HOW TO IMPROVE PROFITS IN 1969

Survey — Page 17
CHOOSING A CITY CORRESPONDENT?

Select one with data processing capabilities to meet all your needs.

Data processing equipment is extremely expensive but there’s no reason why you shouldn’t have it at your disposal through your city correspondent. Indeed, for the speediest and most modern banking, you should demand it.

Other features to demand of a city correspondent are:

1. Overline services that meet your needs;
2. An International Department to help you help your customers with their foreign trade;
3. Investment counseling that meets your standard of performance;
4. Safekeeping that services as well as protects your securities.

MNB has these services and continues to add to them as new banking ideas become practicable. So when you choose a city correspondent, do what over half of the banks in Iowa do — bank at MNB.
For men who get the jump on your problems...

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Trust Northern to be fast and flexible in serving you. Maybe you’d like to know how best to invest short term funds . . . or how to maximize profits through skillful loan and deposit forecasting and cost control . . . or how to get more new business.

Our men in the field can come up with the answers—fast, and on the spot. Supporting them are talented specialists back at the Bank. All have a variety of effective ways to solve problems . . . and you can be sure they’ll come up with the most imaginative and profitable solutions for you!

Try our brand of correspondent banking. Call or write Mr. N. Hall Layman, Vice President, Correspondent Banking Department.

NORTHERN TRUST COMPANY

Chicago 60690 - Financial 6-5500 - Member F.D.I.C.
The daily transactions your bank sends out for E.D.P. updating—how well are they insured by that interpretive letter you got with your blanket bond? Let’s take a look.

Does that letter cover negotiable instruments?

It does not.

Is that important?

Yes, because E.D.P. processors receive too many items that are not made non negotiable. This especially occurs on days of high bank activity.

Does it cover items intercepted at the Fed or your correspondent and forwarded by a different carrier to your E.D.P. processor?

The answer is no.

If at times you send some transactions by mail, by bus, or by a customer, are they insured in transit?

They are not.

What about the extra expense of reconstructing lost items, or costs due to microfilm failure on such items?

Your blanket bond and interpretive letter do not cover these either.

Do they cover your legal liability on customers' losses resulting from the transit loss of deposit tickets, checks, coupons and other items?

They do not. Such losses include missed options because the check sealing the agreement was NSF; failure to comply with contract terms for the same reason; insurance cancellations due to missed deadline on paying premium, etc.

You are now covered for none of these, and because you aren’t, Scarborough created a policy that covers you for all of them. This policy is available* only through Scarborough.

Would you like a quotation? Just mail the coupon.

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Send us a quotation on your E.D.P. Transit Insurance.

Bank___________________________________

Location_________________________________

Deposits $______________________________

Number of Branches, If Any_______________

By____________________________________

*except in Kansas, Texas, and Florida
Dear Editor

“Joins Interbank”

“Your November issue referred to speculation that the Midwest Bank Card System will go Master Charge. On December 16, we held a press conference to announce that Midwest has affiliated with Interbank. Questions were asked about this Master Charge rumor. There is nothing more to it than the fact that Midwest is studying the possibility of a common card sometime in the future—but the decision now is to use the Interbank “i” in a circle on the existing Midwest cards.”

The Philip Lesley Company, 33 North Dearborn Street, Chicago, Illinois 60602.

A. G. Bridgewater Retires

Arthur G. Bridgewater, one of the best-known bankers in the mountain states area, retired as vice president and head of the correspondent division of the Central Bank and Trust Company, Denver, at year-end.

Mr. Bridgewater was born in St. Joseph, Missouri, but moved to Denver at an early age and has spent all his adult life in the Mile High City. His retirement completes 32 years service with Central Bank.

Joining Central on March 12, 1917, he worked in all departments before being named cashier. He was elected a vice president in 1951 and head of the correspondent division in 1958. He and his wife, Emma, will continue to reside at 2059 South Pennsylvania Street in Denver.

Wins Mosler Contest

Miss Nell Jones of The First National Bank of Eastern North Carolina, Jacksonville, N. C., has been chosen “Miss Drive-In Teller of 1969” in the 11th annual contest sponsored by Mosler.

Her prize will be a one week vacation for two in Acapulco, Mexico, with transportation provided by Aeronaves de Mexico.
Continental Plans Conill Corp.

CONILL CORPORATION, the one-bank holding company designed to acquire Continental Illinois National Bank and Trust Company, Chicago, has been proposed in a proxy statement and agreement of consolidation mailed to bank shareholders.

If approved by shareholders, the bank would become a wholly-owned subsidiary of Conill Corporation. Shareholders of the 110-year-old bank would exchange their shares on a one-for-one basis for common shares of the new corporation.

Plans call for Conill Corporation to be listed on the Midwest Stock Exchange. At present, the bank's shares are traded only on the over-the-counter market.

The bank's annual meeting, where the proxies will be voted, will be held Monday, January 27.

Nominated to the bank board and ultimately to the board of Conill Corporation are two new directors: Graham J. Morgan, 51, president and chief executive officer of United States Gypsum Company, and Robert W. Reneker, 56, president and chief executive officer of Swift & Company.

About 16,830,000 common shares will be exchanged, and Conill will have another 2,750,000 common shares and 1,000,000 shares of preferred authorized but unissued. These shares will be available for issuance to raise additional capital, for acquisitions, and for other corporate purposes, the agreement said.

American Courier Expands

American Courier Corporation, Lake Success, New York, has announced the start of a new chartered air service. The new route will serve key cities in Pennsylvania and extend westward from the present air route system connecting Boston and New York.

The company is reputed to be the world's largest check-carrying firm.

Wells Fargo Plans Holding Company

The Wells Fargo Bank, N.A., San Francisco, has announced a special stockholders meeting January 14, to vote on the formation of a one-bank holding company. Approval will have to be made by the Comptroller.

Elect NAMA Director

Luke Williams, Jr., president of American Sign and Indicator Corporation, Spokane, has been elected to the board of directors of the National Association of Manufacturers. He is president of Williams Brothers Manufacturing Company and Chairman of Electronic Products Manufacturing Company.

Heads Mosler Research

Charles B. Boenning has joined The Mosler Safe Company as director of research and development, it was announced here by John G. Heiland, vice president, engineering and research.

Mr. Boenning received B. S. and M. S. degrees in electrical engineering from Johns Hopkins University. He worked for Motorola and Armstrong Cork before joining Westinghouse Electric Corporation, where he has held various management positions.

Pre-Convention Tour for Independent Bankers

Otto H. Preus, vice president, Marquette National Bank, Minneapolis, and special tour conductor for the Independent Bankers Association, has announced a pre-convention tour to Mexico in conjunction with the annual convention at Hotel Sahara in Las Vegas, March 17-19.

The tour will begin March 3, with a flight to Meico City. Participants will spend the next five days touring the city and visiting such exotic locales as beautiful old Cuernavaca, Puebla (the Rome of Mexico) and Cholula (“City of Churches”).

The group will head for fabled Guadalajara on March 8, where tour highlights will include a stimulating banking seminar and excursions to Lake Chapala and the native Indian village of Ajijic.

On March 12 the destination will be Mazatlan, one of the world's greatest deep sea fishing spots. The group will enjoy a farewell dinner, with entertainment by folk dances and Mariachi musicians, on March 15.

The next day, on Sunday, March 16, participants will head for Las Vegas, arriving just in time to begin another round of fun at the IBAA convention.
around money the finest is "Steel-strong"

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

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

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

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

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

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

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

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

9 BANDING STRAPS
Ideal for packing currency, deposit tickets, checks, etc...do not break or deteriorate with age. Size 10 x ½ inches and made of strong brown kraft stock with gummed end for ease of sealing. Packed 1000 to a carton.

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Northwestern Banker, January, 1969
American of Chicago Plans One-Bank Holding Company

Allen P. Stults, president of the American National Bank and Trust Company, Chicago, has announced plans to reorganize the bank into a one-bank holding company.

Shareholders will be asked to vote on the proposed reorganization at the bank's annual meeting on January 28. The new holding company would be called ANBATCO, Inc., with the American National Bank and Trust Company operating as a wholly-owned subsidiary. Deposits are currently $713 million.

Mr. Stults also announced that shareholders will, in addition, be asked to approve a board proposal for an exchange of three shares of American National common stock for four shares of ANBATCO common. ANBATCO shares would pay the same $1 dividend rate as the present American National common stock $1 par value. After the issuance of 2,000,000 shares to stockholders of the bank—to cover the 1,500,000 shares of American National common stock outstanding plus the one-third stock dividend—and after reserving 100,000 shares for issuance under the Stock Option Incentive Plan, there will be 400,000 shares of authorized but unissued common stock.

It is not anticipated that ANBATCO will engage in operations unrelated to commercial banking or financial fields.

New FDIC Appointment In Minneapolis

The board of directors of the Federal Deposit Insurance Corporation has announced the promotion of James E. Halverson to assistant supervising examiner in the corporation's Minneapolis, Minn., district which includes Minnesota, Montana, North Dakota, South Dakota, and Wyoming. Mr. Halverson will assist Roger B. West, the supervising examiner in charge of FDIC activities in the Minneapolis district.

Mr. Halvorson has been in the employ of the corporation on the examining staff in the Minnesota area since December, 1956.

John F. Wilkinson

Funeral services were held last month for John F. Wilkinson, retired vice president of Mercantile Trust Company, St. Louis.

Mr. Wilkinson was well-known among Iowa bankers. He began his banking career in 1930 when he joined Mercantile-Commerce Company, an affiliated bond office of the former Mercantile-Commerce Bank and Trust Company, a predecessor of Mercantile Trust Company, as a salesman. In 1934, when the office was absorbed into the bank proper and a bond department formed, he came into the bank as sales manager.

In 1947 he was appointed an assistant vice president and assigned to the correspondent bank department of Mercantile Trust Company. In 1952 he was elected a vice president. He retired in October, 1966. During his years with the bank, he represented Mercantile in almost every area of the United States.

Born in Oklahoma, Mr. Wilkinson was a graduate of the University of Oklahoma and Rutgers Graduate School of Banking.

On Fed Advisory Council

Jack T. Conn, chairman of the board and chief executive officer of Fidelity National Bank and Trust Company, Oklahoma City, has been reappointed by the Federal Reserve Bank of Kansas City to a second one-year term as 10th district representative to the Federal Advisory Council of the Federal Reserve System.

Honor Herbert V. Prochnow

Herbert V. Prochnow, retired president of The First National Bank of Chicago, was presented with the Commanders Cross of the Order of Merit from the Federal Republic of Germany recently.

The Order of Merit, which was first awarded in 1953, is given by the Federal Republic of Germany in recognition of improving relations between Germany and America. Mr. Prochnow is the 10th Chicago area person to receive this award.

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Commerce Trust is very big in heavy equipment.

For financing or leasing heavy equipment, call Roy Lee at Commerce Trust. Individuals and correspondents from all over the country call Commerce because of our many years of experience working with heavy equipment distributors and contractors.

Whatever the job—building, paving, plowing, or mining—Commerce has the knowledge of the equipment for the job, and the way to finance it.

For heavy equipment loans or leases call Commerce Trust in Kansas City. We've got tons of good information.

COMMERCe TRUST BANK
Kansas City, Missouri

Member Federal Deposit Insurance Corporation
Homer J. Livingston to Retire; Gaylord Freeman to Succeed

HOMER J. LIVINGSTON has announced his intention to retire as chairman of the board of The First National Bank of Chicago following the annual stockholders' meeting to be held February 4, 1969.

Mr. Livingston, who entered the law department of the bank in 1922, was elected president in 1950 and has served as chief executive officer since 1955. He was elected chairman of the board in 1960 upon the death of Edward Eagle Brown. Mr. Livingston recently reached 65, the bank's retirement age.

Mr. Livingston announced the directors' intentions to elect Gaylord A. Freeman, Jr., presently vice chairman, to the post of chairman of the board and chief executive officer as of February 4 and Edward F. Blettner, now president, to the vice chairmanship, the number two post in the bank's organization.

John E. Drick, executive vice president in charge of the bank's commercial banking department, will be nominated for directorship at the stockholders' meeting and will be proposed for the bank's presidency.

Mr. Freeman, 58, a graduate of Dartmouth College and Harvard Law School, entered the bank's law department in 1934, was elected president in 1960 and vice chairman in 1962.

Mr. Blettner, 61, a graduate of Harvard College and its Graduate School of Business Administration, entered the bank in 1930 and has served the bank in various capacities.

Mr. Drick, 57, a native of Pennsylvania, a graduate of Andover and Yale, entered the bank through its New York office and rose through the commercial lending department, which he now heads.

Clarke C. Stayman was elected senior vice president in charge of The First's retail services section. Retail services includes the savings, First-Card, installment credit and personal checking departments of the bank.

Promoted to vice presidents from assistant vice presidents were: Nicholas J. DeLeonardis, portfolio division, investment department; Richard E. Dooley, information system; William M. Durkin, New York representative; Nels R. Johnson, loan review; Gordon J. Sapstead, London branch; Robertson H. Short, Jr., new facilities, and Bernard T. Wall, estate analysis division, trust department.

Included in other promotions was the advancement of H. Robert Gridley, from assistant cashier to assistant vice president in Division F (correspondent banks).

Northwest Bancorporation Names "Man of the Year"

Stephen P. Duffy, chairman of the board, OUR OWN Hardware Company, Minneapolis, has been chosen "Man of the Year" and featured on the cover of Banco Times, published by the Northwest Bancorporation.

Mr. Duffy started his business career in 1915 with Hall Hardware Company, which in 1949 became OUR OWN Hardware Company. He worked first as a stock boy and order filler in the warehouse. He became a shipping clerk and warehouse foreman. After World War I, he was made assistant to the company's then only two buyers. He went on the road as a fieldman; a few years later was put in charge of the stove department. In the early 20's he was made manager of the company's Better Business Department. He was named assistant general manager in 1929.

Upon the retirement of George Hall at year-end 1936, he was named general manager. In 1945, he was elected president as well as general manager. In 1964, he relinquished the title of general manager, continuing as president and chief executive officer. In 1968, he was named chairman.

Fed of Minneapolis Names Four Executives

Four new senior vice presidents have been named by the Federal Reserve Bank of Minneapolis.

Joyce A. Swan, chairman, reported that four vice presidents had been named senior vice presidents: Clarence W. Groth, Kyle K. Fossum, John A. MacDonald and Clement A. Van Nice.

Included in other promotions made by the bank was the advancement of Carl E. Bergquist, assistant cashier, to assistant vice president in the bank and public services department.

New Foundation Members

The Foundation for Full Service Banks has enrolled eight new banks in the Northwestern Banker area. They are:


Iowa: National Bank & Trust Company, Chariton.

Montana: First Westside National Bank, Great Falls; Missoula Bank of Montana, Missoula.

Nebraska: The Nehawka Bank, Nehawka.

Open Brussels Branch

Homer J. Livingston, chairman, announced that The First National Bank of Chicago has received permission from the Federal Reserve Board to establish a branch in Brussels, Belgium.
If you’re interested in opening new personal checking accounts, retaining present checking customers, and multiplying your consumer loan volume with higher-yield loans, you’ll be interested in this offer and program.

This new business idea is simply an extension of your present checking account service which provides a supply of guaranteed checks with a built-in loan reserve feature for your qualified customers. This gives your checking accounts national acceptability.

If you follow our new marketing formula in introducing this service, you have our assurance that a number equal to 15% of your personal checking account customers will sign up for Bancardchek during the first year, or the entire fee paid to us will be returned to you. In addition, 40% to 60% of this group will use the built-in overdraft feature — within one year. And, you will be grossing up to $75 per customer per year in addition to your service charge income.

How can we be so sure of success? Because in the past six months, bank after bank joining this Program has already equaled or exceeded these figures.

Surely your bank wants increased checking and loan profits in 1969. With the new competitive edge of Bancardchek, you’ll not only meet your goals but more importantly, you move forward without the risk and doubt associated with check guarantee cards and other programs. In fact, we guarantee it.

OUR GUARANTEE

Following our new marketing formula, developed and tested with member banks, you can be sure that without even increasing your present advertising budget, a number equal to 15% of your personal checking account customers will sign up for BANCARDCHEK service within one year. If this result is not achieved, our entire fee will be returned to you.
Heller-Bank Cooperation: A Case History

Actual figures and circumstances are used. Names and other identifiable facts are withheld because of the confidential nature of our client relationships.

A former client writes: “Heller ‘succeeded’ in losing us as a client, while our bank gained a larger customer.”

During a period when this mid-western company’s cash requirements were larger than its capacity to borrow bank funds, a local bank continued to furnish unsecured credit, while Heller provided additional funds. With Heller’s help, the firm increased its net worth, and when it was able to obtain adequate money from the bank, alone, Heller assisted in the transition. This is Heller’s policy when a client becomes “bankable.”

This is the story of a graphic arts retailer who knew what the trade was “waiting for.” So, having an engineering education (long unused), a lot of determination and a little capital, he turned producer. His objective: to achieve a higher degree of quality control than had been available in quantity production. A far-sighted local banker provided a modest credit line and the company commenced operations. That was 1956.

For four years, the firm enjoyed moderate growth. But in 1960, newly available materials caused a reversal in market demand, and also promised greatly increased sales. To accommodate to the change, the young company had to purchase completely different equipment.

During the next several years, freeing up cash for operations was of constant concern. Payments on equipment drain cash “off the top.” A “too-easy” credit policy restricted the flow of incoming cash. And the whole problem was magnified by having to carry large materials inventories for a highly seasonal, special order type of business.

Sales did climb to $988,324 by the fiscal year ended June 30, 1964, and net worth rose to $144,367. But this apparent good health was clouded by substantial uncollectable receivables. The ensuing slow summer months further depressed the company’s position, and in September, 1964, the bank referred the company to Heller.

Heller was able to structure a financial “package” to meet the company’s needs, using accounts receivable and supplemental inventory and equipment loans. However, Heller’s advice proved to be almost as valuable. As the company’s president put it, “Heller taught us how to extend credit, and that’s one of the best things that ever happened to us.”

At June 30, 1965, after writing off bad debts and taking inventory write-downs, net worth still had increased to $137,728; net profit was $21,390. By the end of fiscal 1966, net worth had risen to $237,620; net profit was $115,848 on sales of $1,324,415. But a month earlier, in May, the company’s improved position had warranted complete bank financing. Heller’s loan was paid off only 21 months after the inception of the arrangement, and the bank had a substantially larger customer.

* * *

Walter E. Heller & Company

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B of A Senior Appointee

In a top level promotion at Bank of America, Robert W. Long has advanced to senior vice president.

In making the announcement recently, President Rudolph A. Peterson said Mr. Long will continue to direct the extensive agricultural activities of the nation’s largest bank in the country’s number one agricultural state.

Widely recognized as a pioneer in the most advanced application of technology to farming, Mr. Long joined the bank in San Francisco in May, 1967.

Morgan Guaranty Plans Holding Company

Morgan Guaranty Trust Company of New York plans to form a holding company to acquire the stock of the bank, Thomas S. Gates, chairman of the board, and John M. Meyer, Jr., president, announced recently.

They said that no specific acquisitions by the holding company, other than of the bank itself, were presently under consideration. “In the future, however,” they said, “we expect through use of the holding company to supplement and broaden the bank’s activities for the benefit of our clients and stockholders.”

The bank’s directors approved the plan in principle at a meeting recently, and Morgan Guaranty stockholders will be asked for their approval at the annual meeting, to be held March 19, 1969. The plan is also subject to approval by the Superintendent of Banks of the State of New York and the receipt of favorable tax rulings.

The holding company will be called J. P. Morgan & Company, Incorporated. The name of the bank will remain unchanged.

J. P. Morgan & Company Incorporated will apply for listing of its stock on the New York Stock Exchange, the announcement said.

Continental Names Executive

Henry K. Gardner, vice president at Continental Illinois National Bank and Trust Company, Chicago, has been named head of Group 2 in the metropolitan division of the commercial banking department.

