

# NORTHWESTERN *Banker*

JANUARY  
1976



**CHANGES AND  
OPPORTUNITIES  
IN 1976**

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**HOW COMMUNITY BANKS CAN  
IMPROVE EARNINGS  
IN 1976**

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*Peter Bailey, Vice President, Investment Department*

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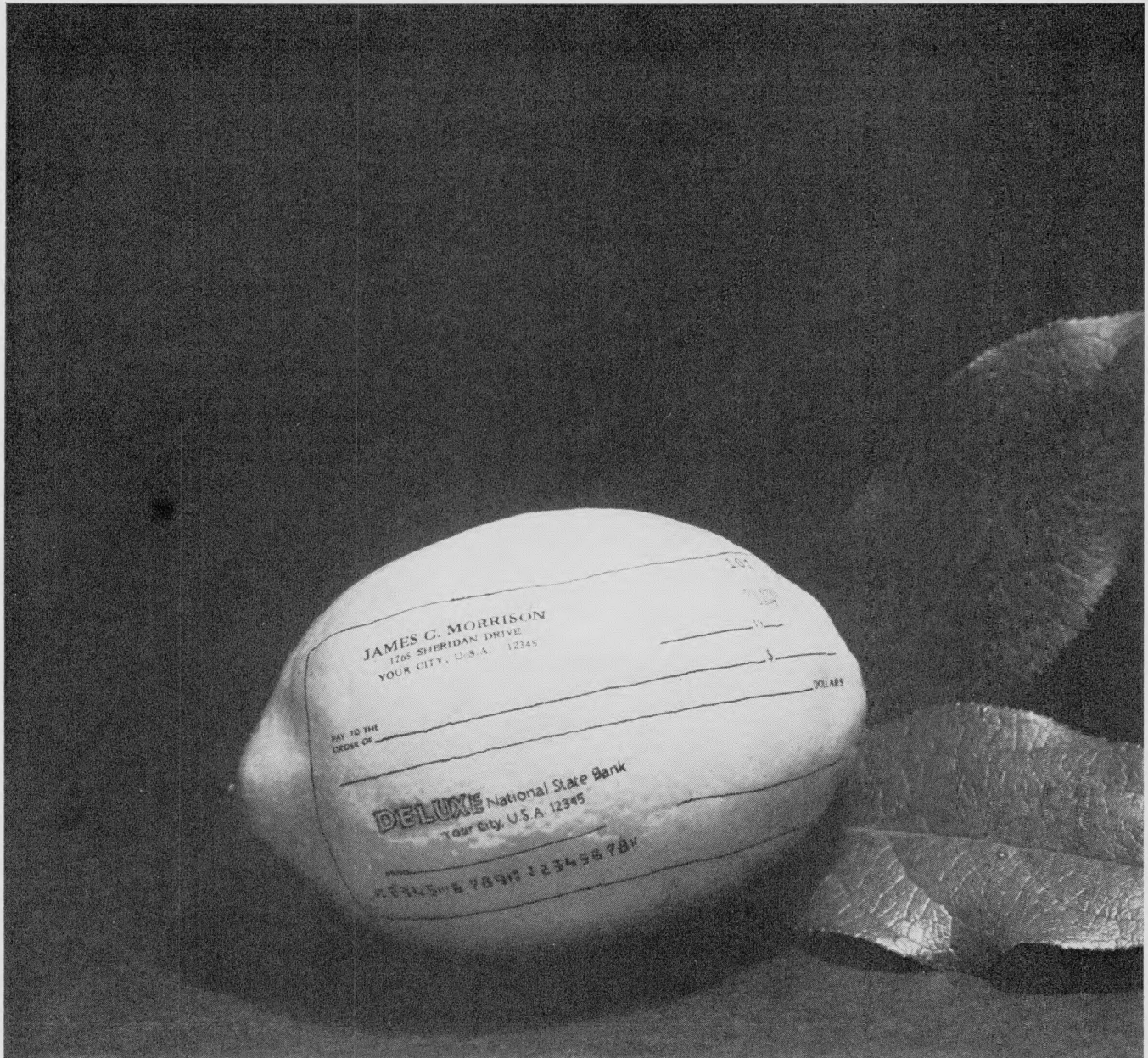
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Cedar Rapids, Iowa 52401

