

NORTHWESTERN Banker

DECEMBER
1971



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serving the Midwest:



John Davis

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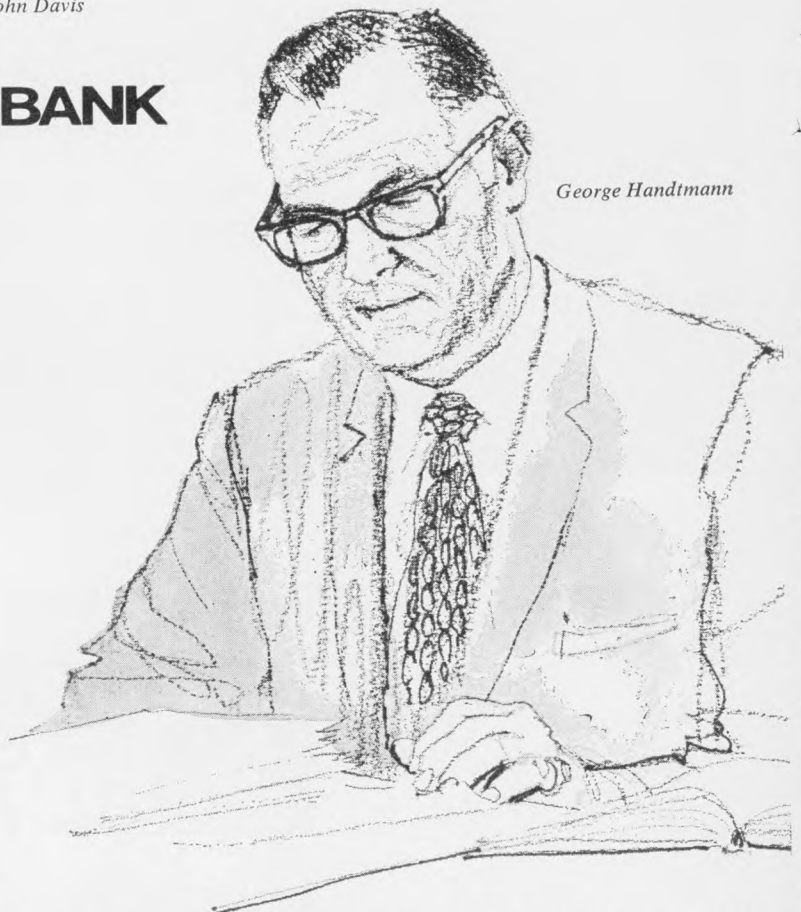
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CONTINENTAL BANK



George Handtmann

Talcott Relocates Two Main Offices

James Talcott, Inc. relocated both the headquarters of its Business Finance Division and its Chicago district office, it was announced by Russell B. Donahue, president of the Business Finance Division of the nationwide finance organization.

Headquarters for the Business Finance Division are now at Oakbrook North, Oak Brook, Illinois.

The Chicago district office, under the managership of Vice President Orville R. Johnson, now is located at 230 West Monroe Street. Both offices formerly were located at 209 South La Salle Street.

The Chicago office provides a broad range of financing services to businesses in Illinois, Wisconsin, Indiana, western Kentucky and eastern Missouri.

The Business Finance Division at the end of September had loans outstanding in excess of \$250 million. The division was formed last June in a reorganization of Talcott's commercial and industrial financing activities.

In addition to the Chicago district office, the Division is comprised of offices in Minneapolis, Detroit, Dallas, Atlanta, Miami, Boston, Newark, Los Angeles and San Francisco.

James Talcott, Inc. is one of the nation's largest finance and factoring organizations, with assets exceeding \$750,000,000.

The company is a subsidiary of Talcott National Corporation.

Heller Has Record Gain

Walter E. Heller International Corporation, Chicago, reported record nine-month and third quarter profits.

Franklin A. Cole, president and chief executive officer of the diversified financial firm, said that net income for the nine months ended September 30, 1971, reached \$13,921,227, up 20.9 per cent from \$11,512,892 in 1970. (In the 1970 period, Heller also had net extraordinary income of \$1,143,969).

Earnings per common share for the first nine months of 1971 were \$1.3, after preferred dividends, or 20.2 per cent more than the \$1.09 earned in 1970. There were 9,871,907 average common and common equivalent shares outstanding during the period, compared with 9,432,434 in 1970.

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NORTHWESTERN Banker

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for your DECEMBER, 1971, reading

77th Year

No. 1299

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NORTHWESTERN BANKER

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Bank Promotions and Changes

PROMOTIONS and changes have been announced by the following banks and banking groups:

Central National Bank, Chicago: The appointments of John J. Mahoney as manager of financial reporting and Glen M. Richards, Jr., as manager of general accounting have been announced by Frank E. Bauder, chairman.

Mr. Mahoney has been with Ernst & Ernst accounting firm the past seven years. He was graduated from Boston University in 1963 and attended the University of Chicago's Graduate School of Business.

Mr. Richards has most recently been with Fry Consultants where he was secretary-treasurer. He also worked for Price Waterhouse & Company. He was graduated from Southern Methodist University in 1952.

Chase Manhattan Bank, New York: Richard W. Armstrong and David M. McConney have been promoted to vice president in the financial controls group. Mr. Armstrong was graduated cum laude from Harvard in 1954, received his M.A. degree from Johns

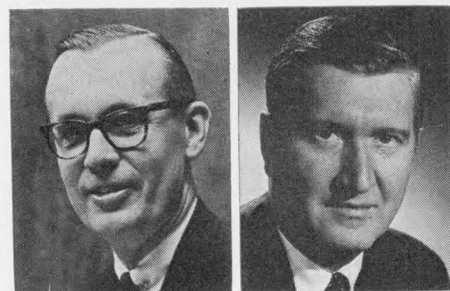
Hopkins University in 1959 and earned an N.I.P.A. Fellowship to Princeton University in 1968-69. After serving with the U.S. Health, Education and Welfare department, he joined the Chase in 1970.

Mr. McConney received a B.S. in Economics degree from Villanova University in 1953 and joined Chase in 1965 as accounting supervisor in the accounting and reports division of the bank operations department.

City National Bank & Trust Co., Kansas City: Thomas E. Hugunin has been named an advisory director, according to R. Crosby Kemper, Jr., president and chief executive officer. Mr. Hugunin is president and chief executive of the LMF Corporation.

Mr. Kemper also announced the election of William P. Messer as assistant cashier and manager of the commercial credit department. He joined the bank in 1962.

Continental Bank, Chicago: Roger E. Anderson and John H. Perkins were elected vice chairmen of the board of Continental Bank and its parent hold-



R. E. ANDERSON

J. H. PERKINS

ing company, Conill Corporation, last month. Both were previously executive vice presidents of the two corporate entities, in addition to serving as directors.

Donald M. Graham, chairman, said the promotions were the first step in a program of restructuring executive and senior management to meet current and future administrative needs. He said these needs have arisen from the accelerating pace of the bank's growth and expansion of the holding company's activities.

For these reasons, Mr. Graham explained, the promotion of key officers to more responsible assignments is essential. Mr. Anderson and Mr. Perkins will have increased general management responsibility for Conill and Con-

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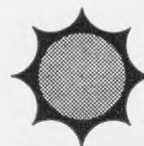
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tinental in support of Mr. Graham and Tilden Cummings, president.

Both Mr. Anderson and Mr. Perkins are 50 years old, natives of Chicago and graduates of Northwestern University, and both served as naval officers during World War II. They joined the bank as management trainees in 1946 and were first assigned to the commercial banking department. Their promotions through the official ranks have been in tandem since both were first elected assistant cashiers in 1949. They were named executive vice presidents and directors of both Conill and Continental at the same time in 1968.

However, the two men moved upward through several different areas of specialization towards the top-management positions they assumed upon being named to the boards of the holding company and the bank.

Mr. Anderson joined the international banking department in 1949 and was named head of that activity in 1959, a position he held through most of the next decade when Continental grew to become one of the nation's principal international banks.

Mr. Perkins joined the bond department in 1949, where he was named officer in charge in 1956. During his ad-

ministration, the department grew to its present position as one of the leaders in the bond and money-market fields.

Mr. Graham also announced the appointment of two vice presidents; John B. Eger, bond department, and William S. Clough Jr., international banking department.

Named second vice presidents were: James P. Donohue, commercial banking department; Bruno deSinety, international banking department; Joel J. Crabtree, personal banking department; and Eldon W. Bergstrom Jr. and Richard G. Walker, trust department.

Federal Reserve Bank of Chicago: Emerson G. Higdon, chairman, has announced the election by member banks of a new director and the re-election of another director, each for three-year terms beginning January 1, 1972.

John T. Hackett, vice president-finance and treasurer, Cummins Engine Company, Columbus, Ind., was elected a Class B director.

Floyd F. Whitmore, president, Okey-Vernon National Bank, Corning, Ia., was re-elected a Class A director. He is also chairman of two other

Iowa banks, the Page County State Bank, Clarinda, and the First National Bank, Prescott. Mr. Whitmore has served one full three-year term as a member of the Chicago bank board.

Federal Reserve Bank of Minneapolis: The election of a new director and the re-election of a director, both for three-year terms starting January 1, 1972, have been announced by David M. Lilly, chairman. Roy H. Johnson, president, First National Bank, Negaunee, Mich., is the new director. John H. Bailey, president, The Cretex Companies, Inc., Elk River, Minn., is the Class B director, and will be serving his second term on the board.

First National Bank in St. Louis: Kenneth A. Brettthorst and David P. Zoeller were elected bond investment officers recently, it was announced by Edwin S. Jones, chairman. Both men joined the bank in 1968. Mr. Brettthorst was graduated from Missouri University-St. Louis in June of this year. Mr. Zoeller was graduated from St. Louis University in June, 1970.

First Wisconsin National Bank, Milwaukee: Paul R. Glanert and Donald C. Kramp have been promoted to vice president. Mr. Glanert, who started with the bank in 1937, was named head of the time credit division November 1. Mr. Kramp joined the bank in 1962. Formerly assistant vice president in charge of operations marketing, he became head of the correspondent bank division November 1, succeeding Alexander F. Lippitt, vice president, who assumed a new assignment with commercial banking division G.

Franklin National Bank, New York: H. Lee Dennison, county executive of Suffolk County, New York, will join Franklin following his retirement January 1 after 35 years of public service. He will be director of public affairs, according to Harold V. Gleason, chairman of Franklin. Mr. Dennison's office will be at the bank's Hauppauge branch in Suffolk County.

Harris Trust and Savings Bank, Chicago: William F. Murray, chairman, last month announced the appointment of seven new senior vice presidents and a major realignment of the commercial banking department.

Elected senior vice presidents in the trust department are James E. Mandler, department executive, and William S. Gray, group executive in charge of

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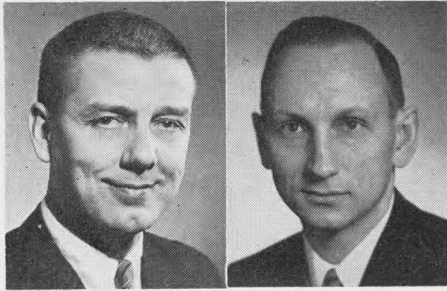
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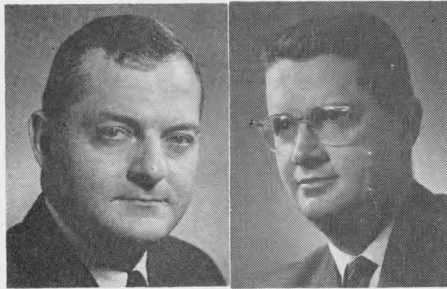
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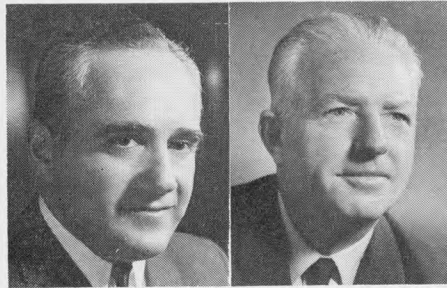
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W. S. GRAY



P. A. DELANEY

G. A. HUNTER



H. S. KAHN

H. W. LINDHORST



F. O. SACK

all trust investment activities and deputy executive of the department.

New senior vice presidents in the banking department are Philip A. Delaney, Gregg A. Hunter, Henry S. Kahn, Harry

W. Lindhorst and Fred O. Sack.

Mr. Delaney will head the new financial group, with responsibility for Harris Bank's business with Chicago metropolitan area banks, plus brokers, investment and mortgage bankers and other firms with activities in finance.

Mr. Hunter's new responsibilities as head of the banking services group will include the bank's consulting and special services for corporations and, in addition, the Harris business services division, plus special situations.

Mr. Kahn becomes senior officer in charge of commercial deposit administration and chairman of the senior marketing committee in the banking department.

Mr. Lindhorst will head the new Harris midwest group, responsible for commercial banking business in the 11 states surrounding the Chicago metropolitan area.

Mr. Sack becomes deputy group executive of the Chicago metropolitan group and chairman of a new business loan committee to increase the bank's activity in lending to medium sized business firms in the Chicago area.

Mercantile Trust Co., St. Louis:

These four promotions have been announced by Donald E. Lasater, chairman: John P. Edwards, investment officer; Cort L. Bick, assistant trust officer, and David W. Carter and Larry N. Laminger, assistant data processing officers.

National BankAmericard Inc., San Francisco:

John A. Dillon has been elected executive vice president. Mr. Dillon, formerly vice president and statewide director, BankAmericard, Bank of America NT&SA, has been serving NBI since January as executive consultant, on leave from the Bank of America.

Carl L. Haglund has joined National BankAmericard as advertising manager. He will assist Robert M. Sanders, director of advertising. Prior to joining NBI, Mr. Haglund was director of

advertising and public relations for First & Merchants National Bank, Richmond, Va., since June, 1969.

National Boulevard Bank, Chicago:

Irving Seaman, Jr., chief executive officer and chairman of the executive committee of the bank, was elected last month to the board of directors of the William Wrigley Jr. Company. He succeeds to the vacancy created by the death last August 29 of Arthur Dole, Jr., a director of the Wrigley Company for 34 years.

Northern Trust Company, Chicago:

The board of directors last month announced the following promotions and new appointments:

To vice president: Lyle P. Campbell, Illinois division, and Norman I. Pickles, credit analysis, both banking department.

Named second vice presidents in the banking department: Donald P. Baiocchi, corporate financial services; John D. Hartung, personal banking, and Marvin D. Swanson, Illinois division.

Named second vice presidents in the trust department: Richard J. Durava and David W. Holman, new business; Roger Jackman, employee benefit funds; Lucille Lasch, probate, and Thomas E. Mark and H. Lee Pampel, investment research.

Named second vice presidents in the retail and institutional sales division of the bond department: J. David Brock, Alexander M. Christie and John L. Salter, Jr.

New assistant cashiers in the banking department: Thomas G. Folliard and Glen T. Rey, metropolitan group; Lloyd N. Liggett and James M. Switek, bank and corporate services, and Consider W. Ross and Robert K. Seston, international.

United Missouri Bancshares, Inc., Kansas City:

R. Crosby Kemper, Jr., president and chief executive officer, last month announced the election of James E. Circle as data processing officer and manager of data processing services and the appointment of Irvine O. Hockaday, Jr., vice president of Kansas City Southern Industries, Inc., as a director.

Valley National Bank of Arizona,

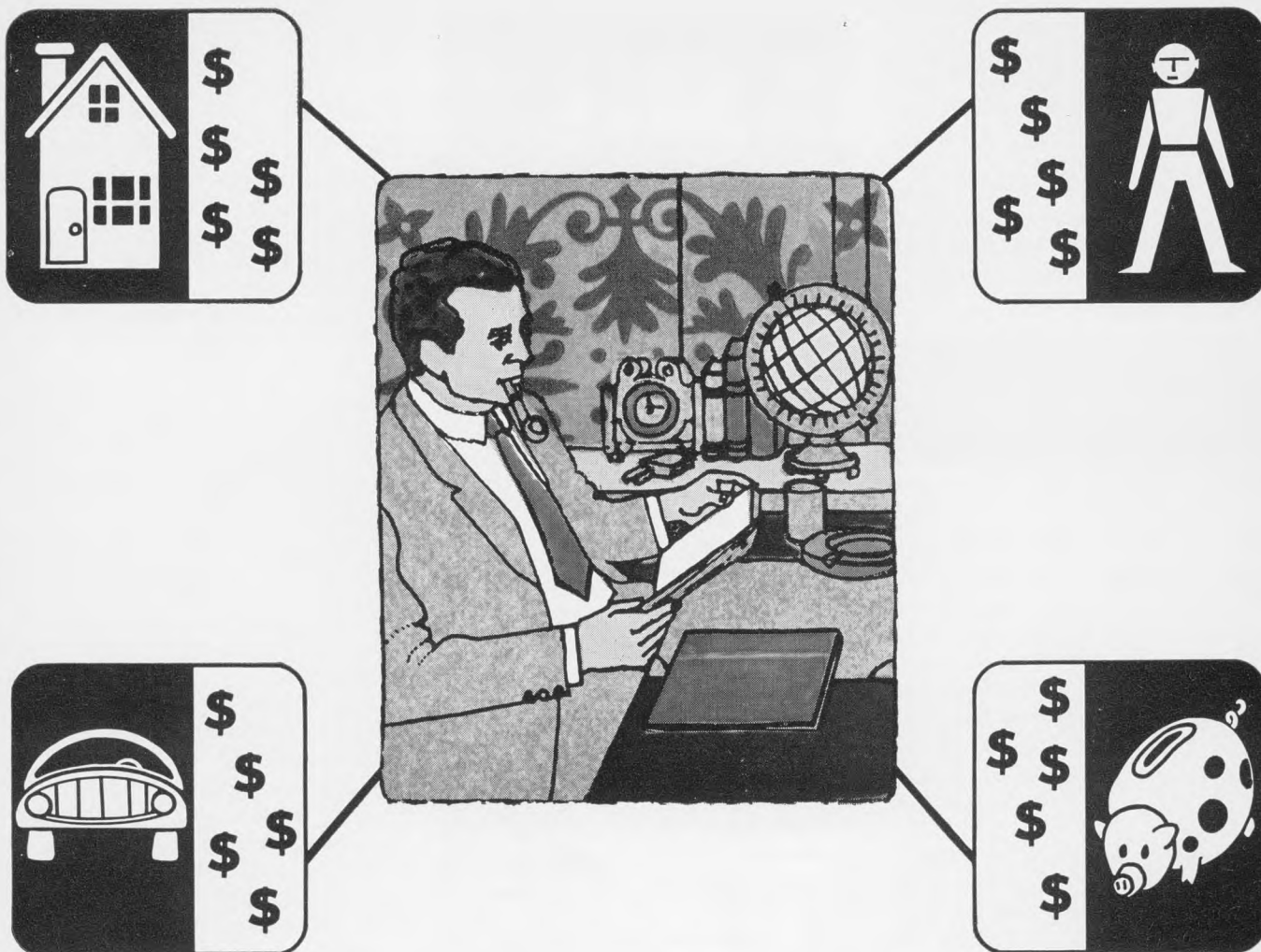
Phoenix: William Best, Jr., a former vice president of the international public relations firm, Ruder & Finn, Inc., of San Francisco, has been named public relations coordinator for Valley National. He joined the bank earlier

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this year as a special assistant to the executive staff. Prior to joining Ruder & Finn in 1967 he was senior communications consultant and chief speechwriter for Xerox Corp., and also lectured at a number of universities. Mr. Best has written for a number of national consumer magazines. Reporting to him will be the bank's advertising, publicity and internal communications departments.

Corporate News

PROMOTIONS and other news announcements have been made by the following corporations:

Bank Building Corporation, St. Louis: Three new consultant services managers have been appointed. Allyn D. Raymond has joined the firm with the central division. His area of sales responsibility will include Nebraska, western Iowa and Kansas. Before joining Bank Building, he was a manager with Manufacturers Association, St. Louis.

Lowell Berg and Jack A. Whalen have joined the western division. Mr. Berg will have responsibility for Montana, Wyoming, Idaho and Utah. Mr. Whalen will be responsible for sales in Alaska, Washington and Oregon.

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RAYMOND WHELAN BERG

Mr. Berg will reside in Heber City, Utah, where he was formerly an owner-partner of Berg Construction Co. Mr. Whalen resides in Glendale, Calif., and previously was assistant to the president of Datametrics Corp.

Diebold Inc., Canton, O.: Earl F. Wearstler, vice president and general manager of the bank division, has announced two top-level appointments. Joseph K. Caron has been named general sales manager and Robert W. Clark has been appointed manager of marketing and product planning for the division.



R. W. CLARK

Mr. Caron's new responsibilities will include all domestic sales activities of the bank division. He joined Diebold in 1954 and most recently has been division manager for the southeastern division in Atlanta.

Mr. Clark joined Diebold in 1963 in Philadelphia. Since 1969 he has been manager of marketing for the bank division in Canton.

McIngvale Associates, Dallas, Tex.: Betty S. Bennett has been named to the board of directors, according to George McIngvale, founder and chairman. Mrs. Bennett has been assigned the additional responsibilities of assistant treasurer for the firm. As an officer she will assist Dale C. Lingren with the preparation of financial matters for the firm. She joined the firm in 1968.

James Talcott, Inc., Chicago, Ill.: Oran W. Hark has been elected senior vice president of James Talcott, Inc., it was announced by Russell B. Donahue, president of the Business Finance Division. Mr. Hark also is senior vice president of the division. He is responsible for supervision of loan administration activities in the firm's 10 district offices located throughout the

country. He joined the Talcott firm in 1952.

Bankers Are Optimistic For 1972 Bank Earnings

Strong optimism regarding 1972 bank earnings was displayed by correspondent bankers at a recent symposium given by The Northern Trust Company, Chicago.

A survey of 85 bankers from seven states who participated in the Financial Planning symposium showed that three-fourths of the bankers expect to see their bank's earnings increase in 1972. This contrasts with expectations for this year as evidenced by a similar survey taken by The Northern Trust in July, at which time only one-fourth of the respondents were looking for improved earnings in 1971. Only 15% predict lower earnings in 1972, while 9% foresee no change during the coming year.

The outlook for loan demand in 1972 is extremely bright for the majority of the bankers. Again, three-fourths of the respondents are looking for increased demand in the commercial loan area, with 92% expecting increases in the installment loan business and 77% predicting an upswing in their real estate loan demand.

On the question of deposits, 94% of the bankers expect savings deposits to increase, while 77% of those surveyed are looking for an increase in their demand deposits.

In predicting where several of the major economic indicators would move in 1972, bankers at the symposium felt that the prime rate would average 5.62%, and that the Dow-Jones Industrial Average would range between 750 and 950. And on the question of the President's New Economic Policy, 95% indicated that they looked favorably on the new measures.

DeLuxe Reports Dividend

A quarterly dividend of 17-1/2 cents per share, payable December 6, has brought total dividends paid by DeLuxe Check Printers, Inc., during the current year to 67-1/2 cents per share, as compared to 60 cents per share in 1970. This figure is adjusted to reflect the 100% stock dividend declared May 19, 1971. J. L. Rose, president of DeLuxe Check Printers, announced at headquarters in St. Paul, Minn., that the company has 5,944,609 shares outstanding, with par value of \$1.00 per share.

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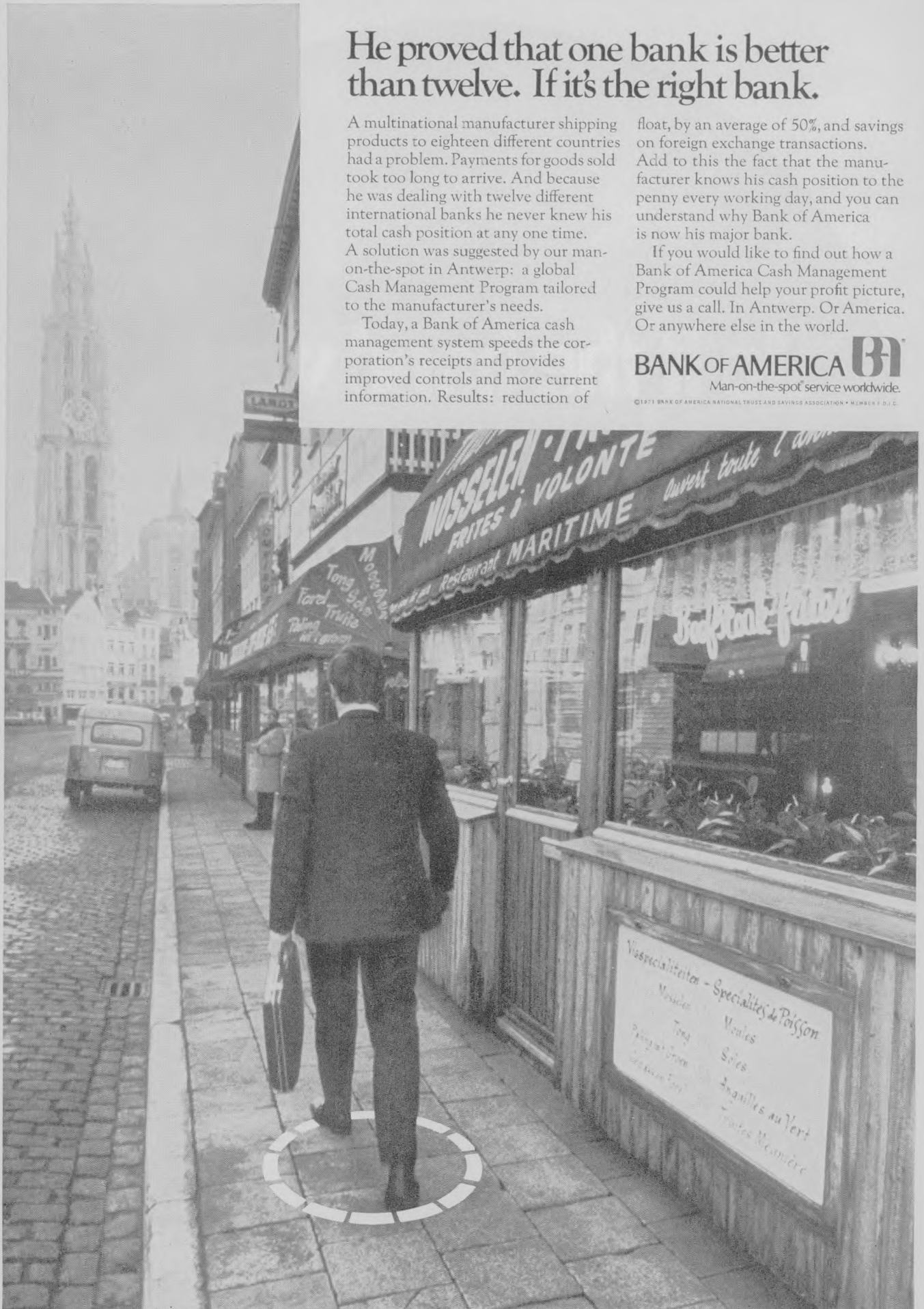
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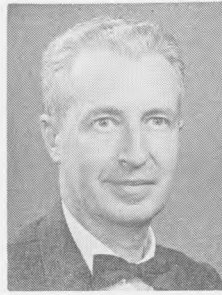
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The Outlook on Holder in Due Course Doctrine



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

ONE OF THE keystones of American banking, at least at the consumer level, is the holder in due course doctrine. As defined in the Uniform Negotiable Instruments Act, a holder in due course is one who has taken the instrument under the following conditions:

1. That it is complete and regular upon its face.
2. That he became a holder of it before it was overdue and without notice that it had been previously dishonored, if such was the fact.
3. That he took it in good faith and for value.
4. That at the time it was negotiated to him he had no notice of any infirmity in the instrument or defect in the title of the person negotiating it.