He succeeds Thomas W. Evans, who retired.
At one end is “The Room” at 20 Pine Street. Where Chemical New York’s professionals keep on top of the money market. The up-to-the-minute rates on municipal and government bonds, Treasury Bills, Commercial Paper, C.D.’s, Federal Funds.

At the other end are correspondent banks throughout the country. To find the best investment opportunities, they need just one phone call. 212-770-2567. Chemical gives them the facts. Handles all the details, including safekeeping and that important reminder of maturity.

Chemical New York’s money Hot Line. The line is direct. The service sure and immediate.

When you want the resources and services of an $8 billion global bank, talk to the man from Chemical New York. More than 1,500 of the nation’s leading local banks do. When their needs are financial, their reaction is Chemical.

Chemical New York

212 770-2567
Midwest Card Joins Interbank

The Midwest Bank Card System board of directors has voted to join the Interbank Card Association, a national bank card interchange program, it was announced by Robert M. Martindale, president. The MBC System’s membership application — with an effective date of January 1, 1969— has been approved by the Interbank board of directors.

As members of Interbank, all member banks of the Midwest Bank Card System would be able to issue special charge cards that could be used nationally and internationally as well as in the Midwest. The Interbank Association symbol—a small letter i in a circle—added to the lower right corner will denote a card with interchange privileges.

$43 Million Line of Credit

Four Wheels Inc. and Wheels Inc., Chicago auto and real estate leasing firms, have received a $43 million line of revolving credit from Continental Illinois National Bank and Trust Company.

It is the largest loan ever made by the bank to a firm not listed on any stock exchange. Continental President Tilden Cummings said it is an “expression of our confidence in the future of long-term auto fleet leasing and industrial real estate leasing.”

The funds will be used to purchase new cars and trucks, expand national distribution of leased equipment, and expand real estate leasing in which industrial and commercial building are constructed by the two firms and then leased to users.

Heads Cummins Division

Cummins-Chicago Corporation, a Chicago-based manufacturer of business machines and optical scanning equipment, has announced the appointment of Norman A. McInnes as sales manager-business equipment.

Mr. McInnes, who has managed various Cummins field sales offices for over 20 years, will supervise their direct-selling national sales and service organization in the marketing of Cummins’ extensive line of office and bank machines. This includes perforators, counter/imprinters, check signers, automated money systems and similar devices, as distinct from the optical scanning equipment marketed by their Automatic Input Systems division.

According to John E. Jones, Cummins president, this new position was made necessary by a recently announced breakthrough in optical scanning that Cummins has made. The addition of Mr. McInnes to the staff, according to Mr. Jones, will permit William H. Klotz, vice president-sales, to devote more time to adding and training territory managers for their Automatic Input Systems division required by the wide acceptance of the new scanner.

Profit Planning Seminar

The Bank Administration Institute will sponsor an intensive seminar on Budgeting and Profit Planning for banks whose resources are over $50 million, February 5-7, 1969, in Atlanta.

Converts “Everything Card”

To Master Charge

First National City Bank, New York, will exchange its current “Everything Card” for the Master Charge card this month.

Launched in August, 1967, the “Everything Card” has distribution among more than 500,000 bank customers.

Heads Chicago Banks’ Advertising Department

James C. Hughes, former head of the public relations department for Rotary International, has been named director of public relations and advertising for the American National Bank and Trust Company, Chicago, announced bank President Allen P. Stults.

A graduate of the University of Denver, Hughes served as a sports writer for The Denver Post until 1956 when he joined the Lerner News-papers, a group of 32 neighborhood newspapers on Chicago’s North Side, where he became associate editor of the group. In 1963 he joined the U.S. Information Agency, serving as publications and exhibits officer in Tehran, Iran; a press officer on loan to AID in Saigon, Viet Nam, and as Africa area personnel officer for USAID in Washington, D.C. He joined the Mullen public relations firm in November, 1967, and was assigned as account executive for the Rotary account in Evanston, Illinois, this past year.
It's the computer age.
Time to give up the paper route.

Kodak has an easier way.
The new KODAK KOM-90 Microfilmer. It converts tape data directly into plain language on microfilm for the many jobs where you really don't want paper.

And it does so at speeds compatible with third-generation computers—up to 90,000 characters a second. That's 20,000 lines a minute and twenty times faster than conventional line printers.

Setup couldn't be easier. A Job Setup Control Card automatically handles several operator functions, thereby reducing need for operator decisions. Registration of characters is sharp and clear. You can even integrate business forms—such as report forms—with the translated data in precise registration.

Related RECORDAK Microfilm equipment and coding techniques enable you to retrieve microfilmed source documents and EDP data in seconds...by merely pushing a button or two.

Kodak will help take you from your present paper route to microfilm. It has software programs and professional people to make this transition with ease. Get in touch with them...today. And ask about the new KOM-90 Microfilmer. Eastman Kodak Company, Business Systems Markets Division, Department 0-1, Rochester, New York 14650.

“The easier way.”

KODAK KOM-90 Microfilmer.
These are the people of the Abilene National Bank of Abilene, Kansas

This is “their office” in New York

This picturesque replica of “Old Abilene Town” shows where the action was in Frontier Days. Today, it’s often centered at the Abilene National Bank where businessmen go to get things done. To get things done in New York and around the world, the people of Abilene National 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, 399 Park Avenue, New York, N.Y. 10022. Or call (212) 559-2411.

FIRST NATIONAL CITY BANK
Member Federal Deposit Insurance Corporation
How to Improve Profits in 1969

An Exclusive NORTHWESTERN BANKER Survey

As 1969 GETS underway, bank officers and directors are looking at ways to maintain and improve the profit level of their banks. To assist in this planning, the NORTHWESTERN BANKER has asked top executives in several major city banks to comment on the "Profit Potential for Community Banks" in 1969.

They were asked to identify areas of bank operations and services they believe to be the most important ones at this time for improving profits in community banks. These men emphasize that each bank must be considered with its individual characteristics and policies, but suggest most frequently a review of lending practices and rates, the investment account, and service charges.

Their complete statements follow:

BURNHAM YATES
President
First National Bank and Trust Company
Lincoln, Nebraska

It is not easy to comment on the profit potential for community banks because of the large variance in

Northwestern Banker, January, 1969
the problems and opportunities which are to be found in different communities.

I do believe that at this season of the year every banker would do well to ask himself several questions regarding the nature of his operations in 1969. For instance, on the deposit side, thought should be given to the maximum development of demand deposits through the offering of all services customers might use. Involved here would be such things as banking hours, the use of such devices as credit reserve accounts for checking accounts and the like. Similarly, it is my belief that banks not paying the maximum amount of interest possible on savings accounts and certificates of deposit should re-examine their position. I say this because I believe that productive use can be made for the funds that can be so generated.

On the lending side I think we should all question ourselves as to whether we are making use of the best techniques of loan application analysis. I think all of us could work more carefully and possibly more deeply with our customers in working out forecasts of future financial positions. It has been our experience that this sort of work often develops better loan customers and can even safely and profitably produce a customer or two who can use more credit than he had himself asked for.

Of course, all of us must constantly re-examine our interest rate structures, service charge systems and the like. In this day of high-cost money and increasing operating costs it seems only right to make such studies.

The rate of return available on tax-exempt securities is at a very high level now and I imagine many banks might find it profitable to add to their portfolio of municipal bonds, even through such investments are restricted to shorter maturities.

For the longer run, of course, all of us must think about the prospective shifts and changes in the economies of our communities so that we can perhaps anticipate in advance the future requirements that our customers will have and be prepared to serve them at the right time.

MILTON F. DARR, JR.
Chairman of the Board
LaSalle National Bank
Chicago, Illinois

NARROWING profit margins in the last several years have placed greater emphasis on the necessity for growth in volume to offset the rising costs of money. The further development of new banking services to augment fee income is a continuing objective. With increasing costs of operation, every banker is compelled to make a detailed analysis of his bank's costs and to develop procedures which will improve the efficiency of each department. The establishment of "profit centers" of operation, coupled with the fixing of senior officer authority and responsibility to fulfill the mission, becomes a challenge.

With an eye on the development of net earnings, every banker should reappraise his obligation to the public. In addition to providing needed banking services in an acceptable manner, each of us must contribute to the economic welfare of our region by providing financial counsel and leadership for new community projects and activities. The vision of the community banker from his vantage point at the start of 1969 should lead the development of community growth through new local construction, revitalizing older or changing businesses, and encouraging municipalities to provide financial inducements for attracting new businesses to the community. Spearheading community development will result in the bank's expansion and enhancement of bank earnings.

The recent Internal Revenue Service revised rulings on Reserve for Bad Debt exclusion from the loan base makes it additionally opportune and even necessary to explore new avenues of community business expansion through bank financing. The old adage, "Your bank grows as your customer grows" was never more true and appropriate than it is today.

ROBERT E. HAMILTON
Vice Chairman of the Board
Central National Bank
Chicago, Illinois

THE Community Banker, as he has been appropriately "renamed" by A.B.A. President Alexander, has long been familiar with the cost-price squeeze of his principal customer. That entrepreneur who supplies America with the finest quality and the greatest quantities of food anywhere in the world, without regard to the 40-hour week, the minimum wage law or the many other fringe benefits of the typical corporate manufacturing corporation is, of course, the Midwestern farmer. In spite of the elusive benefits of inflation on land values, his fantastic technological progress still provides reward for management labor and invested capital which place him in the category of the forgotten man.
"Increasing your revenue requires a stiff backbone"

The Community Banker in 1969 will face similar problems. The price of his inventory—lendable funds—continues to be higher than the price to which he is accustomed. On average, it will probably continue to be high and in many instances may be even higher than in 1968. Competition for dollars dictates a competitive posture for funds that might otherwise leave the community to other investment areas.

Bank labor costs, the other principal expense area, will probably show no signs of weakening. In fact, the aggressive Community Banker, if he is to succeed, will undoubtedly be required to “beef up” his staff. In this area of competition with other industry, money talks. To attract business, professional competence and excellence of service are the only answers to increasing or even maintaining profits. Conclusion—profit potential does not lie in expense reduction in most cases.

The other side of the Statement of Profit and Loss appears to supply the only answer. Where can increased income be generated?

1. Increased attention to the profit potentials of the investment account must supply a portion of the increased income needed to offset rising costs. With full understanding by management and especially the board of directors, this single area of income is frequently capable of producing the greatest percentage increase over a period of several years with the least commitment of time and effort. Achievement of the potential requires long range planning, short range timing and a minimal understanding of the advantages available to banks. The highly technical competence required to devise and execute the plan can come from tax counsel and correspondent bank investment departments.

2. Two other sources of increased revenues must be in the loan account and from service income. Realization of this revenue requires a stiff backbone, a confident sales approach and a quality of service to back up the cost to the customer.

3. The Community Banker must take a hard look at his service charges—all of them! Is he charging 50 cents for an overdraft that costs him $2.50 just for the bookkeeping involved? Can he post a check for a nickel or supply rolled coin to a grocer for less than the cost of getting it to the bank? The local gas dealer won’t bring the oil level up to “full” just because he buys gas from him!

4. The loan account income provides the greatest potential for increasing profits because in most cases it represents the source of greatest revenue. Without going through the arithmetic gymnastics involved, the average midwestern unit bank can increase its net after-tax-profit by more than 10 per cent with less than one-quarter of one per cent increase in its average loan rate!

A good deal of the increase will come only through education of the customer. Do his demand deposit balances compensate for the prime loan rate which he may be receiving—or is he borrowing at a rate cheaper than General Motors? The wealth of publicity given the scarcity of money in recent years should make the task of getting loan rates to a proper spread with money costs an even easier task. A few lost customers may be the result, but it has been this writer’s own unhappy personal experience that a customer gained solely on the basis of rate will soon be lost for the same reason.

To the banker who says our state laws prevent us from taking rates up to the point needed to be profitable there are several techniques which may be used including “ad-on” installment notes, compensating balances and another method we will be happy to discuss with any banker interested.

In summary, it is my firm belief that profitability of community banks in 1969 and the years following will be improved primarily on the income side rather than accomplished by reduced expense.

DONALD D. HOFFMAN
President
Central Bank and Trust Co.
Denver, Colorado

It is my belief that, generally, all banks have enjoyed the most profitable year in history, which has been the result of high interest rates and investment yields coupled with an increased money supply. I cannot envision a similar acceleration in these two basic factors for the coming year; and while there might be some modest fluctuation in rates, I expect the rate structure to hold pretty firm for the coming year.

On the other side of the coin, I believe that our costs of funds will also remain high with other expenses continuing to climb.

Therefore, it appears that in order to maintain or improve profits, all bankers will have to attempt to become more efficient in the use of their funds as well as operationally. I am sure that all bankers have become much more sophisticated in the past few years and yet there may be some areas which have not been tapped by all of the smaller banks.

With respect to the usage of funds, I believe that all bankers must stay in tune with the money market, structuring loan rates and their investment yield requirements on a plane which will justify the high cost of

Northwestern Banker, January, 1969
More effective use of Fed Funds market

funds used. It may be possible in some banks to make some significant shifts in bond portfolios which can result in increased yields or improved tax implications. It is also possible in many instances to improve the usage of funds by entering the federal funds market or utilizing temporary investments with such cash surpluses as might be available after giving consideration to balances needed to compensate for account activity.

One of the most important areas to be considered is the refinement of operations in order to do the best job possible in making use of the people in our banks. In many instances, banks are finding that off-premises automated accounting has enabled them to reduce costs, allowing them to utilize better the people available to them. There are other side benefits resulting from automation, but certainly with the rising salary structures and the cost of fringe benefits, etc., this approach must be examined.

It is my belief that the smaller community banker, by working closely with his city correspondents, can find some solutions in the above areas which will be helpful to him in improving the 1969 profit picture.

IN CONSIDERING ways for a community bank to improve its profits in 1969, we might first reflect on how the bank grew to its present size and position.

Very likely it has had rapid growth since the end of World War II. Earnings gains from year to year have been more or less automatic in spite of increases in the cost of time money and in the other expenses of doing business.

Thus, one place to look for opportunity to improve profits is in expense accounts. A well-planned cost budgeting program may produce surprising results without hindering the bank’s progress.

Secondly, it is often possible to improve earnings through more careful investment portfolio management. Study the bank’s liquidity position. Most banks maintain their secondary reserves in the Treasury Bill account. By coordinating Treasury Bills and Federal Government agency investments to meet future liquidity needs, the return on these short term investments can be improved without sacrificing proper liquidity.

Careful tax planning in the bank’s investment account can also improve the after-tax return on funds invested. Tax planning is a day to day, not just a year-end investment management problem. A correspondent bank can be of real help with investment tax planning problems and also in the proper use of tax exempt municipal securities.

A detailed, comprehensive review of the loan pouch can also yield significant opportunities for increased earnings. Study each type of loan: installment, commercial, real estate, home loan, barnyard, feeder or other secured or unsecured loans. Are interest rates in line with the cost of money in today’s market and do they adequately reflect risk?

Consider compensating balances too; not just ledger balances, but collected balances. More and more, as the cost of money to them rises, banks regard collected balances as the appropriate measure, when combined with interest rate, of loan yield.

Many community banks have real estate and insurance departments which make significant contributions to earnings. Under the aggressive management of good insurance or real estate men, there are great opportunities for additional earnings in these fields. Success stories are all about us.

The importance of promoting and marketing a bank’s services grows daily. Don’t neglect it. It’s just as important for a community bank as for a city bank to display its services prominently and with friendliness.

SOME country bankers could realize a material increase in profits in the area of money management. More effective use of the Fed Fund market in making short-term investments, even as short as a day, has allowed many of our customers to utilize their excess funds more profitably. The use of Commodity Credit Certificates has been profitable for other banks and may
be even more appropriate under the new simplified program. These certificates provide instant liquidity, no risk, and normally a higher rate than Treasury Bills.

Recent discussions I have had lead me to believe that there are still many bankers who could increase their after-tax earnings effective through more aggressive management of their investment portfolios. In some cases this may mean increasing municipal bond holdings; in other instances, the taking of losses coupled with a proper reinvestment program; in both cases, better below-the-line results can be achieved.

Two sources of increased income often are overlooked by many of us. When is the last time your service charges were reviewed. Too often, we find it has been years—and the charges are now totally unrealistic. Although the general rate structure is receiving constant attention these days, frequently we have not made a careful study of the appropriateness of our loan rates in today's market. As obvious as these may be, we have found several instances where they have been overlooked. Recently, we worked with a bank which was not taking advantage of the reserves for loan losses. Sometimes the obvious too obvious!

The above suggestions are related to the current year. Of course this is important, but in managing our banks we must consider tomorrow as well as today. Maybe this is the year when a country bank should take a hard look at its incentive or business development program and personnel policies. A change in these areas may not produce results today, but will certainly produce a sound foundation for even greater profits tomorrow.

Robert K. Hagan
President
Colonial National Bank
Omaha, Nebraska

THE year 1968 goes into history with a record of profits most satisfactory to the great mass of bank stockholders who already are looking forward to a continuation of this very generous profit trend in the coming year. Managements on the other hand are asking themselves “what do we do now for an encore?” Is there an opportunity for a repeat performance? I think so, but it will not easily be achieved.

In times of generous yields and a strong demand for loans, gross dollar income is high and it is all too easy to become careless about expenses. The bank manager who is to continue his profit trend in the coming year—whether in a community bank or a big city bank—is the one who is acutely aware of the trend of his expenses. He will recognize loss accounts and loss operations and correct them or remove them from the bank.

Modern day computers make available to all bankers, with daily figures on collected balances, together with every kind of account activity. The profitable bank is the one using this information to obtain adequate service charges and appropriate rates in its loan portfolio. If each bank will charge appropriate rates and fees and not hold back for fear of losing business to a competitor, the profit trend will continue.

THE term “profit planning” is being used frequently today and banks should be doing more of it instead of just drifting along. Business and industry have long been projecting future operating results. We, as bankers, expect our customers to provide us with their financial plans. Yet few bankers actually put down in black and white a detailed financial projection of operating results for the year ahead.

Of course, to arrive at the final result we must first determine what we can expect our deposits to be. If we’re not satisfied with our anticipated deposit structure we should study possible ways of changing it. Then the allocation of all available funds may be analyzed. Perhaps there is an opportunity for earnings improvement by placing funds in high return investments. Loans will take up a large portion of these available funds in most banks and it would be well to take a hard look at the various types of loans—some types aren’t really as profitable as we think. There are banks that have been slow in adjusting interest rates on loans in anticipation of the return of cheaper money. There is little likelihood of this occurring in the near future and adjustments are overdue in these instances.

Other income sources also should be given attention. If there hasn’t been an adjustment in these items in the last few years think seriously about doing so. Numerous banks do various services gratis—perhaps a charge can be justified in some instances. The service charge schedule on checking accounts should be reviewed periodically and maybe this is the year for an adjustment.

An important part of any profit plan study is the analysis of anticipated expenses. One of the best ways of making money is to save it. In doing this phase of the study it’s likely that opportunities will appear for closer expense control and possibly even some reductions in certain categories. Determine what you want to spend for business development, donations, advertising, travel, salaries, etc., and then stick to it. It is best to have the responsibility placed in one person for each major type of expense rather than having several people making decisions. Divided responsibility results in poor control.

Broad participation by the bank’s personnel in the development of the profit plan study will bring better results. You will be pleasantly surprised by the worthwhile ideas that will come forth from your associates. Then check frequently on how you’re doing—at least quarterly. It may be necessary to make some changes in your plan but it is far better to do this than to have no plan at all.

Periodically, we should take a hard look at our over-all operation to determine whether there are procedures and practices that can be streamlined or eliminated. This could be one of the major projects for the year ahead. With the responsibility properly placed and the entire staff having a positive approach there are few banks so efficient that savings cannot be accomplished.

IMPROVE PROFITS . . .