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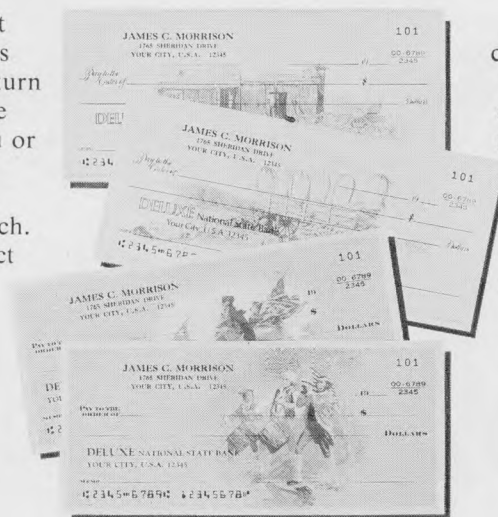


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Thank goodness for market research.

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and innovations will answer your customers needs and wants. Of course, market research doesn't make the decisions . . . but we believe it helps us make better ones. And, when we look back on some of our more recent decisions . . . like, the "Spirit of America" program . . . and "Rustic Americana", we're more than a little pleased with our market research. It's helping us to serve you better.

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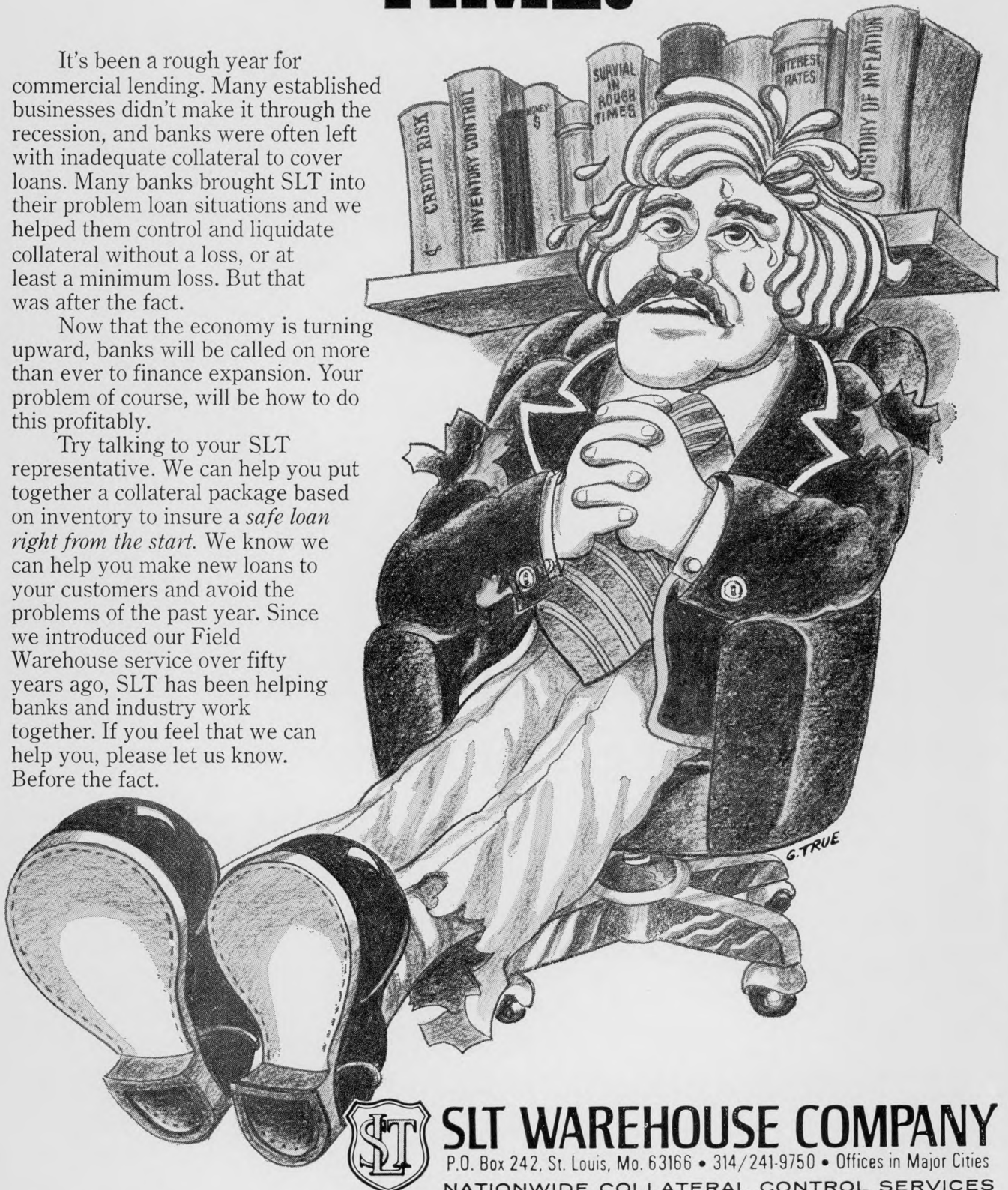
Northwestern Banker, January 1976