How much is involved today? We find that in late summer there was something in the magnitude of over \$127 billion of consumer credit outstanding. Of this \$127 billion, \$101 or \$102 billion was in the form of installment credit.

It is in the area of installment credit where most of the question of holder in due course becomes of issue. Consumer advocates have complained for years about what they believe to be the injustice of, for example, a person who has purchased a product which has been warranted and under the common law should perform for a reasonable period of time according to the function for which it was designed, but it does not. When such installment paper representing those products has been bought by third parties such as banks, the banks have, in effect, under the holder in due course doctrine not been

liable for enforcing of the warranties or the performance of the product. It now appears as if banks, through proposed federal legislation, will be held to those standards of the warranty of the paper which they have purchased.

Expanded Liability

This is a tremendous expansion in terms of liability and it is appropriate for all purchasers of consumer paper to consider its implications. The initial reaction no doubt will be that it is a catastrophe, along the lines of the time consuming, complex and not very productive so-called truth in lending legislation. However, there are some interesting possibilities which may emerge from the demise of the holder in due course doctrine. To me the results are going to be completely and diametrically opposite to the goals the consumer proponents seek in trying to do away with the concept.

Specifically, it is generally the poor, the uninformed, the ignorant, the gullible who become victimized by the blue-suede shoe, hard-sell individual who generates the paper that is subject to the greatest abuse; that is, aluminum siding salesmen, dance lesson programs, paper generated by such as health clubs, building modernization contractors and the like.

It is only to a much lesser degree that paper generated by the major appliance and automobile dealers falls into a pattern of real material complaint on warranty. True, there are cases where it does occur, but in terms of the trade-off between the future and counter productive cost of the contingent liability and the incidents, there is very little question in my mind that the finance companies and the banks

that purchase financial paper of this type will build into their discount structure a sufficient area to safeguard them against foreseeable losses.

Dealer Reserves an Issue

But more than that, I think, is the interesting possibility, which so far, very few people seem to have latched on to, and that is what this may well mean in terms of that very fascinating area known as the dealer reserve. Stated simply, a dealer reserve is an amount held at that bank by the financial institution based on paper which a dealer has generated. It is to take care of such things as delinquencies on full recourse paper. Under a demise of the holder in due course doctrine a bank or other financial institution is likely to have more claims against it.

In terms of protecting itself, the creditor is going to insist upon a substantial increase in dealer reserves. Thus, in two areas, one in terms of the willingness of banks to buy the paper, the discount will go up and price go down; that is, the price that the merchant will receive for his paper. This will undoubtedly be passed on to those who cannot pay cash. We will find that those that cannot pay cash are typically those who are the ones that "consumer" legislators attempt to protect by doing away with the holder in due course doctrine.

Because the merchant will not get as much ready cash as he previously did on generating a certain volume of sales, this will in turn mean that he will be more dependent upon outside financing such as floor planning through

DAVIDS . . .

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MORE THAN 1500 bankers and guests attended the conference, representing 650 banks from throughout the U.S. and eight foreign countries. **William T. Dwyer**, head of the correspondent bank division, speaks at the Monday luncheon as (from l.) **Christopher W. Wilson**, exec. v.p.; **Gaylord Freeman**, chmn.; **John E. Drick**, pres., and **H. V. Prochnow, Sr.**, honorary director and former president, look on.

First of Chicago Conference

“Bullish On America In 1972”

By **MALCOLM K. FREELAND**
Publisher

THE economy is going to get better and reach a boom a year from now, and the stock market will go up with it.”

This was the prediction made by Gaylord Freeman, chairman of the board of The First National Bank of Chicago, whose bank sponsored its 25th Annual Conference of Bank Correspondents in Chicago last month.

Bankers attending the Conference were in agreement with the financial experts of the First National in predicting improved business conditions for next year.

In a similar survey last year, only half the delegates expected improvement and half thought conditions would be about the same or poorer.

The survey was taken among more than 800 bankers, representing banks throughout the U.S. and eight foreign

countries, who are attending the two-day conference. Counting wives, about 1,500 attended the Conference.

Compared with the present general structure of interest rates, 22 percent look for higher rates next year compared to about half as many — 12 percent — in last year’s survey. Seventy-eight percent expect rates next year to be about the same or lower, compared to 86 percent last year.

Forty-one percent expect profits at their banks to increase in 1972, compared to only 25 percent in last year’s survey, and 82 percent look for increased deposits compared to 68 percent last year. About 45 percent in this year’s survey said they expect their loan to deposit ratio to increase in the new year, compared to 29 percent in the 1970 survey.

William J. Korsvik, economist and vice president of First National, said that the danger of the new economic program and Phase 2 is not that business in 1972 will not be good, “but that in a sense it will be too good.”

“The risk is that the expansive policies of government—the widening deficit and the rapid growth in the money aggregates—will not be moderated,” he said. “Instead, they will be extravagantly expansive, and inflation, which has been dampened, will burst forth anew in 1973.”

945 in 1972

Howard E. Hallengren, vice president-trust investment division, said the anticipated surge in the economy would bring the Dow Jones industrial average to 945 to 1,071 in 1972.

He noted that he predicted last year at the conference that the industrials

would go to 850 or 875 in 1971 and the market had outperformed this estimate by nearly 100 points.

Mssrs. Korsvik and Hallengren were among 27 executives of First National addressing the 25th annual conference.

Based on anticipated buying by consumers, businessmen and government, Korsvik said the economy will expand sharply in 1972, with total output up 10 per cent and gross national product near \$1.155 billion. Since he foresees a diminution of inflation, he said real output will be up about 6.5 per cent.

Other aspects of Mr. Korsvik’s forecast for 1972 include:

- Corporate profits will rise 15 per cent.
- Unemployment, now at 5.8 percent, will shrink to 5 per cent.
- Consumer spending will rise 10 per cent, and the savings rate will dip from the current 8 cents per take home dollar to near 7 cents.
- Housing starts, which have been up sharply in the last six months, may top out as the flow of savings slows and funds are diverted to capital investment.
- Business outlays for plant and equipment will rise about 7 per cent compared with 2 per cent this year.

Bank Earnings

Turning to the subject of bank earnings for 1972, William T. Dwyer, vice president in charge of the correspondent bank division for the First National, predicated his comments by giving a review of the past. He indicated that in the past five years through 1970, commercial banks have increased their earnings by 45 percent. Looking at earnings for 1971 and 1972, Mr. Dwyer contacted 35 banks

BULLISH . . .

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Nevin Bowser (l.), v.p. in charge of northwest division of First National’s correspondent bank division, and **Ray Johnston**, sr. v.p., Central Natl. B&T, Des Moines.



First National President **John E. Drick** (l.) and **J. Michael Holt**, v.p. of Walker Bank & Trust Co., Salt Lake City, Utah, at one of the Conference sessions.



EXCHANGING VIEWS at the ABA Ag Conference are **Senator Herman E. Talmadge**, chmn., Committee on Agriculture and Forestry, and ABA President **Allen P. Stults**. Mr. Stults earlier aired his views on the government's meddling in farming. Senator Talmadge followed by telling bankers that more government aid to agriculture was on its way.

Stults' Keynote Decries Government "Paternalism" At ABA Ag Conference

KANSAS City was the scene for the 20th National Agricultural and Rural Affairs Conference where over 800 bankers throughout the nation assembled at the Hotel Muehlebach. Thomas R. Smith, chairman of the Agricultural and Rural Affairs Division of the ABA, and president of the First National Bank, Perry, Iowa, presided at the opening general session which was highlighted by a keynote address by Allen P. Stults, president of the American Bankers Association.

The theme of the agricultural conference was "Agriculture — New Dimensions and Directions." In his remarks to bankers at the general session, Mr. Stults decried Federal meddling in farming by stating that "American agriculture is the biggest example of an industry whose energy, ingenuity and vigor have been eroded by government interference." Said Mr. Stults: "For the sake of the long-range health of the industry, let's be sure that government's role in agriculture is restricted to areas where help is clearly essential and that the necessity for self-

reliance and ingenuity is not lessened."

Mr. Stults criticized what he called "paternalism" on the government's part. "Now, I'm not saying that agriculture would have no problems if government weren't involved. That's not true, and history proves it. The government has provided research, land-grant colleges, disaster aid, and other valuable support. But it has step-by-step gotten more and more involved in the whole agriculture business, and instead of helping out when there's a crisis, it's helping out all the time. Is all this help needed and wanted?"

Coinciding with his remarks a month ago at the ABA Convention in San Francisco, Mr. Stults once again indicated his support of President Nixon's efforts to bring an inflationary economy to heel.

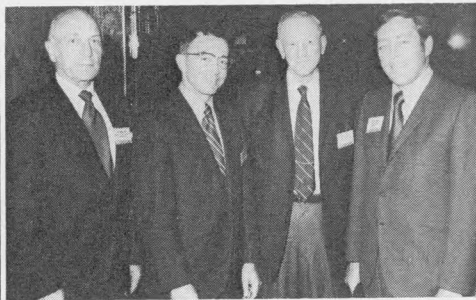
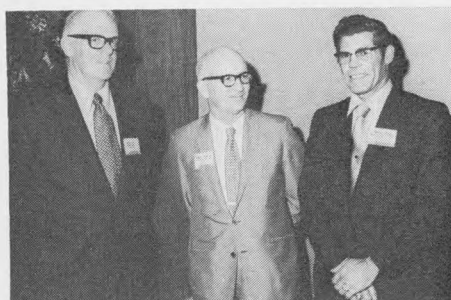
John A. Hopkin, Stiles Professor of Agriculture Finance, Texas A&M University, had some interesting observations as to what possible changes might occur in the demand for farm input services, including custom operations and finance. Both the demand for and

supply of consulting services might be increased according to him. Said Professor Hopkin: "The problems of organizing the marketing functions for this possible growth of part-time and hobby farmers is extremely challenging. The heterogeneous products flowing off these farms do not fit in well with our highly organized system of food distribution based on product specification and standardization. Yet, these farms could comprise such an important part of the total resources and potential supply of a given product that they can not be ignored."

Professor Hopkin cited that in beef cattle production "70% of all the beef cattlemen in the United States have 19 cows or less." In terms of voting numbers, according to Professor Hopkin, the small operation already comprises more than a two-thirds majority of the nation's cattlemen. "Their heterogeneous output accounts for most of the animals moving through local livestock

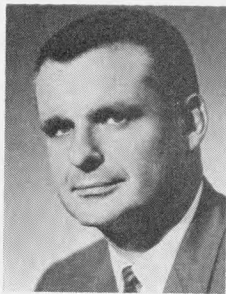
ABA AG CONFERENCE . . .

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FEATURED SPEAKERS at the Ag Conference included **LEFT**—**Ralph E. Mercer**, sr. v.p., Greeley National Bank, Greeley, Colo.; **Bennett L. Lauenstein**, v.p., First National Bank, Chicago, and **Tommie E. Stuart**, v.p., First National Bank, Ft. Worth, Tex. **CENTER**—**Raymond J. Doll**, v.p. & sr. econ., Federal Reserve Bank, Kansas City; **John A. Hopkin**, Texas A&M University; **Conwell S. Sykes**, pres., Commercial National Bank, Greenville, Miss., and **Steve M. Meikle**, pres., Idaho Bank of Commerce, Rexburg, Idaho. **RIGHT**—**Ronald Hughes**, co-owner, Flint Hills Feedlot, Emporia, Kansas; **Carroll G. Brunthaver**, associate administrator, Agriculture Stabilization and Conservation Service, USDA, and **Grant W. Perry**, sr. v.p., First National Bank of Oregon, Portland.

Analysis of Agricultural Statements



By JOHN A. HASLAM
Vice President
National Bank of Commerce
Lincoln, Nebraska

*Presented at the recent
Nebraska Bankers Association
group meetings*

WHEN asked to discuss analyzing ranchers and farmers financial statements my first question to myself was "what financial statements?" I say this because most frequently the only financial statement we have seen on a farmer or rancher over past years is an annual estimate of net worth called a financial statement. The normal farmers balance sheet usually contained:

A. On the Asset side:

1. A rounded approximation of his cash in the bank. This amount is usually of a size to be insignificant in the statement.
2. A current inventory of livestock which may or may not be accurately valued, depending largely upon a point of view.
3. A ball park figure denoting the inventory of grain and feed.
4. A best guess as to the value of other current assets such as cash value of life insurance or other investments.
5. A total of current assets based on the aforementioned.
6. A nebulous figure representing farm machinery and automotive equipment accompanied by the enlightening description of "full line."
7. And last but by no means least in the eyes of many bankers, an abbreviated description of real estate owned with vague title information

and appraised at often optimistic current market value.

B. On the Liability side:

1. Indebtedness to the bank. Fortunately since most farmers borrow at only one bank, this figure is usually fairly accurate.
2. Liens on farm implements and automotive equipment. I would hope this figure is fairly accurate but it nearly never shows the current debt service requirement; that is, how and when payments will fall due.
3. Other loans. On the old Federal Reserve statements it said in small print "Itemize and state maturities." This was seldom done.
4. A rough estimate of accounts payable.
5. A list of due and unpaid taxes. Since in our state most farmers don't have any both due and unpaid, these spaces are seldom used.
6. A total of current liabilities.
7. Liens on real estate. Again the small print may say "Specify maturities and to whom payable." In some the lender or contract seller is shown but rarely is the current debt service requirement shown.
8. Total indebtedness. Hopefully.
9. Then the difference between the aforementioned asset ap-

praisal and total indebtedness is shown as net worth. This is a sure way to make a balance sheet balance.

With no more financial data than was available from this, there was really very little analyzing possible. However, with this amount of information coupled with chattel and real estate mortgages, UCC security interests and occasionally inspection reports, farm and ranch bankers have suffered minimal losses over the past several years. There is probably several reasons for this, not the least of which was conservative lending policies in relation to security and real asset strength, coupled with increasing land values caused largely by an inflationary expansion of total money supply. In recent years we have seen the inflation have a far more drastic effect on living and operating costs than on fixed assets. It has also had an inverse effect on the prices of the products the farmer and rancher have to sell. In order to counter this cost price squeeze, farmers have had to drastically increase productivity which has caused a spiralling increase in the use of borrowed capital. With equity not expanding as rapidly as debt, the traditional conservative lending methods are often not serving the needs. For these reasons, the old credit tools can not completely serve the purpose in the years to come. Therefore, in order to serve the growing farmer or rancher in the future we will certainly have to do more detailed analysis than simply a progressive comparison of net worth and security appraisal.

It would appear that in the past few years, agriculture as a business has begun to grow up. This growth will surely continue at a rapid pace in the future. Farmers in the next generation will have to improve as much as business men as their fathers did as producers. *So will their creditors.* Ag credit will have to be treated like any other business credit. Farming will become

ANALYSIS . . .

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Legal Questions and Answers



■ This material is intended for general information. It may or may not apply in specific cases and your own counsel should be consulted in all instances.

Wendell B. Gibson

General Counsel, Iowa Bankers Association. General Practice of Law—26 years.

Member—Advisory Committee, Supreme Court of Iowa.

Former Secretary—Iowa State Bar Association—National Conference of Judicial Councils

—Special Committee, American Bar Association on Improving the Administration of Justice.



Q. What, exactly, is a "loan shark"?

A. It's not really a precise term. In general use, it means a person who charges too high a rate of interest on a loan. In a recent case, the Supreme Court of the United States looks into the congressional debates and uses the term to describe a lender who uses violence or other criminal means as a method of collecting a debt. A high rate of interest is a characteristic of the loan shark but not necessary to a violation under Title II of the Consumer Credit Production Act of 1968 which makes an extortionate credit transaction a federal crime. A rate of interest of more than 45 per centum on a loan makes the prosecutor's job easier.

The U.S. Supreme Court case was concerned with the question of whether a conviction was valid without proof of any connection between the extortionate acts and interstate commerce. In other words, whether or not Congress could make seemingly local activity into a federal crime. The Supreme Court decided that organized crime af-

fects interstate commerce and that loan sharking in its national setting is one way that organized interstate crime holds it guns to the heads of the rich and poor alike and syphons funds from numerous localities to finance its operations.

Q. What did the Supreme Court of the United States decide about the operation of a mutual investment fund by a bank?

A. They decided that the operation of such a fund would be a violation of the federal law (the Glass-Steagall Act) prohibiting the underwriting, issuing, selling and distributing of securities by a national bank. The Court points out that the federal law was enacted in 1933 to stop banks from engaging in the investment banking business either directly or indirectly through security affiliates.

The Congressional purpose was not only to forestall possibly speculative and imprudent investment of a bank's assets but also to:

(1) protect public confidence in the bank should an affiliate fare badly,

(2) remove temptation which might exist to make unsound loans or extend other aid to an affiliate in trouble,

(3) eliminate the risk that the bank would make its credit facilities more freely available to companies in whom the affiliate had invested or even make unsound loans to such companies,

(4) preserve customer good will because depositors might sustain losses on stocks which they had purchased in reliance on the reputation of the bank,

(5) prevent the making of loans with the expectation that the proceeds would be used to purchase securities from the affiliate,

(6) clear the air so that the commercial banker may satisfy his obligation to render disinterested investment advice,

(7) make sure that the trust departments of banks might not be called upon to bail out the securities affiliates and, in general,

(8) keep banks from becoming promoters and salesmen of securities.

The operation of an investment fund could involve these kinds of abuses which Congress intended to eliminate. These hazards are not present when a bank purchases stock for the accounts of individual customers, or acts as managing agent or commingles trust assets.

Q. Why does the appeal of a law suit cost so much?

The problem is that the entire proceedings in the lower court usually have to be reproduced in their entirety and placed in a form which can be used by the appellate judges. Then, of course, the lawyers have to present their appeal points and argue the matter, both orally and in print. This means the court reporter and a typist must spend many hours in preparing a transcript and the lawyers are called upon to prepare a record, do their research and produce briefs and arguments. Printing is usually involved. All of this is to assure justice by providing a complete review. The fees in appellate courts are nominal. The American Bar Foundation is financing a study of the appellate process to define the serious problems and recommend solutions. The result may cut costs but there is no prospect of great savings. Of course, poor people may be authorized to proceed by the appellate court without costs.



In Montana

Bank and PCA Loan Participation Is Working



Written Especially for
THE NORTHWESTERN BANKER
By **JAMES A. WEMPNER**
Vice President
Midland National Bank
Billings, Montana

ALTHOUGH it has been recognized for a long time that cattle from Montana do well in feedlots, it is only recently that we have started to finish cattle within the state in appreciable numbers. The demand for bank loans by local feeders for the purchase of cattle and feed, along with a general increase in demand for agricultural loans, began to be felt in the early and mid-sixties.

Commercial loan demand coincided with the agricultural loan demand, and it became apparent that if our bank was going to be of service to the agricultural community an additional source of loanable funds would have to be obtained. Participation of over-line portions of our credits to correspondent banks had previously been utilized, and we began to participate credits that were not over-line in order to make room for legitimate requests of present customers. Our correspondents were witnessing the same credit demands we were, so it became apparent that normal participation channels would not be sufficient.

Discussed with PCA

Because we had a good relationship with and confidence in the local Pro-

duction Credit Association, we discussed the local agricultural credit needs with the manager, Clyde Rader. It was suggested that since they had an adequate source of loanable funds through their relationship with the Intermediate Credit Bank they consider accepting participations in credits of some of our select borrowers. As this was a new concept and no precedents had been set, it became apparent that it would be some time before approval could be granted.

In the interim, we directed certain of our selected customers to the Production Credit Association to negotiate three year loans, using their present equipment as collateral with the understanding we would continue to loan operating funds. This procedure gave our customers additional working capital without draining our funds and gave the Production Credit Association an earning asset on a good customer with limited risk and supervision.

The proposal for a commercial bank—Production Credit Association participation agreement met with apparent success and was about to be approved in 1966 when the cost of money rose above the 6% top that the law allowed the Federal Intermediate

Credit Bank to pay on its debentures. This caused the Production Credit Association's source of loanable funds to dry up and, consequently, Mr. Rader received a letter requesting he terminate our negotiations for a participation agreement.

FICB Aids Banks

In the fall of 1969 we visited with Carl Nyberg who was then the president of the Federal Intermediate Credit Bank of Spokane to determine if there was some way we as a commercial bank could obtain funds through the Intermediate Credit Bank similar to the way the PCA's were obtaining their funds.

It was through this meeting that I first became aware that the Federal Intermediate Credit Bank was established primarily to assist commercial banks in obtaining funds to loan to agriculture. It was also determined that present regulations allowed commercial banks to either discount paper with the FICB or borrow direct using as collateral qualified agriculture loans in the bank's portfolio.

Suggested Program

Our bank is a member of the First

Bank System, which has approximately 17 commercial banks scattered throughout Montana that were witnessing the same credit demands we were. It was felt that the formation of a subsidiary corporation of the Montana affiliated banks which could handle discounting of agricultural paper through the Federal Intermediate Credit Bank would have merit. The experience of trained agricultural lenders strategically located throughout the state with an adequate supply of loanable funds could be an asset to the agricultural community.

The proposed agricultural credit corporation would serve as the liaison between the individual banks and the Federal Intermediate Credit Bank, consequently, any supervisory or credit evaluation responsibilities of the Federal Intermediate Credit Bank could be concentrated in one location and with one staff. Through this method new capital from money centers of the nation would find its way into Montana agriculture.

Proposal Authorized

This proposal was presented at the annual meeting of the Montana PCA managers in April of 1970 by Mr. Barratt of the Federal Intermediate Credit Bank. We were not in attendance at this meeting but understand that the presentation met with mixed feelings.

Subsequent to this meeting, which possibly served as a catalyst, the Federal Farm Credit Board in August of 1970 authorized implementation of a program for Production Credit Associations to participate with commercial banks in loans to farmers. The program is experimental for two years and expires August 7, 1972. During this trial period not more than two Production Credit Association—Commercial Bank participation agreements are to be in effect for the district served by the Spokane Intermediate Credit Bank.

Participation Agreement

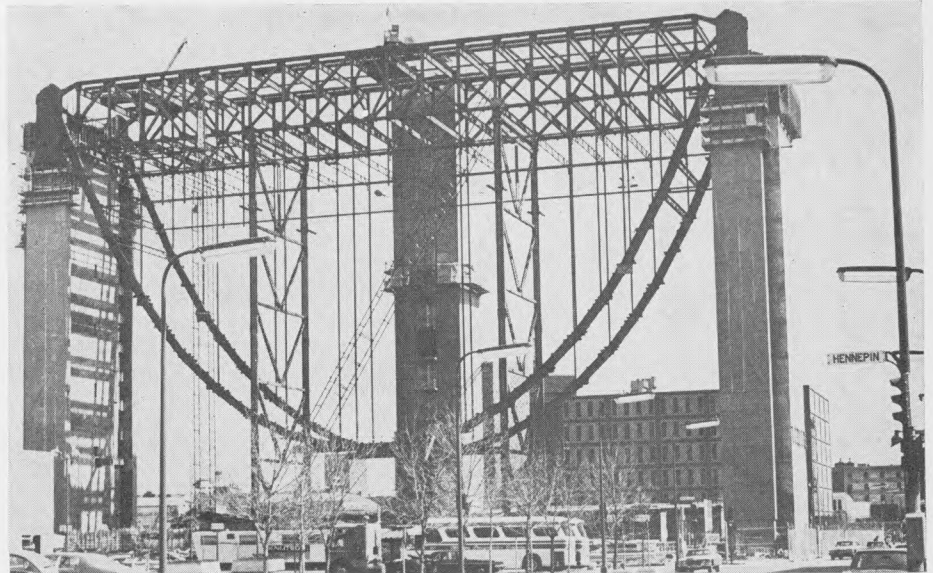
The participation agreement contains all of the general guidelines within which a Production Credit Association must operate and provides for the contractual working arrangements between the PCA and the commercial bank.

If the bank participates a portion of the credit over and above the bank's

BANK AND PCA . . .

(Turn to page 80, please)

Ninth Federal Reserve Is Making Building History



GRACEFUL SWEEP of catenaries reveals the unique structural design of the new Federal Reserve Bank building in Minneapolis. The curves will be visible in the glass facade of the finished structure. One of the 92-ton weldments can be seen on top of the left tower. The towers are strong enough to support six more floors should expansion become necessary. Completion of the \$30 million project is scheduled for fall of 1972.

By **JERRY KVIST**
 Long Lake, Minnesota

A REVOLUTIONARY new design and some ingenious construction methods are focusing national attention on the new Federal Reserve Bank going up in Minneapolis.

It's the first, all-new head office in the system to be built in half a century, and what a break with tradition!

Instead of massive Corinthian pillars, like bars sealing out people, most of the site will belong to the public. A spacious, two-and-a-half acre sloping plaza of granite, lined with shade trees and benches, will be the setting for outdoor concerts and other gatherings.

The block-square project is bounded by Nicollet and Marquette Avenues and Washington South and South Third Street.

The structural idea for the office tower is so radical that no prototype exists. To eliminate columns that would interfere with the intricate and complex vaults, architects Gunnar Birkerts & Associates, Birmingham, Michigan, came up with a plan based on the suspension bridge principle.

Each of the bank's 12 floors will be a block-long clear span, supported by hammock-like catenaries. No occupied floors have ever stretched that far before without columns. Instead of piers to anchor the catenaries, however,

trusses between the tops of the towers will relieve the stress of the 56-million-pound weight of the building.

The unorthodox design posed some unique problems for the general contractors, Knutson Construction Company, Minneapolis.

To hoist the four steel "weldments" to the top of the 230-foot towers, the largest crawler-crane ever used in this area was brought in. With its 260-foot boom, even this piece of equipment was taxed to near capacity. But these key parts, each weighing 92 tons (see photo) and used to anchor both the catenary and truss systems, were eased into place without a hitch.

To pour and face the concrete support towers, the Knutson people developed a technique especially for this project. The result, using a three-level scaffold, was the pouring, reinforcing and granite facing all done in one operation.

Even with so large a portion of the space reserved for the public, it is hard to imagine a more efficient use of space for bank business. Like a huge iceberg, most of the new bank will be out of sight, hidden beneath the plaza. That's where the secure section is shaping up—three impregnable levels where the treasures will be transferred and stored. The only way to get in will be through the 20-foot wall on the Marquette Avenue side.—End



CONGRATULATING Chet Huntley (center) for his address at the 25th Annual Conference luncheon are Clarence C. Barksdale (left), pres., and Edwin S. Jones, chmn., of the host First National Bank in St. Louis.

First National, St. Louis Predicts:

“1972 Will Be A Good Year”

By **MALCOLM K. FREELAND**
Publisher

LABOR leaders who continue to demand wage hikes far beyond the capacity of their employers' capacity to match higher costs with increased productivity are pushing their unions to an “ugly showdown” with the rest of America.

This warning was given by Chet Huntley, retired NBC-TV news commentator, who spoke before 1,200 bankers attending the 25th Annual Conference of Bank Correspondents sponsored by the First National Bank in St. Louis last month.

Mr. Huntley declared the long dock strike, which is denying millions of America's farmers overseas markets for their products, is a good example of the need for laws that protect the rights of all citizens.

Speaking on the economic outlook,

Frank K. Spinner, senior vice president of the host bank, predicted that “1972 will be a good year.” According to Mr. Spinner, interest rates will continue to move lower with the prime rate declining to 5 per cent sometime in the first half of 1972. He added that as rates charged by banks decline, so also will interest paid on savings be reduced. Mr. Spinner predicted that the Dow-Jones average has an excellent chance of breaking the 1,000 barrier before the November elections.

A survey conducted by the bank at its conference indicated that 77.5 per cent of the 1,200 delegates felt that President Nixon will be re-elected and that they support the President's economic policies. The bankers felt that Sen. Edmund Muskie, Dem. of Maine, will be Mr. Nixon's opponent and that Spiro Agnew will again be Mr. Nixon's running mate. A total of 49.5 per cent of the bankers thought the employment rate will be lower next year, and about

36 per cent thought that it would be about the same.