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Northwestern Banker, January, 1969
Banking Legislation

A Look Back — A Look Ahead

By CHALMERS P. WYLIE
Columbus, Ohio
Congressman, 15th District of Ohio
Member, House Banking
and Currency Committee

Living Beyond Our Means

The fact of the matter is that this year’s monetary crises materialized because several leading trading nations, including the United States, were unwilling to set their own domestic economics in order. Fixed exchange rates and the immutable $35 per ounce price of gold will be impossible to maintain unless the political climate in the western world changes in such a manner as to permit governments to apply policies of restraint in spending with the same ease as they have pursued more spending in the past to expand trade activity.

In this connection, entirely too much blame during the past year has been directed at the international speculator, those who are pictured as being evil, with little or no regard of the consequences of their selfish actions. To some extent this may be true, but it is useful for us to remember that the speculator often is little more than an international broker, in much the same position as a banker who is trying to protect the investment of his clients.

ABA Success

Since I have pulled the leg of the American Bankers Association earlier by my remarks with regard to the so-called “victory” in defeating the Federal Charter Bill, I think it is appropriate to give justifiable credit where it is deserved. No private industry group in the entire country worked harder and with more success than did the ABA in connection with the successful passage of the tax increase and spending reduction bill in 1968. Keep in mind that the statutory spending reductions were opposed vigorously by the Johnson Administration, which at one point threatened to scuttle the entire effort at fiscal restraint.

Had spending controls not been imposed, uncontrolled inflation might well have forced a run on the dollar and a dollar devaluation before the end of 1968. Many other private industries sent telegrams and letters to Congress, but few if any wore their shoe leather out in the halls of the House and Senate as did representatives from your industry.

Parethisetically, among those representatives of the banking industry who worked hard on this and other legislation of interest to banking and the well-being of our nation was a native son of South Dakota, Jim Smith, associate federal legislative counsel of the ABA Washington office. I am sure many in the audience today know Jim, and I could not pass up the opportunity to tell all of you what a great job he is doing for your industry.

Private Industry Involvement

No discussion of next year’s legislative activities would be complete without predicting the manner in which a Republican President and a Democratic Congress will treat the broad range of legislation which seeks to come to grips with the crisis of our cities. I do not count myself among those who believe that President-elect Nixon will have a difficult time with a Democratic Congress. I base this personal judgment on the fact that, as I have already indicated, we do not lack programs in dealing with our domestic strife. Instead, what we lack is the knowledge and perseverance in making these programs work, as well as the ability to generate the essential support from private industry. A vast majority of both the House and Senate will be determined to find out why so many existing programs have failed, and this effort will be bipartisan. It also seems clear that the Nixon Administration will depend on an unprecedented extent on the involvement of private industry in seeking solutions. In this re

A LOOK AHEAD . . .

(Turn to page 46, please)
One of the nation’s 10 largest consumer finance firms, Dial Finance Company of Des Moines, Iowa, was officially listed last month for trading on the New York Stock Exchange. The first 100 shares were purchased December 23 at the opening of trading by Ellis I. Levitt, Dial’s chairman of the board and son of the firm’s founder.

Common stock of Dial has been trading over-the-counter since the company became publicly-owned in May, 1960. When it became active on the NYSE last month it listed 4.6 million shares and more than 4,000 shareholders. Since 1960, the common stock has been split two-for-one twice and cash dividends have increased from 25 cents per share to the current 50 cents per share.

The history of Dial is the typical Horatio Alger story of those men and businesses which came from humble origins to positions of leadership in the nation.

Jacob Levitt was born August 12, 1866, in the tiny Baltic province of Lithuania, at that time a part of Imperial Russia. His family migrated to America when he was a young boy and Des Moines became his permanent home in 1887. Just 10 years later, in 1897, he founded State Loan, and Des Moines became his permanent home in 1887. Just 10 years later, in 1897, he founded State Loan, Inc., which was changed to its present name January 1, 1959.

The name change was made to give the company a broader connotation in keeping with the phenomenal growth it had experienced under the far-sighted leadership of Ellis Levitt.

The latter was born in Des Moines in 1893, attended old West High School here and upon graduation in 1912 joined his father’s business. He became president in 1946 and was also elected chairman in 1951. His father died August 21, 1950, at the age of 84.

Ellis Levitt assumed his present position as chairman of the board in 1962.

At that time, Edward Glazer was elected president and continues in that position. A native of Council Bluffs, Iowa, Mr. Glazer, 49, received a degree of B.S. in Mechanical Engineering from the University of Iowa. He began with Dial in 1946 and after successive promotions, was named vice president and secretary in 1957 before assuming the presidency, the position he continues to hold.

A third member of the top management team responsible for the continued rapid expansion of Dial Finance is Richard S. Levitt, the son of Ellis Levitt. Dick Levitt, 38, received his schooling in Des Moines and then attended the University of Iowa from which he was graduated with a B.S. degree and later a Juris Doctor degree from the Law School. He is executive vice president of the company.

In 1917, Dial had $210,000 in outstanding receivables. In 1924 its first branch office was opened, this one in Sioux City. Today the firm has 408 offices in 39 states with notes and contracts receivable totaling $214 million. In the 10-year period alone from 1958 through 1967, installment loan volume of the company grew from $77.3 million to $223.6 million, with the average size loan advancing from $418 to $720.

In that same 10-year period, the number of Dial branch offices increased from 101 to 349, a growth of 248 offices. In 1967, the company’s 70th anniversary, 32 new offices were opened. In 1968 this total had jumped to 408, a growth in one year of 50 offices.

During the 1958-67 period, total assets of Dial Finance advanced from $60.8 million to $170.1 million. By September 30, 1968, net tangible assets were $188 million, and estimated year-end assets exceeded $190 million.

Such expansion requires two indispensible elements—qualified personnel and communications. Personnel selection and training has received top priority attention at Dial for many years. One of the reasons for the high morale factor in the company is the well-known policy of promotion from within, so that newer men receive the encouragement of a definite future.

The rapid expansion of offices requires much closer communications and this will be further aided in 1969 when Dial headquarters in Des Moines will be linked by the most advanced data processing system with all its branches by means of long distance telephone lines.

Dial Finance has had a long-standing business relationship with many banks. Its stock transfer agents are Iowa-Des Moines National Bank in Des Moines (of which Richard Levitt is a director), and Morgan Guaranty Trust Company of New York.

Stock registrars are Chemical Bank New York Trust Company and Central National Bank and Trust Company of Des Moines.

Best Man for Tough Job

The son of a Utah rancher, David M. Kennedy, will assume the position of Secretary of the Treasury this month. An active Mormon, Mr. Kennedy comes to the cabinet post from Continental Illinois National Bank and Trust Company in Chicago, where he was chairman of the board. Held in high esteem by government and business leaders, Mr. Kennedy is the first commercial banker to hold the position of Secretary of the Treasury since 1946. He brings with him broad experience and proven ability to meet the numerous and difficult problems of the position.

Chosen by President-elect Nixon because of his knowledge of the money markets, his familiarity with governmental operations, and the fact that he is conversant with the nation’s foreign monetary problems, Mr. Kennedy is described by Charles E. Walker, executive vice president of the American Bankers Association, as “the best man in the country for the job.”

With an outstanding record of achievement in banking, government and public service, Mr. Kennedy is highly respected and reaction to his appointment has been very favorable.

Mixing warning with praise the New York Times said that Mr. Kennedy “will inherit a position that carries the most influential voice over the shape of the nation’s securities markets. His work will be difficult, for the Johnson Administration will leave him a legacy of distortion perhaps not seen since the Civil War... Whatever hope for the bond market exists in Wall Street these days is based almost entirely on faith in the Administration of President-elect Nixon and his monetary and fiscal advisers to reduce the rate of inflation. The appointment of Mr. Kennedy, the re-
spected chairman of Continental...was an important step in the right direction, bond men agreed..."}

**Urban Problems**

In the area of urban problems, Mr. Kennedy believes that there should be less federal spending and greater participation of private industry. He has said: "I am convinced that they (federal programs) will be most constructive when they are built on the principle of an effective partnership with private enterprise."

In the international field, his actions at Continental have been innovative and aggressive. In a speech one year ago, he stressed that the solution to the balance of payments problem depended on controlling the domestic economy, and called for some sacrifice in short-term domestic growth, warning of the possibility of greater sacrifices if the balance of payments was not improved.

Born in 1905 in Utah, Mr. Kennedy worked on his father's ranch in the summers and went to school in Ogden, Utah, in the winter. His father, in addition to being a rancher, was a legislator and a state road supervisor, who pioneered in clearing most of Utah's early road. During his early years, David Kennedy developed a life-long interest in fishing, hunting and riding.

Although his family expected him to succeed his grandfather as president of the Bank of Randolph, David Kennedy graduated from Weber College in Ogden in 1928, and in 1929 went to Washington, D. C., to work for the Federal Reserve System, as a technical assistant in the Division of Bank Operations.

Mr. Kennedy describes his experience at the Federal Reserve Board during the early depression years as a turning point in his life, a time when his interest turned from law to economics and banking, and he became "impressed with the cooperation possible between business and government."

During his years in Washington, Mr. Kennedy became an economist in the Division of Research and Statistics, assistant chief in the Government Securities Section, and special assistant to Marriner Eccles, who was then Federal Reserve Board chairman. He also received a law degree from George Washington University and was graduated from the Stonier Graduate School of Banking at Rutgers University.

**Joins Continental**

In 1946, Mr. Kennedy joined the bond department of Continental Illinoi... Chicago and was elected a vice president in 1951. In 1964, he resigned to serve as Assistant to the Secretary of the Treasury, George Humphrey, in Washington, serving from October, 1953, to December, 1954. During this time he was responsible for management of the Federal debt and related Treasury problems.

In December, 1954, he again became a vice president at Continental and was soon appointed officer in charge of the bond department. One year later, he was elected president of the bank at age 50, and in 1959 he moved up to the post of chairman of the board of Continental when Walter Cummings stepped down after 25 years as chairman.

During the last 10 years, under Mr. Kennedy's aggressive leadership, Continental Bank has grown from $3.1 billion in resources to more than $6.5 billion. It is the largest bank in Chicago and the Midwest, eighth largest in the nation, and fifteenth largest in the world.

**World Trade**

Mr. Kennedy expanded the bank's international banking department in anticipation of a great upsurge in midwestern world trade, and Continental now has more extensive international banking facilities than any other United States bank between the Atlantic and Pacific coasts. Besides a large Chicago-based international banking staff, it has two Edge Act subsidiaries, Continental Bank International in New York, which has one of the nation's largest foreign exchange trading operations as well as serving customers using East Coast ports; and Chicago-based Continental International Finance Corporation, which meets unique overseas financing problems through loans and equity investments. The bank has six full-service branches, two in London, and other branches in Tokyo, Osaka, Frankfurt, and Paris; representative offices in Geneva, Madrid, Brussels, Milan, Caracas, Mexico City, and Manila. Continental has acquired equity positions in several important overseas financial institutions.

Mr. Kennedy has helped broaden Continental's assistance to the Chicago area. Under his leadership, the bank has moved dramatically into the retail banking field by developing the Family Banking Center concept—a single, informal location where each banker can handle any type of customer service—checking, savings, loans, mortgages, and other services. The Family Banking Center concept is now being adopted by large banks in many other cities, and is an important banking innovation.

During the Kennedy years, the bank has expanded into major money market operations and is a prime dealer in U. S. securities.

Continental, as a commercial lender, is the largest in Chicago and maintains a vast correspondent banking network with more than 3,000 other banks. During the decade, bank staff has expanded from 4,600 to more than 6,600.

**Civic Activities**

Mr. Kennedy's civic and professional activities have been wide ranging and very numerous. In association work, he was formerly a member and chairman of the American Bankers Association government borrowing committee, and has served on the executive council, committee on government lending policy, subcommittee on debt management of government borrowing committee, committee on legal reserve requirements, resolution committee, and the committee on commercial bank monograph. He has been involved with activities of the Association of Reserve City Bankers, American Institute of Banking, Investment Bankers Association, Illinois Bankers Association, Federal Reserve Bank of Chicago, Export-Import Bank of Washington, and Chicago Clearing House Association.

A registered Republican, he has worked closely with both Democrat and Republican Administrations. In 1967 President Johnson appointed Mr. Kennedy chairman of the Commission on Budgetary Concepts. The commission's recommendations were completely accepted and have been incorporated totally in the budget to be submitted to Congress early in 1968. This "Kennedy Budget" marks a revolutionary break with past methods and hopefully will ease problems of administration and finance.

Deeply imbued with the Mormon faith, Mr. Kennedy had already served a two-year mission in Great Britain by the time he had left college, and until 1966 he was the First Councilor in the Chicago Stake Presidency of his church. For several years he also served as a bishop in Washington, D. C.

With an outstanding record of public service in civic, governmental, and business and educational capacities, Mr. Kennedy has been the recipient of many degrees and awards for his work. Highly regarded, and known as a dynamic banker, a vigorous civic leader and a man with a constantly tight schedule, the able David Kennedy should prove to be the right man for a demanding and difficult job.—End.
Bank Promotions and Changes

PROMOTIONS and appointments have been announced by the following banks:

American National Bank and Trust Company, Chicago: Harry H. Salk, a key man in the bank's real estate operations, has been advanced to senior vice president.

Other promotions in the commercial department included Dennis A. O'Neal, to second vice president; Gregory T. Buenzl, Marshall Haywood III and James E. Mannon each to loan officer, and James C. Hughes to director of public relations.

In the trust department, Richard P. Anderson and Albert Medora were promoted to second vice presidents; Angus M. Duthie, Kent J. Frisby, John K. Lane, Wilson K. Roane and Robert J. Schank were advanced to the position of trust investment officers. Nathan J. Fisher, James A. Gately, John F. Reuss, David A. Rubin, Earl I. Silver and John W. Sprague were named trust officers.

In the cashier's department, Robert J. Lara was promoted to second vice president.

In the operations department, Daniel Leonard, Jr., and Richard L. Smith were promoted to second vice presidents; Edward J. Mrowiec and David E. Trimble to operations officers, and John W. Patka to automated services officer.

Bank of New York, New York: Samuel H. Woolley has been elected chairman and chief executive officer and Elliott Averett has been named president and chief administrative officer.

Mr. Woolley, formerly president and executive officer, succeeds Charles M. Bliss, who gave up his post as chairman in anticipation of his official retirement from the bank on January 31, 1969.

Mr. Woolley joined the bank in 1933 and became a member of the investment division which he headed in 1960. In 1961 he was elected president and a trustee of the bank, and two years later became its chief executive officer.

Mr. Averett becomes the 21st president of the bank founded by Alexander Hamilton in 1784. He has been with the organization since 1940, and headed its commercial banking division until 1967 when he was elected chief administrative officer.

Bankers Trust Company, New York: Four vice presidents have been named. Announcement was made by William H. Moore, chairman of the board. They are:

Warren B. Davis, banking operations and programming coordination division; Allen J. Pecheur, credit analysis and investigation division; Hilary F. Reddy, international banking and credit review, corporate lending division, and Edward C. Dean, personnel relations department.

The Chase Manhattan Bank, N.A., New York: Two executive vice presidents and five vice presidents have been announced.

Named executive vice presidents were Raymond T. O'Keefe, in charge of the real estate and mortgage loan department, and Robert B. Rivel, in charge of both the portfolio and investment bankers group, and the municipal bond division.

Advanced to vice presidents were: Robert F. Hinkley, Robert J. McDonald, Arthur H. Phelan, Jr., William T. Phillips and David F. Springsteen, all in the United States Department. Mr. Hinkley travels southern Illinois and Missouri.

Central National Bank, Chicago: Thomas H. Roberts, president and chairman of the board of DeKalb A Research, has been named to the bank's agricultural advisory committee. (Major executive changes are also featured in this issue.)

City National Bank and Trust Company, Kansas City: Jerome H. Scott, Jr., has been elected executive vice president. He will assume responsibility of the bank's commercial banking division, which encompasses all major accounts at both the national and local level. He joined the bank in 1967.

Continental Illinois National Bank and Trust Company, Chicago: Caren L. Reed and Robert H. Clements have been named vice presidents. Mr. Reed is in the commercial banking department. Mr. Clements is in the trust division.

In the administrative services department, Robert K. Miller was advanced from marketing officer to second vice president, and Robert G. Lovell was named area development officer.

In the bond department, Loren J. Clark and Ronald G. Erickson were promoted from assistant cashiers to second vice presidents.

First National Bank, St. Louis: Edwin S. Jones, executive vice president, was elected president, succeeding the late John B. Mitchell.

James P. Hickok, chairman of the board, will continue as chief executive officer, a position he has held since 1962.

William H. Harrison, senior vice president, real estate department, was advanced to executive vice president. Clarence C. Barksdale, vice president, national accounts, was also named an executive vice president, and Jefferson L. Miller, vice president, metropolitan division, was named senior vice president.
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The bank with the wide world reach offers you imagination, vision, creativity, innovation, scope—just five of the compelling reasons why bankers continue to rely on Chase for comprehensive banking service.

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As a thorough-going banker's bank for the last 100 years we have all the routine correspondent services in a commanding grip, but we go far beyond.

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Bank Promotions and Changes

LaSalle National Bank, Chicago: Milton F. Darr, Jr., chairman and chief executive officer of the bank, has been elected a director of General American Transportation Corporation. In November, GATC acquired approximately 90 per cent of the stock of the LaSalle National Bank. Announcement was also made that T. M. Thompson, chairman of the board and chief executive officer of GATC, was elected to the LaSalle board of directors.

Manufacturers Hanover Trust Company, New York: Frank W. Kaestner has been named senior vice president in charge of the corporate trust department.

At the same time MHT named six new vice presidents in the personal trust department. They are: Frank R. Abell and Peter O. C. Austin-Smith, investments; Thomas F. Cullen, Charles B. Grimes, Jr., John J. Kindred III, and Thomas A. Sylvester, estates administration. All were formerly assistant vice presidents.

Marine Midland Banks, Buffalo, New York: George R. Williams has been named president, succeeding J. Fred Schoellkopf, who moves to chairman and chief executive officer.

Robert S. Schu becomes executive vice president while remaining as chairman of the executive committee and chief executive officer of Marine Midland Trust Company of Western New York ($1.5 billion assets). Clifton W. Phalen, chairman of the executive committee, is the fourth man in the new team heading the nation's third largest registered bank holding company.

Board chairman, Baldwin Maull, who relinquished the chief executive duties December 11, 1967, becomes vice chairman of the board. He continues as board chairman of Marine Midland International and Overseas Corporations.

Morgan Guaranty Trust Company, New York: Election of 11 vice presidents has been announced by Thomas S. Gates, chairman of the board.

The new vice presidents are Richard F. Dundore and Richard K. Hill, both in the client services department; Walter L. Baranetsky, Robert F. Hirten, John W. Spurde, Jr., and Hans C. Vitzthum, international banking division; Robert Benjamin, personal trust administration; R. Leigh Arndy, Jr., Dimitri deGunzberg, and Robert B. Knutson, financial services; Rimmer DeVries, economist's department.

National Bank of Detroit, Detroit: Fred Moshale of the operations division headed a list of 60 promotions announced by the bank.

The following were named vice presidents:

Frank McArthur, comptroller's division; Charles N. Chesnut, Harry L. Lapham and Richard E. Moeller, metropolitan division; William E. Blevins, personnel division; William D. Cohan, Marshall C. Downs, Raymond T. Huetteman, Jr., Michael A. Malis and Frederick S. Strong III, trust department; Frank J. Kropschot, United States division.

Royal Bank of Canada, Montreal: J. H. Coleman, chief general manager of the bank since 1964 and a vice president since 1966, has been advanced to executive vice president, succeeding A. F. Mayne, retired.

J. K. Finlayson, general manager, international, since 1967, will succeed Mr. Coleman as chief general manager.

Valley National Bank, Phoenix: Two men long active in the Arizona financial field has been advanced to vice presidents. They are George L. Mullinax of Tucson and William H. Isaacson of Phoenix.—End.

Harris Names Senior Officers

C. M. BLISS

K. W. DUNCAN

T. H. ROBERTS

B. W. SPRINKEL

THE Harris Trust and Savings Bank, Chicago, has announced four executive promotions, the expansion of its marketing efforts, and four new administrative officers.