# YOU'VE HAD A ROUGH TIME!

It's been a rough year for commercial lending. Many established businesses didn't make it through the recession, and banks were often left with inadequate collateral to cover loans. Many banks brought SLT into their problem loan situations and we helped them control and liquidate collateral without a loss, or at least a minimum loss. But that was after the fact.

Now that the economy is turning upward, banks will be called on more than ever to finance expansion. Your problem of course, will be how to do this profitably.

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## Senate Votes Interest On Checking Accounts

THE Senate has passed legislation that would allow federally chartered banks and savings and loan associations to pay interest on checking accounts.

The bill makes other important changes in federal banking law that would blur current distinctions between different kinds of financial institutions.

The measure now goes to the House, where a banking subcommittee is holding hearings on the same topics covered by the Senate bill.

The newly passed bill would allow both federally chartered banks and savings and loan associations to offer NOW accounts nationwide, as soon as it's enacted by both Houses of Congress. As passed, it also would allow federally chartered banks to pay interest on their regular checking accounts starting January 1, 1978, but the Federal Reserve Board would have authority to order a one year postponement.

The bill would do away with a number of other restrictions besides the ban on checking account interest. Currently, federal regulatory agencies set ceilings on interest rates that can be paid to savers; the ceiling-setting authority would be repealed five and one-half years after the bill's enactment.

The bill would, for the first time, allow banks to offer savings accounts to corporate customers and savings and loan associations to make consumer loans and issue credit cards. Banks would get broadened authority to make real estate loans. Federally chartered credit unions would be allowed to make mortgage loans and offer checking accounts.

### Bicentennial Project

As its major bicentennial project, Manufacturers Hanover Trust Co., New York, will underwrite the production of a series of four original half-hour films tracing the Revolutionary history of New York State. The series, "Paths of Rebellion: New York in the Revolution," will be produced by WNET/13, New York, and broadcast in prime time and during school hours for classroom viewing in March, 1976, over the New York Network, a consortium of New York public television stations. The series will also be offered to the Public Broadcasting Service for national distribution.

# NORTHWESTERN Banker



Oldest Financial Journal Serving  
The Central and Western States



for your January 1976 reading

83rd Year No. 1348

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### NORTHWESTERN BANKER

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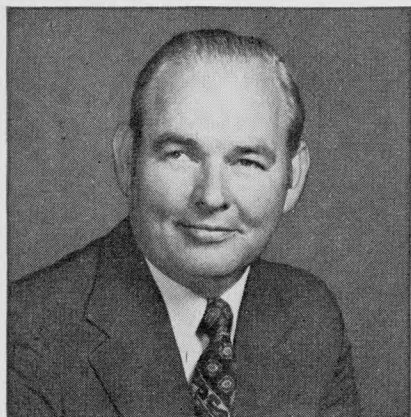
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**Dale L. Jernberg, Exec.V.P. and Director, National Bank of Washington, D.C. tells how MGIC provides coverage for directors and officers, plus an exclusive combination of key features tailored to a bank’s needs.**

**Did you analyze coverage offered by a number of D & O liability companies?**

“Yes. Four besides MGIC. And very thoroughly. We found that types and quality of coverage varied all over the lot. But only MGIC provided a complete protection tailored to our bank’s needs. And for a reasonable cost.”

**How do MGIC’s features compare with the others?**

“Their various plans, limits of liability, and deductibles offer extremely attractive options. The \$5 million policy we have with MGIC protects all directors and officers. In any case covered, it pays 100% over the deductible limits we selected.

