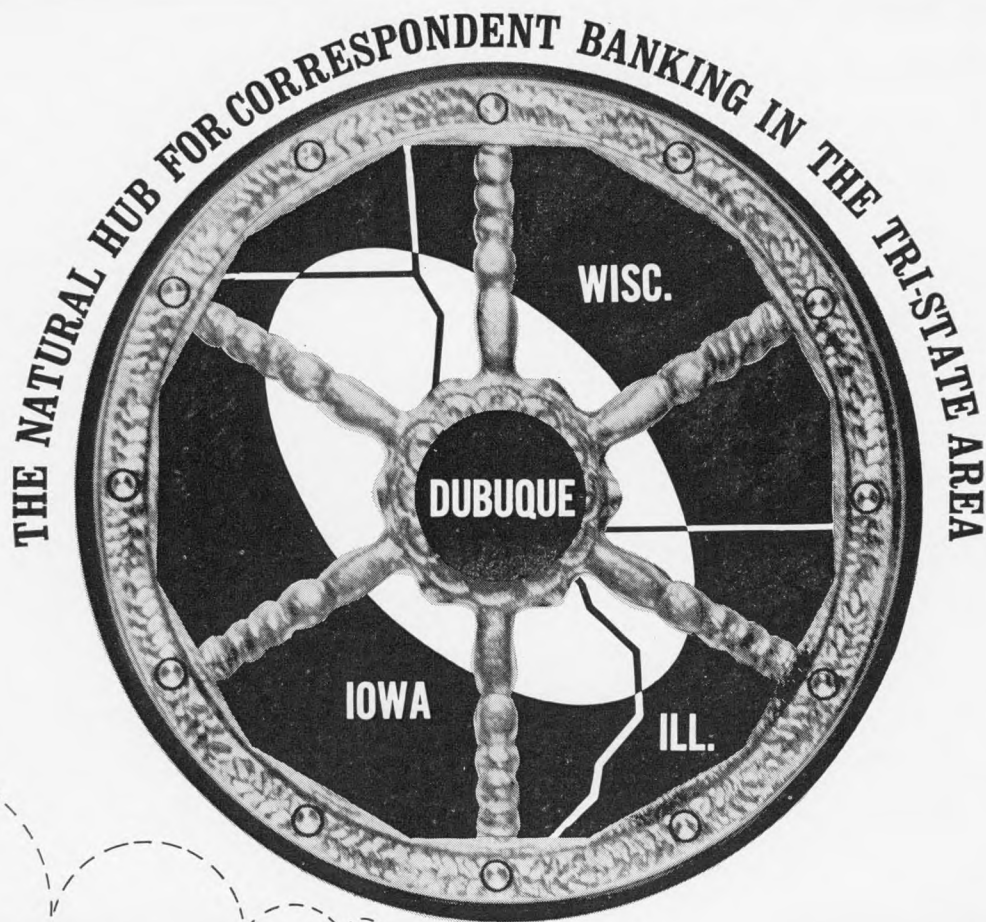
MR. NORMAN V. CONWAY, JR.
to Executive Vice President

MR. MARTIN D. CONWAY **MR. MANUEL KIESS**
to Vice President to Vice President

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WE HOPE TO SEE MANY OF YOU AT THE AMERICAN BANKERS CONVENTION IN CHICAGO

Schedule Two Meetings to Discuss New Iowa Banking Code

IOWA bankers will have an opportunity to participate in seminars on the recodification of Iowa banking laws at two special meetings this month:

September 17—Buena Vista College, Storm Lake.

September 25—University of Iowa Center for Continuing Education, Iowa City.

It is estimated that Draft No. 2 of the recodification will be in the hands of the Legislative Banking Laws Study Committee of the Iowa Legislature by September 9. After their approval, this draft is to be printed in quantity and distributed to all Iowa banks and other interested groups. The anticipated date for this mailing is September 10.

The entire recodification will be discussed in detail at the Iowa Bankers Association state convention the afternoon of October 29. This recodification culminates three years of work and an opportunity by everyone to make suggestions before final Draft No. 1 was presented to the Study Committee in July. Subsequent to this session, any inconsistencies that were noted were resolved and language clarified where necessary, resulting in Draft No. 2 that will now be circulated widely.