Promoted are Charles M. Bliss and Kent W. Duncan to senior vice presidents; Theodore H. Roberts to senior vice president and comptroller, and Beryl W. Sprinkel to senior vice president and economist.

Effective January 2, Mr. Bliss will head the bank's marketing department, an expanded operation including the bank's existing marketing services division and a new corporate financial services division. Vice President William N. Flory continues as head of division 2.

Also effective January 2, Mr. Duncan will become senior credit officer and deputy to the chief credit officer. Mr. Sprinkel continues in charge of the bank's financial and economic research department and Mr. Roberts continues as control executive of the bank.

Succeeding Mr. Bliss as head of loan divisions 4 and 5 will be Vice President Edward K. Banker, division 4, and Vice President Richard L. McAuliffe, division 5. Vice President John C. Maulding will succeed Mr. Duncan as head of division 2.

National Banks Assets Increase By 12.3 Per Cent

Comptroller of the Currency William B. Camp has announced that total assets of National Banks reached $281.3 billion on October 30, 1968. This figure marked a 6.0 per cent increase from June 30 and a 12.3 per cent increase over the total for October 4, 1967, the corresponding call report date a year earlier.

Outstanding loans of National Banks totaled $147.1 billion on October 30, a 12.0 per cent rise from the previous year's figure. Total time and savings deposits continued to grow more rapidly than demand deposits.
Second to none in correspondent banking service.

Second to none... because the correspondent banker at The First is a thorough, systematic banker and businessman. 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.
A new marketing plan of mailing free Bancardcheks to pre-approved customers will be introduced by member banks to sign up users, it was announced by Arthur R. Greene, president of First Financial Marketing Group, sponsors of the nationally-guaranteed check with line-of-credit reserve.

Tests of the free offer, with built-in controls to prevent abuses, have demonstrated the sales success of the mailings, he reported. Citing the experience of the American National Bank and Trust Company of Chattanooga, Tenn., as an example of the tests, Mr. Greene said, “Their mailing brought a favorable return of 25 per cent within two weeks.”

Mr. Greene pointed out that the new plan will be of special interest to banks in middle-sized and smaller cities.

Ten free $25 checks are sent to prospective users who have established credit with the bank, he explained, and they cannot be used until a Bancardchek identification card is issued on receipt of a signed application and agreement, including the mailing. “While these protections are integrated into the offer,” he said, “the customer who receives a set of free checks with his name imprinted is usually favorably impressed, and in many cases will sign and mail in the qualifying papers.”

The Cummins-Chicago Corporation, a leading manufacturer of check signing machines for high-volume new requirements, has announced two new desk-top signers for use where check volumes are limited and speed is not so great a factor. These attractively cased, compact units, according to Cummins, extend the convenience and efficiency of mechanized signing to smaller organizations that need it chiefly for convenience during the absence of the signing authority.

John E. Jones, Cummins president, stated, in referring to these additions to Cummins’ line of “control” equipment, “These two new signers extend the Cummins control package to the sized concerns that need it most—those with too few employees to have every transaction made by one employee checked by another.” Mr. Jones explained that the Cummins “control package” consists of a signing machine to control the issuance of checks and a cancelling perforator to prevent re-use of the documents that authorize the issuance of checks.

The proper use of the two devices, he stated further, gives any executive complete control of disbursements during his absence.

On the new signers, this control is implemented by dual locks with separate keys and non-resettable counter.

First National City Bank is offering an institutional investment research advisory program to correspondent banks and others for the first time in its 156-year history.

“Citibank has developed a program under which its own resources and facilities for investment research—and its investment policy guidance—can be supplied on a regular basis to participants,” according to Alfred H. Howell, vice president in charge of the new advisory service.

The bank has a staff of 45 security analysts including a group of 8 computer specialists who are developing techniques specially designed for investment research and portfolio management.

Citibank has its own library, filing system, electronic data processing equipment, including time-sharing computer capability, and the consulting support of an analytical systems and procedures group within the investment research department.

The Manufacturers Hanover Trust Company, New York, is distributing a new edition of its “Foreign Exchange Quotations” folder. The folder lists foreign exchange rates in 179 countries from Abu Dhabi to Zambia, and contains two tables showing the decimal equivalents of (a) shillings and pence and (b) common fractions.

Manufacturers Hanover has been publishing the folder since 1939. Copies are available at the bank’s public relations department, 350 Park Avenue, New York, N. Y. 10022.

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Northwestern Banker, January, 1969
The winning hand that increases instalment credit profit

Used by hundreds of large and small banks

This new automated instalment loan system speeds up your operation and assures accuracy, with reduced personnel.

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No capital investment required . . . No minimum charge . . . You pay only for the ledgers and records furnished.

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321-561-6600.
Central of Chicago Elects Executives; Plans Holding Co.

THE board of directors of the Central National Bank in Chicago has made two major announcements: The formation of a one-bank holding company and a reorganization of the bank's executive management.

Central National Bank would operate as a wholly-owned subsidiary.

The proposed plan will be presented for shareholder approval at an early date. Terms of the holding company proposal call for bank shareholders to exchange their stock for Central National Financial Corporation common on a share for share basis.

The proposal would authorize 1,500,000 shares of common with a par value of $10, and 200,000 no par preferred shares. The number of common shares, authorized but unissued, after allowing for a proposed stock dividend and stock option plans, would be 621,000.

Nominated as officers of the new company are Frank E. Bauder, president and chief executive officer, and William J. McSweeney, executive vice president.

Michael A. Gaffigan of the commercial banking department, and Richard T. Ummach of real estate banking, were advanced from vice presidents to senior vice presidents, heading a list of key promotions, as follows:

Howard H. Beermann, formerly vice president, to vice president and head of loaning division.

Elmer A. Stromberg, formerly vice president, to vice president and head of loaning division (correspondent banks).

Robert E. Eckland, formerly vice president, to cashier.

Harry L. Hatton, formerly second vice president, to vice president and head of loaning division.

Thomas P. Hickey, Jr., formerly second vice president, to vice president and head of loaning division.

John K. Morginson, formerly second vice president, to vice president and head of loaning division.

William C. Gutmann, formerly second vice president, to vice president.

Henri Strauss, formerly second vice president, to vice president.

Philip B. Wangelin, formerly second vice president, to vice president.

Fred M. Seed, 58, a director, who was elected executive vice president in 1960, becomes the sixth president in Cargill’s nearly 104-year history and also its chief operating officer. Elected to new posts of group vice president were former vice presidents Whitney MacMillan and M. D. McVay.

Northern Trust Plans London Branch

The Northern Trust Company, Chicago, announced it is filing an application with the Federal Reserve Board to establish a branch in London.

In making the announcement, Edward Byron Smith, chairman of the board of The Northern Trust, stated, "The Northern Trust's office in London will be a full service branch, offering all banking services, including deposits, loans, and arust. Preliminary discussions have been held with the Bank of England, and subject to the obtaining of approval from the Federal Reserve and British regulatory authorities, we expect the office to be in operation by late 1969."

The Northern Trust’s branch office is expected to be located at 38 Lombard Street, in the heart of London’s financial district.

Establishment of overseas branches by Illinois state banks was made possible by an amendment to the Illinois Banking Act approved in the election of November 5, 1968.
THANK YOU MR. BANKER For Helping Make 1968 Our Billion Dollar Year

WE TAKE THIS OPPORTUNITY TO EXTEND BEST WISHES FOR A HAPPY NEW YEAR AND EXPRESS OUR SINCERE APPRECIATION FOR LETTING US BE OF SERVICE TO YOUR BANK AND ITS CUSTOMERS.

One of these 'Credit-Life Specialists' is serving your area. If you haven't heard about our Decreasing Term, Level Life, Accident & Health, Banker Pool, Home-Saver or Ordinary Life plans, call 816—842-6100, or write to National Fidelity Life, 1002 Walnut, Kansas City, Mo. 64106.

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INSURANCE COMPANY KANSAS CITY, MO. 64106

Northwestern Banker, January, 1969
ILLOINOIS has ruled that loan production offices are illegal, following the Federal Reserve Board's action authorizing member banks to maintain these offices.

Roland W. Blaha, Illinois Commissioner of Banks and Trust Companies, said the anti-branch banking statutes in their state include the operations of loan production offices.

The rulings may be binding on national banks, as well as state-chartered banks under a September decision by the Fifth Circuit Court of Appeals, which said the National Bank Act requires that Federally chartered institutions be restricted to state banking officials' definitions of branching.

Mr. Blaha obtained a ruling from Illinois Attorney General William G. Clark which said "it is clear that the activities of these 'loan production offices' would be for the purpose of conducting some of the bank's business: "Therefore, the operation of such an office would be a direct violation . . . of the Illinois Banking Act."

Fred O. Dickinson, Florida comptroller, has also ruled that the loan production offices are illegal.

Joins Beverly Bank
David J. Faron was named assistant commercial loan officer of the Beverly Bank, Chicago, following a recent board of directors' meeting.

Prior to joining the Beverly Bank staff, Mr. Faron was an assistant vice president and manager of the commercial banking division at Standard Bank and Trust Company.

Cicero Promotions
Charles J. Zajic, president of the Western National Bank, Cicero, announced four promotions and three new officers. They are:

Frank Trublar, from assistant vice president and cashier to vice president and cashier.
Joseph Tomasek, from assistant vice president to vice president.
William Roy, from assistant cashier to assistant vice president.
Wesley F. Zulfer, from assistant cashier to assistant vice president.

New officers are as follows:
Marlan Matthes, auditor; Marcella Tosch, assistant cashier, and Ann Veneck, assistant cashier.

Retires at Rockford
Edward M. Warner, founder of the Central National Bank and Trust Company of Rockford, III., has retired as chairman of the board. The bank was chartered in 1945.

During his 66-year banking career, Mr. Warner was instrumental in the formulation of policy and management of banks in Nebraska, Arkansas, and Chicago. He will be living in LaJolla, Calif.

Heads Trust Department
Lawrence E. Robinson joined the Upper Avenue National Bank, Chicago, as a vice president and trust officer, effective January 2, to head the bank's new trust department, which opened on that date.

Harry B. Allison, president of the bank, announced Mr. Robinson has been an assistant vice president of the LaSalle National Bank.

Michigan Avenue Promotions
Charles Harris and John D. Kitchen were elected vice presidents of Michigan Avenue National Bank, Chicago.
Joseph W. Strzeleck was elected assistant cashier, and Miss Elsie C. Gadzinski assistant trust officer and assistant secretary.

Litchfield Remodels
The Litchfield National Bank, Litchfield, plans to complete its extensive remodeling program in May.

Approve Illinois Charter
An application for a permit to organize Suburban Bank of Hoffman Estates has been approved by Roland W. Blaha, Illinois Commissioner of Banks and Trust Companies.

Organizers of the proposed bank are Benjamin C. Getzelman of Elgin; Charles E. Brown of Algonquin; Gerald F. Fitzgerald and John R. Hughes of Palatine, and Raymond A. Fleming of Hoffman Estates.

Total proposed capitalization of $650,000 will be made up of $250,000 capital, $250,000 surplus, and $150,000 reserve for operating expenses.

The bank will be located in the Gold Rose Shopping Center.

All American-O'Hare Exchange Effective
All American Life and Financial Corporation announced its exchange offer to O'Hare Bank stockholders was declared effective December 20, 1968.

E. E. Ballard, president and board chairman of All American, advised that as of the effective date certificates representing 180,660 shares of O'Hare common stock had been deposited for exchange pursuant to All American's exchange offer. These shares, together with the 22,464 shares presently owned by All American, will result in ownership by All American of more than 88 per cent of the outstanding shares of O'Hare.

O'Hare stockholders who have not accepted the exchange offer will be given until January 20, 1969, to take advantage of the tax-free offer. The companies constituting the All American family of companies will have, in the aggregate, assets of approximately $140,000,000.

Ford City Promotions
William J. Quinn's appointment as commercial loan officer at the Ford City Bank, Chicago, was recently announced by bank President Jack Wheeler. In his new position, Mr. Quinn will direct most of his efforts in the loan department to developing new business for the bank.

Prior to joining the bank, Mr. Quinn was employed by James Talcott Incorporated as credit manager of their industrial equipment finance division.

The bank recently welcomed Roger E. Lacny as its new travel division manager. Mr. Lacny's appointment was announced by bank President Jack Wheeler.

For the past 10 years, Mr. Lacny
has carved out an extensive background in the travel industry. After being associated with Happiness Tours, Inc., he joined American Express, then All Travel, Inc.-Hawaii, and later Continental Airlines.

National Boulevard Promotions

Three assistant vice presidents were elected in the business development department of the National Boulevard Bank, Chicago. They are Joseph P. Kerr, Bruce M. Slagg and Robert L. Will.

Heads Pekin Bank

The board of directors of First National Bank and Trust Company of Pekin have announced that they have elected William E. Troutman to become a member of their board of directors. At the same meeting Mr. Troutman was appointed president and managing officer.

At the same time, Mrs. Elenora Mason was appointed assistant cashier and board secretary.

Wheaton Bank Ups Surplus

Wheaton National Bank, Wheaton, Ill., recently transferred $150,000 to its surplus account, thus increasing total capital funds of the bank to $1,150,000 and its legal loan limit to $115,000.

D. R. Zimmerman, executive vice president, announced also that the board of directors had approved a $1.75 dividend extra payable January 2 to stockholders of record as of December 19. Including the extra, dividends declared in 1968 totaled $2.25 a share.

Chase Repurchases Credit Card It Started in 1958

The Chase National Bank, N.A., Uni-Serv Corporation and the American Express Company have announced an agreement under which the bank will repurchase the "Uni-card" local credit card business of the American Express subsidiary, Uni-Serv Corporation.

The agreement marks the reacquisition by Chase of a business that it started in 1958 as the Chase Manhattan Charge Plan, and sold to Uni-Serv in April, 1963. Uni-Serv became an American Express subsidiary in December, 1965. The closing is scheduled for January 17, 1969.

Through the service, Chase will be able to provide credit for Uni-card holders for purchases of consumer goods and services on a revolving credit deferred-payment basis through retail and professional outlets, princi-

100 Illinois NABW Members Meet

Regional Vice President Ruth A. Harrison, assistant vice president and director of public relations of the Irwin Union National Bank and Trust Company, Columbus, Ind., was the featured speaker at a two-day conference of the Illinois group of the National Association of Bank Women. More than 100 bank women attended.

Mrs. Harrison told how NABW has grown to an organization of over 8,000 members, now supporting a national scholarship program, enabling selected members to attend the graduate banking school of their choice. She stated that today, women account for about 60 per cent of the banking population. She pointed out the necessity for determining one's individual goals before determining the choice of schools and curriculum.

Mrs. Harrison emphasized that de-

pall in the New York Metropolitan area.

Commenting on the agreement, Thomas W. McMahon, Jr., executive vice president of Chase, said: "In the decade since the founding of CMCP, the public has come to understand and appreciate the advantages of local credit card use. Throughout the country, charge plans have increasingly become an accepted way of life. We are convinced that the time is appropriate for Chase Manhattan to return to the credit card field to provide our customers with a more fully rounded consumer services package. We look forward to working with the management of Uni-card in accomplishing this goal."
Minnesota NEWS

J. J. CHOROMANSKI President Crystal

K. A. WALES Exec. Secretary Minneapolis

Owatonna Advancements

President Clifford C. Sommers of the Security Bank and Trust Company of Owatonna recently announced the advancement of four of the bank's officers.

Promoted from vice president and trust officer to senior vice president and trust officer was Norman L. Wicklow. Mr. Wicklow first came to the bank in 1936 and was promoted to vice president in 1951.

Joseph S. Slezak was advanced from assistant cashier to assistant vice president. He joined the bank in 1950 and served as head bookkeeper, head teller and assistant manager of the installment loan department before being named commercial loan officer.

Allen Fox, formerly assistant cashier, was named cashier of the bank. He joined the bank in 1960 as manager of the insurance department and was named assistant cashier two years later.

James Moecckley was appointed auditor of the bank. Mr. Moecckley, who has been with the bank 11 years, has been manager of the accounting department.

Retires at Bigfork

Clarence Gilbertson recently retired as vice president and cashier of the Bigfork State Bank. Mr. Gilbertson had previously worked in banks in North and South Dakota before going to Bigfork. He will continue to serve on the board of directors.

Gonvick

The Northern State Bank at Gonvick has recently promoted two members of the staff. Ordean Birkland has been named vice president, and his brother, Arlen Birkland, has been named cashier.

300 Attend Pierz Open House

An estimated 300 people attended the open house at Farmers and Merchants State Bank in Pierz recently, commemorating the founding of the bank 60 years ago. The open house featured an exhibit of historic pictures of the area, refreshments, cash door prizes, and four grand prizes awarded in a drawing. In addition, the bank demonstrated the operation of its new Burroughs E 5400 electronic bookkeeping machine, and provided an opportunity of the local citizenry to see the bank's recently remodeled interior.

Rename Rural Banking School

The board of directors of the Rural Banking School, meeting in Minneapolis recently, voted to change the name of the school to the Midwest Banking Institute. The board said the change was decided upon "to reflect the comprehensive aspects of the educational program at the school."

The school is sponsored by the Minnesota, South Dakota and North Dakota Bankers Associations to provide a course of study for bankers concerned with the future of the rural community.

H. W. Blake Named 1969 MBA Convention Chairman

H. William Blake, chairman of the board of Northwestern National Bank in St. Paul, has been appointed general convention chairman for the 79th annual Minnesota Bankers Association convention, to be held in St. Paul June 9-11, 1969.

Other members of the general committee, according to J. J. Choromanski, president of the Crystal State Bank and MBA president, include: Philip H. Nason, president of the First National Bank of St. Paul; Dr. Albert E. Ritt, president of Midway National Bank, St. Paul, and John E. Nash, president of the American National Bank and Trust Company, St. Paul.

Chairmen for the convention committees were named by Mr. Blake at the initial meeting of the general committee and are as follows:


Scholarship Award

TRUMAN JEFFERS, director of the Rural Banking School and secretary of the Minn. Bankers Assn., presents scholarship awards to Gail Buening from Osakis and Daryl Bright from Morris, both juniors at the University of Minnesota, Morris Campus. The scholarships were from the 1968 graduating class of the Rural Banking School.

IMPORTANT NOTICE!

We want to publish news of any officer or director changes, increases in capital structure, or other important action taken at your annual meeting. Send this news at once to NORTHWESTERN BANKER, 306 Fifteenth Street, Des Moines, Iowa 50309.

Northwestern Banker, January, 1969
Whether forecaster.
Whether to purchase a new spreader or make do with the old one. Whether to borrow long or short-term funds. You can help the rural businessman answer “whethers” like these with Continental Bank’s Agri-Credit Portfolio. It’s designed to help you work with him in forecasting his cash needs for the coming year.

This year we are offering a valuable supplement to the Agri-Credit Portfolio. It’s called “Cash Flow—A Money Map To Farm Profit.” This booklet helps the rural businessman understand the basic techniques of cash flow forecasting and explains the many ways he can use such forecasting to increase profitability.

We invite you to use our Agri-Credit Portfolio and “Money Map To Farm Profit” in analyzing your fall loan opportunities. They’ll combine to help you and the rural businessman work together more effectively. Whether it rains or shines.

It’s what you’d expect from the biggest bank in Chicago.

Continental Bank
The First National Bank of Minneapolis has undergone a major reorganization of its management structure. The changes, which became effective January 1, were called "the most extensive and progressive in the history of the bank" by Board Chairman Gordon Murray, who said that they were the result of an intensive eight-month study.

Mr. Murray announced that he had requested the board of directors to name President George H. Dixon as chief executive officer "in order to assure a continuity of management and an orderly transfer of responsibilities" prior to Mr. Murray's retirement. Mr. Dixon has been president and chief administrative officer since March 1, 1968. Mr. Murray will remain active as chairman of the board.

Also elected were five senior vice presidents. They are Philip M. Harder, Joseph R. Kingman III, Donald R. Koessel, Thomas M. Kulp and Alan H. Moore. Roland H. Thuleen and John K. Grogan were elected vice presidents and senior commercial banking officers.