Edmund S. Jones, chairman of the First National, presided at the conference, which featured a series of three workshops on public relations and advertising, investments and trusts, and bank lending policies and procedures. President Clarence C. Barksdale was moderator for the advertising panel; Frank Spinner was moderator for the investment group, and William J. Chapman, senior vice president, was the moderator for the lending forum.

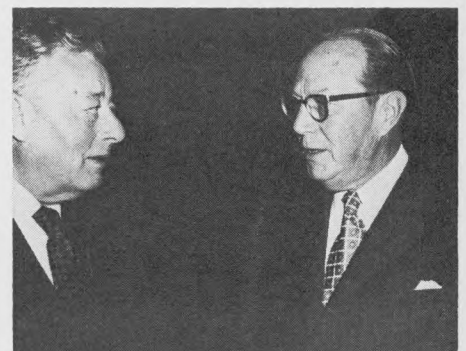
Benjamin C. Korschot, senior vice president of the St. Louis Union Trust Company, and chief investment advisor, refrained from predicting any new high for the Dow, but did say that the present weakness of stock prices has about bottomed out. He said, “Any further meaningful decline in the stock market averages seems unlikely.”

C. Arthur Hemminger, vice president in charge of the First National's advertising department, who is a nationally-recognized financial advertising authority, suggested that bankers place special emphasis on the element of believability in preparing advertising. Lawrence P. Quigley, assistant vice president in marketing for the host bank, described his bank's “Good Earth Campaign.” The campaign includes “Good Earth C.D.'s, a special loan fund of \$5 million, a Girl Scout tree planting program, and the development of a long-range plan for industry. Mr. Quigley listed new marketing innovations and included ideas such as credit cards with customer's picture, the “Good Earth C.D., scenic checks, one statement banking, automated cash machines, and computerized tax programs.

The conference was concluded with a social hour, banquet and entertainment by Anita Bryant, star of stage, screen, radio and TV.—End.



PANEL on investments and trusts was one of three panels featured at the 25th annual conference of bank correspondents sponsored by First Natl. Bk. in St. Louis. Shown from left are: Benjamin C. Korschot, sr. v.p., St. Louis Union Tr. Co.; Frank K. Spinner, sr. v.p., host bank, and Paul H. Knoblauch, pres., First Natl. Bk., St. Charles.



BETWEEN SESSIONS — Carroll Burton, consultant, St. Louis Union Tr. Co., and Robert Sterling, pres., Bankers Tr. Co., Des Moines, visit at 25th conference.



WORKSHOP SESSIONS at the ABA Ag Conference were headed by these prominent bankers in the U.S. (Left to Right): **Farm Lending**, **Raleigh J. Solomon**, v.p., Citizens National Bank, Macomb, Ill.; **Harold A. McCutchan**, v.p., Peoples Bank and Trust Company, Mt. Vernon, Ind.; **Vernon E. Whisler**, v.p., American National Bank, St. Joe, Mo. **Maximizing Correspondent Bank Relationship**, **Robert L. Walton**, pres., Farmers and Merchants State Bank, Bushnell, Ill.; **Robert E. Knight**, economist, Federal Reserve Bank, Kansas City, Mo.; **Ernest L. Harms**, v.p., Commerce Bank, Kansas City, Mo. **Financing Irrigated Agriculture**, **L. M. Novak**, exec. v.p., Union Bank and Trust, Lincoln, Nebr.; **Hoy B. Etling**, exec. v.p., Fidelity State Bank, Garden City, Kans., and **Arlin Avery**, ag rep., Bank of New Madrid, New Madrid, Mo.

ABA AG CONFERENCE . . .

(Continued from page 17)

auctions in many areas of the United States."

Senator Herman E. Talmadge, chairman, Committee on Agriculture and Forestry, told bankers regarding United States expenditures towards the economic development of foreign nations that "it is a matter of fact that the U.S. has made available to foreign countries for economic development a total of almost \$103 billion since 1946. Of this, about \$60 billion was in the form of grants, while loans totaled

about \$43 billion." Senator Talmadge feels that if the United States can make a gift of over \$60 billion toward the economic development of foreign nations it can "at least begin to show an interest in our own rural areas."

Willis Alexander, dynamic executive vice president of the American Bankers Association, presented bankers with some startling challenges on community banking in the 1980's. "The community banker of 1980 will face sterner and more pervasive competition than he has faced to date . . . we may have to give up trying to be all things to all people. At a minimum we may meet some markets' needs by pro-

ducing the service, others by brokering it." Mr. Alexander also warned that the banker of tomorrow will also be called upon to discriminate in choosing the methods by which he renders public service. "It may not be enough for him to serve on the school board or to fill another position that others could easily fill."

Derl I. Derr, director, and Edward J. Trainor, assistant director, of the Agricultural and Rural Affairs Division of the ABA were instrumental in the planning and coordination of the 20th conference. It was announced that next year's conference will be held in Denver, Colorado.—**End.**

ANALYSIS . . .

(Continued from page 18)

more and more a pure business and less and less a life style.

Now that we have established that there will certainly be a need for more sophisticated analysis of ag credit, let's attack the problem from two sides:

*What can be done
with what is available?*

AND

*What more do we need
to do a better job?*

First, what can be done with the present tools. This depends largely upon what the present tools are and how well they have been used. If there is nothing but ball park statements as earlier described and a general security agreement, there is really very little that can be done except a check to see if the assets are reasonably appraised. If we have kept a historical file of these statements there are some useful comparisons that can be made. Examples include:

1. Ratio of livestock and grain inventory to bank debt. Be careful that the asset pricing is realistic and fairly consistent.
2. Appraisal increase in real estate to gain in net worth. It is easy

- to be soothed into thinking a farmer is making progress by watching net worth or debt to worth when he could be losing money in his operation. We have many cases where the appraisal increase in real estate has actually been greater than the increase in net worth. This should indicate very poor operating results.
3. Working capital trend. If the assets and debts are reasonably valued and properly categorized, this can be a good indicator of operating progress. By properly categorized, I am primarily referring to term debt service requirements and separation of intermediate term debts and assets.
4. Consistency of machinery valuation. Is depreciation being recognized? Remember that if inflation is holding the value of machinery, it is also raising the cost of replacement and obsolescence can take its toll. In the long run, it will still take cash.
5. If we have regular inspection reports, we can trace the trend of liquid security margin.

The second attack on the problem of analysis is to improve the tools with which we work. In the future we will

need more than a balance sheet. Among other things, I would expect the next generation of farmers and ag credit men to regularly use some or all of the following:

1. Good operating statements that can be reconciled to the balance sheet as is the practice in other businesses today.
2. This would likely mean balance sheets based upon cash or cost inputs rather than appraised value and would be adjusted for obvious after-tax capital gains and losses realized or deferred. The more progressive the farmer, the more sophisticated his accounting will become.
3. Cash flow statements, both historical and pro-forma will become more common. Many farmers in the future will prepare realistic budgets and try to follow them rather than making operating decisions on the whim of the day.

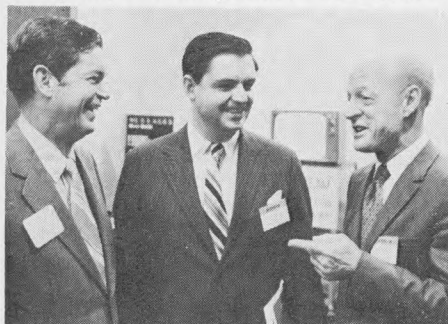
As the farm customer becomes more of a businessman, and most will have to, to survive, the tools of ag credit analysis will become more readily available. It will be our task to properly interpret them and make sound credit decisions thereon.—**End.**

"Bullish on America in 1972"

(Continued from page 16)

in various deposit groups to obtain the following information:

"First, 54% of the smaller banks are showing a decline in earnings for both the 4th quarter as well as the full year 1971. Of the larger banks, 50% will show a decline in earnings for the full year, but only 36% will have a



William T. Dwyer, (l.) v.p. and head of The First National Bank of Chicago's correspondent bank division, greets **Richard Frey** (center), chmn. of Chicago's Lake Shore National Bank, and **Fred Heitmann**, pres. of the NorthWest National Bank of Chicago.

lower 4th quarter. This may indicate that the larger banks are solving the problem quickly.

"Second, 60% of the smaller banks expect a strong loan demand next year. 54% of the larger banks look for a stronger demand. The majority of banks in each category feel that this demand will surge in the last six months of 1972.

"Third, 77% of the smaller banks feel that rates will ascend during the year and 92% of the larger banks feel that rates will climb as the year progresses. This represents the net results as these banks see it, but I must point out to you that several banks in each category feel that late this year and early in 1972, loan rates may be lower than they are now.

"Third, and finally, I learned a great deal from this exercise. I am more certain than ever that the smaller banks which are intelligently led; which have developed an advanced degree of formal planning and objective setting; and those smaller banks which carefully define their market and their own individual opportunities vis-a-vis the larger bank — I believe that smaller banks which follow these routes can expect to compare very favorably with the earnings performance of the multi-billion dollar bretheren.

"Fourth, basically, they all agree that the declining gross profit margin

for banks is a real problem, but they don't intend to cut the passbook savings rate to alleviate this problem. 85% of the smaller banks and 86% of the larger banks felt that rates would be held. Parenthetically, I should point out that 1 of the larger reporting banks has already cut its rate to 4% across the board and another has reduced its rate to 4% on all savings passbooks in excess of \$10,000. In the latter case, I think that this is a marketing device to move depositors with larger funds into longer term savings C/D's.

"Fifth, I asked what effect Phase II and/or other economic controls would have on their earnings. 66% of the smaller banks and 70% of the larger banks said that such controls will probably have a *negative effect* on earnings. However, there were some interesting dissidents to this view. These banks



Chauncey E. Schmidt, First National sr. v.p., commercial department, domestic section, addresses the closing banquet.

with opposite views feel we will have a better handle on controlling costs and that accompanying higher rates and increased volume will stimulate earnings.

"My reactions to these interesting and comprehensive replies are as follows:

"One, loan demand will be strong and rates will be moderately higher. This suggests a favorable trend in earnings for next year.

"Two, competition for the savings

dollar will be intense. There is nothing new about this, but there is probably a better chance next year to fund increased loan demand from an increase in deposits rather than such a great reliance on outside money sources.

Chairman Gaylord Freeman addressed the annual banquet on the subject, "What Your Husband Is Worrying About — and How You Can Help Him." Directing his message to the wives attending the Conference, Mr. Freeman gave his views on three major areas: (1.) the economy, (2.) the international monetary problem, and (3.) the divisiveness within the United States. It was at this time that he predicted that the "economy is going to get better and reach a boom by a year from now, and the stock market will go up with it."—End

Exchange Volume Strong

Despite uncertainty surrounding the Presidential price freeze, volume on the Chicago Mercantile Exchange continued its strong advance in October, Everette B. Harris, Exchange president, announced.

Trades totaled 259,802, an increase of 61,598 or 31.1 percent over the October 1970 volume. This followed a rise of 45,467 to 238,650 transactions in September, an improvement of 23.0 percent over September 1970.

Trades in the two-month September-October period totaled 498,452 up 107,065 or 27.4 percent from the year-earlier period.

Volume for the first 10 months was 2,130,164 trades compared with 2,904,545 for the 1970 period, a decline of 9.4 percent.

Conill to Publish Special Magazine

Conill Corporation, parent company for Continental Illinois National Bank and Trust Company, Chicago, has released the first issue of its new quarterly publication, which it termed "a new departure in corporate financial reporting."

Continental Illinois Quarterly will be published four times each year: an annual-report issue in February and subsequent issues about one month after the close of each fiscal quarter.

CIQ will contain two sections; the latest financial report and a magazine containing in-depth articles about activities of Conill and its subsidiaries.

Members of ABA Correspondent Banking Executive Committee



EXECUTIVE COMMITTEE members of the newly organized ABA Correspondent Banking Division, who attended a special forum at the ABA convention, are shown in the above photo.

Front Row — **James E. Brown**, sr. v.p., Mercantile Tr. Co., St. Louis; **Victor H. Winfrey**, exec. v.p., United California Bank, Los Angeles (div. vice chmn.); **John F. McGillicuddy**, pres., Manufacturers Hanover Tr. Co., New York (chmn.); **Dale C. Smith**, exec. v.p., Central Natl. B&T Co., Des Moines, and **D. Raymond Riddle**, sr. v.p., First Natl. Bk., Atlanta.

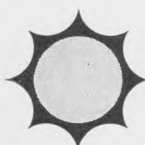
Back Row — **Robert F. Wheeler**, sr. v.p., New England Merchants Natl. Bk., Boston; **J. Grant Byus**, sr. v.p., Texas Commerce Bank, Houston; **Roger A. Lyon**, sr. v.p., The Chase Manhattan Bank, N.A., New York; **Charles T. Fisher, III**, exec. v.p., Natl. Bk. of Detroit; **C. Paul Lindholm**, v.p., Northwestern Natl. Bk., Minneapolis; **Marvin F. Owens**, sr. v.p., The Central Bank & Trust Company, Denver, and **Donald N. Baxter**, v.p., Marshall and Ilsley Bank, Milwaukee.

Committee members not pictured are: **Philip L. Cornell**, exec. v.p., Seattle First Natl. Bk.; **F. Phil Giltner**, pres., First Natl. Bk., Omaha; **John F. Goodwin**, v.p., The Fort Worth Natl. Bk.; **Joe L. Hamilton**, 1st v.p., Citizens Fidelity Bk & Tr. Company, Louisville; **Hugh L. McColl, Jr.**, exec. v.p., North Carolina Natl. Bk., Charlotte; **James C. Merkle**, pres., Union Planters Natl. Bk. of Memphis; **Robert C. Suhr**, sr. v.p., Continental Bank, Chicago, and **Eugene Swearingen**, pres., Natl. Bk. of Tulsa.

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Sponsors Golf Tournament for 200 Bankers

OVER 200 bankers from across the nation participated in the recent 2nd Annual Security Invitational Golf Tournament at Pebble Beach, Calif., receiving over \$10,000 in prizes. Host for the event was Security Corporation, Santa Ana, national marketer of equipment for financial institutions. The tourney preceded the 97th Annual American Bankers Association Convention in San Francisco.

Top winners in the tournament included: (1) William Greene, president, Carter County Bank, Elizabethton, Tennessee; (2) George Thoroughgood, vice president, Merchants Bank, Cleveland; (3) John Schneider, vice president, Security Pacific Bank, Los Angeles, and (4) Dan C. Ulmer, senior vice president, Citizen Fidelity Bank, Louisville, Kentucky.

Longest drive honors went to Paul W. Gandrud, president, Swift County Bank, Benson, Minnesota, while the hole-in-one competition was won by Jack C. Frey, executive vice president, American National Bank and Trust Co. of Waukegan, Waukegan, Illinois. Mr. Frey's ball on the 12th hole at Spyglass Hill came 9-1/2 inches from

winning him a Cadillac El dorado convertible.

In the evening, approximately 400 banking-business guests participated in the golf awards celebration at the Del Monte Hyatt House, as the \$10,000 in prizes were given winners.

Next year's Security Invitational Golf Tournament takes place at the Great Southwest Golf Club, Dallas, Texas, immediately preceding the 98th Annual ABA Convention. Bankers interested in participating are invited to contact Andy Barber, tournament director, Security Corporation, 1202 McGaw Avenue, Santa Ana, California 92705, (714) 549-0394.

Security Corporation is a Southern California-based firm marketing a full line of equipment to financial institutions including vault doors, safe deposit boxes, night depositories, alarms, and drive-up banking systems. Distribution is accomplished through a national network of independent dealers.

Manufacturers Hanover Executives are Honored

The Colombian Government has conferred its highest honor available to a foreigner on John F. McGillicuddy and James R. Greene, president and senior vice president, respectively, of Manufacturers Hanover Trust Company, New York.

The award, the Orden de Boyaca, was presented to Mr. McGillicuddy and Mr. Greene at the Colombian Bankers Association convention and recognized MHT's financial services to Colombia as well as the leadership of the recipients.

Mr. McGillicuddy accepted the award "on behalf of our team of experts which has been responsible over the years for MHT's services to Colombia."

Manufacturers Hanover historically has had close ties with the Colombian financial and industrial community, including important business relationships with every major Colombian private banking institution.

MHT also has financed on a significant scale such Colombian Government institutions as Instituto de Fomento Industrial, Banco Cafetero, Banco Popular, and Banco de la Republica—from the movement of goods in international trade to major

term loans for important infrastructure projects.

Evanston Street Sweeps

Spearheaded by Alderman Jim Moran and the Evanston Bank, the Southeast Evanston Community held a Street Sweep last month. About 150 people came. Armed with brooms, brushes, rakes, plastic bags, bushel baskets and warm clothing, they began assembling at the Evanston Bank parking lot shortly before 1:00 p.m.

The objective of the project was to rid a 3-square mile area of sight pollution: cigarette butts, candy wrappers, bottles, cans, outdated political posters, newspapers, the works. The assigned area extended from Evanston's southern and eastern boundaries to Ridge Avenue on the west and Dempster on the north. Over 3 tons of trash was collected in about 3 hours. A highly or-



ARMED with clean-up equipment, these volunteers wait at Evanston Bank drive-up for starting signal.

ganized operation, teams of five were deployed to different streets in the area, and team leaders were chosen to note especially hard to clean spots for a follow-up campaign. Municipal employees cleared debris from collection points established prior to the street sweep.

BAI Research Sessions

Applications are being accepted now for admission to one or several of three 1-day experimental research briefing sessions which will be sponsored by Bank Administration Institute at Institute headquarters, Park Ridge, Ill., December 15-17.

The sessions will provide an opportunity for experienced bank personnel in groups of 10 to 15 to exchange practical ideas under the guidance of a capable chairman. When suitable, formal presentations will be made to augment the discussion. The subjects and discussion chairmen are:

December 15—Personal Bill Paying Plan, George C. White, Jr., vice

Quote from one farm lender to another:

“ It has served to strengthen our correspondent banking program. ”

(Ralph L. Brown,
Assistant Vice President
Midland National Bank
Minneapolis, Minn.)

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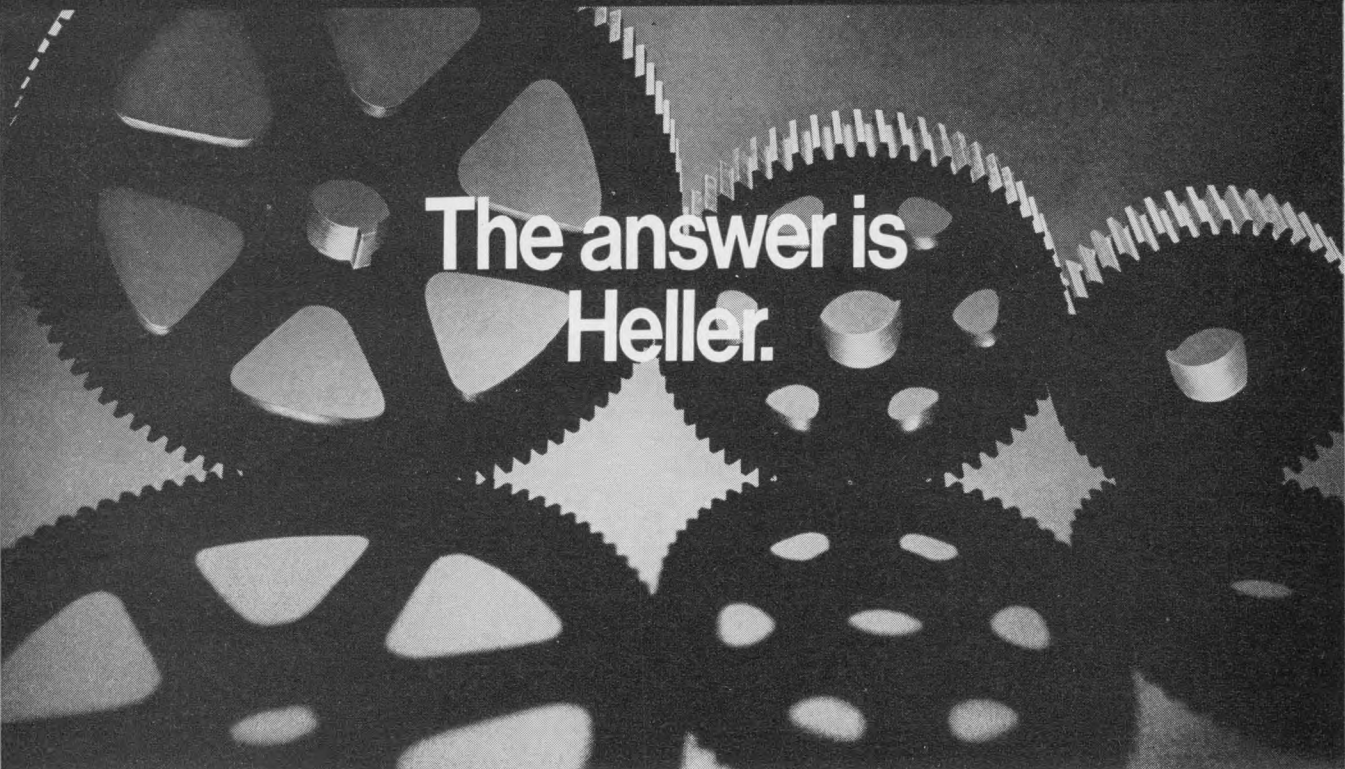
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Northwest Bancorporation Organizes Joint Venture to Market Tax-Exempts

PARTICIPATION of our major banks in northwest Bancorporation in a joint venture, BancNorthwest, for underwriting and dealing in tax-exempt securities on a national scale has been announced.



C. E. LUNDFELT

Partners in the enterprise are: Iowa-Des Moines National Bank, Des Moines; United States National Bank, Omaha; Northwestern National Bank of Minneapolis, and Northwestern National

Bank, St. Paul.

BancNorthwest will have available operating funds in excess of \$15 million dollars contributed by the initial participating banks.

BancNorthwest officials stated, "We have done considerable research in the area of underwriting and dealing in tax-exempt securities on a national and regional basis. We feel very strongly that improved distribution of these securities will benefit the issuing agencies through broader ownership of their bonds, and at the same time, the new organization can provide a wider selection of appropriate investments

for our corporate, individual and correspondent bank customers."

Chairman of the Board of BancNorthwest is G. Richard Slade, vice president of Northwestern National Bank of Minneapolis.

President of the venture, effective January 1, 1972, will be Charles E. Lundfelt who has resigned as senior vice president and manager of the bond department of La Salle National Bank in Chicago. He will have, as an initial responsibility, the establishment of a representative sales office in Chicago and will have overall management responsibility for BancNorthwest with particular concern for sales and distribution of securities.

Walter A. Hintz, vice president in the Northwestern Bank bond department, will be responsible for the Minneapolis regional office which services correspondent banks and other customers in the Minnesota, North and South Dakota, Wisconsin and Montana area.

Robert J. Wissler, vice president of the Iowa-Des Moines, will continue to head up the bank's bond department, in addition to assuming responsibility for BancNorthwest's regional office in Des Moines serving banks and other customers in Iowa, Illinois, Missouri, Wisconsin, and Nebraska areas.

president, Irving Trust Company, New York City.

December 16-Check Retention (Non-Return of Checks), George Ehrhardt, Jr., senior vice president, Colonial Bank & Trust Co., Waterbury, Conn.

December 17-Cash Dispensing Machines, Richard G. Brown, cashier, and George Epiney, vice president, LaSalle National Bank, Chicago.

Applications should be addressed to the Registrar, Education Division at BAI, P.O. Box 500, Park Ridge, Ill. 60068, with check for \$40 for each session and statement of applicant's bank experience and session desired.

DAVIDS . . .

(Continued from page 15)

the bank or other financial intermediary.

Liability a Cost Factor

Another area of cost where there is likely to be change developed is in the

requirement which banks will impose upon the dealer, possibly even up through the manufacturer. The manufacturer, in effect, will either through some escrow, warranty, bonding or insurance program, help alleviate the worries of the bank that it may have contingent liability to the ultimate purchaser. What this will do, of course, is add an additional layer of expense and counter productive activity. It should make money for some people who are in that field, say, of the equivalent of credit life insurance or of other similar situations.

Effect on Credit Cards

One other area that is kind of intriguing to conjecture about is what the doctrine may do to the use of credit cards. In effect, the use of a credit card to purchase a piece of merchandise which is then proven to be defective, as I understand it, would mean the bank itself would become involved in the corrective process. It may very well

be that this type of legislation might encourage the banks to directly lend to the credit card holder in the form of a cash advance rather than extending through the merchant himself. This, of course, would turn back the clocks on a lot of progressive type of merchandising techniques that have been developed with difficulty over the last six or seven years.

What the Law Says

It is rather interesting to read what has been written on the subject of holder in due course and I would like to quote a few sentences from the National Association of Credit Management's Handbook:

"The holder in due course of a negotiable instrument is favored with a unique position in our law. He is an exception to the general proposition of the law that one cannot take a greater title than his transferer had. The holder in due course may take a greater title than the party transferring the instrument to him possessed. *He becomes the beneficiary of this extraordinary event simply because his position among merchants and credit men demanded it. Without this device the negotiation of bills and notes would become so limited as to render their use of little value.* However, quite apart from this, the holder in due course possesses another advantage under law of negotiable instruments. It should be recognized that the holder in due course takes the instrument free from personal defenses in the maker or subsequent endorsers. He does, however, take the instrument subject to all real defenses. Personal defenses include certain types of fraud, duress, no consideration, conditional delivery, theft of the instrument, illegality which does not render the instrument void. On the other hand, real defenses include fraud in the essence, forgery, alteration, nondelivery of an incomplete instrument, lack of authority of an agent and incompetence such as caused by infancy or insanity."

Another facet that probably should be considered is that already we have an existing body of law covering the doctrine of the holder in due course. In the event that it is superseded by new legislation, another area of uncertainty is injected into the picture and will exist until such time as the courts have ruled on the meaning of the legislation. There is going to be a greater hesitancy on the part of individuals and corporate creditors to

become associated with this unknown area of legal liability.

If one wishes a parallelism it would be fruitful to consider the amendments and interpretations and innumerable modifications that have been associated in the last several years with the legislation concerning "truth in lending." The fact of the matter is that research studies made by the Federal Reserve Board indicate to me that the people who it was intended to help, that is the poor, the uninformed, the naive, still do not have a fair understanding of the concept of a simple annual interest statement.

Thus, in effect, the legislation on truth in lending has not achieved, in my opinion, the goal of helping those who have probably needed it and, furthermore, has actually accomplished little in protecting the public as a whole. To the extent that the doctrine of holder in due course is changed it is quite possible that a similar trend may be noted.

Who Will Police the Law?

Then one is confronted with who is going to police this very complex area. If we look to the "truth in lending" we find that contrary to wishes of bank supervisors, they generally wind up with it in their laps. By the same token, it is likely that the bank supervisors—state, federal and national—will be called upon to enforce the new doctrine. Thus, we have an erosion of bank supervision from one whose concern is and should be mostly for the solvency of the banking structure to one of policing it on details which may really be not a significant addition to the total economy. The most appropriate consideration of the regulators is the fundamental performance of the banks in a free enterprise economy.

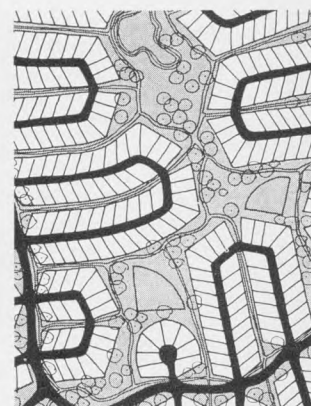
Lastly, if one again looks to "truth in lending" as an overall philosophy of pro-consumerism it is quite likely that the consumer paper which is suspect, that paper which has provided legitimate complaints on the part of the consumers, will in effect no longer be channelled or directed to the banks. Rather, it is quite likely that other financial intermediaries of a less, let us call it, respectable nature will service this market. After all, nature abhors an economic vacuum. But the cost will be much higher than normal bank rates. Thus, the question emerges has society really gained?