“Also, when we indemnify to the extent permitted by law, MGIC’s coverage has far fewer exclusions than many other insurers. This ‘waiver of exclusions’ is most important to us.

“In our judgment, MGIC’s D & O liability coverage is by far the best value we could buy. Other companies just couldn’t provide us the kind of protection that MGIC offers.”

**How do you feel about your right to participate in selection of counsel in the event of a lawsuit?**

“It is very important. MGIC would give us a free hand to choose counsel, subject to their approval.

They also could advance legal fees in the event of a costly lawsuit which is covered. And they would cooperate with us to counter unfavorable publicity that could be damaging to the named individuals and to our bank.”

**Do you find greater awareness of your specific needs and greater flexibility in MGIC’s D & O policy?**

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11 BLAZEK	CONSOLATION 5:00 PM	14 MORRIS
44 ADAMS	CHAMPIONSHIP 8:00 PM	20 YOUNG
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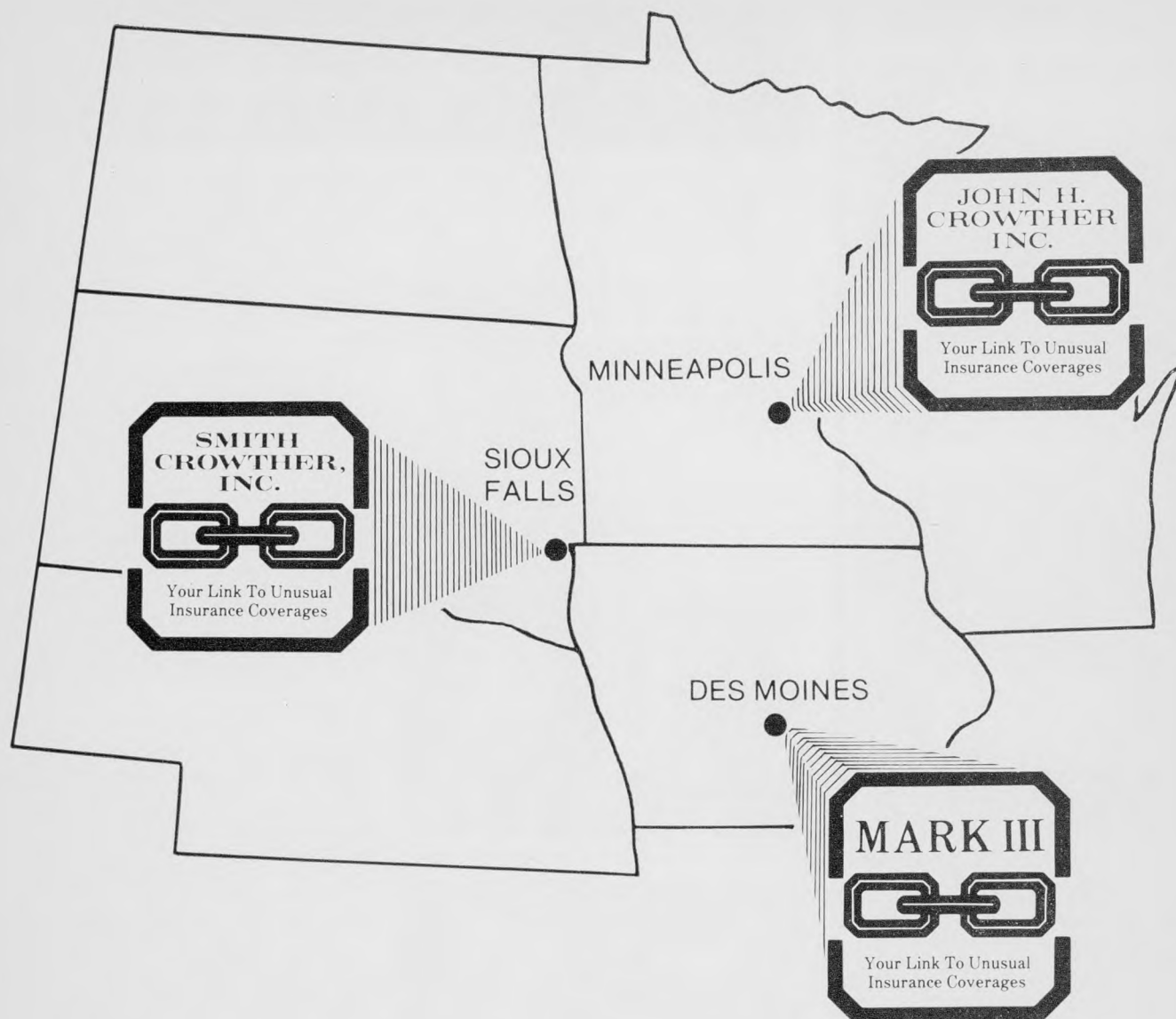
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## Convention Calendar