Mr. Dixon and Mr. Murray jointly announced that, "The bank will be reorganized into five groups and one department. The new structure is designed to give First National an organization which can more realistically focus upon full-range service to its customers. Internally the new organization allows the bank to better measure performance; bolsters the capacity and breadth of staff support for our line officers; gives more flexibility to accommodate the swift changes in business, and allows for more individual opportunity to develop managerial and professional banking competence."

Elected new vice presidents were: Dwight W. Anderson, Ross E. Bartz, John B. Bryngelson, Welles B. Eastman, Newton R. Fuller, Robert R. Helmerichs, James P. Hesketh, Stanley E. Holmberg, Rosendo R. Melian and John W. Vosick.

Richard A. Nordbye, formerly vice president, becomes vice president and general counsel. Kenneth C. Sheehan was elected assistant vice president and manager of the Plymouth Avenue Financial Counseling Center.

Units involved in the reorganization are: commercial banking group, to be headed by Philip M. Harder, retail banking group, Joseph R. Kingman III, with Thomas M. Kulp as a senior advisor, and trust group, which continues with Clinton Morrison, chairman of the trust committee, as its head.

A new resources management group has been created with Donald R. Koessel as its head.

Alan H. Moore will head a corporate staff services group.

The commercial banking group will be responsible for most of First National's world-wide relationships with other banks and business customers. Five departments will report to Senior Vice President Philip M. Harder.

These are: regional banking, headed by Roland H. Thuleen, vice president and senior commercial banking officer; corporate finance services, led by John K. Grogan, vice president and senior commercial banking officer; national corporations, headed by Vice President Austin L. Knutson, with Vice President George S. Henry continuing in charge of the correspondent division; international banking, Vice President William F. Ogden, Jr., and a business services department.

Senior Vice President Kingman will have four retail departments responsible for all retail activity and First National's three branch offices.

These departments are: installment banking, headed by Clarence H. Kroning, vice president; real estate, by Stanley E. Holmberg, vice president; personal banking center, Kenneth E. Broin, cashier, and branch offices, led by Newton R. Fuller, vice president.

The Trust Group, headed by Clinton Morrison, chairman of the trust committee, remains in its present form.

Donald R. Koessel, newly elected senior vice president, will head the...
Here's how you can build better customer relations for your bank

Every bank is seeking new ways to improve its customer image. Considerable sums are being expended for advertising materials and promotional programs to foster this aim. Marketing people are developing new services to better serve the banking public.

One such path to improved relations, which has been largely overlooked, concerns the checks bank customers use. Particularly business accounts. In these busy days of drive-in and mail-in banking, it is not uncommon for customers to go for long periods without setting foot in the bank. But there is seldom a day that they do not have occasion to use or refer to their checkbooks. As a result, a customer's impression of his bank may depend, to a great degree, on how well satisfied he is with the checks he is using.

If he has a sense of pride in his checks, if he finds they simplify his disbursement procedures and help cut down on his clerical work and expense, he is more likely to feel favorably toward and be more loyal to his bank. But herein lies a problem. How do banks get their customer contact people to show sincere interest in what check the customer uses? How do they get them to realize how very important checks are to the customer and what a powerful tool they have in the bank check for improving customer relations?

We think we have some of the answers in our new color-sound film on the subject. Bankers who have seen it are enthusiastic about the response it has created among their staff. If our representative has not yet shown it in your bank, we know he will be pleased to do so.
resources management group with responsibility for bond sales and underwriting, the bank's bond portfolio, resources management and long-range planning.

Senior Vice President Alan H. Moore's corporate staff services group will have responsibility for personnel and legal affairs. Ross E. Bartz has been elected vice president in charge of personnel.

Another new staff function, the marketing department, has been organized under James W. Ladner, vice president. The department carries responsibility for advertising, public relations, industrial development and related research and development activities.

* * *

Rex T. Larsen has been named to the new post of assistant project director of the BankAmericard program at Marquette National Bank of Minneapolis, according to Burton N. Noah, executive vice president. Prior to his appointment at Marquette, Mr. Larsen managed the Bank Americard system at the Nevada National Bank in Las Vegas, supervising the program for the southern half of Nevada.

Mr. Larsen's responsibilities include: supervising credit card procedures and production; overseeing the merchant sign-up program; staff training and education of merchants and correspondent bankers (member banks in the BankAmericard system).

* * *

It has been announced by Wendell L. Olson, president of the Fourth Northwestern National Bank of Minneapolis, that William A. Stein has been advanced to the position of vice president of the bank. He was formerly an assistant vice president in charge of the mortgage loan department.

Mr. Stein began his banking career at the Northwestern National Bank of Minneapolis in 1936. He was elected an assistant cashier in 1953 and in January, 1964, he was selected to head the mortgage loan department. He was made an assistant vice president in November of 1964.

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Henry S. Kingman, Sr., well-known banker, civic leader and mountain climber, died recently at the age of 74. Mr. Kingman joined the Farmers and Mechanics Savings Bank of Minneapolis in 1926 as secretary, served as its president from 1939 to 1957, and was honorary board chairman at the time of his death.

A graduate of Amherst College and the Harvard School of Business Administration, Mr. Kingman was a past president of the National Association of Mutual Savings Banks, and of the savings division of the American Bankers Association. His civic activities and business directorships were numerous.

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Six officers were promoted and three men were elected to officer positions by The First National Bank of St. Paul last month.

Elected vice presidents were James T. Gowen, Walter E. Meadley, Jr., Gerald P. Nichols and Richard C. Swanberg. All were formerly assistant vice presidents.

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Mr. Larsen's responsibilities include: supervising credit card procedures and production; overseeing the merchant sign-up program; staff training and education of merchants and correspondent bankers (member banks in the BankAmericard system).

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Mrs. Theresa Connell retired from the Northwestern State Bank of St. Paul December 31 after serving several years as the senior secretary of the bank.

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John P. Knutson has been advanced to executive vice president of Midland National Bank of Minneapolis, according to William R. Chapman, president. He will continue as a director, chairman of the loan committee, and in other management functions of the bank.

Mr. Knutson, a Minneapolis native, joined the bank in 1930. He served with the Army during World War II and then rejoined the bank. He was elected assistant cashier in 1946, assistant vice president in 1950, vice president in 1952 and senior vice president and director in 1962.

Mr. Knutson has certificates from the American Institute of Banking and has attended the Graduate School of Banking at Rutgers University and the Four Company Management School. He is currently a lecturer in "Problem Credits" at the Graduate School of Banking of the University of Wisconsin.

Gerald L. Knips, president, chairman and director of the bank, has resigned to join the official staff in the liaison division of First Bank System, Minneapolis.

Elected to succeed Mr. Knips as president, chairman and director of First Hennepin State Bank was James E. Dorsey, Jr., vice president of the First National Bank of Minneapolis.

Mr. Dorsey began his banking career with the First National Bank of Mankato in 1940. After completion of military service, he joined the staff of First Minneapolis National Bank. He was elected vice president of First Edina National Bank and subsequently vice president of the First National Bank of Minneapolis.

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Promotion of three officers of First Southdale National Bank has been announced by Bank President D. W. Judkins. New titles were given to former assistant cashiers, David E. Gresham, promoted to cashier; David S. Birkeland, promoted to assistant vice president; and W. Bryan Jensen, promoted to assistant vice president. The bank also announced completion of an expansion program for the safe deposit department which has doubled the number of safe deposit boxes available to the public.

The newly promoted officers have all been with First Southdale for some time. Mr. Gresham as operations officer, Mr. Birkeland as real estate loaning officer, and Mr. Jensen as manager of the bank's credit department. All three also handle commercial loans.

Promotions at Alexandria

Dennis J. Roers has been promoted to assistant vice president and manager of the timepay department of the First National Bank in Alexandria, Minn., it was announced last month by L. H. Gaugert, president.

Mr. Roers will succeed Vice President Elroy C. Beliveau, who is now assuming responsibility for the general business development of the bank, especially its new services, Checking Plus and Rec-Chek.

Gordon V. Anderson has been elected assistant cashier and assistant manager of the timepay department.

Mr. Roers is a native of the Alexandria area and joined First National in March, 1960. He has been assistant manager of timepay since October 1, 1962. He is a graduate of the ABA National Installment Credit School and is currently an instructor in A.I.B. classes.

Mr. Anderson, a native of North Dakota, joined the bank in July, 1966. He was graduated from the University of North Dakota and was formerly with the Merchants National Bank in Fargo.

Laverne W. Kerkeide was recently named acting auditor.

Lanesboro Centennial

The Lanesboro State Bank observed its 100th anniversary last month. An open house was held to mark the occasion.

Joints Ogema Bank

Dennis J. Poppenhagen has joined the staff of the Ogema State Bank as an assistant cashier, according to Raymond H. Tembrock, bank president.

Mr. Poppenhagen has been in the insurance business for the past three years.

Blue Earth Promotion

Phillip C. Lee has been elected assistant cashier at the Blue Earth State Bank, according to a recent announcement. Mr. Lee has been with the bank since 1965. Paul Lindholm, president of the bank, said Mr. Lee will work in the installment loan area.

St. Peter Bank Ups Capital

Authorization has been granted the Nicollet County Bank of St. Peter to increase its capital from $150,000 to $257,000. The capital increase will occur by means of the sale of new stock.

Duluth Banker Retires

Walter L. Frederickson, vice president in charge of business development for First American National Bank of Duluth, retired last month, having reached retirement age after more than 40 years in banking and finance.

Mr. Frederickson traveled extensively throughout the United States and Canada as First American representative, calling on many business and financial leaders.

A native of Duluth, Mr. Frederickson attended the University of Minnesota and the University of Wisconsin Graduate School of Banking. After college, he was employed by the Northern National Bank of Duluth, and then the Central Republic Bank of Chicago, Regional Agricultural Credit Corporation of Minneapolis and Reconstruction Finance Corporation of Minneapolis.

Mr. Frederickson joined First American as assistant cashier in 1947 and was promoted to assistant vice president in 1949 and vice president in 1954. He has been active in both the American Bankers Association and the Minnesota Bankers Association, and has also been associated with numerous Duluth civic activities.
In his welcoming remarks to approximately 400 bankers who attended the Fourth Annual Management Conference sponsored by Northwestern National Bank of Minneapolis, Philip B. Harris, president of the bank, said "a slowdown is predicted to take place during 1969, but our economy is going at a good clip now."

Mr. Harris added that retail sales in the Twin Cities at the time of the conference, which was early December with the Christmas rush in full swing, were 10 per cent ahead of last year. He also noted that disintermediation is a real threat. With more than $5 billion of CD's running off out of $22 billion in the banking system, "we need to renew a good percentage of these or we will have tight money and lending problems."

The conference at the Radisson Hotel was presided over by C. Paul Lindholm, vice president in charge of the banks and bankers division. The conference each year features several excellent speakers on current important topics, and concludes with a duck dinner.

James Johnson, president of Northwest International Bank, Minneapolis, was leadoff speaker, discussing "International Opportunities." He said a distinct change has taken place in upper midwest trade because businessmen have been more aggressive in the past decade soliciting foreign trade. He listed these key factors: The Port of Duluth, the European Common Market, trade missions. Mr. Johnson also gave the growth figures between 1960 and 1967 for products manufactured for foreign markets by these states:

- Minnesota — from $160 million to $311 million.
- Montana — from $7.7 million to $16.5 million.
- North Dakota — from $1.2 to $2.5 million.
- Iowa — from $219 million to $353 million.
- Wisconsin — from $366 million to $628 million.

In each case, this was a doubling in six years, better than twice the United States record as a whole. Mr. Johnson emphasized the importance of foreign trade to banks in the midwest. This type of trade generally was associated with the two coasts, but because they are hard put to take care of the population in their own areas, more export manufacturing has been located in the midwest. Two other factors contribute to this move:

1. Increased air cargo is available from anywhere in the U. S. with air containerization making it unnecessary to repack or re-handle products for shipment to anywhere in the world.
2. Coastal areas are so crowded that firms need to locate inland for more room.

Mr. Johnson also told how upper midwest banks can use Northwest International Bank service through Northwestern National Bank and its affiliates, with the local bank retaining its identity with the customer throughout the transaction.

Peter R. Spokes, vice president for retail marketing at Northwestern National Bank, had as his topic, "Bank Cards—What Now?" After reviewing the history of bank cards, Mr. Spokes said check credit or overdraft banking is generally the bankers' choice because of lower start-up costs and more credit used—an average of $610 on overdraft cards and $415 on credit cards, with few losses on overdraft cards.

He also told how Interbank works for nationwide interchange.

Further, Mr. Spokes said there is significant evidence that the public will carry more than one credit card, and that merchants will accept more than one bank card. He urged bankers at the conference to look now at their relationships between the bank and its customers for they are going to be soliciting these customers—merchants and public — sometime soon with a credit card.

G. Richard Slade, vice president in Northwestern National's bond department, chose the subject, "Money Is Only a Means to an End." High interest rates, he said, pose a threat to

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**SPEAKERS at the Management Conference conducted at the Radisson Hotel last month by Northwestern National Bank of Minneapolis are shown above with officers of the bank. (Left to right): C. Paul Lindholm, v.p. in charge of the Northwestern National's banks and bankers division; Carter Golembe, pres., Carter Golembe & Associates, Washington, D. C.; John A. Moorhead, chmn., Northwestern Natl.; William J. Begin, CPA, partner in Arthur Anderson & Company, Minneapolis, and Downing Edwards, attorney, LaCrosse, Wis. RIGHT—Mr. Lindholm reviews program with opening speaker Philip B. Harris, pres. of the host bank.**

**400 at Management Conference**

By BEN HALLER, JR.

Editor

**Northwestern Banker, January, 1969**
CD’s, in view of the government debt to be refunded.

He pointed out two reasons for optimism: 1. A $30 billion swing in government spending from the last half of fiscal 1967 to the last half of 1968.

2. A slowdown in growth. Whether this has been due to the surtax is not known, he stated, but it eases the pressure on banks.

He suggested to the visiting bankers that they keep in close touch with their investment counselor in connection with short-term balances.

The highly important subject of one-bank holding companies was reviewed by three men with considerable knowledge and experience in this area.

Downing Edwards, attorney in La Crosse, Wis., said this type of ownership has risen in popularity because of the problem of paying for the high cost of bank stock out of salary and dividends from profits. He said it is nothing more than an ordinary corporation formed to own the bank and an additional business, such as an insurance agency. The principal tax saving is due to favored treatment of the tax-sheltered dividend.

He emphasized repeatedly, as did the other speakers, that it is absolutely necessary to own more than the bank stock in the holding company— that it is necessary to own another business, and generally, as mentioned above, this is the insurance agency operated by many banks. He listed a couple of other things to watch in formation of a one-bank holding company:

1. Do not transfer a liability to the holding company unless it existed when the bank stock was first purchased.

2. It is important that the board of directors know all details of the separate insurance agency operation. Pay salaries apart from the bank salaries, own the quarters, all equipment, stationery, etc., to prove it is completely separate from the bank. This will be even better if it has a general insurance business and not just have the bank as its only customer. Make every transaction with the bank at arm’s length and do not do any self-dealing or you will be in trouble.

William J. Begin, CPA, partner in Arthur Anderson & Company, Minneapolis office, discussed accounting and financial procedures. He said 85 per cent of dividends received by a holding company are not taxed at all, whereas all dividends received by an individual are taxed. He said that at the time of a death, a bank may not use any of its own funds to redeem bank stock; however, a holding company can do this to help an estate.

There should be a contract between the holding company and the bank for the holding company to provide management to the bank for a fee.

Mr. Begin distributed several pages to each member of the audience and these were titled, “Tax Considerations in Use of Bank Holding Companies.” These pages contained such data as an example of reduction of tax cost, comparison of cash flow effect for date repayment purposes, and a personal holding company test. These compared holding company ownership to personal ownership, showing the advantages tax-wise of the former method.

Carter Golembe, president of Carter Golembe & Associates, Washington, D. C., discussed the “philosophies” of holding companies. He pointed out that the one-bank holding company concept has been around a long time—about 600 or 700 of them now—and that the new concept of these, the congeneric, is used by about 60 banks with a total of $90 billion in deposits. Regular bank holding companies have $50 billion in deposits.

In reply to the question “Why suddenly in 1968, do these banks rush to form the congeneric?” Mr. Golembe quoted one man who said, “It’s the banking system in revolt against the Federal Reserve.” This is not true, Mr. Golembe commented, because the statement is generalized, but like most generalities it bears a germ of truth. As to reasons why the big push to congenerics in 1968, he listed three things:

1. The commercial banking system in 1945 had 15 per cent of deposits in time and savings money. Today it has 50 per cent in these funds. After the Federal Reserve was given back its powers following the Treasury accord, banks who wanted to grow had to branch out and acquire high cost time money. With an increasing amount of high cost money, banks are looking for places to put it profitably.

2. The computer revolution.

3. Development of the competitive factor among banks. This is due to court rulings, rulings by the Comptroller, and other pressures to be competitive.

Congenerics, Mr. Golembe said, are symptoms of what’s going on all over. Why did they select 1968 for the big push? He feels bankers were getting tired of waiting for rules and regulations; the competitive factor was strong—seeing other banks use this approach, and hedging by management against the future in the event some services may be outlawed.

He listed three reasons for concern about regulations needed for one-bank holding companies:

1. Regulatory concern — and he doesn’t think this is too valid because the supervisory agencies will still examine banks.

2. Fear that big banks will start swallowing other banks and corporations and winding up with giants. However, he thinks the anti-trust division can handle this.

3. The demand for equity by Registered Bank Holding Companies—and this, he says, is valid.

He said it has been urged before that Congress change the 1956 holding Company Act to include “one bank” as well as “two or more” and this will no doubt be introduced again. He also said it seems logical to think that the bill will have a cut-

MEMBERS of the Northwestern National Bank’s banks and bankers division are introduced by Mr. Lindholm, at microphone.

Northwestern Banker, January, 1969
**South Dakota NEWS**

**R. F. PETSCHOW**  
President  
Elkton

**NEIL MILNER**  
Secretary  
Huron

**Deadwood Bank Remodels**

The First National Bank in Deadwood, which celebrated its 90th anniversary last summer, has begun a remodeling project, according to John E. Baggaley, vice president and manager.

The project will include the installation of new windows, a new heating and air conditioning system, new electrical wiring, an improved alarm system for the vault, carpeting of the entire bank, including the lobby, and replacement of much of the furniture.

In addition, the bookkeeping department will be relocated to the basement level, to provide more banking floor space. A section of the main floor will be set aside for officers' quarters.

Mr. Baggaley said that all banking services will continue during the project. Cost of the remodeling is estimated to be a monumental controversy involving the future of one-bank holding companies or what have come to be called congenerics. I am aware of the deep differences of opinion within the banking industry as well as within the bank supervisory agencies on this recent development. Nobody can predict the final outcome with any degree of certainty.

There have been exaggerated claims made by both sides in past months, among them a contention by a member of the Federal Reserve Board that recent trends are reminiscent of the dangerous banking practices of the 1920's. With all due respect, I think such a comparison is entirely at odds with the facts. One thing is certain, however, and that is that bankers themselves cannot arrive at a uniform definition of the term "banking." Personaly, I find this to be a very healthy sign and symptomatic of an industry with a vigorous and youthful outlook on its own future destiny.

**Joins Clear Lake Bank**

H. A. Sands has joined the Deuel County National Bank in Clear Lake as an officer. Mr. Sands was with the Western State Bank of St. Paul, Minn., for 10 years, and for the past five years he served at the Ellsworth State Bank in Ellsworth, Minn., most recently as president of the bank.

**A LOOK AHEAD . . .**

(Continued from page 21)

Regardless of the outcome, however, this issue may very well bring forth a very useful by-product. It will force Congress, the Federal Reserve Board, the Comptroller's Office, the FDIC and the Nixon Administration itself to ponder the future role of banking in our society and the extent to which banking should be permitted to extend its activities to related enterprises.