I, for one, doubt it.—**End**

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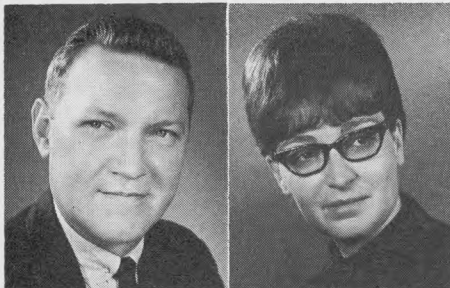
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Illinois NEWS

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IBA Announces Promotions

Illinois Bankers Association president Lewis H. Clausen, president, Champaign National Bank, recently announced several IBA administrative personnel changes, following a meeting of the IBA officers.



N. C. PETERSON

H. M. KRESICH

According to Mr. Clausen's announcement, Norman C. Peterson, formerly administrative assistant, was promoted to the post of assistant secretary; Helen M. Kresich, director of communications and editor, *Illinois Banker Magazine*, and Thomas W. Dardis, director of education, both of whom will retain their present titles, were elevated to official officer status.

Complete Second Stage

The recent opening of the personal loan department at Evergreen Plaza Bank, 9640 S. Western, marks completion of the second stage in the \$35 million bank's comprehensive expansion program, it was announced by Hugh A. Davis, president.

"In late 1970, we opened our expanded modern drive-in facility on the Western Avenue level. Within a few weeks we will have completed our customer service teller area, directly adjacent to the main shopping mall of the Plaza," Mr. Davis commented.

Bankers Club Officers

The Bankers Club of Chicago elected new officers of its executive committee at a meeting held last month at the Palmer House Hotel in Chicago.

William F. Murray, chairman of the board, Harris Trust and Savings Bank, was elected president. Milton F. Darr,



Jr., chairman of the board, LaSalle National Bank, was elected vice president. George H. Mueller, Chicago Clearing House, was elected secretary and treasurer.

Other members of the executive committee include Robert E. Hunt, executive vice president, Northern Trust Company; Neil McKay, senior vice president and cashier, First National Bank; Edward M. Cummings, senior vice president, Continental Illinois National Bank and Trust Company, and William G. Ericsson, president, American National Bank and Trust Company.

Joins Pullman Bank

Berthold H. Schreiber, vice presi-

dent and trust officer, has been appointed manager of the trust department at Pullman Bank and Trust Company, Chicago, replacing Thomas Purcell who has resigned.

Mr. Schreiber began his employment at Pullman Bank and Trust Company as a trust officer in August, 1965.

IBA Ag Credit File

The Illinois Bankers Association committee on agriculture has developed a special agricultural credit file with ready-made forms for banks engaged in farm lending.

The file contains the following forms: cash flow statement; worksheets on crop planning cost, crop usage, feed requirements, and repair, replacement and additions; profit-and-loss data; comparative review of income and expense; financial history; financial statement — agricultural, and a loan comments form.

A sample credit file and order form will be mailed to each IBA member bank next spring. Files may be ordered from Pantagraph Printing, P. O. Box 806, Bloomington, Ill., 61701.

Oak Brook Bank Opens New Facility



NEW BUILDING occupied last month by Oak Brook Bank.

THE Oak Brook Bank, Oak Brook, packed up its \$35 million and moved about 600 feet down the road from its old home in the Oak Brook Shopping Center. The reasons? The old quarters had become cramped and uncomfortable. The bank couldn't have accommodated even one more employe, and customers were finding it difficult to transact their business without the distraction of overhearing other customers transact their business. The new Oak Brook Bank building offers 250% more space.

A month-long 'open house' included a series of evening receptions for stockholders, directors and banking colleagues, as well as daytime activities for customers. Chicago Bears Kent Nix, Doug Buffone, Ed O'Bradovich and Dick Butkus signed autographs and posed for pictures with customers, and Chicago Blackhawk Bobby Hull was at the bank the following day. Carnival props with backgrounds of costumed athletes were prepared so that interested customers could pose for action shots with the athletes.



WORKSHOP leaders at the fall conference of the Illinois group of the NABW are pictured above with **Lois A. Morlock**, reg. v.p. of the NABW Lake Region and exec. v.p., First Natl., Bowling Green. Left to right are: **Anne B. Sweeney**, who conducted a workshop on **Women's Banking**; **June R. Ritchie**, tr. off., Beverly Bank, Chicago, who spoke on **Trust Administration**; **Ferris Beia**, a.v.p., Marquette Natl., Chicago, who spoke on **Commercial Loans**; **Miss Morlock**, and **Shirley L. Arnett**, v.p. & cash., Suburban Bank of Hoffman Estates, who was workshop coordinator.

Women Bankers Conduct Two-Day Seminar

MORE than 100 women bankers from all parts of the state attended a two day conference at the Regency Hyatt House, O'Hare Field, Chicago, which centered on Self-Interest: Technique To Success, and featured workshops on tool of self interest, No. 1: Education and tool of self-interest, No. 2 Participation.

Panelists speaking on Education represented the Stonier School of Banking, the Illinois Bankers University of Illinois School, the School of Bank Administration, the Graduate School of Banking, University of Wisconsin, the School of Consumer Banking, University of Virginia, the School of Bank Marketing, Bank Marketing Association and the University of Colorado. Workshops were conducted on women's banking, commercial loans and trust administration. All panels and workshops were conducted by experienced, articulate women bankers.

Another featured speaker was Dr. Harm A. Weber, president of Judson College, Elgin, Illinois, who spoke on tool for self-interest, no. 3: motivation. President of Judson College, Dr. Weber's discussion on the topic "Playing The Percentages" was a personal challenge to the bank women and centered on empathetic involvement with the bank customer as a person. Officers of the Illinois Group are, chairman, Miss Evelyn M. Moore, probate officer, LaSalle National Bank, Chicago; vice chairman, Miss Evelyn A. Stuckle, vice president, Union Nation-

al Bank and Trust Company of Elgin and secretary-treasurer, Miss Irene S. Keith, assistant cashier, Oak Park Trust and Savings Bank.

Boske Joins Mattoon Bank

Gary J. Boske has joined the First National Bank of Mattoon, as an administrative assistant in the farm service department, where he will specialize in farm management.

Mr. Boske, an agronomy graduate of the University of Illinois, formerly farmed in Menard County, and worked for the Soil Conservation Service.

Four Chicago Promotions

George B. Everitt, chairman of Merchandise National Bank of Chicago, announced that four members of the staff had been promoted during the board's meeting recently.

William R. Mayer was named vice president in the commercial loan department. In the operations department, Joseph F. Henmueller was promoted to assistant vice president and Miss Florence V. Campana was elected assistant cashier. Michael D. Pryde, computer and research department, was named assistant cashier.

Clarence Preiss Retires

After 47 years of service, Clarence R. Preiss, vice president and trust officer, Oak Park Trust & Savings Bank, retired last month. He began his career with the bank as a messenger. He was appointed assistant trust officer in

1936, trust officer in 1942, assistant vice president in 1950, and vice president in 1958.

Elect Sawyer and Weiss

Maxwell D. Sawyer has been elected vice-chairman of the First National Bank of Des Plaines and Arthur R. Weiss president, it was announced by Frederick F. Webster, chairman, following the directors meeting recently. Both men assumed their new titles effective this month.

Mr. Sawyer steps up to the newly created position as vice-chairman following six years as president since 1965. Under his leadership, the First National Bank has had a solid record of substantial growth from \$66,600,000 in total assets to the present \$109,900,000. The First National now ranks among the nation's 650 largest banks.



A. R. WEISS

M. D. SAWYER

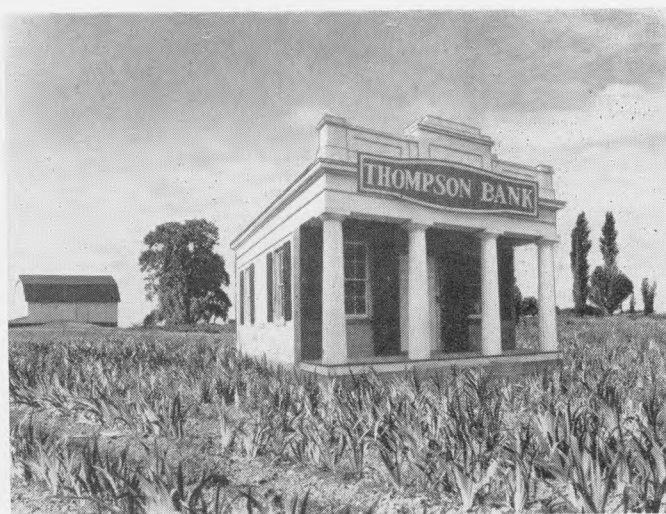
In his new capacity, Mr. Sawyer expects to devote an increasing share of his attention to continued growth and development of the bank's stature in the Des Plaines area.

Mr. Weiss, who becomes the fifth president since the bank's founding in 1913, has been executive vice president since 1967. Born in Chicago, he joined the First National Bank as auditor in 1957. He was promoted to cashier in 1963 and named a vice president in 1965.

Named Assistant Auditor

The First National Bank & Trust Company of Rockford announced the appointment of Lee M. Hendricks as assistant auditor. Mr. Hendricks is a graduate of Wisconsin State University at Whitewater, Wis., with a degree in Business Administration. He majored in accounting and is a C.P.A. His previous experience has included several years with Lybrand, Ross Bros. & Montgomery of Rockford.

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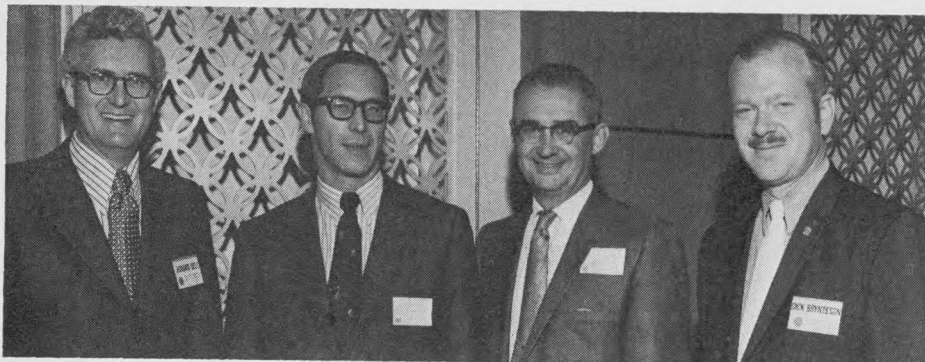
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TWO SPECIALISTS who participated in the Foreign Trade Symposium presented by the First National Bank & Trust Company of Rockford with their hosts are pictured from left to right: **Howard E. Bell**, exec. vice pres. of First National; **Thomas F. Slattery**, manager, international marketing of the State of Illinois; **Irvin W. Lloyd**, international trade specialist, U. S. Dept of Commerce and **Richard J. Brynteson**, asst. cashier of the bank.

Stans Speaks at Foreign Trade Symposium

SECRETARY of Commerce Maurice H. Stans delivered the keynote address before 350 businessmen, industrialists, and guests at a recent all day Foreign Trade Symposium presented by the First National Bank and Trust Company of Rockford. Emphasizing that there are many markets overseas which desire American goods, Secretary Stans urged local manufacturers and businessmen to enter into the international marketplace. He also referred to the importance of the Administration's reforms in trade and monetary policies now in effect. He concluded with an appeal to business, labor, and the public to exercise confidence in President Nixon's Phase II program.

The purpose in presenting this symposium was to provide area businessmen with more knowledge of overseas markets and export financing. Four areas were discussed by outside specialists: market definitions, yardsticks of marketing, shipments, and financing.

The subject of market definitions was presented by Irvin W. Lloyd, international trade specialist with the U.S. Department of Commerce, and Thomas F. Slattery, who is manager of International Marketing for the State of Illinois. Both pointed out the availability of assistance on the federal and state level in opening up new markets.

Frank P. Baxpehler, vice president of the international division of Ludwig Industries in Chicago, and John J. Fulton, vice president of Mechanical Tool & Engineering Company of Rockford, discussed their success in overseas business. They spoke under the title of yardsticks of marketing.

The shipping of goods to foreign

markets was divided into a discussion of air shipment procedures by John M. Biederman, Regional sales manager for Emery Air Freight, and ocean shipments by Norman G. Jensen, vice president of Cosmos Shipping Company, Chicago.

Finance procedures were discussed by Alvaro N. Garcia, vice president of Indiana National Bank, Indianapolis, and Joseph W. Barnett, assistant controller of Motorola Communications International, Schaumburg, Ill. The necessary documents and their use were pointed out by these specialists.

In addition to these sessions Congressman John B. Anderson, 16th Congressional District, was guest speaker at the noon luncheon. His comments concerned the government's efforts in revitalizing the economy through various proposed legislation and controls.

"The success of this symposium indicated there is interest in foreign markets in the Rockford area," stated R. F. Applequist, president. The First National Bank plans to present a similar type of program annually.

Maple Park Expansion

With the completion of its remodeling and expanded facilities program, the First State Bank of Maple Park held an open house recently. Close to 400 friends and business associates were in attendance.

The expansion program has provided the bank with nearly three times the previous amount of space. Both the board room and the president's office are paneled. A lounge, complete with kitchenette, for the relaxation of employees has been included, and a large work room has been provided in addi-

tion to the teller's windows which are located behind bullet-proof glass.

The drive-up window, also new, opened nearly three months ago. Two additional vaults and a night depositary are among other improvements noted. While the exterior displays a Spanish architecture, the interior is done in a soft green and gold decor.

E. A. P. Hutchison assumed the presidency in 1967. Prior to that time he had experienced 35 years in the banking field. He also serves as chairman of the board of directors.

Abate Joins MoAmCo

Chicago banker Robert P. Abate has been elected to the board of Mobile Americana Corp. (MoAmCo), Minneapolis, Minn., according to an announcement by its president, F. Paul Hargarten.

Mr. Abate, is a group vice president of the American National Bank and Trust Company of Chicago, where he is in charge of all retail banking activities. American National has \$920 million in assets and \$715 million in deposits.

Mobile Americana is a publicly held company serving the mobile home and lending industries.

Oak Brook Bank Opens



BUILDING PLANS for new banking quarters are reviewed by **John W. Adams**, vice chmn., (center) The Natl. Bank of Oak Brook. Shown with Mr. Adams are **Peter T. Pelafas** (left) and **Thomas H. Wason**, both of whom are well-known in local banking circles.

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SEASON'S GREETINGS

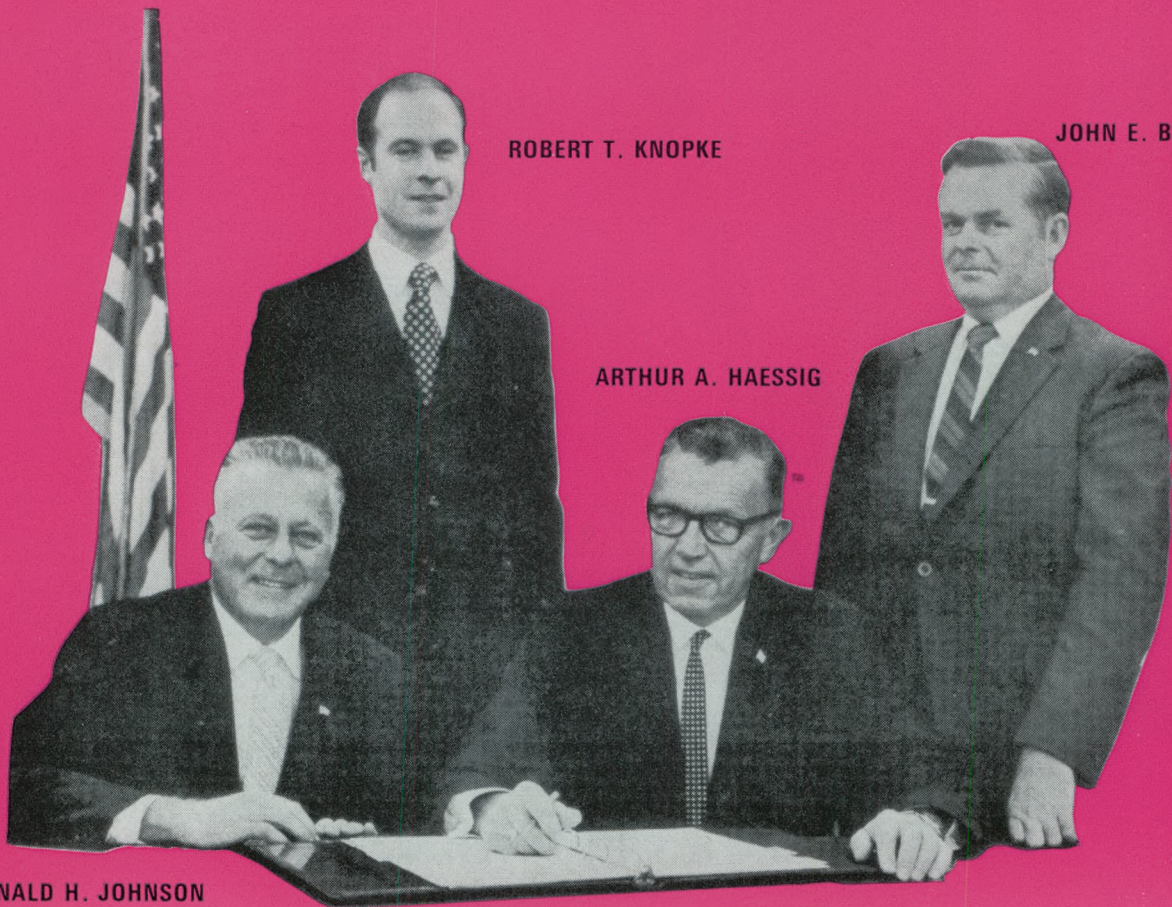
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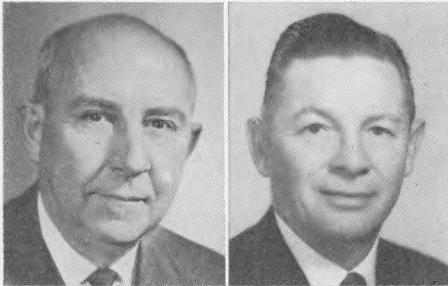
DONALD H. JOHNSON

Minnesota NEWS

WILLIAM G. KIRCHNER President Richfield
T. L. JEFFERS Exec. V. P. Minneapolis

Emmons W. Collins Retires

Emmons W. Collins, chairman and chief executive officer of the First American National Bank of Duluth,



E. W. COLLINS

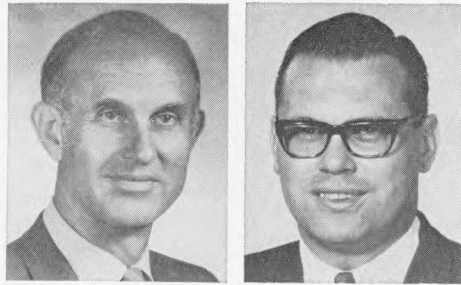
C. C. LIND

retired November 30 in accordance with the bank's retirement policy and had served the bank more than 44 years. He is a native of Duluth and joined First American in 1927 following his graduation from Cornell University at Ithaca, N. Y.

Mr. Collins became an officer of the bank in 1937, was elected to the board in 1953, became executive vice president in 1957 and president in 1963. He was elected chairman and chief executive officer in 1968.

Mr. Collins has been very active in Duluth civic and business enterprises. He is currently a director of Minnesota Power & Light Co. and St. Luke's Hospital, both in Duluth. He also serves as a presidential advisor of North Central Airlines, Inc., Minneapolis, and is on the advisory board of the College of St. Scholastica.

Chester C. Lind has been named chief executive officer by the board of directors to succeed Mr. Collins. Mr. Lind joined First American National in 1966 as executive vice president and a director. He was elected president in 1968, the position he will continue to hold. He started his banking career at Timber Lake, S.D., in 1935 upon graduation from high school, and later that year joined the Mobridge branch of the First National Bank of Aberdeen. He served in various officer positions until his election as president of that bank in May, 1954, at the age of



36. He served as president there until joining First American National of Duluth.

FDIC Application Pending

The American State Bank of Olivia has made application to the Federal Deposit Insurance Corporation for insurance coverage.

Also, the newly approved bank is now offering for public sale 400 shares of common stock to area residents. The shares will be selling at book value of \$100 per share.

S. V. Johnson Joins Staff

Dennis L. Stotesbery, president of the La Crescent State Bank, La Crescent, announced recently that Steven V. Johnson has joined the staff of the bank as assistant vice president and manager of the La Crescent State Insurance Agency.

Mr. Johnson is an experienced insurance salesman with licenses in all lines of insurance.

Carl J. Lehne

Carl J. Lehne, a director of the First State Bank of Audubon, died recently at the age of 74.

He joined the bank in Detroit Lakes in 1948 and retired in 1963.

Celebrates 60 Years

The Security State Bank of Houston recently celebrated its 60th anniversary with an open house.

The present officers are: L. H. Briggs, board chairman; L. E. Briggs, president; C. P. Wahl, vice president, and E. J. Anderson, vice president and cashier.

Joins College Staff

Philip M. Harder, formerly senior vice president of the First National Bank of Minneapolis, will join the staff of Carleton College in Northfield as coordinator of special projects.

He will concentrate on supervision

and expansion of the humanities programs now offered by Carleton on a limited basis to certain corporate executives.

According to Mr. Harder, the program was started nine years ago on a contract basis for American Telephone and Telegraph Co., with the goal of broadening the perspectives of executives confined to the "business only" orientation of their jobs. These summer sessions last eight weeks and are held on the Carleton campus.

The program ranges from lectures and discussions on poetry, comparative religions, and even classical jazz to sociology, history, literature and drama.

"The idea is to excite their (the executives') interest and to get them to think," said Mr. Harder.

Laskin Elected To Board

Emmons W. Collins, chairman of the board and chief executive officer, First American National Bank of Duluth, has announced that Sylvester Laskin, president and chief executive of Minnesota Power and Light Company, was elected to the board of directors of the First American National Bank.



S. LASKIN

Increases Capital

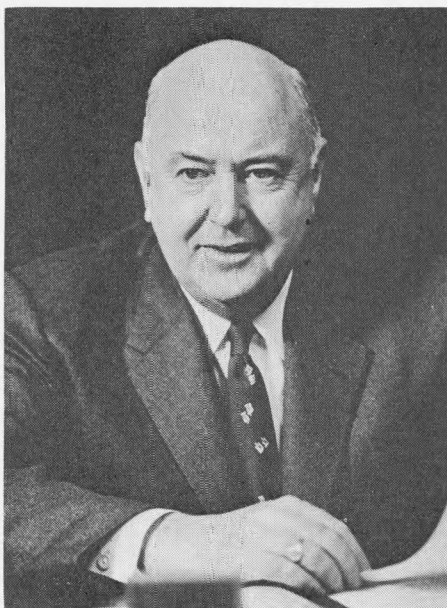
Approval has been received from the Minnesota Department of Commerce banking division for the Dundas State Bank at Dundas to increase capital stock from \$100,000 to \$125,000.

New at Two Harbors

Paul Wehrs, 21, has accepted the position of assistant cashier of the First National Bank of Two Harbors, according to Palmer Hoffland, vice president and cashier. A native of Elgin, Mr. Wehrs attended Winona State College and took courses from the American Institute of Banking. He started work with the First National Bank of Winona in 1968 as an operations trainee.

New Assistant Cashier

Paul Wehrs has accepted the position of assistant cashier of the First National Bank of Two Harbors. He was formerly with the First National Bank of Winona.



JOHN A. MOORHEAD
 "Optimistic about Phase II."

DUCK and all the trimmings were served to correspondents of the Northwestern National Bank at its 7th Annual Management Conference held in Minneapolis early this month.

The "trimmings" included an excellent presentation on "Phase II Wages, Prices and Dividends," plus current reports on investments, leasing, and computers.

John A. Moorhead, chairman of the host bank, set the pace of the Conference by saying that he was optimistic about Phase II established by President Nixon in mid-November. Mr. Moorhead also had some pertinent things to say about several other subjects close to the heart of most bankers. He suggested that the prime rate will perhaps drift downward over the next few months — but a year from now the prime will be equal to or somewhat higher than the present rate. In a brief



IOWA REP John Martin, Jr. of host bank greets **John Gordon**, pres., Pocahontas St. Bk., Pocahontas, Iowa.

Spotlight on Phase II at Northwestern's Bank Management Conference

By
MALCOLM FREELAND
 Publisher

discussion on credit cards, Mr. Moorhead said that his bank has no intention of becoming active in the credit card field unless the Minnesota legislature establishes a realistic 1½% per month rate — and he sees little prospect for this action. Northwestern National Bank was ready in 1969 to join Master Charge — but rate restrictions prevented it.

Paul Lindholm, vice president in charge of the Northwestern National Bank's correspondent bank division, presided at the Management Conference, and he introduced James A. Halls and Dale E. Beihoffer, attorneys for Faegre and Benson, Minneapolis. The two men described regulations under Phase II as they apply to banks.

Mr. Halls explained the regulations on interest rates, dividends, and service fees. Current regulations do not cover interest rates on loans — but banks are expected to keep schedules on file. Banks having at least one million dollars in assets and at least 500 shareholders are regulated in the areas of dividend payments and service fees — but all banks are expected to adhere to the spirit of the guidelines. As of November 15, Phase II limits increases in dividends to an amount not exceeding 4%. The base period can be the highest dividend year over the past three years.

Banks renting space to outside firms should know that adjustment of rents on commercial property is not covered under Phase II. If banks rent space for dwelling purposes, adjustments are restricted under Phase II regulations.



C. PAUL LINDHOLM
 Presiding at his 7th Annual Management Conference.

Basic adjustment in fees for services like data processing, safe deposit box rentals, and checking accounts is 2½% per year. In some cases, the raises can be greater if justified.

Mr. Beihoffer described regulations issued by the Federal Pay Board under Phase II, explaining that the regulations cover all forms of compensation, including fringes, extending from career suits to vacations. Basically, total compensation cannot be increased more than 5.5% within a given category. According to Mr. Beihoffer, one employee might be increased by 8% and another employee might get a 2% increase, so long as the average for the group does not exceed 5.5%. He warned delegates that they are not exempt merely because they might have only a few employees. The fact that a bank has an established program is



QUESTION and answer period found C. Paul Lindholm, v.p., in charge of correspondent dept. for host bank, visiting with **Christy Armstrong**, exec. v.p., American Tr. & Sav. Bk., Dubuque.

important, and longevity increases, as well as merit increases can be given above and beyond the 5.5% under such a program. Christmas bonuses, pension and profit sharing plans can be flexible if the bank can document previous payments. Bonus plans under a percentage of profits can continue even under a higher dollar amount than the regulations if you can document an established practice. Ordinary pay boosts above the 5.5% will best be made under a bona fide promotion, requiring increased duties and responsibilities.

Computer Services

Frank Powell, president, Northwest Computer Services, Minneapolis, told how this subsidiary of Northwest Bancorporation is now working out of 15 locations in a six state area, employing 580 people and using 28 computers. He explained that the goal is to move information, rather than paper. Descriptions were given on current installations in Hastings, Nebraska; Billings, Montana; Fort Dodge, Iowa; Cedar Rapids, Iowa, and Des Moines.