The recodification effort is a tribute to the untiring work, diligence and cooperation of several key people and organizations. In 1965 the Legislative Research Committee of the Iowa Legislature established a subcommittee to study recodification and titled it Banking Laws Study Committee. Senator Kenneth Benda, a Hartwick banker (president, Hartwick State Bank), was named chairman. The 1967 Legislature confirmed this action and authorized the use of a Banking Laws Advisory Committee.

The latter committee is comprised mainly of bankers, but 10 to 15 representatives of other interested business groups also were asked to serve. The bankers appointed to this committee were those who were members of the Iowa Bankers Association recodification committee, representing both state and national banks. Chairman of this IBA committee is Jack Rigler, president of Central State Bank, Muscatine, and vice chairman is Joe Gronstal, president of the Carroll County State Bank, Carroll, and a former Iowa banking superintendent.

The Study Committee and Advisory Committee worked together with John Chrystal, superintendent of banks, and his staff. The principal worker from the superintendent's staff assigned to the recodification effort has been Holmes Foster, deputy superintendent. Mr. Chrystal suggested that the College of Law at the University of Iowa be appointed to do the technical research and suggested drafting.

Meade Emory, associate professor of law, and Howard N. Sokol, assistant to the dean of the College of Law, undertook this assignment. Their work was sifted through the Study Committee to representatives of the state banking department and the IBA for thorough review of the practical applications of the law. Changes were referred back after numerous consultations and reworking. After tentative approval from the department of banking, a draft was presented to Senator Benda's committee for consideration. The Study Committee and Advisory Committee undertook a complete review of this tentative draft and returned it to the College of Law for final drafting.

At the very outset, Senator Benda's committee adopted three guidelines:

1. Not to necessarily change banking laws, but to update them to reflect banking practices and trends.
2. Any controversial parts were to be left out and later might be considered by the legislature as a whole.
3. Consideration of changes in usury and interest rates and branch banking topics were specifically excluded.

The work done by all members of the committees involved thousands of man hours of work over the three-year period. A spokesman said Iowa banking has enjoyed good banking laws, most prominent of which is the office law of the 1930's. He stated there has been good adjustment of banking laws as needed and this has been a result of the good rapport between the Iowa Bankers Association, the state banking department and the state legislature. The spokesman gave direct credit for this extended period of mutual cooperation between bankers, supervisors and legislators to Frank Warner, who served the Iowa Bankers Association as secretary for 50 years until his retirement two years ago. The present recodification, he said, is an effort to take these separately passed good banking laws that were added to Iowa's original

banking code and consolidate them into a new recodification that reflects updated needs.

Draft No. 2 which will be discussed at meetings this month has been reviewed also by Clarence Cosson, Des Moines attorney who was appointed to review corporate sections of the new recodification. He was the attorney who handled the Iowa Business Corporation law when it was passed by the legislature.

The meetings September 17 and 25 will review the 18 divisions of the new code. Presiding will be John Chrystal, superintendent of banking. Oliver Hansen, president of the IBA, will provide a welcome at both meetings. Speakers will be John B. Rigler, Muscatine, chairman of the Advisory Committee group; Howard N. Sokol, and Meade Emory, College of Law, U. of I.; Wendell E. Gibson, counsel for IBA; Richard Ackley, Ottumwa banker, president of Iowa Corporate Fiduciaries Association; Holmes Foster, deputy superintendent of banking, and Senator Ken Benda. Other members of the Study Committee and Advisory Committee will participate in panels. The meetings will commence at 9:15 a.m. sharp and adjourn at 4:00 p.m.—End.

Security National, Sioux City, Elects Officers

Ronald F. McManamy, Allen Seymour and Michael J. Smith have been elected assistant cashiers at the Security National Bank in Sioux City.

Mr. McManamy joined the bank in 1965 and is employed in the personal loan department. Mr. Seymour, who also joined Security National in 1965, is an investment officer in the commercial loan department. Mr. Smith is also in the personal loan department, and will be attached to the bank's Morningside office when it opens later this month.

Lyon County Election

The following men were elected officers of the Lyon County Bankers Association for 1968-69; Larry Wenzl, president, president of Lyon County State Bank, Rock Rapids; Stanley Smith, vice president, executive vice president, Rock Rapids State Bank; Louis Kopsas, secretary-treasurer, Doon office of Rock Valley State Bank. Outgoing president was Cliff Pruitt, president of the Inwood State Bank.