**Encourages Change**

Nevertheless, what the 91st Congress will decide along these lines may set the tone for your industry for at least the last third of the 20th century. It is fortunate that the banking industry recently has earned a new image of involvement and commitment to the problems facing our nation. Had this not been the case, there seems little doubt in my mind that any future statutory or regulatory redefinition of banking would have been an extremely narrow and paralyzing one. Instead, I feel confident Congress will realize that if banking is to be called upon as a primary source of assistance in providing solutions for our nation's domestic and international problems, we must permit, indeed we must encourage, orderly change and growth.

A former defense secretary once touched off a good deal of controversy when he said, "What's good for General Motors is good for America." There is no chance of precipitating similar controversy when I conclude by saying, what's good for banking is good for America!--End.

**CONFERENCE . . .**

(Continued from page 45)

off so it won't affect banks below about $30 million.

There will also be a push to relax regulations against Registered Bank Holding Companies, Mr. Golembe stated, to provide the needed equity in law. He does not anticipate legislation to prohibit one-bank holding companies, but to restrict or control them.

The afternoon business session was followed by a social hour and concluded with the duck dinner. Three well-known figures from the sports world in the Twin Cities spoke briefly at the dinner. They were Billy Martin, manager of the Minnesota Twins baseball team, the assistant general manager of the Minnesota Vikings pro football team, and the assistant coach of the University of Minnesota football team.—End.

**TWIN CITIES . . .**

(Continued from page 43)

Donald E. McFarland, Sr., a vice president of the former Kalman & Company, Twin Cities investment banking firm, died last month.

Mr. McFarland was born in St. Paul, Minnesota, and graduated from Northwestern College in Sioux City in 1928. In 1928-30 he was with Blair & Company in Chicago, in 1930-32 with Bankamerica, and then with Kalman & Company, where he became a vice president in 1939. He was a member of the Investment Bankers Association of America and chairman of its Minnesota Group in 1951, was elected a governor of the association in 1954, and in 1953 he was chairman of the local group of the National Association of Securities Dealers. He was a member of the Twin City Bond Club.

Survivors include his widow, Edythe, and two sons, Richard D. and Donald E., Jr., both of Minneapolis.

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We want to publish news of any officer or director changes, increases in capital structure, or other important action taken at your annual meeting. Send this news at once to NORTHWESTERN BANKER, 306 Fifteenth Street, Des Moines, Iowa 50309.

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Over 100 Attend Ag Credit Meet

Over 100 bankers convened in Bismarck December 5 and 6 to hear talks and discuss agricultural credit at the North Dakota Bankers Association's seventh annual Agricultural Credit Conference.

Meeting at the Holiday Inn, the bankers heard from Richard Crockett, Greater North Dakota Association executive, on the makeup and objectives of the North Dakota Agri-Business Council. The noon luncheon speaker was Ted Brown, past chairman of The American Bankers Association Agriculture Committee and president of the Security State Bank of Sterling, Colo., who spoke on "The Country Bank and Sources of Loanable Funds."

In the afternoon, the bankers engaged in a panel discussion led by William C. Parker, assistant vice president and agricultural representative of the Citizens State Bank of Rugby, Ray Skorheim, vice president of the First National Bank of Minot; Lee Mielke, assistant vice president and agricultural representative of the First National Bank & Trust Company of Bismarck, and Dr. Fred Sobering, NDSU extension economist of the North Dakota State University in Fargo. The general topic for the panel was "Farm Credit Files and Analysis."

Howard Olson, superintendent of the Carrington Experiment Station, addressed the group on "Profits in Irrigation Farming."

The banquet speaker Friday evening was Senator George Longmire of Grand Forks, State Senate Republican majority leader.

Lidgerwood Changes

John A. York has started to work at the First National Bank in Lidgerwood, replacing Dave Petersen, who has left for Officer Candidate School in the Army. Mr. York was formerly with the General Adjustment Bureau in Fargo, and is a graduate of North Dakota State.

G. T. Urban Retires

At Jamestown

After 20 years of service with Jamestown National Bank, G. T. Urban, vice president, has retired. A native of LeRoy, Wis., Mr. Urban arrived in Jamestown in 1929 and worked with the Federal Land Bank before joining the Jamestown National Bank.

Mandan Appointments

R. M. Leslie, president of the First National Bank of Mandan, has announced two new appointments to the bank staff. Dan Peterson has been named assistant cashier and agricultural representative, and Gary Mantz was named assistant in the installment loan department.

Mr. Peterson succeeds James Noonan as agricultural representative. Mr. Noonan is now vice president and cashier.

Announced Meeting for MBA Executive Council

R. C. Wallace, secretary of the Montana Bankers Association, has announced that the regular mid-winter meeting of the MBA Executive Council has been scheduled for Saturday, January 25, at the Holiday Motel in Helena. Committee reports will be received, and the various projects of the association will be discussed at the meeting.

All members of the association are invited to attend the meeting, which is scheduled to begin at 9:30 a.m.

Purchase Bridger Bank

C. R. Sorenson, 40, a former Billings, Mont., auto dealer now living in Seattle, has purchased controlling interest in the Bank of Bridger, Mont., from Mrs. Ralph Johnson, who retains a minor interest and continues as a director.

C. C. Pierce, vice president and a director of the bank, has sold his interest to Mrs. Johnson, whose husband died October 4 as a result of injuries sustained in a plane crash at Grand Junction, Colo.

Making up the bank's board of directors are Mrs. Johnson, John W. Ross of Fromberg and Mr. Sorenson and his wife. A fifth director will be named later.

Olga Campbell continues as cashier, and no other personnel changes are planned, according to Mrs. Johnson.

Advise Five Officers

At Missoula Bank

Ross E. Hunt, president of Western Montana National Bank in Missoula, has announced the recent promotion of five members of the bank's staff.

Elected vice president and manager of the real estate loan department was Richard A. Fossum, who has been associated with the bank since 1965. Martin Moss was elected assistant vice president and will continue as assistant manager of the real estate loan department. Mr. Moss has been with the bank since 1961.

Three members of the timepay department were advanced to assistant cashiers. They are Duane Scheeler, former unit officer; Gary Flatow, former unit officer, and John E. Lipski, former budget loan officer. All three men will continue their assignments and responsibilities in the timepay department.

The Western Montana National Bank is an affiliate of First Bank System, the 87-member bank holding company based in Minneapolis.

Heads Ennis Bank

Rodger N. Kent has been elected president of the First Madison Valley Bank, Ennis, Mont., and Mary Gates Oliver was named cashier.

Mr. Kent joined the bank's staff in September, 1965, and has served as assistant cashier and vice president and cashier.

Mrs. Oliver helped with the organization of the bank prior to its opening in June, 1965.

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Advance Five Officers

At Missoula Bank

Ross E. Hunt, president of Western Montana National Bank in Missoula, has announced the recent promotion of five members of the bank's staff.

Elected vice president and manager of the real estate loan department was Richard A. Fossum, who has been associated with the bank since 1965. Martin Moss was elected assistant vice president and will continue as assistant manager of the real estate loan department. Mr. Moss has been with the bank since 1961.

Three members of the timepay department were advanced to assistant cashiers. They are Duane Scheeler, former unit officer; Gary Flatow, former unit officer, and John E. Lipski, former budget loan officer. All three men will continue their assignments and responsibilities in the timepay department.

The Western Montana National Bank is an affiliate of First Bank System, the 87-member bank holding company based in Minneapolis.

Heads Ennis Bank

Rodger N. Kent has been elected president of the First Madison Valley Bank, Ennis, Mont., and Mary Gates Oliver was named cashier.

Mr. Kent joined the bank's staff in September, 1965, and has served as assistant cashier and vice president and cashier.

Mrs. Oliver helped with the organization of the bank prior to its opening in June, 1965.

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Top Changes at Denver U.S.

Rogers D. Knight, Jr., chairman of the board of the Denver U.S. National Bank, has announced a realignment of responsibilities of the top management of the bank. Effective January 1, Neil F. Roberts, who has been president of the bank, fills the new position of vice chairman of the board and chief executive officer. John D. Hershner, who has been executive vice president, becomes president of the bank. Mr. Knight, who has been chairman of the board since 1962, continues as chairman and will continue to be chairman of the executive committee.

Mr. Knight is also president of Denver U.S. Bancorporation, Mr. Roberts is vice president of Bancorporation and will assume additional duties in the conduct of its affairs. Denver U.S. Bancorporation is a state-wide holding company which owns Denver U.S. National Bank and four other Colorado banks.

Mr. Roberts began his banking career with the United States National Bank of Denver in 1937. He was made vice president in 1948 and executive vice president in 1954. He became president of Denver U.S. National Bank in 1962. He is a past president of the Colorado Bankers Association, and a member of the Association of Reserve City Bankers, and the Economic Policy Committee and Urban Affairs Committee of the American Bankers Association.

Mr. Hershner has been with the bank since 1946. He became a vice president in 1954, and was appointed executive vice president in charge of the lending division in 1966.

Board Chairman Roger D. Knight, Jr., has announced the election of two Denver men to the board of the Denver U.S. National Bank.

They are C. W. Briggs, president of American Crystal Sugar Company, and Mayfield R. Shilling, president of Ideal Cement Company.

To Head South Colorado Bank

The retirement of Raymond P. Cody as president of the South Colorado National Bank and the election of Frederick R. Hitchcock as his successor was announced last month. The change is effective February 1.

Mr. Cody has been in Denver banking 50 years, beginning in 1919 as a messenger for the Colorado National Bank.

Mr. Hitchcock, also elected to the South Colorado National board, joined the Colorado National Bank in 1955 and also came to the South Colorado National in 1964, as vice president and cashier.

Named cashier of the bank is John L. Geyer, currently a correspondent bank officer for the Colorado National Bank.

Center State Realigns

The Center State Bank, Denver, has recently had a realignment of top management. Newly elected directors are Mrs. Mary M. Doty and Norman D. Dufka. Norman E. Rarick, formerly executive vice president, was elected president and acting chairman of the board.

Mrs. Doty is the widow of Loren E. Doty, founder of the bank and president and board chairman until his death last August.

Miss Patricia C. Connell, formerly cashier, was elected vice president and cashier.

Kit Carson State Bank Sold

Don C. Collins, widely known eastern Colorado rancher, businessman and head of the Kit Carson State Bank, Kit Carson, has sold controlling interest in the bank to John G. Clark, Ivan D. Fugate, John E. Harker and Donald W. Winter.

Mr. Clark and his brother, H. E. Clark, formerly owned banks at Kirk and Stratton. Mr. Fugate is board chairman of Western National in Denver, Mr. Harker is board chairman of the First National Bank of Burlington, and Mr. Winter is president of the First National of Burlington.

Returning to the Kit Carson State Bank is William H. Holthus, vice president of the bank from 1943 to 1966.

Denver Promotions

Two promotions at the Colorado State Bank, Denver, have been announced by Elwood M. Kullgren, president. Donald M. Troutman, a staff member since 1936, has been promoted from cashier to vice president and cashier. Gerald W. Klahn, a loan officer since 1965, was elected assistant vice president.

Approval Upheld for Columbine Bank

Denver District Judge Saul Pinchick recently upheld the approval by the Colorado Bank Board of a charter for the Columbine State Bank, to be located at E. Hampden Avenue and South Onedia Way, Denver. Judge Pinchick also dismissed a complaint by the University Hills Bank which would have prevented Colorado Bank Commissioner Harry Bloom from issuing the charter.

Sidney C. King will be president of the new bank, and Charles H. Smucker will be board chairman.

Joins Metropolitan National

Jack P. Leonard has joined the staff of Metropolitan National Bank, Denver, as vice president in charge of installment loans, according to President Richard Singewald. Mr. Leonard had been with the Colorado State Bank for 10 years and was an installment loan officer there.

Increase Surplus Account

At Colorado Springs

Directors of the First National Bank of Colorado Springs have approved the transfer of $500,000 from the undivided profits account to surplus, according to Joel A. H. Webb, board chairman, and Thomas S. Moon, president. The transfer raises to $835 million the surplus account, and raises the combined capital and surplus to $5.15 million.
Rock Springs Banker Named To College Board

John W. Hay, Jr., chairman and president of the Rock Springs National Bank, has been named to the board of trustees of Western Wyoming College. His appointment continues until June, 1971.

Since completing college, Mr. Hay has been active in livestock and banking business and has been president of the bank since 1948. A director of several business concerns, Mr. Hays also serves as a director of the Federal Reserve Bank of Kansas City, Omaha branch.

Casper Appointment

The board of directors of Security Bank & Trust Company, Casper, has announced the appointment of Herbert F. McCulla as vice president and director. Mr. McCulla was formerly associated with Center Bank, Omaha, Neb.

Max Fisher Elected to Head Scout Council

Max E. Fisher, president of the First National Bank of Laramie and president of the Wyoming Bankers Association, has been elected president of the Longs Peak Council, Boy Scouts of America, at the annual meeting held at Colorado State College, Greeley, last month.

A 38-year veteran scouter, Mr. Fisher formerly served as scoutmaster of Troop 134 in Laramie and holds the Silver Beaver award of the Boy Scouts.

Expert Says Bankers Have Key to Cattle Feeding

D. A. Sutter of Lander, a cattle feedlot expert, last month told the Wyoming Natural Resources Board in Cheyenne that banking interests hold the key to a bright future for the cattle-feeding and meat processing industries in Wyoming. Mr. Sutter was retained by the board last summer to conduct a feasibility study on feedlots and meat processing, and he concluded that the state could support such lots.

Mr. Sutter reported that Wyoming has a climate which is conducive to feedlot operations because of the low humidity which offsets cold winters. High humidity causes a loss of appetite which is disastrous in this type of operation.

Roy Peck, executive secretary of the board, said that the interest of bankers must be attracted if feedlot operations are to be successful in Wyoming.

Advanced at Pinedale

The board of directors at the First National Bank of Pinedale has announced the promotion of Ted Nelson, Jr., from assistant vice president to vice president, and of Mark L. Stockton from assistant cashier to assistant vice president. Newly elected as an officer was Bruce Gooch, assistant cashier.

The directors also announced the payment of a 25-cent dividend, plus a special dividend of 25 cents to all stockholders of record December 15, 1968.

President Wynn Terwilliger also announced that the bank again donated its annual gift of $50 to each church in Sublette County.

Named to Board of Cheyenne Bank

Dr. Francis A. Barrett and George W. Braucht, Wyoming vice president and general manager of the Mountain States Telephone and Telegraph Company, have been elected to the board of directors of the American National Bank of Cheyenne.

Dr. Barrett, who has practiced surgery in Cheyenne since 1951, is also an assistant professor of clinical surgery at the University of Colorado School of Medicine, and is currently serving as a state senator from Laramie County.

Mr. Braucht has been with Mountain States Telephone and Telegraph since 1942.

Executives Retire From Sheridan Bank

Three long-time employees of the Bank of Commerce retired December 31. They are Vernon S. Griffith, chairman of the board and president; James Y. Withrow, vice president, and Olga Enburg, executive secretary of the bank.

Mr. Griffith served as president of the bank from 1942 to 1946, and again assumed the presidency of the bank in 1960, with the additional position of chairman of the board.

Mr. Withrow began his career with the bank in 1923 as a bookkeeper. Miss Enburg first joined the staff of the bank in 1922.

It was also announced that George B. Acker has been named executive vice president of the bank. Mr. Acker has been with the Scottsbluff National Bank of Scottsbluff, Neb., since 1947. He has served as executive vice president of that bank for the past several years.

Kemmerer Promotions

Promotions and changes in titles for four employees of The First National Bank of Kemmerer were recently announced by Orin G. Geesey, president of the bank.

C. Dale Morrow, cashier of the bank, was promoted to vice president and cashier. Mr. Morrow, a lifetime resident of Kemmerer, has been with the bank 22 years and has been active in the Wyoming Bankers Association.

Russell E. Knight, who has been in the officers’ training program since joining the bank in 1967, was appointed loan officer. He was associated with the Arkansas Valley Bank of Pueblo, Colo., for three years prior to joining First National. Mr. Knight was recently awarded the Spoke Award by the Kemmerer Jaycees for 1967-68.

Raymond Essman, assistant cashier in the insurance department, has been promoted to manager of that department. Mr. Essman has served three terms as a state representative in the Wyoming House of Representatives.

Mrs. Vellamo Carera was advanced from assistant cashier and assistant trust officer to trust officer. She has been with the bank since 1942.

Reappointed to Fed Post

Theodore D. Brown, president of the Security State Bank in Sterling, Colo., has been reappointed by the Federal Reserve Bank of Kansas City as a director of the Denver branch for a third two-year term.

IMPORTANT NOTICE!

We want to publish news of any officer or director changes, increases in capital structure, or other important action taken at your annual meeting. Send this news at once to NORTHWESTERN BANKER, 306 Fifteenth Street, Des Moines, Iowa 50309.

Northwestern Banker, January, 1969

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EVERETT BROWN
Assistant Vice President

JESS ZIMMERMAN
Assistant Vice President

Member F.D.I.C.
Installment Credit Seminar to Be Held in Omaha, February 4-6

DETAILS have been announced for the annual Installment Credit Seminar to be conducted by the Nebraska Bankers Association February 4-6 at the Prom Town House in Omaha.

R. Keith Jobes, chairman of the NBA committee on installment credit which is sponsoring the meeting, will preside at the business sessions. He is vice president of the First National Bank in Grand Island.

The program as arranged at this time follows:

**Tuesday, February 4**

P.M.
6:30-8:30 "Early Bird Party"—Social Only—Suite E. (Dinner on your own.)

A.M. **Wednesday, February 5**

9:15 Opening Session—Suite B.
Presiding — R. Keith Jobes, chairman, Committee on Installment Credit; vice president, First National Bank, Grand Island.
Remarks—Henry Gramann, Jr., NBA president; executive vice president, Adams State Bank, Adams.

“The View from the Top”—Horace Dunagan, Jr., president, First State Bank, Caruthersville, Mo.
“The Tools We Work With”—Mechanics—A Panel Discussion.
Moderating — Don W. Ryan, vice president, First National Bank, Omaha.
John A. Fauber, vice president, First National Bank & Trust Company, Beatrice.
Paul Abegglen, vice president and cashier, Citizens Bank & Trust Company, Columbus.

**Thursday, February 6**

A.M.
Morning Session—Suite B.
“Uniform Commercial Code—Truth in Lending”—W. A. Sawtell, Jr., NBA Legal Counsel.
“Marketing and Forecasting”—James G. Jeffrey, assistant vice president, Security National Bank, Sioux City, Iowa.
“Seminar Session” — Suites B and C.
“Recap” — Suite B, R. Keith Jobes.
Adjourn—End.

NEW HOME for Lexington State Bank, Lexington, Nebr.

Lexington State Bank Opens New Quarters

RIBBON-CUTTING ceremonies and open house were held last month by the Lexington State Bank at Lexington to introduce the public to its new banking quarters.

The new structure, located at 110 West Seventh Street, has 6,000 square feet on the ground floor. The building also has a second floor, presently unoccupied, for future bank expansion.

The exterior of the building is pre-stressed concrete and Watego rubble stone brought from North Carolina. Large white pillars forming a circle on the north front of the building stand between large sections of glass. This is the fourth location for the bank.

Officers of the bank are Lyman M. Stuckey, president; George V. Keller, executive vice president; Mrs. Virginia Braithwait, vice president; Duane Phillips, cashier, and Stephen L. Anderson, assistant cashier.
Five U. S. National Bank of Omaha officers received promotions last month, according to Edward W. Lyman, president.

Howard Nielsen has been named vice president. Mr. Nielsen has been a representative in the correspondent bank division since joining the U. S. National in 1964. Prior to that he was a zone manager for Investors Diversified, and also formerly served with the Douglas County Bank of Omaha as vice president. Named assistant vice presidents were Everett Brown and Jesse J. Zimmerman, both of whom are correspondent bank representatives. Mr. Brown joined the bank in 1967, before which he was associated with the Boone State Bank and Trust Company in Boone, Iowa. Mr. Zimmerman also joined the bank in 1967, as an assistant cashier.