Leasing Growth

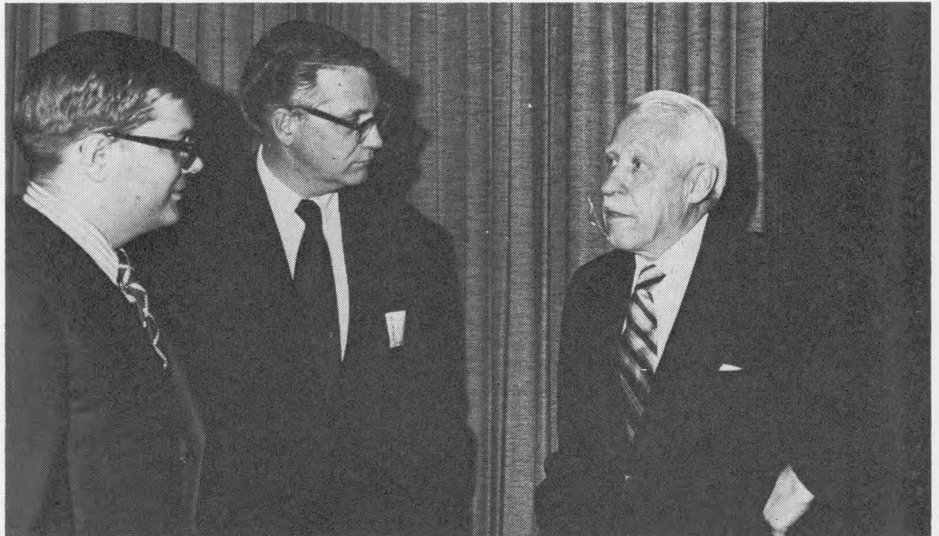
Tom Purcell, president, Lease Northwest, Inc., located at Suite 745 in the Northwestern National Bank Building, reviewed "the new profit tool for banks" covered by lease arrangements. He indicated that yield on leases can range from a low of 9½% to a high of 18%, and in many instances the income to the bank can be 40% to 50% more than under a term loan arrangement. He explained that leases are usually made on periods extending from three to 10 years to commercial customers in the "middle market" where the dollar amount of the lease is \$15,000 or more. Mr. Purcell stated that the Northwest Bancorporation subsidiary has an incentive program for correspondents desiring to place leasing business with Lease Northwest, Inc., so that a community bank does not necessarily have to administer its own program.

Bond Outlook

G. Richard Slade, vice president, Northwestern National Bank, predicted that interest rates on bonds will be a little higher a year from now, and that Fed Funds will drop to 4% or lower after the first of the year. He



KEY SPEAKERS included from left: Tom Purcell, pres., Lease Northwest, Inc.; Frank Powell, pres., Northwest Computer Services, and G. Richard Slade, v.p., investments, Northwestern Natl.



PHASE II was discussed by Dale E. Beihoffer (left) and James A. Halls, attorneys, Faegre and Benson, shown visiting with Arthur Uppgren, economist.

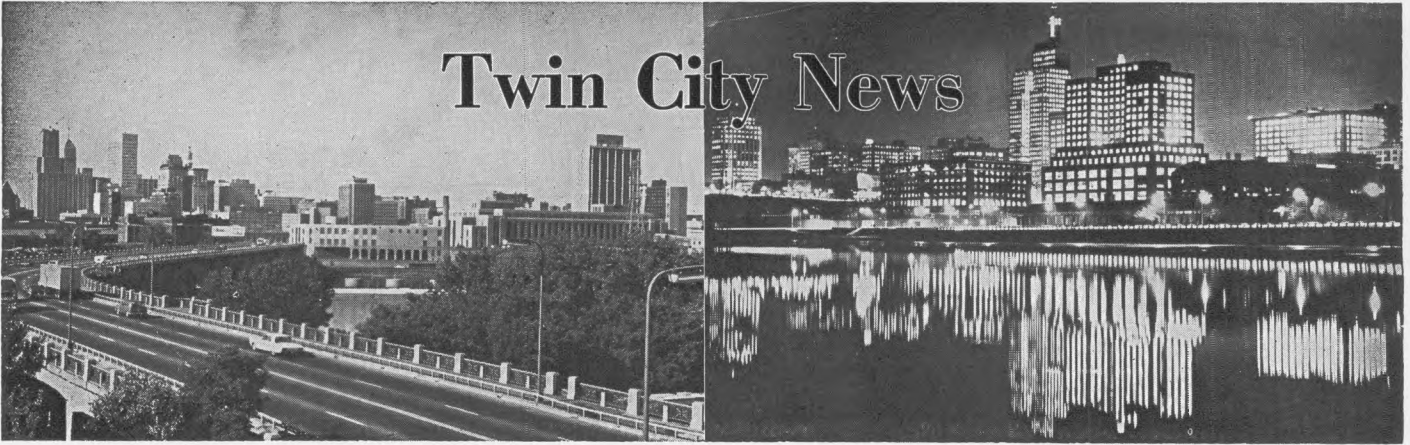


REGISTRATION—Henry Kingman, Jr., Minneapolis, is shown obtaining his Conference program from Bob Wheeler, correspondent bank dept. of host bank.

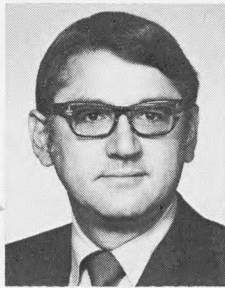
SPOTLIGHT . . .

(Turn to page 44, please)

Twin City News



THE first 24-hour banking operation in the Midwest was started recently in Edina, according to **Peter A. Karos**, newly elected president of the **Americana State Bank** of Edina.



P. A. KAROS

The bank which serves Minneapolis and its southwest suburbs, will be open 128 hours a week from 7 a.m. Monday to 3 p.m. Saturday.

Americana State Bank (formerly the **Edina State Bank**) is the third bank in the country to operate on a 24-hour basis. The others are in Arlington, Va. and Huntington, W. Va.

* * *

The Northwestern National Bank of Bloomington-Richfield announced recently plans to move from the present location to the new Northwestern Financial Center now under construction.

The move, scheduled for January 17, 1972, will be accompanied by an overall 10 per cent increase in staff and the expansion of a number of customer service facilities. There will be eight drive-in tellers, 23 inside tellers, parking for more than 600 cars, two new walk-up tellers, and two new "Instant Cash" machines that allow 24-hour cash withdrawals.

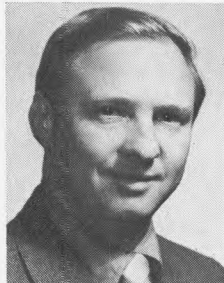
* * *

E. G. "Bud" Precht, president, also announced the name will be changed to the Northwestern National Bank Southwest.

Mr. Precht further announced that the bank's "Instant Cash" machine installed by Docutel in September, 1970, dispensed over \$1,000,000 in its first year of operation. With the addition

of a second "Instant Cash" machine at the new site, the projection for the second year indicates the level of cash dispensed will exceed the \$1.5 million mark.

* * *



L. D. HERBST

His new duties will now include the chairmanship of the installment banking committee and as a member of the officers loan committee. He will continue his responsibilities in correspondent banking as a member of Midland's full service team and will continue in the area of commercial loans.

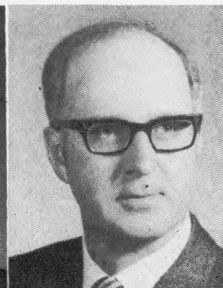
Mr. Herbst is a graduate of Gustavus Adolphus College in St. Peter.

* * *

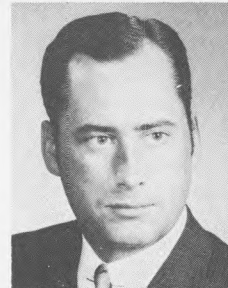
In a major reorganization of its top management structure, the American National Bank and Trust Company of Saint Paul reports the election of two new executive vice presidents and six senior vice presidents, effective December 14.



W. W. HELMS



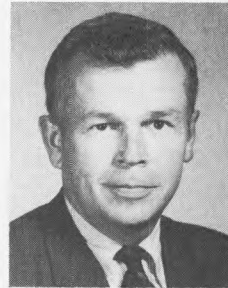
J. W. REAGAN



B. J. BARRY



W. L. BRUMMUND



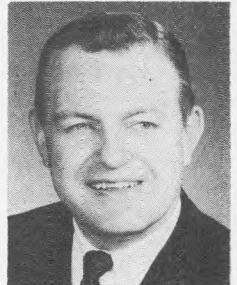
J. T. PHILLIPS



M. H. RUDER

George W. Benz, chairman of the board, and **John F. Nash**, president and chief executive officer, said **William W. Helms** and **James W. Reagan** were elected by the board of directors to the newly created positions of executive vice president.

Mr. Benz and Mr. Nash also said six other men were elected to positions of senior vice president. They are **B. John Barry**, **William L. Brummund**, **Loren A. Hagemeyer**, **John T. Phillips**, **Manuel H. Ruder** and **Robert E. Sipple**.



R. E. SIPPLE

Mr. Benz said, "The bank has doubled in size in the past 10 years and future growth is anticipated." American National will be moving into a new \$20 million building in the downtown area in about two years. The 25-story building, not yet under con-



Those long ago Christmases. The family came and the house was full of laughter. The turkey was awesomely big and everybody ate too much, but no matter. Toward evening there was a special kind of warmth and peace. And, too soon, it was over for another year.



This Currier & Ives lithograph, "Winter in the Country", is one of the scenes available, on cards and wall prints, in the First Minneapolis Christmas promotion.

May peace be with you this holiday season and throughout the coming year.



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Federal Reserve Bank of St. Louis

Northwestern Banker, December, 1971



ARCHITECT'S DRAWING on proposed building for Drovers St. Bk. in South St. Paul.

Ground-breaking for the new Drovers State Bank in South St. Paul was held recently, with an anticipated completion date of December 1972.

The four-story bank will be a sculp-

ture, will be located in the block bounded by Robert, Minnesota, Fifth and Sixth streets.

Mr. Nash said Mr. Helms, as one of the two executive vice presidents, will have responsibility for the bank's electronic data processing division, which now contains five free standing computer centers in Minot and Fargo, N.D.; Sioux Falls, S.D.; Duluth, Minn., and Ironwood, Mich., in addition to a larger center in St. Paul. A new computer system, with a larger capacity, has been ordered for the St. Paul center.

Mr. Helms also will be responsible for the bonds and investment division, which will be headed by Mr. Ruder. The division is active in bond underwriting, maintains the bank's reserve position, operates the trading depart-

ment, and handles the bank's bond investment portfolio.

Mr. Helms, together with Mr. Phillips will be the senior trust officers in the bank's trust division. Mr. Nash said the trust division has had substantial growth in personnel, assets, and related activity in the past, and future growth is anticipated.

Mr. Reagan will have overall responsibility for the loan division, national division, retail banking division, and personnel activities.

Mr. Barry will head the loan division, including the commercial loan department, the mortgage loan department, leasing department, and the international department.

Mr. Sipple will head the national division, which includes all correspondent banking functions, marketing, ad-

vertising, public relations, national accounts and the bank's travel agency.

Mr. Brummund, who also will be assistant to the president as well as senior vice president, will have responsibility for the construction, furnishing and relocation to the new American National building, as well as other executive responsibilities.

Mr. Hagemeyer will be fiscal officer and will be responsible for all accounting, controllership and auditing functions for all areas of the bank and its subsidiaries.

Mr. Helms and Mr. Reagan, who joined the bank in 1962, were administrative vice presidents before being named executive vice presidents.

Mr. Sipple, who joined the bank in 1959, and Mr. Brummund, who started in 1962, were both administrative vice presidents before being elected senior vice presidents.

Mr. Barry, who was vice president and chief lending officer, joined the American National in 1963.

Mr. Hagemeyer, who was vice president and controller, joined the bank in 1966.

Mr. Ruder, who was vice president and head of the bonds and investment division, started with American National in 1948, organizing the bond department.

Mr. Phillips just recently joined American National from the First Trust Co. of St. Paul where he was responsible for all estate administration.

* * *

First National Bank of Minneapolis has announced the election of two new officers, **Mrs. Karen R. Jarvey** to personal banking officer and **John W. Kirkman** as commercial banking officer, and the promotion of **Richard W. Jensen** to assistant vice president in trust portfolio management.

* * *

Northwestern National Bank of St. Paul recently announced eight promotions: **Lorraine E. Christianson**, accounting officer; **Drake J. Lightner**, assistant vice president and trust investment officer; **Robert S. Berkwitz**, assistant vice president and trust officer; **Timothy D. Marrinan**, trust officer; **Lance R. Green**, assistant trust officer; **Paul R. Norrie**, operations officer in trust department; **Larry E. Nelson**, trust officer; **Russell C. Erickson**, senior credit administrator in corporate sales finance department; and **Thomas W. Scharlau**, personal banking department.

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We wish you a Merry Christmas,
We wish you a Merry Christmas,
And a Happy New Year.”*

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of Minneapolis



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BANK-IN-A-PARK — New North Star State Bank opening attended by 2,000.

North Star State Bank Now Open

THE grand opening of the North Star State Bank, in Falcon Heights, was held recently according to A. E. Ritt, MD, president. The bank was formerly known as the Falcon Heights State Bank.

Over 2000 people visited the new site and took part in the festivities which included free souvenirs for all visitors, balloons for the children, live music and registering for the grand prize of a trip for two of their choice to either the Bahamas, Hawaii, Spain or Greece.

Designed by Bergstedt, Whalberg & Bergquist, St. Paul architects, the new modern facility occupies the corner of Lexington and Ruggles, two blocks North of Larpenteur in Roseville, formerly farmland and prairieland owned by the University of Minnesota. The bank has been constructed in such a fashion as to conserve and improve upon the beauty of the land in a park-like atmosphere with many trees and pines which date back many years.

SPOTLIGHT . . .

(Continued from page 39)

suggested that bankers continue to look for quality bonds and to spread their investment program over a period of time, rather than investing a majority of funds at one time. He believes that

the many and varied Federal agency bonds will be coordinated so as to be grouped under single offerings.

Dr. Arthur Uppgren, well-known economist, reviewed the economic picture, expressing optimism on progress being made under Phase II on both the domestic and international levels. Following a question and answer period, guests adjourned for the Annual Duck Dinner, where not even Phase II regulations could determine whether you had a 20 point drake or a 90 point hen. — **End**

New Bank Planned

Bank president Gladden Redding announced recently plans for the new Windom State Bank in Windom. He said the bank is scheduled for completion by spring or summer of 1973.

Joins First National

A. W. (Bill) McGuire has been added to the staff of the First National Bank of Moorhead, recently.

He was formerly a staff auditor and a credit trainee for the Northwest Bancorporation of Minneapolis.

Bank Remodeled

The State Bank of Lismore is being remodeled by the Pool Construction

Company of Leota. The bank's regular business will be conducted in the Lismore Legion Hall, bank president R. R. Sell reported.

New Bank Hours

The Princeton State Bank in Princeton will add two hours on Fridays and Saturdays to its banking week, according to C. J. Erickson, president.

Under the new hours program, the bank will close at 9:30 p.m. on Fridays. On Saturdays, the drive-in facilities open from 8 a.m. until noon.

Ogilvie Bank Addition

Work is to begin soon on an addition to the Ogilvie State Bank in Ogilvie. Bernard Nordenstrom of Mora has the contract for a 25 foot by 34 foot new section.

President A. Dan Fiala said the new space will be used for real estate, insurance and administrative departments of the bank.

Bank Open House

The State Bank of Chanhassen celebrated its 52nd anniversary recently with an open house.

M. C. Holmgren Retires

Merle C. Holmgren, assistant cashier of the Northern City Bank in Duluth, has retired after 41 years with Duluth banks. He was manager of the bank's facility on Michigan Street.

John S. Dalrymple, Jr.

John S. Dalrymple, Jr., manager of the Dalrymple Farms and a director of the Burlington Northern Railroad and Northwest Bancorporation, died recently after a short illness.

Two Promoted at New Ulm

Pat H. Kneefe has been promoted to cashier of the Farmers and Merchants State Bank, New Ulm.

Roger Schultz, assistant cashier, was promoted to farm representative, according to announcement by George A. Volz, bank president.

J. Shotwell Promoted

Jerry Shotwell has been appointed installment loan officer at the First National Bank in Worthington. He joined the bank last April.

O. Winter Joins Staff

Russell B. Bacon, president of the First National Bank of Glencoe, announced that Orville Winter has been employed by the bank in a general capacity.

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INCOME PLAN

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Gary B. Wollan is the Senior Vice President, administrating the Correspondent Banking and Operations divisions of the Marquette. He is also an experienced banker who knows computers well, having spent eight years managing our data center.

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analysis and as systems designer gave him a thorough understanding of all departments.

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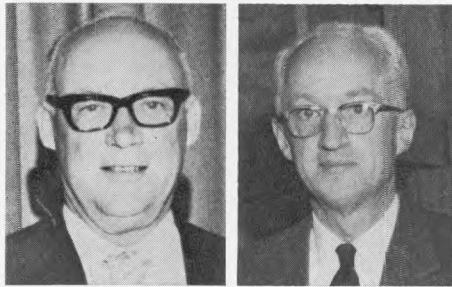
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Montana NEWS

R. G. JOHNSON President Harlowton

R. C. WALLACE Secretary Helena



New Drive-Up Opens in Billings



NEW DRIVE-IN FACILITY completed recently in Billings.

FIRST National Bank and Trust Company in Billings has opened a new detached facility complete with drive-up windows, walk-in lobby, service, and easy customer access.

According to president Al F. Wine-

gardner, Jr., all facilities are open from 9 a.m. to 5:30 p.m. Monday through Thursday and from 9 a.m. to 7 p.m. on Fridays. Customer services also include a letter drop and a night depository.

South Dakota NEWS

O. L. BONACKER
NEIL MILNER

President
Secretary

Sioux Falls
Huron

Wayne Forgey Promoted

Wayne Forgey has been elected assistant cashier at the First Potter County Bank in Gettysburg, according to an announcement by Robert T. Wuttke, president.



He began his banking career in December 1967.

Ken Lester Promoted

John E. Baggaley, vice president and manager of the Deadwood office

of the First National Bank of the Black Hills, has announced that Kenneth G. Lester has been elected a personal banking officer of the Deadwood office.

Mr. Lester joined the First National Bank of the Black Hills in March, 1967.

Oliver Greguson

Oliver Greguson, 84, died recently. He had been with the Fairview State Bank, Fairview, for 59 years.

Brandon Open House

The officers and staff of the United National Bank in Brandon hosted an open house for their new bank building, recently.

The new bank offers several new services to United National customers, including a drive-up banking window.

Moved To New Building

The Citizens State Bank at Willow Lake recently moved into a new building. The new structure contains a vault, drive-up window facilities, bank office space and insurance offices.

Work on the building began last April.

Joins Dacotah Firm

E. C. Rhodes, chairman of the board, Dacotah Bank Holding Co., announced the appointment of Don R.



D. R. WYARD

Wyard as vice president and credit supervisor of the holding company.

Prior to joining Dacotah Bank Holding Co., Mr. Wyard was employed by Northwest Bancorporation in Minneapolis.

Prior to that time, he was senior vice president of the First National Bank of Billings, Montana.

New Building for Pierre National Bank



EXTERIOR and interior views of the new Pierre National Bank building. News coverage of the bank's open house was featured in the November NORTHWESTERN BANKER.

Central Bank's

BILL GOSSETT

Takes pride in fast service!



Q. "...but he needs a loan to build up his inventory. What do you think?"

A. If you think it's sound, go ahead. We'll participate for the amount you indicated, with your bank carrying its limit. The information you've furnished indicates he is worthy of this amount of credit.

Q. "...prepared to make the loan, but can you come and look over the collateral with me?"

A. Sure! I've been wanting to get out to see you. I'll be in your office Tuesday morning, and stay over 'til Wednesday if necessary.



Q. "...but I'll need some help to get as much as I want."

A. Anybody who wants to buy more stock in his own bank knows a good thing when he sees it. Go ahead. We'll provide what you need.



Q. "...Tuesday night to Friday morning. Shall I make reservations and get tickets?"

A. I'll make you a deal, Darla. If you'll phone the hotel and the ticket office, I'll pick up the tickets.



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Don Echtermeyer



John Edmiston



Bill Gossett



Larry Matthes

The Central Bank's Correspondent crew is quick, qualified and complete. A single call or letter to your Correspondent gets prompt and accurate response. And every door at Central Bank is open to you through him. It's our open door policy.

North Dakota NEWS

T. A. SOLHEIM President Minot
W. J. DANER Secretary Bismarck



Development Credit Corporation Organized

A BULLETIN has been issued by the North Dakota Bankers Association to all its members notifying them that the North Dakota State Development Credit Corporation has been incorporated. This has substantially the same powers and goals as the former State Development Corporation that was never activated.

William J. Daner, NDBA secretary and a member of the initial board of the Corporation, reports three orders of business need to be accomplished:

1. A managing officer, preferably a banker or former banker, is needed to head the Corporation. He will be, in effect, a chief loan officer.

2. Commitments to participate in the loan pool are needed from banks and other lending institutions in the amount of 2½% of capital and surplus.

3. Capital stock is needed in a minimum amount of \$75,000 and hopefully \$500,000, invested at the rate of \$50 per share. Banks are authorized to purchase stock under the statute, but their participation in the loan pool is essential to the success of the Corporation.

W. Kahl Named Director

Wes Kahl, Carrington postmaster, has been named to the board of directors of the First National Bank of Carrington, according to Gary Miller, president of the bank.

40th Anniversary

The Northwood State Bank, Northwood, held open house recently to celebrate its 40th anniversary.

The bank opened for business in 1931.

Open House Held

Open house for the new paying and receiving station at Plaza was held recently, according to an announcement by co-managers, Edna Hallingstead and Bernice Endresen.



MODERN paying and receiving station opened at Plaza.

The Plaza station is part of the service offered by the parent bank, Peoples State Bank, in Parshall.

Women Bankers Meeting

Women bankers turned out in record numbers for the annual AIB Women's Dinner Meeting held recently in Bismarck.

Grand Opening of Bank

The grand opening of the First National Bank in Drake, was held recently. President Lyle Bakken termed the opening a success.

McKenzie Joins Staff

Peter Kelly McKenzie has joined Lamb's Bank in Michigan. He formerly served as assistant director of personnel for the North Dakota State Highway Department in Bismarck.

Valley Bank Opens

The Valley Bank and Trust Company recently opened on the first floor of the Dacotah Hotel building in Grand Forks.

John F. Cook, executive vice president and trust officer, states the new bank facilities provide 7,000 square feet of banking floor. The building also includes a work room, a drive-up window and rest rooms.

Conference Dates Changed

The dates for the NDBA 11th Annual Bank Management Conference

have been changed to Thursday and Friday, February 3 and 4, 1972. The conference will be held in Jamestown.

Bankers, Auditors Meet

Bankers and auditors met last month to discuss Certified Public Accountant's reports and how they relate to banking, at a meeting of the Central North Dakota Chapter of Bank Administration Institute.

V. Frank Kadlec, CPA, addressed 52 bankers from 14 banks on "The Values of a CPA Audit."

Special Ceremony

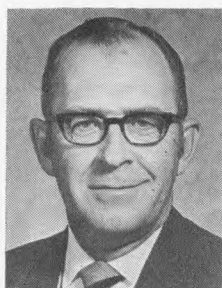
The Industrial Commission, consisting of William L. Guy, Governor; Helgi Johanneson, Attorney General; and Arne Dahl, Commissioner of Agriculture, and representatives of the Bank of North Dakota attended a special ceremony and reception held in the President's room of the Memorial Student Center at Valley City State College November 19 in honor of Gradin Paul Porter.

Mr. Porter holds the distinction of being the recipient of the first federally insured student loan in the United States. The loan was made by the Bank of North Dakota, the only wholly state-owned bank in the nation. The Industrial Commission supervises the Bank of North Dakota. Dr. Leon P. Minear, regional commissioner, and John O'Connor, senior program officer for Student Financial Aids of the Region 7 Denver office of the U. S. Office of Education, were also present.

The Bank of North Dakota has been the outstanding leader in student loans in the seven-state area represented by the Denver office. The bank has made over 18,100 student loans since the inception of the program and presently holds over \$14,139,393 in investments in student loans according to H. L. Thorndal, president. The Bank of North Dakota presently holds approximately 30% of the total number of student loans made in the state.

North Dakota leads the nation in making financial assistance available to students seeking education beyond high school, both higher education and vocational education. Despite its small population, the State ranks ninth in the nation in total dollar amount of loans made since inception of the program, according to figures recently released by the Department of Health, Education, and Welfare.

Wyoming News



ROBERT W. FINKBINER
Lander
President
Wyoming Bankers Assn.

R. D. Williams Promoted

Ralph D. Williams has been named president of the First National Bank of Lander.



R. D. WILLIAMS

Mr. Williams has been associated with Guaranty Bank & Trust Company of Denver since 1965, serving as vice president and cashier. Prior to that, he was vice president in

charge of commercial loans at Englewood State Bank, now Continental National Bank of Denver.

As president of First National, Mr. Williams succeeds Robert W. Finkbiner, who resigned recently. Mr. Finkbiner is president of the Wyoming Bankers Association.

The First National board of directors also elected Robert W. Pappenheim as first vice president of the bank. He is the former vice president of finance for the Ceres Land Company of Sterling, Colo., a firm engaged in cattle feeding, farming, livestock breeding and the marketing of associated products and services.

From 1964 to 1970, Mr. Pappenheim was associated with the First National Bank of Greeley, Colo., serving in several officer capacities. He was a vice president at the time he left to join the Ceres firm.

First National Bank of Lander, a \$14 million institution, is a proposed member, pending approval by regulatory authorities, of Wyoming Bancorporation, a registered multi-bank holding company.

Named To AIB Office

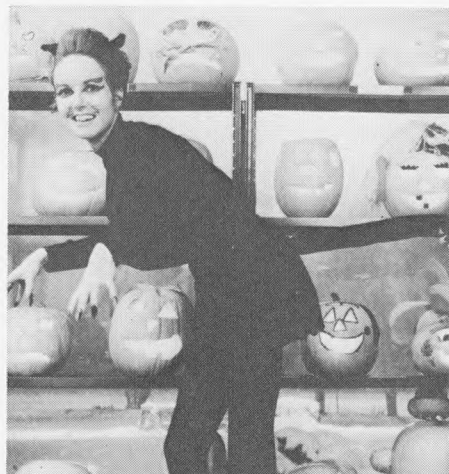
William H. Brown, vice president and personnel officer for the First National Bank of Casper, was appointed associate councilman for Wyoming at the conference of the American Institute of Banking held in Portland, Oregon.

Mr. Brown will function as liaison

between bankers in Wyoming and the AIB in promoting chapters, study programs, in-bank study groups and providing assistance in the continuance of education for bankers.

Bank Sponsors Contest

Western National Bank in Casper sponsored a pumpkin decorating contest for children between the ages of 6-9 and 10-12. A new bicycle and two transistor radios were the prizes for each group. A total of 119 children entered the contest.



COSTUMED EMPLOYEE Mrs. Tom Ryan inspects the dozens of pumpkins entered in contest held by Western Natl. Bk., Casper.

An open house also added to the festivities with all employees dressed in Halloween costumes.

Bank Sponsors Young

The Cheyenne National Bank is the sponsor for the newly-created company called Banco Sales, which is comprised of 11 Cheyenne young persons and three adult advisors.

According to Walter Null, Cheyenne representative of Junior Achievement, JA gives high school students an opportunity to form businesses and operate them much like regular companies.

Moves To New Location

The Saratoga State Bank in Saratoga recently moved to a new location and building. Charles Fisher is president of the bank.

Study Value of Banks

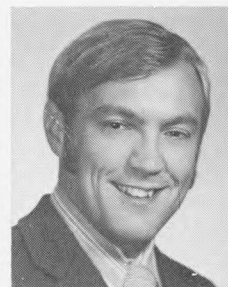
A legislative committee has assigned to the State Board of Equalization, the task of getting a fix on the value of all property held by banks and savings and loan institutions in Wyoming.

The study, which should be completed by next spring, is part of research the joint House-Senate Revenue Committee is doing to see if any changes are needed in the method of taxing 82 financial institutions in Wyoming.