Automation School Held

The first Bank Automation School, sponsored jointly by the University of Northern Iowa and the Iowa Bankers Association, was held August 6-8 at Cedar Falls.

He brought diplomacy to a strange new land



Bob Hanlon
Vice President



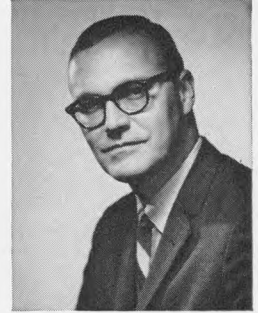
Cy Kirk
Vice President



Max Roy
Vice President



Lew Hanson
Assistant Vice President



Carl Hammerl, Jr.
Correspondent Representative

Making friends among hostile Indians wasn't easy. But LaSalle showed a rare ability to understand complex problems. And that ability enabled him to enlist the aid of many Indians during his explorations along the Illinois river, and the site of present-day Chicago.

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Northwestern Banker, September, 1968

WINNER in the senior division of the Livestock Judging Contest was **Dean Engelbrecht** (standing left), Eldridge. Second place went to **Larry Mohr** (standing right), also of Eldridge, who holds an additional trophy he won as part of the top senior judging team. In the front row is **Logan Peitscher**, who teamed with two sisters, **Sherri** (left) and **Leanne Weber**, to win junior team judging.



Durant Bank Sponsors Third Annual Livestock Judging Contest

THE Liberty Trust and Savings Bank of Durant recently sponsored the third annual Tri-County Livestock judging contest for 4-H and FFA members in Muscatine, Scott and Cedar counties, according to Oliver Hansen, bank president and president of the Iowa Bankers Association.

Over 175 young people registered for the event. Six adults also competed in the contest, after which area farmers were hosts to area business-

men at a beef barbecue held at the contest site. This is the first year for the barbecue, which was started by the farmers themselves.

In the senior division, Dean Engelbrecht of Eldridge was high individual, scoring 289 out of a possible 300 points. Second place honors went to Larry Mohr, also of Eldridge, with 282 points.

The top senior judging team at the event was the Sheridan township

4-H team, composed of Merle Keppe, Larry Mohr and John Keppe, all of Eldridge.