Richard Shearer, manager of the bank's credit department, was also named assistant vice president. Mr. Shearer is a past president of the

associated retailers of Omaha and served as assistant manager of the Associated Retailers of Omaha before joining the U. S. National in 1960.

Elected assistant cashier was Richard A. Boettcher, who has been manager of the purchasing and supply department since 1966.

Thomas N. Moore and Robert E. Johnson have been advanced from vice presidents to senior vice presidents of the Omaha National Bank.

Eugene Seaman and John H. Mitten were elected second vice presidents.

Mr. Moore, a graduate of the Creighton University School of Law, was an administrative assistant for a county judge and served with the Live Stock National Bank of Omaha before joining Omaha National in 1954 as an assistant trust officer.

Mr. Johnson joined the bank as an assistant vice president. Before that he was associated with Kansas City Life Insurance Company.

Mr. Mitten, formerly an investment officer, joined the bank in 1962 after working for General Dynamics/Astronautics, RCA and the Franklin Life Insurance Company. He is currently attending the Wisconsin Graduate School of Banking.

Mr. Seaman was first elected an offi-
"We're well pleased with our Omaha National Computer Service"

"Since we started using The Omaha National Service on savings and CD's in October '66, we're spending more time on management matters," said the busy banker. "We used to be doing detail work at 4:00 every day. Now we have a daily employee meeting at that time and it is very profitable to us.

"Our people work at many jobs in the bank and the work load is increasing. We now are getting more work done and it hasn't been necessary to add people.

"Before we always worried whether interest was being figured correctly. That's no concern at all with the computer doing the job for us. I cannot recall that we ever had a complaint with computer-figured interest. Also, when a customer automatically gets a check for the interest on CD's instead of coming in, there are fewer 'gripe sessions' and it probably has saved us some CD money," confided Mr. Hyink. "All in all, we're well pleased."

Ask the banker who uses ONB Computer Services how he feels about it—then for more details phone (402) 341-0100 and ask for Correspondent Bank Department.

THE OMAHA NATIONAL BANK
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Northwestern Banker, January, 1969
cer of the bank in 1963 after serving in various departments of the bank. He was named business development officer in 1964. He is currently a student at the Colorado School of Banking.

* * *

Don C. Anderson has been elected senior vice president of the Packers National Bank. Mr. Anderson resigned recently as assistant cashier at Commerce Trust Company in Kansas City. He was graduated from the University of Kansas and worked at Commerce Trust for five and one-half years, the last two and one-half years in the correspondent bank division. Nebraska banks were included in the area he served. At Packers National he will also be calling on country banks throughout Nebraska.

* * *

John E. Knight, president of Packers National, also has announced the promotion of John J. Card to vice president. Mr. Card has been manager of the Packers installment loan department.

Richard D. Sorenson, OIF executive director, disclosed at the group’s recent annual meeting. Mr. Sorenson said the district, consisting of 277 acres adjoining the Western Electric Omaha works and purchased last year for more than $1 million, will be sold in seven parcels, ranging from 15 to 45 acres.

Edward W. Lyman, president of the U.S. National Bank, was elected OIF president to succeed Willis Strauss, president and chairman of Northern Natural Gas Company and a director of the Omaha National Bank.

Other officers are A. F. Jacobson, a director of the U. S. National Bank; John D. Diesing, a director of the Omaha National Bank, and Wray M. Scott, all named vice presidents of the organization. Morris Miller, Omaha National Bank president, was elected the group’s treasurer, and Mr. Sorenson, secretary.

New trustees are Ben H. Cowdery; Leo A. Daly, a director of the U.S. National Bank; W. B. Millard, Jr., chairman of the Omaha National Bank; Robert W. Walker; and V. J. Skutt and Robert H. Storz, both Omaha National Bank directors.

Mr. Sorenson also unveiled a new symbol to be used by OIF on its brochures and other promotion material, depicting a village blacksmith in white against a black background. Encircling the picture are the words, "Where Industry Is a Way of Life."

* * *

The Omaha National Bank has published a new brochure to aid in recruiting young men for executive positions at the bank, according to Robert S. Knicely, vice president and head of the personnel division.

Mr. Knicely said that the booklet, to be used widely in the Midwest, stresses that a successful career in banking for the young college graduate is shaped largely by a young man’s own efforts, his ability and, most importantly, his commitment to his job.
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Farm Loans Continue Up

Farm loans by agricultural banks rose 8 per cent during the 12-month period ending June 30, 1968, somewhat below the 12 per cent advance during the previous 12-month period.

These figures were released in a study just completed by the agricultural committee of The American Bankers Association. More than 800 agricultural banks participated in the survey, said Edward M. Norman, chairman of the committee and president, The First National Bank, Clarksville, Tenn.

The greatest increase was in farm real estate loans, which were up 19 per cent, while non-real estate loans were up only 5 per cent. This is the reverse from a year ago when farm real estate loans were up just 4 per cent and non-real estate loans jumped 15 per cent.

During the past five years, agricultural banks have experienced a 58 per cent increase in farm loan volume.

Following are highlights of the survey report:

Total deposits of agricultural banks increased by 11 per cent over 1967.
Banks with loan-to-deposit ratios of over 60 per cent now comprise 42 per cent of those surveyed.
Individual legal lending limits continue to rise, with 37 per cent of the banks reporting a legal limit of $150,000 or above—compared with 23 per cent five years ago.

The bankers surveyed felt that 72 per cent of the farmers would meet their debt obligations fairly easily, with another 25 per cent paying with some difficulty. The balance of 3 per cent will probably be forced to quit farming because of their financial difficulties.

The proportion of banks able to handle all farm loans and still maintain their desired loan-to-deposit ratios was approximately the same as last year—74 per cent. About six out of 10 banks, however, reported an increased over-all demand for agricultural loans.

Agricultural specialists are employed by 50 per cent of the banks with half of these reporting a full-time man for agricultural activities.

There is no evident change in numbers over last year, although the trend during the last several years is toward more agriculturally trained men being employed by banks.

Of the 34 banks which had an affiliated credit corporation, all but one indicated that the dollar volume of farm loans handled through these corporations did not exceed 25 per cent of the bank's own farm loan portfolio.

Nearly one-half of the banks indicated that hedging of agricultural commodities was practiced in their areas. Eighteen per cent of the banks made agricultural commodity inventory loans to borrowers for the purchase of futures contracts to establish a hedge.

The complete findings of the study are being published in the A.B.A. booklet, "Trends in Agricultural Banking—Report of Midyear 1968 Agricultural Credit Situation Survey." It is available at $3 per copy from the Department of Printing, The American Bankers Association, 90 Park Avenue, New York, N. Y. 10016.

IMPORTANT NOTICE!
We want to publish news of any officer or director changes, increases in capital structure, or other important action taken at your annual meeting. Send this news at once to Northwestern Banker, 306 Fifteenth Street, Des Moines, Iowa 50309.
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First National Bank of Omaha
THE board of directors of First National Bank & Trust Company has announced the recent appointment of the following officers:

Roger Anderson, assistant cashier, commercial loans; Lanny Davis, assistant cashier, time credit; Lewis Munday, assistant cashier, time credit; Van Korell, correspondent bank officer; James Bullock, investment officer; Donald Dischner, credit manager, BankAmericard Center; James Robbins, sales manager, BankAmericard Center; William Van Werden, sales development, Lincoln Tour & Travel; Harold Mischnick, sales development, Lincoln Tour & Travel, and Raymond Evon, trust tax administration, trust department.

John A. Barr

Funeral services were held last month for John A. Barr, 76, a former Pawnee City banker. Mr. Barr, who previously had been cashier at the State Bank of Liberty, Nebraska, came to the Citizens State Bank of Pawnee City in 1934, also as cashier of the bank. He retired from the bank in 1965.

York State Bank
Commemorates 25 Years

The York State Bank recently published an anniversary brochure with a silver cover in connection with the observance of its 25th anniversary.

The brochure includes photographs of the bank’s employees and a brief history of the bank, accompanied by tables charting the bank’s growth. Photographs and information on York industrial establishments also are included.

At the close of business December 31, 1943, the bank’s first year of operation, total capital accounts amounted to $62,083, and total deposits stood at $532,000. The statement of condition for September 30, 1968, reported a total of $1,282,000 in capital accounts, and deposits of $12,175,000.

The brochure also included a special message from Dean Sack, president of the bank.

Clifford R. Rahel, President announces the appointment of

George E. Knack
Senior Vice President as
Director of Sales for

J. Cliff Rahel and Company, Inc.

Member Midwest Stock Exchange

Approve Stock Split

The directors of Northwest Bancorporation have given preliminary approval of a plan for a two-for-one split of the company’s common stock and an increase in the quarterly dividend from 57 1/2 to 60 cents per share, according to Henry T. Rutledge, president of the company. Formal action will not be taken, however, until the board’s meeting on January 28, 1969. At that time, it is expected that the board will formally propose the split for action by stockholders at the annual meeting to be held on March 27, 1969, and will declare the increased dividend for payment on March 1, 1969.

The proposed split is prompted by the company’s desire to make its stock more attractive to the individual investor.

Currently, 7,000,000 shares of common stock, 83 1/2 par value, are authorized, of which 5,707,389 shares are outstanding. Should action be taken on the two-for-one common stock split, the new capitalization would consist of 14,000,000 authorized shares of common stock, $1 1/2 par value, of which approximately 11,415,000 shares would be outstanding and 200,000 shares of presently authorized preferred stock of $100 par value, none of which is outstanding. Should stockholders approve the proposal, the actual split would occur around March 31, 1969.

UC Bank Buys Credit Firm

Frank L. King, chairman of the board of United California Bank, and LaVerne M. Hayes, president of U. S. Credit Bureau, Inc., 125 South Vermont, Los Angeles, announced in a joint statement that United California Bank and U. S. Credit Bureau, Inc., have agreed to the acquisition by United California Bank of the business of U. S. Credit Bureau, Inc.

U. S. Credit Bureau, Inc., is engaged principally in the business of collecting accounts receivable for several major oil companies, insurance companies, and similar large corporations.

The terms of the agreement provide for the acquisition of U. S. Credit Bureau, Inc., in exchange for Western Bancorporation stock. U. S. Credit Bureau, Inc., will then operate as a division of United California Bank and will continue to be located at 125 South Vermont.
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Not an easy question to answer! Sure, Electronic Bookkeeping service is glamorous and in the future for many banks. But, is it in your bank's future? Bankers Trust has a highly sophisticated computer system. A number of our correspondents are using it for demand deposits, savings, and time certificate processing. They like the efficiency. They like the superior service. They like the reduction in operating costs.

But we know that EDP is not a good move for every bank. That's where our Feasibility Study comes in. We put our top talent on the survey, men like Jay Tomson, Vice President-Bank Operations, and Paul Griffith, Assistant Cashier, to determine the profitability of EDP in your bank. And, we call a spade a spade. When you want the straight answers on EDP call Bankers Trust, the "show you" bank for all your correspondent needs.

CORRESPONDENT BANK DEPARTMENT

HOMER JENSEN
Vice President

GARY STEVENSON
Correspondent Bank Officer

COMPUTER SERVICES

O. JAY TOMSON
Vice President

PAUL GRIFFITH
Assistant Cashier

Bankers Trust co.
SIXTH AND LOCUST, DES MOINES
Member: F.R.S. & F.D.I.C.
Century Club Plaque Presented in Keokuk

A special Century Club plaque was presented in Keokuk.

The plaque is presented to Edward K. Johnstone II (left), pres. of Mercantile Trust Company, St. Louis, Mo., by John H. Obermann, vice president in charge of Mercantile’s correspondent bank department, and James J. Reedy, assistant vice president, Mrs. Obermann and Mrs. Reedy were also in attendance.

Keokuk Savings Bank and Trust Company has been doing business with Mercantile Trust Company as a correspondent since 1868, bringing a total number of Mercantile Century Club members to 12.

Mercantile’s Century Club was organized in 1957 to honor those correspondent banks who have been doing business with Mercantile for 100 years.

In other news at the Keokuk Savings Bank and Trust Company, Harold Wayne Stevens has been elected by the board of directors to serve as assistant cashier. Mr. Stevens has been associated with the bank for three years and was head teller at the main bank building. In November he was appointed manager of the bank’s walk-up facility.

Officers Promoted by Peoples Bank, Cedar Rapids

Several promotions at the Peoples Bank and Trust Company, Cedar Rapids, were announced last month by Ted J. Welch, president.

Elected assistant vice presidents were Stephen L. Allison and Rex H. Markt. Mr. Allison is the assistant manager of the bank’s installment loan department. Mr. Markt has been named farm-loan officer in charge in that department, pursuant to the January 1 retirement of J. Keith Noll, announced earlier.

Jerry J. Navratil was elected assistant cashier. His duties are concentrated in the handling of daily lobby banking transactions.

Charles E. Krejci, vice president, has been named to the additional position of cashier of the bank. Ervin F. Stepanek, vice president, was appointed secretary to the board of directors. Mr. Stepanek formerly was vice president and cashier.

Report Capital Changes

The Iowa Department of Banking announced recently the following changes in the status of Iowa-chartered banks:

- The Farley State Bank, Farley, has increased its capital stock by $25,000, and has transferred $25,000 to its surplus account, making a total of $175,000 in each account.
- The completion of the merger of the Oran Savings Bank, Oran, into the First National Bank, Oelwein, was also announced by the department.

Modale Bank Interest Sold

Edward Towe, president of the Modale Savings Bank and Insurance Agency, Modale, has sold his interest to Donald Stave of Larned, Kan., brother of Bennie M. Stave of Modale, executive vice president of the bank. Donald Stave will soon be moving to Modale with his family.

The State Department of Banking has given the Modale Savings Bank permission to increase the bank capital from $25,000 to $50,000.

Oakland Director Dies

Earl E. Spald, longtime Oakland merchant and a director of the Oakland Savings Bank for more than 30 years, died recently. The board of directors elected Mrs. Marjorie Spender to fill the vacancy on the board.

Named at Burt

Herman Rachut, Sr., president of the Burt Savings Bank, has announced that Leonard Stenzel has assumed duties as assistant cashier at the bank. Mr. Stenzel has been a Burt resident most of his life.

1969 Iowa Group Meetings

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OPENING CEREMONIES were held December 2 for this beautiful new Motor Bank and walk-in facility for Peoples Bank and Trust Company in Cedar Rapids.

Open "Peoples East" Facility

The Peoples Bank and Trust Company opened its new drive-up walk-in facility on Cedar Rapids' east side last month.

The new facility, known as "Peoples East," located on First Avenue NE between 35th and 36th Streets, offers a safe deposit box area, a lobby for vault customers and individual booths. Six commercial teller windows are available inside the building, together with facilities for installment, commercial and real estate loans. Presently installed are two canopy-covered drive-up windows, with provision for additional windows in the future. An after hours night depositary is included in an outer lobby walk-up.

The building, which has a one-block frontage, contains 7,000 square feet. The landscaped property includes ample parking space.

The Bank Building and Equipment Corporation of America, St. Louis, designed the building, and R. W. Rinderknecht Construction Company of Cedar Rapids was the general contractor.

The architectural design follows the theme of the original Peoples Bank building, designed by the famous architect Louis H. Sullivan. The brick in the new Peoples East is identical to that of the main bank.

Larry McGrath, who was recently appointed assistant vice president, has been named manager of the new office. A public open house was held in the building December 8.

Centerville Expansion

The Centerville National Bank has announced a major building expansion and remodeling program. The bank will expand its quarters by utilizing the Mitchell and Chebuhar building, which is located to the east and adjacent to the present bank building on the square. The bank has owned this building for several years.

R. F. Malmberg, bank president, in announcing the expansion plans, cited the growth of deposits from $8,171,963 five years ago to $13,232,215 today.

The expanded facilities will provide additional space for a small loan department, added loaning offices, conference room space, added teller space and the installation of 250 new safety deposit boxes. Also new draperies, additional furniture, carpeting, and wall covering are planned.

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CITY National Bank of Cedar Rapids has opened a new motor bank facility in the Lindale Plaza shopping center on First Avenue N.E. Constructed of limestone from Stone City quarries, the building features three drive-up windows and a walk-in lobby with three teller windows and two private offices. Up-to-date burglary prevention and alarm equipment has been installed by LeFebure Company. Larry Waggoner, assistant cashier, is manager of the facility.

Named in Vinton
Paul Shain, president of the Benton County Bank and Trust Company, Vinton, has announced that Don Schuchart of Vinton was named assistant cashier at a recent meeting of the board of directors.

C. Robert Brenton was named board chairman, succeeding his father, W. Harold Brenton, who died last September.

New Chief Executive at Bettendorf
Marion E. Borton, formerly president of the Exchange Bank in Kaho-ka, Mo., is the new president and chief executive officer of Security Trust and Savings Bank, Bettendorf, and has been elected to the board of directors.

Mr. Borton was with the Exchange Bank from 1963 to 1967 as president, and for the past year has been on special assignment working on the reorganization of several private businesses in Missouri. He has served as northeast Missouri loan correspondent for The Equitable Life Assurance Society of the U. S.

Heads Boone Chamber of Commerce
Warren Clark, vice president of the Boone State Bank and Trust Company, was recently elected president of the Boone Chamber of Commerce. He had been vice president of the Chamber of Commerce last year.

Joins Grinnell Bank
Max Vande Lune of Prairie City has joined Poweshiek County National Bank in Grinnell as an executive assistant. Mr. Vande Lune has been farming at Prairie City since completing agricultural business studies at Iowa State University in 1965.

First Whitney Bank & Trust Opens New Building
The new First Whitney Bank and Trust Company building in Atlantic opened its doors to the public last month, having moved from 301 Chestnut to a new location across Third Street to the north.

Containing about 5,000 square feet of floor space, the new building features spacious office and banking areas, a community room in the basement, two drive-in windows, a special conference room for the board of directors, six teller cages, a special room for estate planning, a night deposit window, and ample storage space.

Designed along modern lines and using modern materials, the building offers the most up-to-date banking services. Allied Engineering Company of Atlantic constructed the building.

A formal opening will be held in mid-January.

Lectures at Banking School
Max A. Smith, president of the Poweshiek County National Bank in Grinnell, recently lectured on "Agricultural Loans" as an instructor at the 15th session of the Federal Reserve Bank Examination School in Washington, D. C.
How Would You Choose Your Correspondent Banker?

We know you wouldn't simply toss a coin, but just how seriously do you regard a correspondent banking relationship? Do you place more importance on the "big name" factor? Or perhaps size? We'd like to feel that more than anything else you'd look for service. Because service is exactly what we have for sale. And we offer plenty of it. But if you still prefer name and size, don't count us out. You see, we share our good name with a lot of other fine names in banking. Care to be one of them?

The DROVERS National Bank of Chicago

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Richard C. Lee, president of the Capital City State Bank, was elected chairman of the board and chief executive officer of the bank last month. He succeeds Raymond G. Miller, who retired January 1, as announced earlier.

The board of directors also elected Warren Ferguson, who has been executive vice president of the bank for the last three years, to succeed Mr. Lee as president. Both promotions became effective January 1.

Mr. Lee was elected a director of the bank in 1951 and vice president of new business development in 1960. He became senior vice president in the commercial loan division in 1962, executive vice president in 1963 and president in 1965.

Mr. Lee was also recently elected president of the Des Moines Clearing House Association. He has been active in the Bank Marketing and Public Relations Association, The Foundation for Commercial Banks, and has served as treasurer of the Des Moines Independent School District.

Mr. Ferguson joined Capital City State Bank as a messenger in 1934.

He became an assistant cashier in 1948 and vice president in charge of the installment loan division in 1951. He was named a commercial loan officer in 1958, director of new business development in 1962 and executive vice president in 1965.

Mr. Ferguson is a graduate of the University of Wisconsin Graduate School of Banking and of the American Institute of Banking. He is also a director of the Altoona State Bank in Altoona.