A. J. Anderson Joins Bank

A. J. "Tony" Anderson has joined the First National Bank of Casper as agriculture representative, president Robert E. Bryans announced recently.

Mr. Anderson was formerly employed as assistant regional credit manager for Allied Mills, Inc. in Omaha, Nebraska.



A. J. ANDERSON

Bank Expansion

Felix Buchenroth, Jr., president of The Jackson State Bank, Jackson, recently announced that construction of a 6,000-square-foot addition to the bank is underway, with completion scheduled for early spring.

The upstairs area of the new building will contain The Jackson State Bank's trust department offices, installment loan offices and conference rooms.

Located on the ground floor of the \$200,000 addition will be more drive-in windows and office space.

B of A Issues Card For Auto Purchase

The Bank of America announces it has developed a special card for automobile purchases which it is initially offering to 200,000 preferred customers.

Called the Preferred Auto Rate Card, it will allow the bearer to finance a new car purchase at a preferred rate, and without the red tape of filling out a long loan application.

Once the car has been selected, the card which bears the holder's name, and signature need only be presented to any of the bank's branches or to the auto dealer.

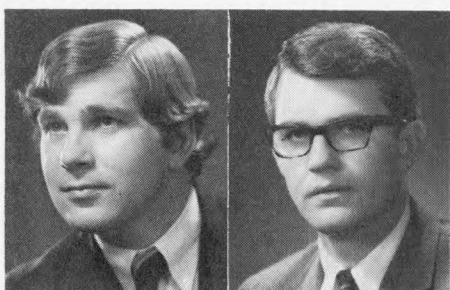
Colorado News

MAX G. BROOKS
Denver
President
Colorado Bankers Assn.



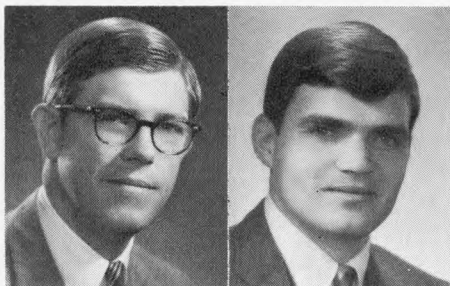
United Bank Promotions

John D. Hershner, president of the United Bank of Denver, has announced the promotions of Gary B. Ashley, Thomas W. Swanson, Robert A. Esperti, and Richard T. Vancil to vice presidents.



R. A. ESPERTI

G. B. ASHLEY



T. W. SWANSON

R. T. VANCIL

Mr. Ashley and Mr. Swanson will serve as vice presidents in the commercial banking division. Mr. Ashley, who was promoted to commercial banking officer in 1969, joined the bank in 1965 after graduating from the University of Colorado with a B.S. in Business.

Mr. Swanson joined the bank in 1966 after receiving his M.B.A. from the University of Denver. He was named commercial banking officer in 1969.

Mr. Esperti and Mr. Vancil will serve as vice presidents in the trust banking division. Mr. Esperti was associated with Ford Motor Company, Bank of the Commonwealth and Manufacturer's National Bank of Detroit before joining United Bank of Denver as a personal trust officer in 1969. He was promoted to trust officer in 1970. He is a graduate of Michigan State University and Wayne State University

Law School. Mr. Esperti is in charge of the trust planning and marketing group.

Mr. Vancil, a graduate of the University of Kansas, joined the bank in 1967 after receiving his M.B.A. from the University of Denver. He was promoted to trust operations officer in 1968, trust officer in 1970, and is now in charge of the trust operations group.

First National, Denver, Advances 21

Robert G. Boucher, who was named head of First National Bank of Denver's mortgage banking division recently, has been promoted to senior vice president.

The board also advanced Richard A. deRusha, John C. Root, Donald H. Rydstrom and Verlyn E. Wolf from assistant vice presidents to vice presidents.

Kenneth V. Penland was promoted from trust officer to vice president and trust officer. Advanced from assistant trust officers to trust officers were Douglas J. Arnot, Lester Garrison, Coleman Robinson and Edward H. Steinberg. Robert Alder and Edward A. Hagerman were elected assistant trust officers.

New assistant vice presidents elected were E. Hale Adams, Jr., James E.



BOUCHER

RYDSTROM

ROOT



DeRUSHA

WOLF

PENLAND

Friesen, L. William Marrin, Jr., and Dennis L. Peterson, all of the correspondent bank department; John H. McAdams and Robert S. McRae of the commercial loan department; L. Robert Bauers, bond department, and Phillip N. Blades, dealer loan department.

Mrs. Nancy L. Van Name, secretary to Eugene H. Adams, president of First National, was appointed to the newly created position of executive assistant.

Westminster Promotions

Don L. Baugh and Virgil F. Bruns have been advanced from vice president to senior vice president at First National Bank of Westminster. Mr. Baugh joined the bank in 1966 and previously was with the Northwestern National Bank of Omaha. Mr. Bruns is also a former Nebraska banker who joined the bank in 1964.

R. C. Armstrong Promoted

Lewis L. Gaiter, Jr., president of the Skyline National Bank in Denver, announced the election of Richard C. Armstrong to the board and his appointment as executive vice president of the bank.

Mr. Armstrong was the principle organizer of the Centennial State Bank in Littleton. Before moving to Denver in 1970, he was executive vice president and a director of the Overland National Bank in Grand Island, Nebraska.

Bank Open House

The Colorado State Bank recently held an open house to celebrate the bank's opening in its new building in Denver.

D. J. Dunning Promoted

David J. Dunning has been promoted to vice president of the Rocky Mountain Bank Note Publishing Company in Denver.

Mr. Dunning has been with the publishing company, which has plants in several western states, for the past 10 years.

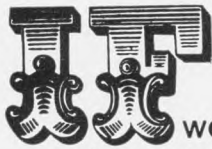
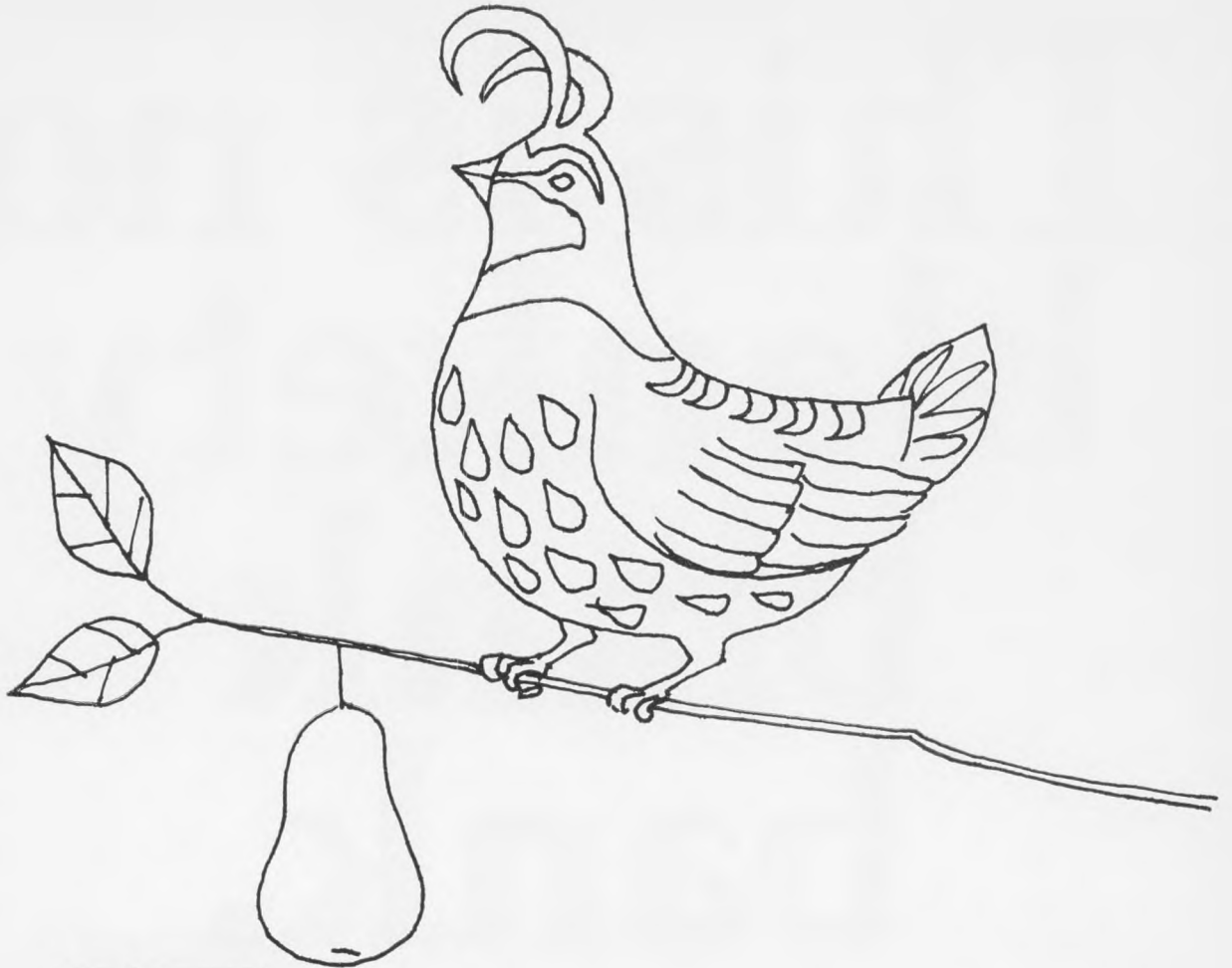
Fort Collins Promotions

Officials of the First National Bank of Fort Collins last month announced the appointment of William Riddell as manager of the bank's EDP department and James W. Downing as operations officer.

This is no blankety blank bank.



Swear by it, but never at it. That seems to be the attitude of our correspondents toward the City. Try us for our complete selection of top-grade municipal and general obligation bond availabilities. Just one of the many good reasons for coming to the City.



we had a pear tree in our bank this holiday season there probably would be a partridge perched in it, cuz it's the thing to do this time of year. But for the rest of us in the correspondent bank department, we've little time for perching. To continue to efficiently serve over 275 ~~250~~ banks in 10 states we're always on the go. But, it's the holiday season and we do have time to thank you for our relationships this past year and wish you a Merry Christmas and a Happy New Year.



OMAHA

Nebraska NEWS

JOHN W. CATTLE President Seward
W. H. OSTERBERG Exec. Mgr. Omaha

Elected Group Officer

Levetta Hosler, executive vice president of the Fullerton National Bank in Fullerton, recently attended the con-



L. HOSLER

vention of the National Association of Bank Women, Inc. in New Orleans, Louisiana.

She was one of 15 regional vice presidents installed as newly elected officers. Miss Hosler will serve the Midwest Re-

gion which comprises Nebraska, Missouri, Kansas and Iowa.

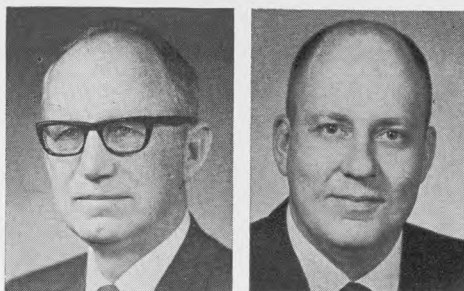
Miss Hosler also took part in a program workshop on loans at the national meeting.

Forms Are Updated for "Plan for Profit" Kits

Preparation of the latest, up-dated forms to be included in the "Plan for Profit" kits distributed at the Nebraska Bankers Association recent group meetings was completed last month by the University of Nebraska College of Agriculture. Larry L. Bitney, extension economist, has provided Nebraska banks a list of county agents and order forms for cash flow material that is a part of the kit. Funds for research and development of the "Plan for Profit" kit were provided by the Nebraska Bankers Association. The NBA ag committee is planning further programs to assist the College of Agriculture in promoting the use of cash flow records.

Emil Placek Retires

Emil E. Placek has retired as chairman of the board of the First National Bank of Wahoo, but will continue as an honorary director. Mr. Placek, who will be 94 on December 14, started his banking career in 1907 as one of the organizers of the Bank of Prague. When it opened in 1907 he served as president. He continued living in Wahoo, where he had moved in 1901, and practiced law from then until 1909



when he was elected to a two-year term in the Nebraska Senate. Following this, Mr. Placek served as a county judge.

He continued his interest in the Bank of Prague until selling his stock in recent years to the present owners. In 1933 he was elected president of the First National Bank of Wahoo, retaining that post for 20 years. He served as chairman from 1953 until his recent retirement.

Mr. Placek received a 50-year award from the Nebraska Bankers Association in 1957. He is also a past president of the NBA and was active on many of its committees for many years.

Elected to Board

Richard E. Spelts, Jr. was elected to the board of directors of Northwestern Public Service Company, a natural gas and electric utility.

Mr. Spelts is chairman of the board and chief administrative officer of the First National Bank of Grand Island.

Feeder Calf Show Brings Good Prices

Calves from top herds in Colorado and Nebraska were entered in the re-

cent 27th Annual Omaha Feeder Calf Show and Sale held at the Omaha Stockyards. Charles W. O'Rourke, vice president of the Union Stock Yards Company of Omaha, said the quality of calves entered was the best in the history of the show. Nebraska calves won four of the top five awards.

Calves were judged in pens-of-twenty by Bill Able, coach of Livestock Judging Team, Animal Science Department, Kansas State University; Orville Kalsem, vice president of the American National Cattlemen's Association and a cattle feeder from Huxley, Ia., and John Kroner, a cattle feeder from Mahomet, Ill.

Premium money was offered for both steer and heifer calves. The cash awards were furnished by the Union Stock Yards Company of Omaha, the Omaha Live Stock Exchange, American Angus Association, The American Hereford Association, American-International Charolais Association, and American Shorthorn Association. In addition, the breed associations, the Union Stock Yards Company, and the Northwestern National Bank of Omaha presented trophies and plaques.

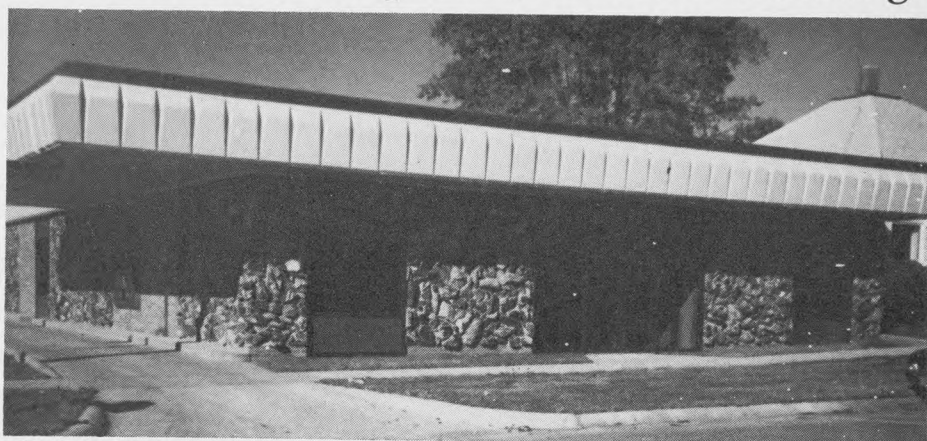
An estimated 500 persons were present when Auctioneer Colonel Dick Kane, Wisner, Nebraska, asked for bidding on the champion load of steer calves.

Jerry & Deloris Adamson of Nebraska won the top award with Charolais-Angus steer calves, which were judged the Grand Champion Calves of the Show. The load of Adamson's twenty

NEBRASKA NEWS . . .

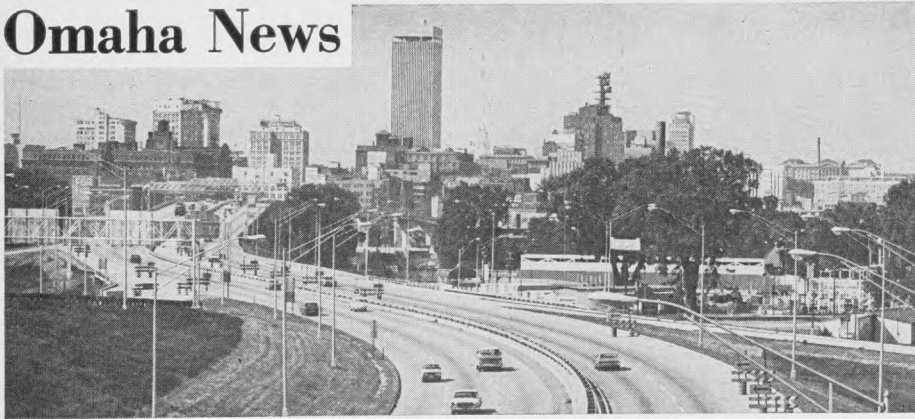
(Turn to page 54, please)

Farmers State, Superior, Has New Building



PICTURED here is the new building recently occupied by the Farmers State Bank in Superior. Minor P. Baird, pres., reports the new quarters provide 4,000 square feet of floor space on the main floor of the Butler type building, in addition to a full basement. The exterior is finished with California rock and brick. Drive-up banking and customer parking also are provided in the new quarters.

Omaha News



REMODELING which began recently at the **U.S. National Bank's** walk-in facility is expected to be completed by the end of December.

The work will result in six teller windows and room for the desks of three personal banking service representatives.

The bank will continue walk-in service in another area of the building until the remodeling is completed.

* * *

John F. Davis, chairman of the board of the **First National Bank**, was crowned King Ak-Sar-Ben LXXXVII recently at the 77th enactment of the Ak-Sar-Ben coronation.

Mr. Davis, who has been **First National's** board chairman since 1966, has been an Ak-Sar-Ben councillor and is currently serving as a governor.

* * *

The **Omaha National Bank** recently declared a regular dividend of 90 cents per share, payable December 13,

1971. The board also declared an extra dividend of 33 cents per share, payable on the same date.

The board of directors of the **Omaha National Corporation** declared a regular dividend of 20 cents per share, payable on the same date.

Frank O. Starr, bank president announced these promotions; **Melvin D. Fromm** to research officer; **Robert J. Timms** to trust officer; **Lavern L. Gell** to control officer; **Michael L. Green** to assistant loan officer, and **Robert K. Olsen** to assistant operations officer.

* * *

The **Omaha National Bank** has moved from 14th position to 10th position in the rankings of the 100 largest banks in agricultural loans.

Total agricultural loans by the nation's 100 largest commercial banks in the field rose 6.3% in the year ended June 30, 1971, to reach \$2.87 billion at mid-year.

Four banks among the top 10 rang

up increases in farm loans exceeding 15% each. The Omaha National Bank scored the biggest gain, rising 40.5% to \$55.9 million. Farm loans by Wells Fargo Bank NA, San Francisco, were up 32.7% to \$135 million, those of Idaho First National Bank, Boise, rose 19.8% to \$69 million, and loans by United California Bank, Los Angeles, rose 17.6% to \$88.3 million.

David R. Johnson, vice president in charge of The Omaha National's correspondent banking and agricultural lending department, stated that this increase reflects the Omaha National's area-wide service as a regional bank.

NEBRASKA NEWS . . .

(Continued from page 53)

steers averaged 594 lbs. and sold for an average price of \$66.85 per cwt. The top steer in the load sold for \$235.00 per cwt. and went to Denver, Colo. This price set an all-time high for the 27 years of this annual sale.

The Reserve Grand Champion load was shown by Earl Henderson & Sons of Nebraska. This load averaged 461 lbs. and sold for an average price of \$57.07. The top steer in the load weighed 480 lbs. and brought \$101.00 per cwt.

The Blauvelt Hereford Ranch of Nebraska showed the Grand Champion Heifers. The calves averaged 438 lbs. and brought an average price of \$48.63 per cwt. The top calf in the load weighed 445 lbs. and sold for \$68.00 per cwt.

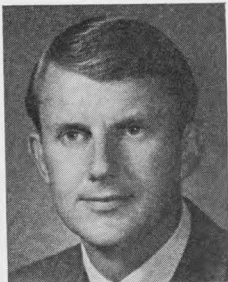
The Champion load of Angus steers was also shown by Jerry & Deloris Adamson. They averaged 499 lbs. and sold for an average of \$65.12 per cwt. The top selling calf in the load brought \$135.00 per cwt.

The Champion load of Shorthorn steers was shown by the Sherrod Shorthorn Ranch of Colorado. The average weight was 438 lbs. and the average price was \$53.17. The Reserve load of Shorthorn steers was shown by the Abbott Shorthorn Ranch of Colorado.

The average price of all show-award steer calves was \$55.19. The average price of all show-award heifer calves was \$48.69.

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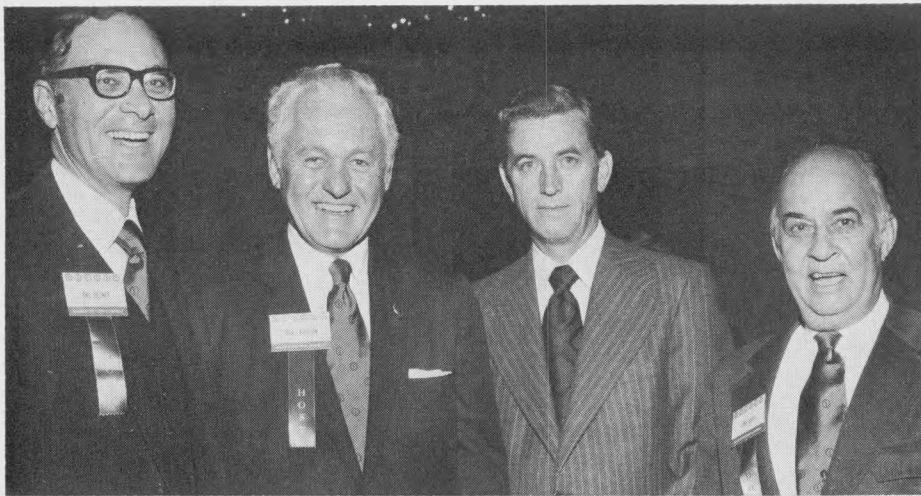
It's been a very good year for First National. A memorable year, highlighted by our move to the new bank in First National Center.

Now, during the Holiday Season, we approach the new year with deep gratitude and appreciation for our many fine correspondent associations.

You have helped make 1971 the memorable year it's been. And while we dedicate ourselves to providing you with every service and convenience, we send you our most sincere wishes for a joyous Christmas and a prosperous New Year.



first national bank
of omaha



A LOOK AT the economy for 1972 was given at the noon luncheon by **Ralph D. Creasman** (second from right), chmn. of Lionel D. Edie Co., New York. Pictured with him are First National Of Omaha's three top executives (left to right): **Phil Giltner**, pres.; **John Lauritzen** chmn. of exec. comm., and **John Davis**, chmn. of the bd.

980 Bankers and Wives Tour New First National Bank of Omaha Building

By **BEN HALLER, JR.**
Editor

PUBLIC acceptance is the final judgment of any business enterprise and last month the First National Bank of Omaha was given a resounding chorus of approvals from its various publics for its beautiful, new 22-story bank building in downtown Omaha.

After occupying the building November 13 and 14 in a well-planned, precision-like move from its old building at 16th and Farnam to the new quarters two blocks to the north at One First National Plaza, the bank opened for business in the new building Monday, November 15. A series of open houses began on Friday, November 19 and concluded Saturday evening, November 27, with a dinner party for the entire bank staff. The first evening was set aside for a "Press Preview." The second night was for directors and other stockholders.

On Sunday, November 21, 980

bankers and their wives from New York to California—representing 350 banks in 12 states—began assembling for the special open house for the banking fraternity. It was held in conjunction with the bank's Annual Economic and Beef Cattle Forum, which had been delayed from its usual date in September to be scheduled as part of opening festivities and formal building dedication on Monday, November 29.

They gave the new building an enthusiastic stamp of approval. Many went through it twice to view again some of the unusual features incorporated into the architecture and interior design.

The adjoining 18-story, 400-room Omaha Hilton Hotel, the five-story, 400-car parking garage, and a dozen retail stores and specialty shops are all conveniently connected so that one may walk from one building or shop to another completely under cover. In addition, underground passageways also are provided to reach a parking

lot across the street west, or to reach other downtown Omaha department stores and buildings across Dodge Street.

The focal point for the tours was the executive offices on the Terrace (4th) Floor. These were described in detail in the last issue of *NORTHWESTERN BANKER*. These offices and many other areas of the bank are showcases for many items of historic and nostalgic interest from the early history of the bank, the City of Omaha and Nebraska. The way these items—old fireplaces, elegant wood paneling from the bank building constructed in 1883, old railroad station bricks, etc.—have been built into the design of offices, hallways and large rooms is a tribute to the interior designers who did this work.

One feature of the open house that drew tremendous applause every time it was viewed was a multi-screen slide and movie presentation that traced the development of the midwest from Omaha and Council Bluffs west to the Rockies, with principal attention given to the growth of Omaha, and the people who were responsible for that growth and the First National Bank. The 15-minute presentation on five screens was rated "Strictly First Class" and "Elegant" repeatedly by the viewers. It was assembled and presented by Bozell and Jacobs, Inc. advertising agency. One of the outstanding features of the brief show is the music and the expert way it highlights various scenes.

After open house tours Sunday, a buffet reception in the bank quarters Sunday evening for visiting bankers and more tours for bankers Monday morning, the noon luncheon began with a brief dedication address by Phil Giltner, president of First National. He introduced John Davis, chairman of the board, and John Lauritzen, chairman of the executive committee, along with other directors of the bank. This was followed by a showing of the slide-film presentation.



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A very Merry Christmas
from the folks at
the National Bank of Commerce
Lincoln, Nebraska



GREETING banker guests at the Beef Cattle Forum were the officers of First National's correspondent bank division. Left to right they are: **Bob Brown**, **Ralph Peterson**, **Don Ostrand** (dept. head) and **Merv Aegerter**, all v.p.'s, and **Herman Jacobs**, mktg. off. **RIGHT**—**Mr. Aegerter** (center) moderated the Forum and introduced the two speakers, **Odin Langen** (left), administrator of Packers and Stockyards Administration, Dept. of Agriculture, Washington, D.C., and **Dr. R. L. Coppersmith** (right), ag marketing economist, Kansas State University.

In his remarks, Mr. Giltner noted that the people involved in the planning of the new quarters had traveled world-wide to acquire the ideas and the products that went into the building. He said the entire First National Center complex, "our city within a city"—bank building, hotel, parking garage and stores—cost in excess of \$30 million.

Economist Speaker

Luncheon speaker Ralph D. Creasman, chairman of Lionel D. Edie Co., New York, gave "An Overview of the U. S. Economy." Mr. Creasman noted at the outset that he is an optimist. In his summary he listed a number of the "negatives" that can be found in the economy and American life today—inflation, high unemployment, high foreign debt, youth unrest, dissatisfaction with the Viet Nam war, domestic social problems. He concluded by stating that "If we created these monsters we should be able to tame them."

Mr. Creasman supported President Nixon's view that "we must tell other nations we can't carry them any more. We respect the action the President



A BRIEF address of welcome was extended to the Omaha businessmen and visiting bankers by First National's President **Phil Giltner**.

took regarding inflation. We're only concerned that it *won't* be successful. We feel it's our most serious threat to the future economy. We think labor understands the necessity for us to get control of inflation."

Mr. Creasman looks for all major indicators to show 1971 well ahead of 1970 and further expects a similar growth in 1972 over 1971—showing about an 8% growth. He expects unemployment to be down to 5% by the end of 1972, and inflation reduced to a 3% rate. Corporate profits should be up 34% to \$55 billion after taxes, GNP will show substantial growth and the Dow Jones will top 1,000. Short rate bonds, he said, will rise moderately and long ranges will decline some during the near-term outlook.