- Jan. 11-14—RMA Financial Statement Analysis, Omni International, Atlanta.
- Jan. 18-21—ABA Insurance and Protection Division Risk Management in Banking Seminar, Sheraton Inn, Reston, Va.
- Jan. 19—ABA Board of Directors Meeting, ABA Headquarters, Washington, D. C.
- Jan. 21-23—BAI Branch Office Administration Seminar, Park Ridge, Ill.
- Jan. 22-23—National Association of Real Estate Investment Trusts Lawyers Conference, Del Coronado, San Diego.
- Jan. 25-27—BAI 7th National Conference on Bank Security, Fairmont Hotel, New Orleans.
- Feb. 1-5—Assembly for Bank Directors, Sheraton-Waikiki and Royal Hawaiian Hotels, Honolulu.
- Feb. 2—Association of Reserve City Bankers, Midwinter Conference, Plaza Hotel, New York.
- Feb. 8-10—BMA Marketing Management Seminar, Del Webb's Townhouse, Phoenix.
- Feb. 8-11—ABA 57th National Trust Conference, Peachtree Plaza, Atlanta.
- Feb. 8-20—ABA National Instalment Credit School, University of Oklahoma, Norman.
- Feb. 11-13—BAI Accrual A ABA Bank Investment Conference, Americana Hotel, N. Y.
- Feb. 15-17—BMA CEO Community Bankers Seminar, Innisbrook, Tarpon Springs, Fla.
- Feb. 15-20—ABA Community Bank CEO Program, Santa Barbara Biltmore Hotel, Calif.
- Feb. 18-20—BAI Current Bank Tax Issues Seminar, Atlanta.
- Feb. 22-27—ABA National Personnel School, Radisson South, Bloomington, Minn.
- Feb. 25-27—BAI Workshop Series, Dallas.
- Feb. 25-27—ABA Construction Lending Workshop, Center For Tomorrow, Ohio State University, Columbus.
- March 3-5—ABA Western Regional Bank Card Workshop, Airport Marina Hotel, Los Angeles.
- March 7-9—ABA 28th Annual National Credit Conference, Fairmont Hotel, Atlanta.
- March 7-10—BMA Annual Advertising Workshop, Omni International Hotel, Atlanta.
- March 7-10—Western Independent Bankers 19th Annual Bank Presidents' and Senior Officers' Policy Seminar, Hyatt on Union Square, San Francisco.
- March 14-17—IBAA Annual Convention, Sheraton Waikiki, Honolulu.
- March 21-24—ABA Trust Operations and Automation Workshop, Americana Hotel, New York.
- March 28-30—ABA Northern Regional Bank Card Management Workshop, Hyatt Regency O'Hare, Chicago.
- March 30-April 9—ABA National Commercial Lending School, University of Oklahoma, Norman.
- March 31-April 3—BMA Essentials of Bank Marketing Midwest Extension, University of Chicago.
- April 1-3—ABA/Comptroller of the Currency Seminar for Chief Executive Officers of National Banks in Illinois and Indiana, Marriott's Lincolnshire Resort, Ill.