Directors were also shown a preview of the bank’s program for the celebration of its 100th anniversary during 1969. The first event is scheduled for January 8 and will be a reception and candlelight dinner in the atmosphere of 1869 for all stockholders and their wives, to be catered in the bank’s lobby. The dinner will honor retiring Chairman Miller.

Permission Granted For Hawkeye Acquisitions

The Federal Reserve Board last month granted permission to the Hawkeye Bancorporation, a registered bank holding company based in Red Oak, to acquire control of the Burlington Bank and Trust Company, the First National Bank of Clinton, and Pella National Bank. At the end of 1967, Hawkeye controlled two banks which had total deposits of about $20 million. The banks slated for acquisition will increase deposits under Hawkeye’s control approximately 300 percent.

Named Director at Chariton

Jack Curtis, owner and manager of Kemble Floral in Chariton, has been appointed to serve on the board of directors of the First State Bank in Chariton, according to an announcement by George Garton, bank president.

In announcing the stockholders’ decision, Charles O. Russell, president of the bank, said the directors then declared a 100 per cent stock dividend to stockholders of record December 12. This is the bank’s second 100 per cent stock dividend in the past six years.

The bank’s capital accounts now consist of $600,000 capital, $300,000 surplus and $375,000 undivided profits, for a total of $1,275,000, compared with $175,000 when the bank started business in 1952. The bank’s total assets now exceed $16 million.

Ivan L. Johnson, vice president in charge of the business development and public relations department of the Central National Bank and Trust Company, Des Moines, has been named chairman of the regional Bank Public Relations and Marketing Association meeting, to be held in Des Moines, April 15-17.

Mr. Johnson also serves as regional membership chairman for Bank PRMA and as state chairman for the Foundation for Full Service Banks.

Lester T. Proctor, senior trust officer of the Iowa-Des Moines National Bank, recently addressed a meeting of the Marshalltown Rotary Club. Mr. Proctor spoke on pension plans and profit sharing plans available to businesses.

Banking Memories

A decision made by the Internal Revenue Service in 1936 ruled that employees of national banks were not subject to payroll taxes under Titles VIII and IX of the Social Security Act. The decision was based on the fact that national banks are instrumentalities of the United States, therefore neither the banks nor their employees were subject to the tax at that time. A similar type ruling has now been made on state sales taxes as they affect national banks.

See MR. NEWLIN before you sell or buy a bank.

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Northwestern Banker, January, 1969
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Three Suggested Changes for Iowa Recodification Measure

By SEN. KENNETH J. BENDA
Chairman, Iowa Banking Laws Study Committee
President, Hartwick State Bank

The years 1969 should be an historical year for state banks in Iowa. The six years of legislative research and study on the Recodification of Iowa Banking Laws should be culminated in the passage of a new and modern Banking Code.

Please note, I used the word should where I hoped I could use the word will be an historical year for Iowa banking.

A much needed modern banking code can be enacted if all interested in the passage of this important legislation remain calm, understanding, and are willing to accept new ideas, criticism, and changes. Experienced Iowa legislators knowingly understand that nothing is more “sacred” to a trade association or an Iowa commission than the legislation they have studied, written, and supported. Any minor legislative alteration in their vital association bill is considered “major disabling surgery.”

Iowa Legislative Study Committee reports historically become bills of utmost desire and needed importance to the members of the committee.

The Iowa Banking Recodification Legislation has excellent support both by the Iowa Bankers Association and the Department of Banking. It has been stamped highly important by the Legislative Study Committee, yet we have had questions raised by bankers, legislators, citizens, and the press.

Why?

K. J. BENDA

Non-Controversial

The final draft of this bill was to be non-controversial as possible.

Only two major controversial issues were to be eliminated from the bill. They were:

1. Branch Banking.
2. Interest Rates.

All of the Legislative Research Committee members agreed to the final Study Committee report, but experience has shown that when a large comprehensive study report is being reduced to a “bill” status many small, but sometimes troublesome and glaring errors occur. Unclear and unclear passages are found.

It is and will be difficult for Iowa bankers to understand that certain passages in the bill may have to be changed. Other ideas (business and individual) have to be considered.

My main desire has been to present to the General Assembly new banking laws that are workable, accurate, modern, and desirable.

Questions Arise

The “news media” have questioned sections of the banking bill. Some bankers want the press reports to be ignored. This is definitely not the solution to passing good legislation. We should study the criticism and act accordingly. If we are in error, admit it; if we are correct, stand on our ideas.

Although Iowa has been spared any scandal or published “wrong doings” within the Iowa Banking Department, the possibility could have occurred under the proposed law.

We have been very fortunate in Iowa as we have always had the very best State Banking Department personnel.

But in this new code we have given the superintendent increased powers and more authority. With the superintendent’s increased responsibility, maybe we should change some of the wording in section 201 as to the selection of the superintendent, and change section 215 which gives the superintendent the power to keep ordinary or general department reports confidential or secret.

I believe we should re-word section 215—“Records in Custody of the Superintendent.” We should comply with the intent of the Public Record Legislation; chapter 106, passed by the last General Assembly. This section 215 can be easily re-written by having students or experts on chapter 106 help in drafting the correct language. I believe if chapter 215 is not changed, as it is now written, it could be challenged in Iowa courts.

Section 201—Superintendent of Banking has received criticism of the press. I feel that this section is well written and expresses the wishes of Iowa bankers. Bankers have lived satisfactorily with this section for many years, but with increased powers and authority of the superintendent in this Senate File 18, questions have been raised.

Does this section have any safeguards to reduce the possibility of a conflict of interest? Maybe we should re-write this section, not only to protect the public, but to have safeguards to protect the Department of Banking.

Three Suggestions

In my opinion these are solutions that would correct some of the vague terminology in section 201-1:

First Suggestion:

Strike all sentences after the first sentence in section 201-1.

Second Suggestion:

Take some of the language from Kansas law and incorporate it into section 201. Here is a sample of Kansas law:

“Appointment; term and qualifications. The governor shall appoint, with the consent of the senate, a state bank commissioner whose term of office shall be four years and who shall serve until his successor is appointed and qualified. No person shall be eligible for such appointment unless he has had five years actual banking experience as an executive officer in a state bank in this state. If a vacancy shall occur in the office of the commissioner the same shall be filled for the unexpired term by appointment by the governor.”

Third Suggestion:

Strike all sentences after first sentence in section 201-1 and add a “Conflict of Interest” restriction so that any superintendent having a conflict shall disassociate himself from the “Conflict” to the satisfaction of the banking board, Iowa Senate, and Governor of Iowa.

If the annual salary of $18,000 is not enough to attract a qualified, capable superintendent of banking, then the salary should be the amount necessary to attract an efficient, dedicated individual. The superintendent should
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Northwestern Banker, January, 1969
not be expected to “moonlight.” Above all he should not be employed in a position where he could use the prestige of his high office to transact and promote his private business.

The section 201-3 is vague as to the qualifications needed to be superintendent of banking in Iowa. It states that no person shall be appointed who has not had at least five years of executive experience in a state bank in this state. These questions are being asked:

1. What is meant by executive experience?
2. When did the five-year experience exist? Now? Twenty years ago? Were the active executive duties continued for five consecutive years?
3. Does directorship qualify?
4. Does the superintendent really have to be a banker at the present time?
5. Can the superintendent continue banking duties, buy and sell banks, etc.

In reference to section 205, the banking board, it was surprising as to the number of bankers who did not banking board, it was surprising as to the number of bankers who did not have the same legal requirements.

Here is a sample of Kansas law

"... the state banking board shall be composed of nine (9) members, six (6) of whom shall be bankers with not less than five (5) years' actual banking experience in a state bank in this state, and three (3) of whom shall represent the public interest in the regulation, operation and control of state banks and trust companies and shall be selected from the state at large. No nonbanker member shall own any stock directly or indirectly in any state or national bank or trust company wherever located. One nonbanker member shall be actively engaged in the sale of goods at retail, one shall be actively engaged in agriculture or other industrial pursuit. One of the nine (9) members shall be selected annually as chairman of said board. This board shall be appointed by the governor, and of the six (6) banker members herein provided for he shall appoint one from each Kansas congressional district as presently constituted; and of such, six (6) banker members so appointed one shall be from the city of the first class, two shall be from cities of the second class, two shall be from cities of the third class or unincorporated villages, and one without regard to city classification: Provided, that if the number of Kansas congressional districts shall be reduced to five (5), then one of such banker members shall be appointed from the state at large. Of the nine (9) members first so appointed to the new board, two bankers members and one public representative shall be appointed to serve until May 1, 1964. Thereafter all terms shall begin on May 1, and shall be for three (3) years. Each member shall serve until his successor is appointed and qualified. No person shall serve more than two terms.

I believe that section 211-2 should exclude the deputy superintendent from the restrictions placed on his office. The remainder of the department employees should continue to be restricted as to ownership of banks, bank shares, etc. The deputy and superintendent should be governed by the same legal requirements.

 Numerous other changes have been made in the new banking legislation since it has been approved by the Legislative Study Committee. Most of these changes have been corrective and improve the bill.

It is hoped that two public hearings could be arranged by the Senate committee before the bill reaches the Senate floor.

I predict that the new Banking Code will pass and it will be the finest banking legislation enacted in Iowa within the last 30 years.—End.

Unusual B of A Newspaper Advertisement

An unusual newspaper advertisement was featured by Bank of America, N.A., San Francisco, last month when it featured “the five most wanted bank robbers” in its copy. The bank offered up to $5,000 in reward money for information leading to the arrest and conviction of each of the bank robbers shown. Please contact your local police or FBI office immediately, if you have any information about these individuals.

FIVE MOST WANTED bank robbers were featured in recent Bank of America advertisement.

to the arrest and conviction of the five men featured in the ad. Photographs of the men were obtained through hidden cameras while the holdups were in progress. Complete descriptions accompanied the photos in caption form.

D. S. Langsdorf, senior vice president and controller of the bank, said the ad appeared in newspapers in Los Angeles, San Francisco, and Oakland.

Honor Chicago President

The appointment of Edward F. Blettner, president of The First National Bank of Chicago, as a member of the board of trustees of Illinois Institute of Technology has been announced by Harris Perlstein, chairman of the Board.
Presents College Scholarship

SCHOLARSHIP—Max von Schrader, Jr., executive vice president of the Union Bank and Trust Company, Ottumwa, presents the annual Union Bank scholarship to Janis Harrington. The Union Bank scholarship of $100 is awarded each year to an Ottumwa Heights College student chosen by Sister Muriel Hogan (right), president of the college, and her faculty committee.

Mr. von Schrader also announced a gift of $600 by the Union Bank and Trust Company to Ottumwa Heights College as an unrestricted grant for the use of the college.

“Our gift to Ottumwa Heights is not only in recognition of its high scholastic standing, but also in recognition of its great value to the city of Ottumwa,” Mr. von Schrader said.

“We are most fortunate that, in the recent past, Ottumwa Heights College decided to continue as an Ottumwa institution. We look forward to many more years of pleasant association.”

Comments on Bank Building

In a special report published in the December Northwestern Banker, comments were given by banker readers on the topic, “What Bankers Think of Their New Buildings.” Bank executives who had experience in a new construction or remodeling program during the previous year were asked to review their plans and stress those points that would be most helpful to other bankers considering such a project. They also called attention to those features they would change or eliminate if they were doing the job again.

An additional reply that came too late to be included in the December issue was received from A. Anthes Smith, president of the Fort Madison Bank & Trust Company, Fort Madison, Iowa. The following is his report concerning his bank’s remodeling and expansion program:

Our bank building project involved doubling the floor space of the bank through additions to two sides and completely remodeling the original building. It was accomplished in about 10 months without a shutdown of any services. A temporary lobby was set up in the installment loan department for one week. With this exception, business was conducted in a normal manner—as normal as possible with hammering, dust, milling workmen, etc.

“Of prime importance in a bank building or remodeling project is the selection of a competent architect in whom you have confidence and who has had a reasonable amount of prior bank construction experience. An equally capable contractor also is vital, and his planning and scheduling are critical.

“There are numerous features we like in our new building. One is carpeting throughout the bank except the teller area and the bookkeeping department. It adds to the pleasant appearance and reduces noise. It requires daily upkeep but probably less than a tile or vinyl floor.

“Background music, in all areas except private offices, is a fine feature. Also, we have TV sets in soffits near the lobby ceiling. A cable channel gives a weather sweep throughout the day (with no sound), and we can tune in televised events of national interest which take place during banking hours. The combination of background music and TV helps the customer pass time if there are lobby delays.

“We have placed a large cork board bulletin board in a prominent yet relatively inconspicuous position in our lobby. This gives us a good place to post the ever present public notices that formerly cluttered our lobby walls and teller counters.

“We have a conference room adjacent to our coupon booths, designed and ideal for attorney conferences, inventorying lock box contents, etc.

“In the way of equipment, one of the greatest time and labor saving items added was the Diebold 6800 Series Mechanized Check Filing equipment. Much greater speed and accuracy are possible.

“There are very few things we have noted, thus far, that we wish we had included but did not. If we were doing the whole job over again now we would provide built-in or recessed filing areas in or close to certain key transaction centers—other than tellers and the bookkeeping department. The loan department and the installment loan department are two such centers. Fire resistant storage areas in these centers would have reduced a great deal of moving about of files and would have reduced walking done by key employees looking up records filed in vaults and elsewhere.

“Also, space available for monthly meetings of the board of directors is minimal. However, we do have ideal space on the unoccupied second floor of the building which will be utilized in the future and will be more private and away from the work centers of the bank.”—End.

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**L. G. BANKEN**

**Named V.P. at Gowrie**

L. Gene Banken has been named vice president of The First State Bank of Gowrie, it was announced recently by Maurice W. Lindquist, president. He will succeed Clarence A. Rowe, who has served the Gowrie bank since June, 1963, and is retiring.

Mr. Banken, formerly vice president of the Blue Earth State Bank, Blue Earth, Minn., was employed by that bank for the past 13 years. He has been an active loan officer as well as manager of an insurance agency connected with that bank. He is a 1967 graduate of The Graduate School of Banking at the University of Wisconsin. Mr. Banken has served on the educational committee of the Minnesota Bankers Association and as secretary-treasurer, vice president and president of the Faribault County, Minnesota, Bankers Association.

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**Jean A. Thomson**

Jean A. Thomson, president of the Cresco Union Savings Bank in Cresco, died last month at the age of 50 in Naples, Fla. Mr. Thomson had undergone heart surgery in October in Houston, and his death resulted from complications which arose after his return to his winter home in Florida.

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**To Sell Interest in Cedar Rapids Bank**

Van Vechten Shaffer, president of Guaranty Bank and Trust Company, Cedar Rapids, last month announced that he is selling the approximately 40 per cent interest his family owns in the bank. Mr. Shaffer has headed the bank since its founding in 1934 and he and his family hold about 10,000 shares of the bank’s stock. There are 25,000 outstanding shares of bank stock.

Each shareholder of the bank could have purchased one share of Shaffer stock for each two shares he held at the price of $128 per share. That offer expired December 30, at which time the remaining unpurchased Shaffer stock was bought by an underwriting group consisting of Charles Loomis and Harold M. Becker, both Guaranty directors, and Scott McIntyre. The intent is to continue local ownership of the bank.

Mr. Shaffer will remain as president of the bank and has no plans to retire at this time.

---

**Iowa News**
Joins Waverly Bank
As Farm Representative
Larry Trapp has been named farm representative for the First National Bank of Waverly. The position is newly created, and Mr. Trapp comes to the bank from the Cedar Rapids branch office of Metropolitan Life Insurance where he was farm mortgage representative.

Named Trust Officer
At Fort Madison
The Fort Madison Bank & Trust Company, Fort Madison, has announced the appointment of Keith E. Cowden, Lincoln, Neb., as trust officer. Mr. Cowden is a graduate of the University of Missouri where he also attended law school. He started his trust career in 1959 as trust and estates administrator of the Beverly Hills Branch of the Security First National Bank of Los Angeles. In 1962, Mr. Cowden joined the National Bank of Commerce Trust and Savings Association, Lincoln, Neb. He is co-designer of a trust data processing program to be marketed nationally and is a member of the American Management Society.

Merchants National Bank
Plans Holding Company
Action to form a one-bank holding company has been taken by the board of directors of Merchants National Bank in Cedar Rapids, it was announced last month by James E. Coquillette, president of the bank.
Directors have taken the preliminary step of filing their holding company application with the Comptroller of the Currency in Washington, D. C. If this application is approved, the Merchants National board of directors would then need to obtain permission from at least two-thirds of the bank's stockholders, Mr. Coquillette said.

Appointed Chairman
For Bond Program
C. Clifford Fritcher, vice president, Security Trust and Savings Bank, Storm Lake, has been appointed volunteer state banking chairman for the United States Savings Bonds program for Iowa for 1969. He replaces William P. Ronan, Decorah, who has completed his one-year term. The appointment, effective immediately, was made by Jay E. Tone, Jr., volunteer state chairman for savings bonds activities.
Mr. Fritcher was also recently appointed by the American Bankers Association as ABA State Coordinator for Savings Bonds for Iowa, and by the Iowa Bankers Association as chairman of the IBA Savings Bonds Committee.

Centennial Preparations
In preparation for the 100th anniversary of the First National Bank of New Hampton this year, bank officials have had an oil painting done of A. E. Bigelow, founder of the bank, by James R. Fliger, a commercial artist in Omaha. The oil painting is now on display in the lobby of the bank. J. F. Kennedy is the president of the bank.

Eldridge Promotions
According to an announcement by Robert J. Tank, president of the Central Trust and Savings Bank in Eldridge, James R. Tank has been promoted from cashier to vice president and cashier and a member of the board of directors, filling the vacancy left by the death of Lloyd H. Baus, former vice president and director.

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Northwestern Banker, January, 1969
CONVENTIONS

February 4—Nebraska Bankers Assn., Installment Credit Conference, Omaha.
March 2-5—ABA National Bank Marketing Conference, Chase Park Plaza, St. Louis.
March 10-12—ABA 21st National Credit Conference, Sheraton-Chicago.
March 27-29—ABA National Installment Credit Conference, Hilton, San Francisco.
March 30—April 1—Assn. of Reserve City Bankers, 58th Annual Convention, Arizona Biltmore, Phoenix.
April 9-10—South Dakota Bankers Assn., Agricultural Conference, Pierre.
April 14-17—National Assn. of Supervisors of State Banks, 68th Annual Convention, Chase-Park Plaza, St. Louis.
April 15-17—Bank PRMA Regional, Hotel Savery, Des Moines.
May 4-6—Nebraska Bankers Assn., 72nd Annual Convention, Fontenelle Hotel, Omaha.
May 8-10—South Dakota Bankers Assn., 77th Annual Convention, Holiday Inn, Aberdeen.
May 14-16—North Dakota Bankers Assn., 84th Annual Convention, Clarence Parker Hotel, Minot.
May 18-20—Bank Administration Institute, Northern Regional, Hotel Sheraton-Schroeder, Milwaukee.
May 29-31—Colorado Bankers Assn., Broadmoor Hotel, Colorado Springs.
June 12-14—Wyoming Bankers Assn., 61st Annual Convention, Jackson Lake Lodge, Moran.
Oct. 19-22—Iowa Bankers Association, 83rd Annual Convention, Hotel Fort Des Moines, Des Moines.

The First National Bank complex, when completed, will include the ta-ppering 850-foot 60-story building on the side of Clark Street; a plaza on the south half of the block replacing the present bank building, and the newly announced 360-foot 30-story building. The two structures will be interconnected and will contain more than 2,600,000 gross square feet.

The bank plans to utilize a portion of the space in the newly announced building for its internal operations and will rent the remaining floors to tenants.

Homer J. Livingston, chairman of the board of The First National Bank of Chicago, announced that at the regular meeting of the board of directors, the directors authorized the transfer of $5,000,000 from the undivided profits account to the surplus account. As a result of this action, the bank will have a surplus account of $225,000,000 and capital stock of $200,000,000, a total of $425,000,000, giving the bank a legal loaning limit of $42,500,000 to any one customer.
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