Beef Cattle Forum

During his introduction of the Beef Cattle Forum panelists, First National's Vice President Merv Aegerter said livestock is the bright spot in the economy and three states are over the billion dollar mark in livestock income: Iowa, \$1.4 billion; Texas, \$1.3 billion, and Nebraska, \$1.0 billion. "The economic growth of Nebraska," he stated, "depends on the feeding of grain production into cattle."

Odin Langen, administrator of the Packers and Stockyards Administration, United States Department of Agriculture, Washington, D. C., cited the importance of a healthy rural and agricultural economy to the entire nation and its consumers. He said, "It follows that the industry cannot possibly be in good health and prosperity if there is not sufficient availability of credit."

Mr. Langen said agriculture has suffered greatly from inflation, even though farmers "have not contributed to the inflationary factors in the nation in anywhere near the same proportion as other endeavors."

CATTLE FORUM . . .

(Turn to page 60, please)

We can help you . . .

... and a PROSPEROUS New Year"

Van Horne

Investments, Inc.

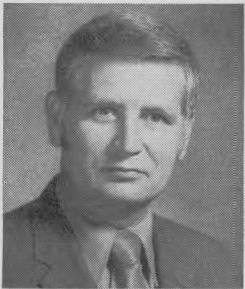
FARM CREDIT BUILDING - OMAHA

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MEET DAN RISHEL...



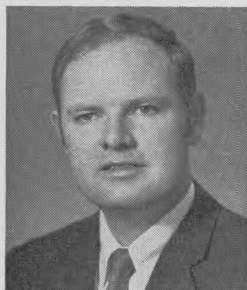
FRANK SIBERT
Vice President



BILL GRAVES
Vice President



...another member of our Correspondent Bank Team



JOHN FARRELL
Vice President

You'll be seeing a lot of Assistant Vice President Dan throughout the area because he's out visiting with our customers. He's ready, willing, and able to discuss, suggest, and recommend possible solutions for any problems you might have. Or...if you need him before he gets there, you can reach him—or any of the other members of our full service correspondent bank team—with a call to (402) 734-1234.



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Lincoln News



THE J. A. Bank has become the newest correspondent bank of the National Bank of Commerce.



NEW J.A. BANK — Paul Amen, president, National Bank of Commerce, Lincoln, buys share of stock from 17-year old Michelle Nissen.

The new enterprise is one of several being set up by Lincoln high school students participating in a Junior Achievement Program, which is in the developing stages in Lincoln.

* * *

When **City National Bank** opened its drive-up depot at the former Rock Island railroad station in June, 1969, it was in the forefront of a nation-wide trend which the **Wall Street Journal** chronicled a year later under the headline: "The Trains Don't Stop Now, but Old Depots Are Very Much Alive."

Now—almost another year and a

half later—Citibank's adaptive restoration of the historic building has brought a Certificate of Commendation from the American Association for State and Local History, plus a listing in the National Register of Historic Places.

* * *

More than 11,000 persons from Lincoln and within 60 miles of the capital city attended the "Disney on Parade" show in Pershing Auditorium last month with tickets purchased through a special "package price" at **First National Bank and Trust Company**. To show its support of this family entertainment stage production based on Walt Disney's beloved cartoon characters, the bank "bought the house" for one night.

First National then offered the tickets to all its BankAmericard holders in Lincoln and surrounding area on a "two for the price of one" basis as a way of saying "thank you" to these cardholders for their acceptance of BankAmericard.

A bank spokesman said the acceptance of this offer so far exceeded expectations that First National not only "bought the house" for one night, but sold an additional number of tickets for 600 people the next evening. A total of 11,000 persons attended the show with tickets purchased from the bank on the special offer.

CATTLE FORUM . . .

(Continued from page 58)

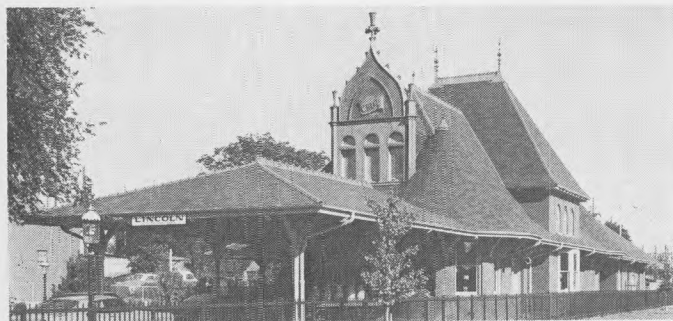
So far as the P&S division is concerned, Mr. Langen stated emphatically, "While we are a regulating agency, we are not in the business of regulation simply for the purpose of regulating. Nor is it our purpose to regulate anyone—producer, processor, packer, dealer, auctioneer or anyone else—out of business. It is rather our purpose to regulate in such a manner that all the legitimate endeavors in these fields may continue to be in business" while continuing to serve the public properly.

Dr. R. L. Coppersmith, ag marketing economist from Kansas State University, Manhattan, spiced his talk with generous lacings of humor. He didn't give much credence to Phases I or II of the inflation fight. He predicts goods and services in 1971 will exceed one trillion dollars and in 1972 we should have a growth rate of 3%, plus another 3% for inflation. Dr. Coppersmith said that in 1972 we can expect about 16.2% of the nation's \$740 billion disposable income to go for food, with about 4.8% of this for meat and three fourths of that will be for beef. He expects feeder cattle prices to stay about where they are now and not vary up or down by more than \$1 per hundred. Light 200-300 lb. calves will continue in the high \$40 range, while heavier calves in the 400-500 lb. bracket will fluctuate in the \$37-\$39 range. Heavier-feeder steers (600 lb.) will hold in the \$34-\$36 range. By next fall "you can look for feeder cattle to drop by as much as \$2 a hundred."

Dr. Coppersmith added, "Look for fed cattle to remain reasonably steady during the next 60-90 days with choice 1000 lb. steers selling in the \$33-\$34 range with short periods of

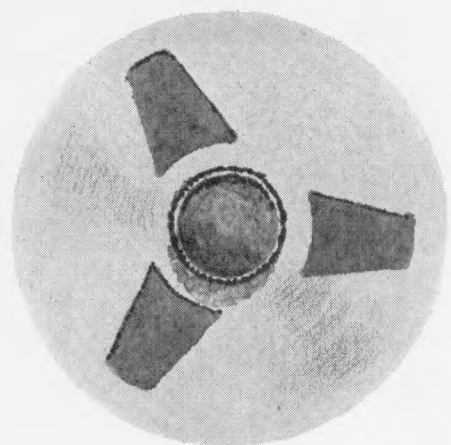
CATTLE FORUM . . .

(Turn to page 82, please)



DEPOT actively used in Lincoln as a drive-up bank. Nearly all of the original facilities are still intact.





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We supply you with either weekly or daily reporting ...again adapting our service to your bank.

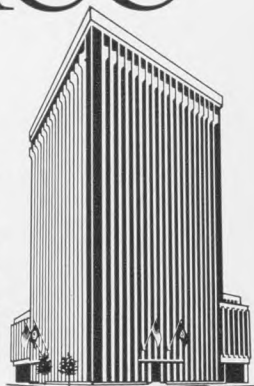
In addition to D.D.A. and Savings accounting, we also offer C.D., Mortgage Loan and Payroll accounting services that have proven popular with many banks.

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Wishes...
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that all your
holiday dreams
come true.*



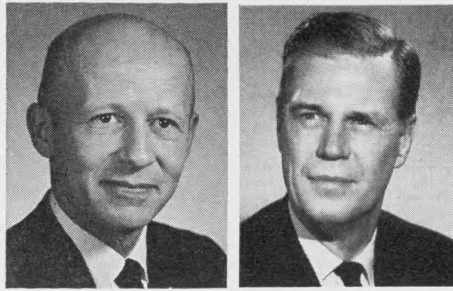
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"MAKING IMPOSSIBLE DREAMS POSSIBLE"

Iowa NEWS

T. H. HUSTON President Columbus Junction

A. E. LINDQUIST, JR. Exec. V. P. Des Moines



IBA Announces New Insurance Plan

THE Iowa Bankers Association's insurance committee, is making available through the Iowa Bankers Insurance and Services, Inc., a credit life and disability program. The J. T. Miller Company will assist in servicing this new program, which will be underwritten by The Credit Life Insurance Company of Springfield, Ohio, one of the largest companies in the field, and St. Paul Hospital & Casualty Company of St. Paul, Minnesota, a wholly owned subsidiary of Mutual of Omaha.



Ed Lenaghan (left), v.p., and Rose Dooley, pres., of Iowa Bankers & Insurance Services, review new program with Andrew M. Myers, natl. dir. of sales, J. T. Miller Co., Minneapolis.

Highlights of the program include:

1. The Iowa banker may select the premium rate that he feels fits his situation.
2. Up to \$30,000 guaranteed issue coverage available on installment loans.
3. Up to \$25,000 coverage available on farm operating loans.
4. Premium deposits left in your bank by carrier.
5. No volume minimum (84 months on life — 60 months on disability).
6. Competitive commissions and a dividend plan based on losses.

Promotions At Kellogg

C. R. (Jack) Bailey, chairman of

the board of directors of the Kellogg Savings Bank, Kellogg, announced the following promotions were made at the directors' meeting held last month. James D. Roth was elected chairman of the board. Mr. Roth has been associated with the bank 51 years. Since 1931 he has been managing officer of the bank.

Dan Leahy succeeded Mr. Roth as president of the bank earlier this month. Mr. Leahy is presently assistant vice president and controller of Hawkeye Bancorporation, a multi-bank holding company.

James L. Anderson was elected executive vice president of Kellogg Savings Bank. He has been with the bank the past 34 years. During the past 8 years he has been vice president and a director.

Mr. Bailey will continue to be on the bank's board.

Smith Takes ABA Post

Thomas R. Smith, president of First National Bank of Perry, and vice-president of Brenton Banks, Inc., has



T. R. SMITH

been named chairman of the Agricultural and Rural Affairs Division's Executive Committee of the American Bankers Association. In addition, Mr. Smith will serve on the board of directors of the Association and the Governing Council of the American Bankers Association. In this position, Mr. Smith will assist in establishing policy and programs for the Agricultural and Rural Affairs Division of the American Bankers Association's 13,500 member banks. As chairman, Mr. Smith has indicated that one of the main aspirations of the division this coming year will be to unite the vast interests and talents of community bankers into an

effective voice within the banking industry.

Ludwig Named to Board

Richard H. Ludwig, was elected to serve on the board of directors of The First National Bank of Dubuque. Mr. Ludwig, 39, is president of Aladdin Magiclean. He served on the Dubuque City Council from 1964 through 1967 and was elected mayor in 1967. He presently serves on the Dubuque Advisory Commission, The Clarke College Development Council, the board of Project Concern and is a member of the board of directors for The Dubuque Area Chamber of Commerce.

Joins Bettendorf Bank

George Henniger, executive vice president of Bettendorf Bank & Trust Co., Bettendorf, announced the addition of Mrs. Helen Pooler to the staff. Mrs. Pooler will be in charge of customer relations in new accounts.

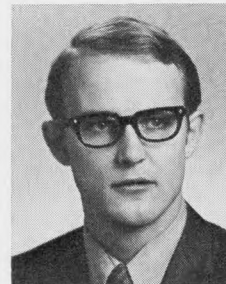
Mrs. Pooler has had extensive bank training with Citizens State Bank in Humeston; Security State Bank, Keota; Maquoketa State Bank, Maquoketa, and Perry State Bank, Perry, Missouri.

Viet Nam Memorial

Bettendorf Bank & Trust dedicate Patriotic Park to the City of Bettendorf last month and to the men who were killed in Viet Nam. The park consists of shrubs, park benches and 3 flag poles—for the U.S. flag, Iowa flag, and City of Bettendorf flag.

Auditor to Sioux City

The Northwestern National Bank of Sioux City will be headquarters for Robert F. Pribil, newly assigned North-



R. F. PRIBIL

western Bancorporation regional auditor. Mr. Pribil is a native of O'Neill, Neb., received his degree in finance from Creighton University, and most recently was employed by the Northwestern National Bank of Norfolk, Neb., where he was internal auditor. His regional audit responsibilities will in addition to the Northwestern National Bank of Sioux City include the Northwestern National Bank of Norfolk, Northwestern State Bank of Luverne, Minn., and The First National Bank of Denison, Ia.



FINAL OKAY on affiliation of Union B&T Co., Ottumwa, with Banks of Iowa, Inc., is made by, from left: **Max von Schrader**, chmn., Union Bank; **Holmes Foster**, v.p., Banks of Iowa; **F. Forbes Olberg**, pres., Banks of Iowa; **James E. Coquillette**, pres., The Merchants Natl., Cedar Rapids, and **J. C. Blackford**, pres., Union Bank.

Banks of Iowa Adds Ottumwa Directors

MAX von Schrader, chairman of the board of the Union Bank and Trust Company, Ottumwa, and Jay Blackford, president of the Union Bank, have been elected to the board of directors of Banks of Iowa, Inc., a bank holding company owning all the outstanding stock of The Merchants National Bank of Cedar Rapids and the Union Bank and Trust Company, Ottumwa.

Mr. Von Schrader has been associated with the Union Bank since 1920, serving as president from 1946 to 1967 and as chairman since 1967. He is a member of the board of directors of Iowa Southern Utilities Company and has served on the Iowa State Banking Board.

Mr. Blackford joined the Union Bank in 1939, became a vice president and director in 1962, and president in 1967. He is a past president of the Iowa Bankers Association as well as the Ottumwa Area Development Corporation.

To Export Council

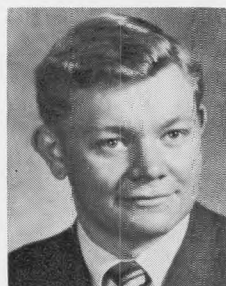
Rigoberto A. Areces, vice president of Banks of Iowa, Inc., has been appointed to the Regional Export Expansion Council by the Secretary of Commerce, Maurice H. Stans. The announcement was made in Cedar Rapids by Robert E. Case, director of the United States Department of Commerce.

The Regional Export Expansion

Council is active in mobilizing the American business community to increase exports of goods and services to other countries. Mr. Areces has been elected chairman of the Council's Education Committee.

Schneidermann is Cashier

George Schneidermann has been elected cashier of the Dallas County State Bank, Adel. After receiving his master's degree in agricultural economics at Iowa State University, he joined Brenton Bank, Inc. at the Wright County State Bank, Clarion, under the company's officer trainee program.



G. SCHNEIDERMANN

Open House at Wellsburg

Open house was held recently at the newly remodeled quarters of the Peoples Savings Bank, Wellsburg. Over 1100 visitors attended, according to Leland D. Luwe, executive vice president and cashier.

Shellenberger Resigns

The board of directors of The Citizens National Bank of Boone announced that H. D. Shellenberger resigned effective this month, as executive vice president and director.

The board took the further action of electing E. E. Wiemer as chairman of the board effective January 1, 1972, and George E. Taylor of the First National Bank, Clinton, president and director of The Citizens National Bank of Boone, to become effective January 1, 1972.

Mr. Taylor is presently the senior trust officer and a director of the Clinton bank.

Kriz Joins Farmers Bank

A former college all-American baseball player and New York Yankee draft choice has joined the staff of the Farmers Savings Bank, Grundy Center.

He is Rick Kriz, who received his Bachelor of Arts degree in business administration this summer at the University of Northern Iowa.

Mr. Kriz will be engaged in general banking, public relations, and real estate and insurance work at the bank.

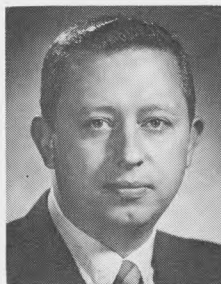
Eckerson Elected Examiner

Paul D. Dunlap, president of Hawkeye Bancorporation, has announced appointment of Jerry Eckerson to the position of examiner—auditor of Hawkeye Bancorporation.

For the past four years Mr. Eckerson has been associated with the Des Moines office of Ernst & Ernst, a public accounting firm. His primary responsibility was bank audits. Prior to working for Ernst & Ernst, he was an examiner with the Iowa banking department for five years and spent three years in the audit department at the Central National Bank & Trust Company, Des Moines.

Storey is Vice President

Ralph D. Storey, Jr., was elected by the board of directors of First National Bank, Council Bluffs, to the position of vice president, it was announced by Harold W. Booth, president of the bank.



R. D. STOREY, JR.

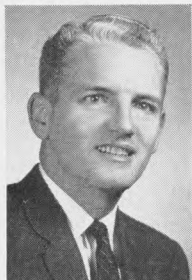
Mr. Storey is a native of Council Bluffs and has been with the bank since 1954. He was elected an assistant cashier in 1962 and an assistant vice president in 1968. His present responsibilities are in the area of commercial and agricultural credit.

The Friendship of those
we serve . . .
is the foundation of
Our Progress

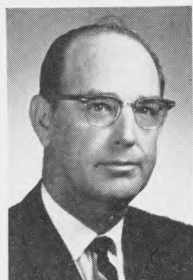
BEST WISHES FOR
A HAPPY
HOLIDAY SEASON



CHRISTY F.
ARMSTRONG
Executive
Vice President



LEO F. KANE
Senior
Vice President



ROBERT G. SCOTT
Senior
Vice President

American Trust and Savings Bank

DUBUQUE, IOWA Member FDIC, Federal Reserve System



Jackson State Bank Holds Seminar

THE Jackson State Bank and Trust Company of Maquoketa conducted a Business Institute for area merchants recently.

Robert F. Corey, vice-president of Drovers National Bank of Chicago, spoke on the 1972 outlook on the national level.

Jerry Maples, executive vice-president of Jackson State Bank and Trust Company, spoke on economic trends and the 1972 outlook on the Maquoketa area. Mr. Maples information was based on a survey of business establishments in the Maquoketa area, and the forecast of local businessmen for 1972.

The Jackson State Business Institute was attended by 250 local business and professional people, and was a huge success.

Lembke is Farm Rep

Robert H. Lembke joined the staff at Tipton State Bank, Tipton, last month as farm representative. Since 1962 Mr. Lembke has been employed at Community State Bank, Rockwell, most recently as cashier.

Morris BMA Chairman

Phil Morris, president of The First National Bank of Marion, has been appointed 1972 state membership services chairman for the Bank Marketing Association.

His appointment was announced today by BMA President, Buell G. Duncan, Jr., senior vice president, First National Bank, Orlando, Florida.

Mr. Morris' duties will be to help bank marketing personnel in banks throughout Iowa take advantage of the services offered members of BMA.

Bank Under Construction

The new First National Bank building is under construction at First and Lucinda streets in Perry. Construction of the brick and glass building is continuing ahead of schedule and is expected to be ready for occupancy by spring.

Complete banking services will be available on the first floor with a spacious community room located on the second floor along with the employees lounges, kitchen facilities and storage. The expanded motor-bank offers con-

venient, modern service with parking available on the south and east of the building. The bank structure will contain approximately 12,500 square feet of floor space.

Begin Sac City Bank

Construction has begun on the new \$300,000 Sac City State Bank, Sac City, according to bank president George Pingrey.

The new 100-by-60 foot structure is located at the corner of Audubon and South Fifth Streets and is scheduled for completion in September, 1972.

Robert C. DeVoe Architects, Inc. of Cedar Falls designed the new steel, brick and stone bank and the contractor is McCorkle Construction Co., here.

The building will have two drive through lanes, parking, and features two community rooms.

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Des Moines News

HIGHLAND Park State Bank concluded a three-day open house celebration on their remodeled interior bank facilities at Third & Euclid. Free prizes were given and refreshments and coffee were served for all customers and friends.

The bank opened on January 28, 1952, in a quonset hut on the southeast corner of Third and Euclid and in 1957 moved to its present location on the northeast corner of Third & Euclid. The Highland Park State Bank has been furnishing banking services in the community for 20 years, and has grown to where assets exceed twenty million dollars.

The bank was organized by Highland Park businessmen and the original seven board of directors are still active in the management of the bank. Its "On Premises" computer center has proven to be a very important tool in the operation of the bank. In addition to doing the bank's own computed work which provides management with up to date information and reports in a matter of minutes, it is servicing many North Des Moines business payroll accounts.

* * *

John R. Fitzgibbon, president, announced the following personnel changes to be effective December 1, at the Iowa-Des Moines National Bank.

Douglas Office assistant manager, **Harley Martin**, was transferred to

the real estate loan department to assume responsibilities of real estate lending.

Glenn Ingle to Retire

Glenn L. Ingle, savings bonds director for the U.S. Treasury Department in Iowa, will retire effective January 8.

Marvin R. Johnson, Treasury Department assistant midwest market director in the Des Moines headquarters, will become the new director and also retain his present post.



Marvin R. Johnson (left) and Glenn L. Ingle

Mr. Ingle began his government career with the district office of the Civilian Conservation Corps here June 1, 1939. He joined the savings bond program in 1942 and served as assistant state director, area manager and office manager.

In announcing Mr. Johnson's appointment to succeed Mr. Ingle, Kenneth E. Glass, director of the savings program for Iowa and five other states, said dual assignments of assistant market directors and state savings bond directors are being made throughout the country.

Plan Osceola Remodeling

R. A. Robinson, chairman of the board of Clarke County State Bank in Osceola, has announced a major remodeling program that will double the size and service capabilities of the bank.

A new safety deposit vault, an additional teller window, private offices, enlarged officers area, conference room, and statement window are all a part of this project which will be accomplished by utilizing the adjoining building. According to K. W. Richard, president, Earl Curtis, who is the executive vice president, has been given the responsibility of representing the bank with the Kirk Gross Company of Waterloo, which has the single-source responsibility for the entire remodeling program.

Mr. Curtis stated that this major addition will include a large expansion area as well as an employee lounge and is being undertaken due to the tremendous growth of the community.

The interior design will be done in a traditional scheme compatible with the image the bank maintains with emphasis on a functional operation. Completion of the project is expected in March of 1972.

New Allison Building

The State Bank of Allison moved into its new building recently and held open house for the public on December 3 and 4, according to W. A. Krause, president. The new structure is an early American design, featuring a night depository, drive-up facility and farm and insurance departments.

Kirk Gross Co. of Waterloo designed the building. Contractor was Mulford Construction Co. of Hampton.

Other officers of The State Bank are F. D. Wullbrandt, chairman; Parker Schmitz, executive vice president; Ronald Allan, cashier, and Kenneth Coulter, assistant cashier.

John Franey Promoted

At a meeting of the board of directors of the Pleasantville State Bank held recently, John Franey was elected vice president of the bank.

Mr. Franey is a graduate of AIB in Des Moines, and has served four years with the state banking department, and the last three years he has been cashier and vice president of the Walker State Bank, at Walker.



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"Operation Identification" — A First in Iowa Sponsored By First National of Council Bluffs

COUNCIL BLUFFS thieves may have hard times ahead if residents take advantage of "Operation Identification," a program to discourage burglary.

First National Bank, program sponsor, has purchased 25 engraving tools to loan to residents to engrave an identifying number such as Social Security on driver's licenses, on metal parts of TV sets, radios, and appliances.

Robert Tate, bank trust officer, told reporters at a press conference the bank will loan the engravers to residents for an \$8 deposit to be refunded upon return of the engraver.

Bank officials said the identification program is a first in Iowa although it is already in use in Indiana, Illinois and in Hawaii.

Operation Identification has the endorsement of the Police Department, Southwest Iowa Crime Commission and several Council Bluffs insurance companies.

Police Chief Nick Sulentic said the program should help in court cases as well as with recovery of goods and discouraging thefts.

"Many times we have to return tools to guys we know stole them because owners can't identify the tools," Chief Sulentic said.

When engravers are borrowed, residents will receive four free decals to place in windows. The decals will tell potential burglars that goods within the home are marked for identification.

Complete New Drive-In

The Davis County Saving Bank

Bloomfield, has a new window for drive-in, walk-in services. The new window, located on the south side of the bank building is in addition to the drive-in window on the west side of the building.

The new improvement features bullet-proof windows, automatic or manually operated money drawers and an intercom system.

New Oakland Building

The Citizens State Bank, Oakland, will move to new quarters in 1972.

Bank executive vice-president Lew Ross Jr. said construction will start on a new building at 303 Oakland Ave.

The new site is just west of the Oakland Lumber and Ready Mix Concrete Company.

"The new building will be colonial style brick with a wood shingle roof. We'll have two community rooms in the basement and a drive-up facility," Mr. Ross said.

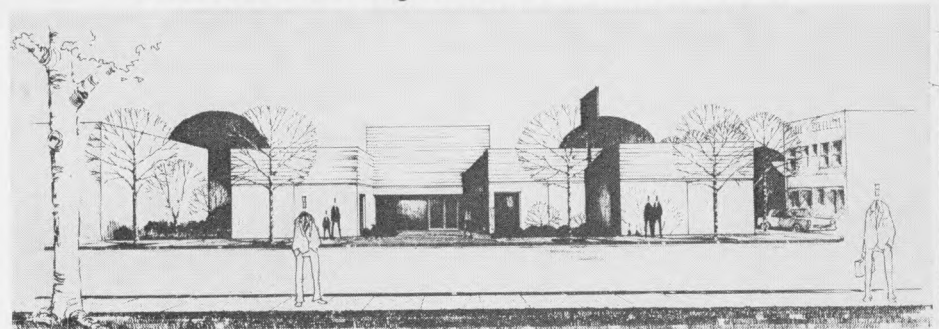
The 50- by 70-foot bank will be constructed by F. and M. Design and Construction of Chicago, Ill. Citizens State has occupied its present quarters at 101 Main St. since 1881, when it was founded.

\$150,000 Bank Project

A major enlargement and renovation project, which will cost an estimated \$150,000, will be launched by The First National Bank of Sioux Center.

A new addition 17.4 ft. wide will be added to the southside of the present building, and along the back of the bank there will be a 21.4 ft. extension to the east. This will give the bank an over-all length of 93.4 ft. and an over-all width of 57.4 ft.

Dallas County Bank To Remodel



4,000 FOOT ADDITION and remodeling has started at Dallas County State Bank, Adel.

CONSTRUCTION has begun on a 4,000 square foot addition and complete remodeling of the Dallas County State Bank in Adel. This will more than double the present space and will contain a new lobby, teller area, bookkeeping, walk-up and drive-up functions.

A separate machine room will be provided to reduce noise in the bookkeeping area. The drive-up facility will be protected from the weather by a canopy and will feature the Pneu-Vista system with a provision for three lanes. Quarters will include five offices, a pri-

ivate family conference room and a customer service area.

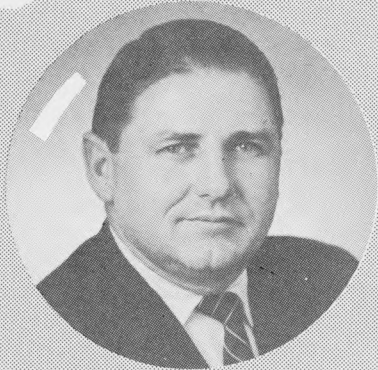
Exterior will be stucco, cedar wood siding and glass which will be bronze colored and is designed to reduce heat and sun glare. The one-half block area will have paved parking for 24 cars and landscaping will include a garden area that will be viewed from the teller line through glass behind the tellers.

Contractors are Russell Oneal, Adel, general, Siglin Plumbing and Heating, Perry, mechanical, and Fitz Electric, Dallas Center, electrical. The architect is Charles Herbert Associates of Des Moines.

MERRY CHRISTMAS!



TOM HORN



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CLEAR GLASS at the two-story corners will be a feature of the new First National Bank at LeMars.

New Bank Building For LeMars

CONSTRUCTION is underway for the new First National Bank building at Le Mars, according to E. W. Maser, president.