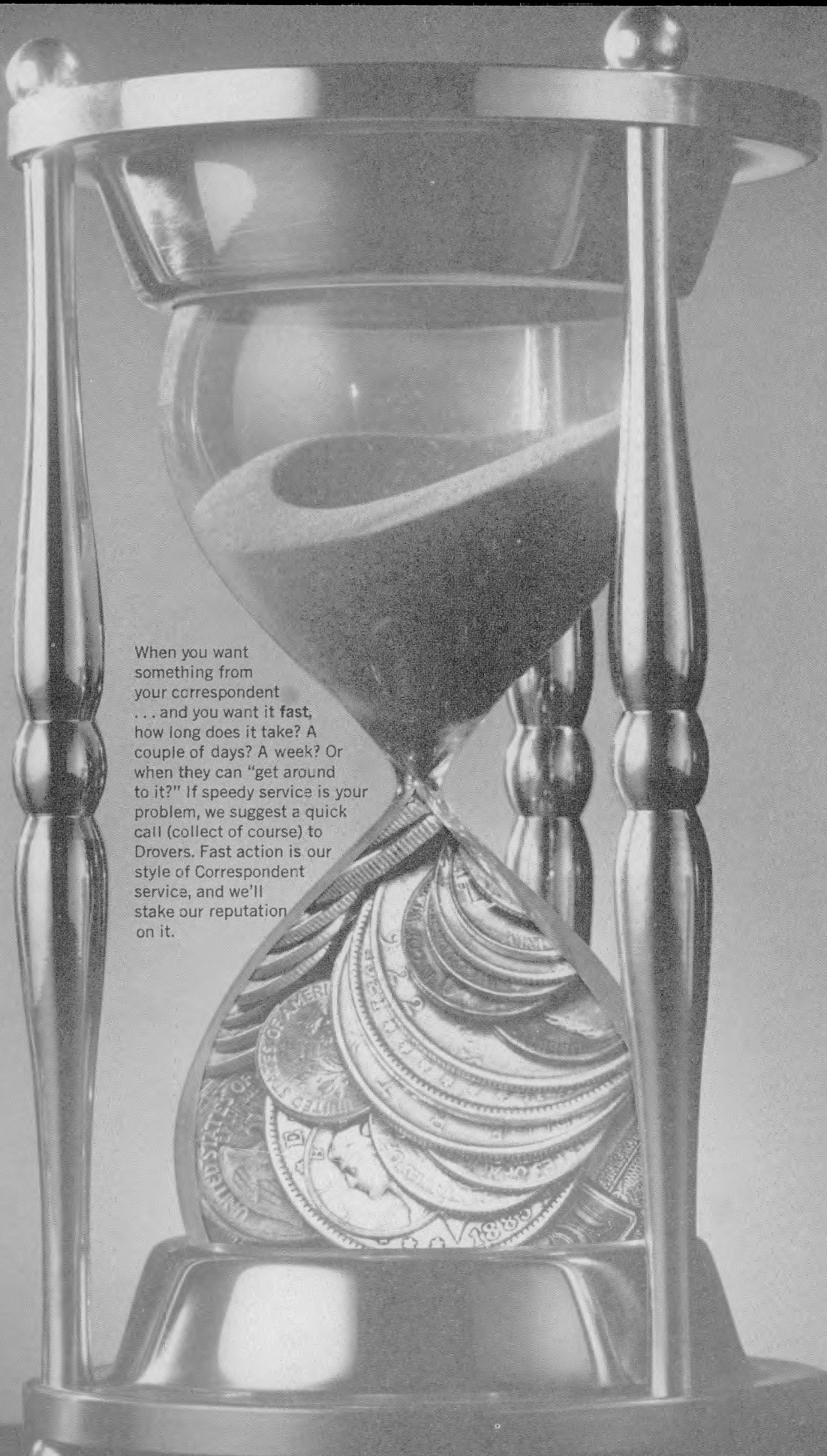
In the junior division, Mark Swanson of Walcott was the individual winner, and runner-up was Tome Keppe of Eldridge. Two sisters, Sherri and Leanne Weber, teamed with Logan Peitscher to win first place in the junior team judging for the Pleasant Valley Champions 4-H Club.



LEFT—Tome Keppe, Eldridge, explains to the crowd after judging was completed why he placed gilts as he did. **RIGHT**—Walter Olson, a Grand Mound Angus breeder, is shown judging Hereford steer class.



Northwestern Banker, September, 1968

An hourglass is the central visual element of the advertisement. The top bulb is empty, while the bottom bulb is filled with a large stack of coins, likely quarters, which appear to be falling from the narrow neck. The hourglass is supported by two ornate, vertical legs with decorative bulbous sections. The background is a plain, light-colored surface.

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Plan Facility at Dubuque



KENNEDY ROAD FACILITY—Participating in groundbreaking services for the new parking lot office of American Trust and Savings Bank, Dubuque, were, in the foreground, **Nicholas J. Schrup**, pres.; **D. W. Ernst**, chmn., and **Charles J. Schrup**, exec. v.p.

Shown from left to right are: **Gaylord Couchman**, city councilman; and the following directors: **W. J. Klauer**, **C. J. Kleinschmidt**, **D. B. Cassat**, **R. W. Steele**, **J. Bruce McDonald**, **W. N. Glab**, **Roy E. Glab**, **M. L. Kapp**, **N. J. Greteman**, **Paul D. Dale** and **Christy F. Armstrong**. Mr. Armstrong is an exec. v.p. of the bank.

In the background, from left to right, **George Deininger**, **Wm. Lee**, **Gordon Mills**, architects, and **O. M. Conlon**, contractor. The drive-up bank facility on Kennedy Road will have 7,000 square feet of floor space with three drive-up lanes, lobby banking facilities, offices and three community rooms. Opening is tentatively set for February, 1969.

CONVENTIONS

1968

- September 5-13—National Automation School, Purdue University, Lafayette, Ind.
- September 22-26—53rd Annual Convention, BPRMA, Palmer House, Chicago, Ill.
- September 28—Foundation for Commercial Banks, Annual Meeting, Conrad Hilton Hotel, Chicago.
- September 29-October 2—ABA 94th Annual Convention, Chicago.
- October 13-17—46th Annual Convention, National Association of Bank Women, Inc., The Netherland Hilton Hotel, Cincinnati, Ohio.
- October 20-23—Bank Administration Institute (formerly NABAC), 44th Annual Convention, Regency Hyatt House, Atlanta, Ga.
- October 20-24—Consumer Bankers Association, 48th Annual Convention, The Homestead, Hot Springs, Va.
- October 21-24—Mortgage Bankers Association, 55th Annual Con-

vention, Conrad Hilton Hotel, Chicago.