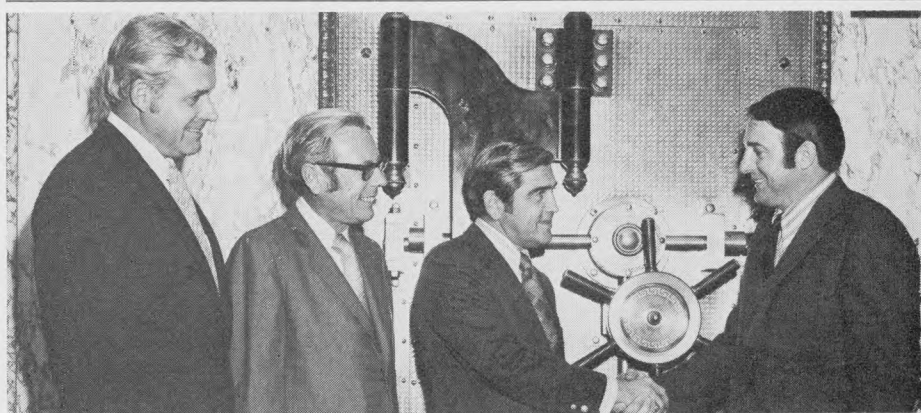
To be located on a corner site at the intersection of Central avenue and First Street, N.W., the new bank was designed by Dykins-Handford, Inc., buildings. It will be a massive moulded two-story cross with entrances at each of the four inside corners.

The exterior of the building will be dark brick with a white aggregate facade that outlines the shape of the building, projecting beyond the first floor wall line. This is at the mezzanine level, thereby enlarging the size of this area.

Clear glass is used at the two-story corners for a unique transparency opening to mezzanine and main banking lobby. Other glass will be mirrored solar type. Light will also be admitted through eight domed skylights near each entrance, for soft muted light from the rooftop through window wells to the first floor.

Parking will be available at three sides of the bank and a drive-up teller station will be located at the west side of the building. Plazas for display and mini-gardens with flag poles and a

time-temperature sign are also part of the present exterior planning.



NEW OFFICE in Atlantic for First Mid America, Inc. was dedicated recently by officers of the company in Lincoln. Shown from left are: **Norbert Tiemann**, v.p.; **Mal Livengood**, sr. v.p.; **Dale C. Tinstman**, pres., and **Larry Turner**, Atlantic mgr.

New Atlantic Investment Quarters

FIRST Mid America Inc., a member firm of the New York Stock Exchange, Inc., and other principal stock and commodity exchanges, with four offices in Iowa, conducted an open house at its new quarters in Atlantic recently.

Larry Turner, senior account executive in charge of the Atlantic office, said the new location at Third and Chestnut Streets is nearly twice as

Heads Winneshiek Bankers

New president of the Winneshiek County Bankers' Association is Larry Grimstad, vice president and member of the board of directors of Security Bank and Trust Co. in Decorah.

Mr. Grimstad was elected to the two-year term as president at the annual election meeting. He succeeds W. P. "Bud" Willer, vice president of Decorah State Bank, in the top office.

Also elected to County Bankers' Association offices were John Zoulek, assistant cashier of the Citizens Savings Bank in Spillville as vice president, and Charles Frana, cashier of the Iowa State Bank in Calmar, new secretary treasurer.

large as the former quarters of the firm. He added that the staff has been tripled in size since First Mid America opened its office in Atlantic almost six years ago. The firm's new facility is at the former location of the First Whitney Bank and Trust Co.

Turner said the move to larger office space was prompted by the growing interest of Southwest Iowans in all phases of investment banking, including stocks, bonds, mutual funds, commodities, money management, profit sharing and pension plans.

First Mid America Inc. has other offices in Des Moines, Sioux City and Cedar Rapids in Iowa; Omaha, Lincoln, Grand Island and Hastings in Nebraska, and Kansas City, Missouri.

Season's Greetings

The foundation of all business is friendship and with each holiday season it gives us pleasure to extend our best wishes to those whose friendship we cherish.

With genuine appreciation of our pleasant relations we extend to you the Season's Greetings.

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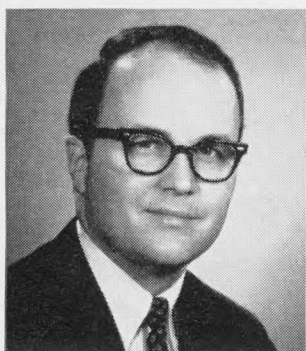
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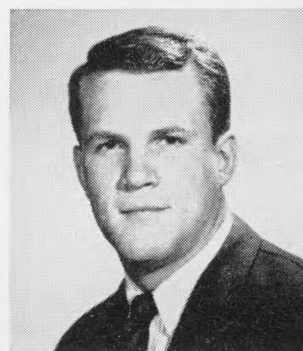
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Council Bluffs Savings Bank held its 29th Annual Cattle Feeders Banquet and here **Ed H. Spetman, Jr.**, president of the bank (center) is flanked by the guest speakers: **Dr. Edward Uvacek**, Texas A&M University, and (right) **E. H. Shoemaker, Jr.**, Milldale Ranch Company, North Platte, Nebr.

Hear Beef Predictions at Cattle Feeder Banquet

OVER 400 bankers, cattle farmers and guests attended the 29th Annual Cattle Feeders Banquet sponsored by the Council Bluffs Savings Bank last month in Council Bluffs at the Lakeshore Country Club. Featured speakers at the event were Dr. Edward Uvacek, Jr., head of the Department of Agriculture and Economics, Texas A&M University, and E. H. Shoemaker, Jr., of the Milldale Ranch Company, North Platte, Nebraska.

Dr. Uvacek made several projections into the beef market of the 1980's by telling those attending that the consumption of beef by the year 1980 will approach 130 pounds per capita. Said Dr. Uvacek: "This represents an increase of about 15% over the 113 pounds per person recorded in 1970. Human population, however, is also scheduled to grow another 16%, reaching 235 million by 1980 and this population will have a 72% higher dis-

posable per capita income. In total, then, beef use in the year 1980 should be up 33% or close to 31 billion pounds." He feels that since only a slight gain in beef imports is assumed, the domestic production of beef needed to fulfill this demand will have to reach almost 29 billion pounds.

Dr. Uvacek said that the amount of cattle slaughter required to produce this much beef would be 45.5 million head. His projections of a 21% gain in this period, he feels, seem reasonable when the overall trend cow numbers in the United States is examined. He said that possibly the most important criterion for the beef cattle industry of the future will be the calving rate. Last year the average calving percentage was estimated to be approximately 90% during 1970.

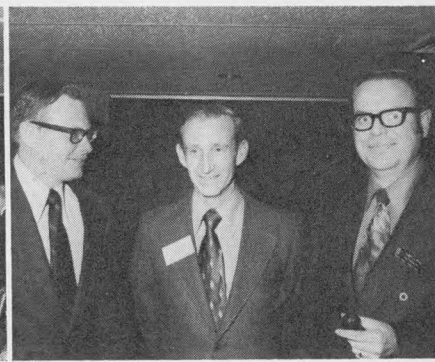
In his projections for the immediate future of beef cattle, Mr. Shoemaker said he expects beginning of the year

fed cattle market prices to be better than November or December but they will level out in February, 1972, with some fluctuation in prices in March, April and May due primarily to (1) changes in the weather, (2) placement patterns of yearling or two-way type cattle this fall and winter, and (3) some increased numbers which will start showing up in February, March and April.

"The cattle feeder will be in a generally favorable bargaining and price position during the next six months, because the supplies of both fed cattle and hogs will be relatively light," he stated. Mr. Shoemaker says demand is expected to stay strong and even improve in January, providing beef tonnage does not increase more than 2.5 to 3.0 percent over year-ago levels. "We expect the feeder cattle market

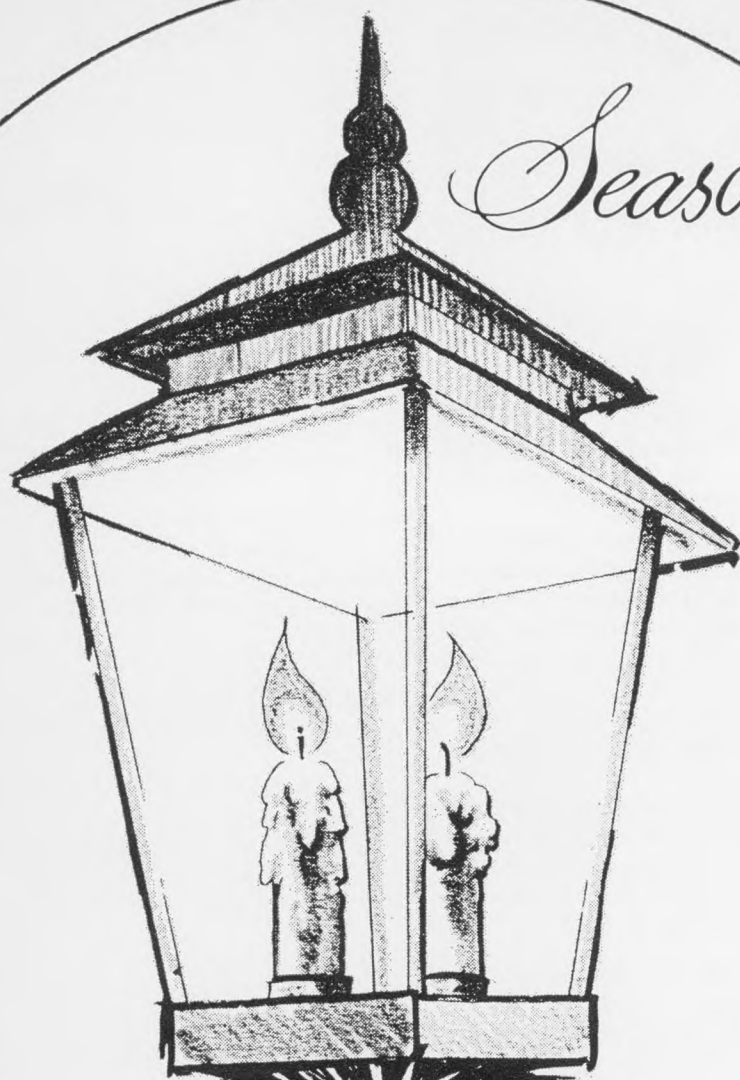
CBSB BANQUET . . .

(Turn to page 76, please)



SOCIAL ACTIVITIES were part of the Council Bluffs Savings Bank Cattle Feeder Banquet. Shown here (left to right) is **Winfield G. Mayne**, v.p. & cash., Montgomery County National Bank, Red Oak, visiting with Red Oak farmer **Clem Marsden** (note background where **Ron Kiger**, CBSB v.p. and **R. B. Graeme**, CBSB cash. judiciously survey the refreshment situation.) **RIGHT—John Burrows**, CBSB trust officer, **William L. Ryan**, exec. v.p. & cash., Home Savings Bank, Persia, and **George W. Meyer**, CBSB v.p., chat before the banquet.

Season's Greetings



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United America Shows Nine Months Earnings Gain

Third quarter earnings for United America Insurance Group, Des Moines, showed a substantial gain, according to John P. Hollingsworth, president. Earnings from operations including investment amounted to \$72,668, equal to 22¢ per share, compared with 1970 third quarter earnings of 7¢ per share. Earnings for the nine months totaled \$146,147, equal to 50¢ per share, compared to 21¢ per share for 1970.

Gross written premiums of the insurance subsidiary, United America Insurers, increased from \$1,075,926 to \$2,130,839 for the same nine month period.

United America Group is operated by Mid-America Insurance Investors Corporation of Des Moines. Included in the United America Group are United America Insurers, a fire and casualty company; United America General Agency, Inc., an insurance general agency, and United America Financial Services, Inc., a finance company.

Mid-America Insurance Investors completed an offering several months ago of 118,250 shares of its stock in Iowa and Minnesota at \$4 per share. The sale was handled by Fredericks, Clark and Company, Inc., of Minneapolis.

The premium finance facility, United America Financial Services, began operations September 8. Mr. Hollingsworth stated in his nine-month report



Al Moore, v.p., and John Hollingsworth, pres., of United America Group.

that the company was well pleased with the growth acceleration in amount of premium financed, number of contracts issued, and number of agents using the facility each week. He further reported that United America Insurance Group is moving into the acquisition of insurance agencies and its agency servicing program.

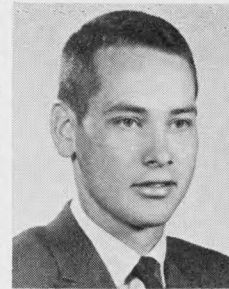
United America officials held a reception at the Des Moines Club in Des Moines in November to announce the nine month report to investment company representatives in Iowa.

Marengo Bank Expansion

Plans are being completed for expansion of the Iowa County Savings Bank, Marengo, according to Ward Hatter, president. The bank has purchased the buildings now occupied by The Style Shop and Style and Economy Clothiers from the Jerry Sullivans. The transfer is effective March 1.

Cox is Vice President

Gary A. Cox has been appointed vice-president and agri-business representative at the Fremont County Savings Bank in Sidney. Mr. Cox will work on agricultural business problems with the bank, bank president James H. Pullman, Jr., announced. Mr. Cox has several years of farm and home loan work with Farmers Home Administration of the U. S. Department of Agriculture. Presently he is county supervisor for Page and Fremont Counties with FHA.



G. COX

CBSB BANQUET . . .

(Continued from page 74)

to stay fully steady and get somewhat stronger between now and February. It will level out during the spring and will likely fluctuate some based on what the fed cattle market does next spring."

Mr. Shoemaker feels the cow/calf and stocker cattle operator is in a very favorable position now and this basic situation will continue throughout 1972, providing there is no down trend in the fed cattle market next year. He warns, however: "The increase in beef cows in the Midwest needs to be closely watched. If allowed to increase too fast, resulting in the total U.S. cow herd increasing more than two percent per year, the cattlemen of the U.S., including the cornbelt cow/calf operator, will be in real trouble."

The Council Bluffs Savings Bank this year purchased two 4-H baby beeves; one from LeVern Walter and one from Neil Darrington. Also attending the banquet were the winners from the West Pottawattamie County Fair — Mark Grosvenor, Grand Champion, and Cindy Felton, Reserve Grand Champion. Ed H. Spetman, Jr., president of the bank, was host and master of ceremonies at the Cattle Feeder Banquet.—End.

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At Iowa-Des Moines National Conference

Improved Business Is Forecast for 1972

APPROXIMATELY 500 Des Moines and central Iowa businessmen attended the 13th Annual Iowa Business Trends for 1972 meeting and luncheon sponsored by the Iowa-Des Moines National Bank of Des Moines. Held at the Fort Des Moines Hotel December 6, the meeting was called to order promptly at 10:00 a.m. by John R. Fitzgibbon, president of the bank. He introduced five prominent business executives who gave their assessment of the business outlook for 1972 in their respective fields. Luncheon was served in the grand ballroom, after which an economist gave his views of the coming year.

A summary of their remarks follows:

Agriculture

Dale W. McMillen, Jr., chairman, Central Soya Company, Fort Wayne, Ind.: For the specific outlook for items



D. W. McMILLEN, JR.

affecting Iowa and midwest agriculture for 1972, the items which I will cover include feedgrains, soybeans, hogs, fed cattle and farm income.

Corn—The U. S. began the 1971-72 market-

ing year with approximately 6.1 billion bushels of corn. Due to lower feed-grain prices and more favorable livestock feeding ratios we expect total disappearance of corn to increase approximately 13% over last year. Even with this, we expect to end the marketing year with stocks approximately 600 million bushels greater than on September 30, 1971. We would expect prices will average substantially below last year throughout the 1971-72 marketing year.

Soybeans—Despite record production of approximately 1.2 billion bushels the total supply for 1971-72 marketing year is below that of a year ago. As a result, prices are expected to average above a year ago throughout the marketing year. Iowa points have averaged 15¢ to 20¢ per bushel above the previous year for the past three months.

Hogs—Production during the first half of 1972 will be approximately 7%

lower than the previous year. For the last half of 1972 we would expect hog marketings to be approximately 3% lower than in 1971. Compared to 1971, hog prices should average \$2.00 to \$2.50 higher during the first half of 1972 and probably 50¢ to \$1 higher during the last half.

Cattle—We expect southwestern states to gain in feeding importance. Fed cattle production in 1972 should be 3% to 5% greater than 1971 production. We expect that choice steers at Omaha should average \$31 to \$32 during most of 1972.

Farm Income—Gross farm income will show some improvement over 1971. Net farm income will depend on the influence of Phase II controls . . . it appears likely that net farm income will show a modest improvement in 1972.

Manufacturing

William F. Vernon, Jr., president, The Vernon Company, Newton, Ia.: Of the 2,459 manufacturers in Iowa,



W. F. VERNON, JR.

77% have less than 50 employees . . . about 12½% of the industrial labor force. Conversely, there are only 30 companies who have over 1,000 workers, yet their total employment comprises nearly 38% of the total work force of 207,500. If any of these large firms would choose to leave Iowa, the resulting void would be difficult, if not impossible, to fill on a short term basis. Because I am sure all of you are aware of Iowa's industrial advantages . . . I am going to devote my comments to those problem areas of the most concern to us in industry.

Labor—The quality in Iowa is excellent; however, we have found it to be expensive, which is fine if there is a compensating increase in productivity. In the past this was the case, but we believe that, unfortunately, productivity is not keeping pace with wage increases in Iowa . . . I doubt that the business community has done an adequate job of informing the public that increased productivity must accompa-

ny wage increases.

Population—We are all aware of the declining farm population, and the rate of industrial growth which must be achieved if we want these people to remain in our state. Unfortunately, there was a decline this year in the number of manufacturing firms moving into the state, but I am confident that this will turn around during the coming year as the economy improves.

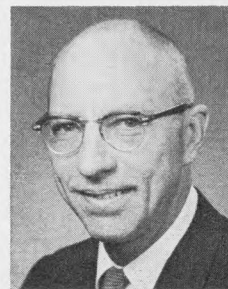
Tax picture—In 1939, Iowa's taxable value for manufacturing and industrial plants was \$4,850,000. By 1949 it multiplied 18 times to almost \$85,000,000. By 1970, the value of industrial and manufacturing plants in Iowa had risen to just under \$470,000,000 and will pay taxes in 1971 amounting to \$53,850,000. Between 1939 and 1970, the taxable valuations of manufacturing and industrial plants multiplied by more than 96 times in Iowa. In the same period, taxable value of all property in the state increased by only about 2½ times from \$2.9 billion to \$7.3 billion. It is readily concluded that the manufacturing and industrial plants in Iowa have helped assume a growing share of the cost of local government through the payment of property taxes. To get new industry into our state, Iowa must develop and maintain an attractive tax climate. Fortunately, the state taxes on manufacturing in Iowa are more favorable than two of our northern neighbors . . . however, Iowa is on a comparable level with Nebraska, Illinois and Missouri.

In conclusion, we agree with the economists who have predicted that 1972 will be a good business year, with a 9% business increase, near 6% "real" growth, discounting inflation.

Municipalities

Loren Hickerson, Mayor of Iowa City; Past President, League of Iowa Municipalities: The Center for Policy

Analysis of the National League of Cities has reported that between 1939 and 1970, the state and school share of the American tax dollar rose from 17¢ to 28¢, while the federal tap on the taxpayer more than doubled—from 33¢ to 67¢. But in that same 40-year span,



L. HICKERSON

What is MorAmerica?

MorAmerica Financial Corporation is the new name of our holding company—formerly, The Morris Plan Company of Iowa. The significance of the broadly-based name developed from the diversification program which projected the company into almost all facets of financing. Our company expansion includes Business Investment, Leasing, Consumer Credit, Banking, Real Estate Development and Nursing Home Facilities. In addition, the operating areas of these diverse activities grew beyond the boundaries of Iowa into adjacent states, and, in some cases, throughout the midwest.



the municipal share of the tax dollar has dropped from 50¢ to 5¢.

(Ed. Note: From this point, Mayor Hickerson took his listeners through the troubled waters of municipal financing and indebtedness. His remarks are very representative of the plight of many cities, regardless of the state, and will be presented in full in the next issue of the NORTHWESTERN BANKER.)

Recreation

L. M. Clymer, executive vice president, Holiday Inns, Inc., Memphis, Tenn.: Last year, expenditures by people coming to Iowa from out of state totaled some \$320,000,000 . . . that's 5% of your retail business. The money was spent by 30,000,000 people who toured the state or passed through. One in six of Iowa's non-farm business firms serves travelers . . . and the personal income for workers and owners of these firms amounted to \$378,000,000 last year.



L. M. CLYMER

Firms in the travel business purchased \$568,000,000 worth of goods and services from other industries in the state last year. In 1970, the State of Iowa collected \$156,000,000 from these industries . . . a fourth of all state tax revenue collections. Another \$18,000,000 was received by municipal and county governments in property and other local taxes.

Lodging expenses for tourists amounted to more than \$55,000,000 . . . and travelers spent nearly \$36,000,000 on recreation and amusement . . . another \$11,000,000 went to a wide range of retail establishments for

miscellaneous items.

In all the statistical data lies one immutable fact—people are discovering Iowa . . . and Iowa's economy is benefiting from this discovery. So I'm suggesting today that you each decide to "Tell Someone About Iowa." Tell them—and they will come.

Transportation

Donald L. McMorris, president, Yellow Freight System, Inc., Kansas City, Mo.: The anticipated Investment Tax Credit will encourage capital spending.



D. L. McMORRIS

Recent earnings reports of some of the airlines have shown improvement. The railroads, freed of the financial burden of supporting unprofitable, long-distance passenger service, still need relief. They are still burdened with featherbedding labor practices and discriminatory taxation of property. More freedom to abandon non-productive facilities is needed.

Motor common carriers' earnings this year have shown much improvement over 1970 when we had work stoppages and a generally depressed economy. The Interstate Commerce Commission has been responsive to the increased costs of the industry. They have promptly granted most rate increase requests. They have also acted in the interest of shippers and the general public by demonstrating an ability to keep freight rate increase levels below the increases in the Consumer Price Index or Cost of Living Index.

Our enthusiasm for the long term future is as strong as ever.

Economist

Guy E. Noyes, senior vice president

and economist, Morgan Guaranty Trust Company of New York: Except for the strong and persisting inflationary bias reflected in wage settlements in excess of productivity gains, I think a good case can be made for the proposition that the economy is poised for a fairly strong cyclical recovery in 1972 and was, in fact, already in that position in mid-1971.

The House and Senate have agreed on a tax bill, and it appears likely that President Nixon will sign it. If he signs it, four million Americans who have bought new cars since August 15 will get checks for \$200 in January and



G. E. NOYES

February, and this will total \$800 million in non-taxable cash that will make a difference in retail sales. The first half of 1972 could produce a gain in economic activity of about 9% — about 6% in real terms and 3% in terms of prices. The unemployment rate at the end of the year will probably be down somewhere between 5% and 5½%. Pre-tax profits should be up 15% and after tax profits up a little less than 20%.

Doubts and uncertainties include:

(1.) George Meany of AFL-CIO is a question mark, and we may see a test of a decision made by the Pay Board.

(2.) The dock strike is not settled.

(3.) We are still likely to have wage gains too high in relation to gains in productivity. The Pay Board is in a difficult situation. If wages are set too low, a toll will be taken through strikes and work slowdowns. If wages are set too high, we face more inflation.—End

BANK AND PCA . . .

(Continued from page 21)

legal limit, there is no restriction on the dollar amount of the portion the Production Credit Association may carry.

However, if the bank participates a portion of the credit without the bank carrying its legal limit, the PCA can only participate up to the dollar amount the bank is carrying.

When the bank is carrying its legal limit and applications are made by the

borrower, the accrued interest to the bank and PCA is paid first, and the balance is applied pro rata on the principal amount carried by the two organizations until such time as the total principal amount owed by the borrower is down to the legal limit of the bank. From that point on, applications are applied on interest as before but then to the balance on the principal carried by the PCA until it is paid in full.

In cases where the PCA is participating and the bank is not carrying its

legal limit, applications by the borrower are applied first on interest pro-rata and the balance on the PCA's portion until it is paid in full.

Initial Loan Is Made

During this trial period we have one credit we have participated with the Production Credit Association in which we do not utilize our legal limit. We participate with the PCA on a fifty-fifty basis. This is strictly a cow-calf operation, and the participation agreement calls for total operating ad-

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100100 MERRY CHRISTMAS TO YOU 100100

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vances of \$140,000. The bank has all of the contact with the borrower and administers the loan. The security documents are in favor of the bank, and copies of all instruments have been given to the Production Credit Association. The borrower has signed a separate agreement with the Production Credit Association and a separate note. As he gets advances from us we send copies of the note to the PCA office which endorses its share on the note signed by the borrower and remits the funds to us.

The arrangements are more cumbersome and time consuming than they are with the normal participations with correspondent banks; however, it is felt that during this trial period these bugs can be worked out and the mechanics will be little different from normal participations. Since entering into the agreement with the PCA, our credit demands have lessened and, consequently, the need for this type of arrangement is not as great.

We are looking forward to a favorable association with the PCA and hope that we will be able to utilize this method of participation to provide us with loanable funds in the future.—**End**

CATTLE FORUM . . .

(Continued from page 60)

gain, perhaps as much as \$1 higher. Cow prices will hold fairly steady.

"Next spring looks like a danger point. With placements up 13% in October, and there is reason to believe farmers will continue placements at a high level, prices will probably experience a drop of as much as \$2 in the late March-April period. I would be surprised to see fed cattle

NBA Makes Gift



MEMBERS of the Nebraska Bankers Association, Inc. inspect six of the seven electronic desk calculators purchased by the University of Nebraska-Lincoln College of Agriculture with \$4,500 in grant monies awarded to the College by the Association.

Standing left to right, are: **Roland E. Emmett**, vice president of the NBA and president of the Citizen's State Bank in Arapahoe; **Tom S. Cummings**, chairman of the association's M.R. Morgan grants-in-aid program and president of the First National Bank in Cozad, and **John W. Cattle, Sr.**, president of the Nebraska Bankers Association and president of The Cattle National Bank in Seward. Standing at extreme right is **Dr. E. F. Frolik**, dean of the NU College of Agriculture. Seated at one of the desk calculators is **Dr. Wilfred Schutz**, chairman of the Ag College Statistical Laboratory where the calculators are located. The calculators enable students to quickly and mathematically manipulate large amounts of data that would normally require long and laborious hours.

prices hold much above \$31 next April. As we move into the summer and fall of 1972, look for prices to recover back to the \$33 level."

More Open Houses

After the open house for bankers, First National staff members greeted

various business, civic and public groups from the Omaha area on each night throughout the balance of the week for tours through the building.

Jack Canaday, vice president in charge of operations was responsible for the big job of moving from the old quarters to the new building. He said advance planning made it possible to accomplish the entire move in an elapsed time of just 20 hours and four minutes, including a six-hour break for the movers. Work commenced immediately after closing hours on Friday and was completed Saturday afternoon. This included moving of safe deposit boxes by heavy crane through a sidewalk opening and then by truck to the new location.

I-Go Van and Storage Co. provided a crew of 40 workmen, along with bank personnel who were involved. They consumed 35-40 cases of soft drinks, 75 gallons of coffee and more than 1,500 sandwiches.

Everyone who visited the new First National complex gave it a stamp of approval. It was noted by a number of major city correspondent bankers from coast to coast that Omaha's downtown economy has received a tremendous boost from its downtown banks, since all three banks have opened new buildings within the past 22 months. With these buildings, the new hotel and other construction programs planned and underway, Omaha is continuing to set a fast business pace in midwest business.—**End**

Project Stage Completed

The first stage of a two-year Colorado National Bank of Denver building project was recently completed with the opening of seven new drive-in stations.

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Christmas
Greetings

from your friends
at



Northwestern National Bank
of Minneapolis



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Tom Nygaard

Robert B. White

Charles K. Madson

Gene G. Meyer

Bob Jensen

Howard Luick

Jerry Torsan

John Malinch

Rayl Stewart

James W. Laird

Bob Kelder

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Mara Anderson

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1971



HAPPY HOLIDAYS!

We hope the Christmas Season will be happy for your bank and that 1972 will be prosperous for you and your customers.

The YES Bank



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