October 27-30—Robert Morris Associates, 54th Annual Convention, Sheraton Hotel, Philadelphia.

October 27-30—82nd Annual Convention, Iowa Bankers Association, Hotel Fort Des Moines, Des Moines.

October 27-30—ABA National Personnel Conference, Sheraton-Chicago Hotel, Chicago.

October 28-29—2nd Annual Uniform Commercial Code Institute, Park Sheraton Hotel, New York City.

November 10-12—ABA 17th National Ag Credit Conference, Sheraton-Oklahoma and The Skirvin Hotels, Oklahoma City, Okla.

November 17-19—ABA Executive Savings Seminar, Memphis, Tenn.

November 21-22—ABA Organization Committee, ABA State Vice Presidents, Officers of State Bankers Associations, The Biltmore, New York City.

December 5-6—37th Midcontinent Trust Conference, Statler Hilton Hotel, Detroit, Mich.

WANTED

Before 1935 copies of Iowa Bank Directory published by Northwestern Banker.

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Tom Horn, John Diefendorf, and Gene Hagen work hard to become as much involved in our customers' banking problems as possible. We feel that the more we know about your needs, the greater banking service we can provide. It's a part of really caring about helping every customer. It's a part of the Security "we care" way of helping.



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In the DIRECTORS' ROOM



What a Bore

Little Tommy had spent his first day at school.

"What happened?" he was asked when he returned home.

"Nothin'. A woman wanted to know how to spell cat, and I told her."

Of Course Not!

Lady of the house—"Nora, I saw a policeman in the park today kiss a baby. I hope you will remember my objection to such things."

Maid—"Sure, ma'am, no policeman would iver think o' kissin' yer baby when I'm around."

Followed Directions

Soph—"How does it happen you came to Harvard? I thought your father was a Yale graduate."

Frosh—"He is. He wanted me to go to Yale; I wanted to go to Princeton; so, we argued, and he told me to go to H——."

Strange Feeling

Frosh—"I woke up last night with the feeling that my watch was gone, so I got up and looked for it."

Soph—"Well, was it gone?"

Frosh—"No, it was going."

Ready Reply

"How can I pay when I haven't got any money?" said the debtor. "You can't get blood out of a turnip."

But the collector was ready for him: "You're not a turnip; you're a **beat**."

A Real Loss

Ruth—"I had an ideal once."

Rose—"How did you happen to lose it?"

Ruth—"I married it."

"Me First"

Wife (on a boating excursion)—"If the boat foundered, who would you save first, the children or me?"

Husband—"Me."

Please, Daddy

Daughter to father—"Daddy darling, Jack and I love each other, and we've come to ask your consent. We've been married to each other for a month, so we're sure we'll be happy."

Priorities

Visitor—"Well, Joe, how do you like your new little sister?"

Joe—"Oh, she's all right, I guess. But there are lots of things we needed worse."

It Wasn't Funny

Little Bobby ran to his mother, sobbing as though his heart would break.

"Why, what's the matter, Bobby?" asked his mother.

Oh, daddy was hanging a picture and he dropped it on his toes," answered Bobby between sobs.

"Why, that's nothing to cry about. You should laugh about that," she said.

"I did," Bobby answered.

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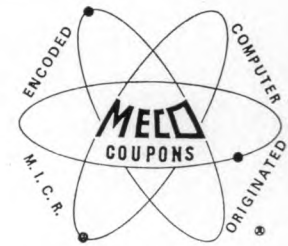
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Northwestern Banker, September, 1968

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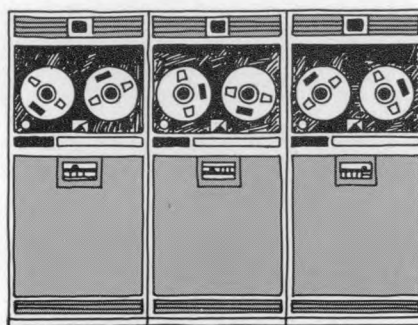
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