- April 4-6—ABA Midwestern Regional Bank Card Division Conference, Stouffer's Inn, Cincinnati.
- April 4-7—ABA National Instalment Credit Conference, Fontainebleau Hotel, Miami Beach, Fla.
- April 11-14—BMA Commercial Bank Marketing Workshop, Fairmont Hotel, Dallas.
- April 11-14—RMA Financial Statement Analysis, Cosmopolitan Hotel, Denver.
- April 20—ABA Board of Directors Meeting, The Greenbrier, White Sulphur Springs, W. V.
- April 21-23—ABA Governing Council Meeting, The Greenbrier, White Sulphur Springs, W. V.
- April 21-24—IBAA Seminar Workshop on Bank Ownership, New Orleans.
- April 25-28—ABA National Conference on Real Estate Finance, Fairmont Hotel, Dallas.
- April 25-30—ABA National Commercial Lending Graduate School, University of Oklahoma, Norman.
- May 2-4—BAI Northern Regional Convention, Hyatt Regency O'Hare, Chicago.
- May 2-5—BMA Marketing Research Conference, Hyatt Regency, Chicago.
- May 2-5—BAI Smaller Bank Presidents Forum, Miami.
- May 2-7—ABA National Personnel School, Ramada Inn, Arlington, Va.
- May 9-12—Conference of State Bank Supervisors, 75th Annual Convention, Broadmoor Hotel, Colorado Springs, Colo.
- May 13-16—NABW Northwestern Regional Conference, Hilton Hotel, Portland, Ore.
- May 16-18—ABA National Marketing Conference, Waldorf Astoria, N. Y.
- May 16-19—BAI Forum for Presidents of Smaller Community Banks, Doral Country Club, Key Biscayne, Fla.
- May 17-19—ABA Northeastern Regional Bank Card Division Conference, The Americana, N. Y.
- May 23-26—RMA Financial Statement Analysis, Airport Marriott, Chicago.
- May 23-27—National Association of Credit Management 80th Annual Convention, New York Hilton.
- My 23-28—BMA Essentials of Bank Marketing Course, University of Colorado, Boulder.
- May 23-June 4—BMA School of Bank Marketing, University of Colorado, Boulder.
- May 24-25—ABA National Conference on Urban & Community Economic Development, Loews L'ErFant Plaza Hotel, Washington, D.C.
- May 24-27—Association of Registered Bank Holding Companies 18th Annual Meeting, Grosvenor House, London.
- May 26-28—NABW Lake, Midwestern and North Central Regional Conference, Stouffer's Riverfront Inn, St. Louis.
- May 30-June 4—BMA School of Trust Business Development and Marketing, University of Colorado, Boulder.
- May 31-June 2—AIB Annual Convention, Chase Park Plaza Hotel, St. Louis.
- June 3—National Association of Real Estate Investment Trusts Accounting Conference, Crown Center Hotel, Kansas City, Mo.
- June 6-8—BAI Western Regional Convention, Salt Lake City Hilton.
- June 6-11—Northwest Agricultural Credit School, Washington State University, Pullman.
- June 6-12—Bankers Associations of Washington, Oregon and Idaho 1st Northwest Agricultural Credit School, Washington State University, Pullman.
- June 6-18—ABA National Instalment Credit School, University of Colorado, Boulder.
- June 6-18—Stonier Graduate School of Banking, Rutgers University, New Brunswick, N.J.





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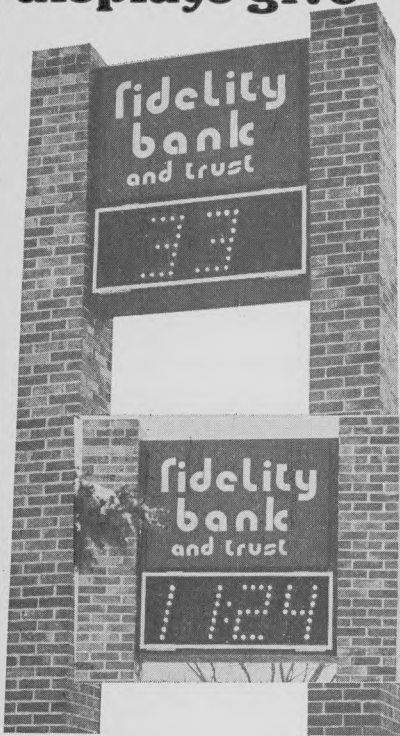
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# Bank Promotions and Changes

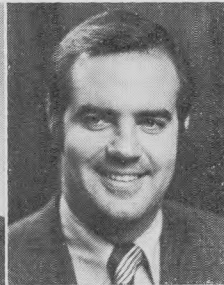
**P**PROMOTIONS and other announcements have been made by the following banks:

**American National Bank & Trust Co., Chicago:** Robert C. Cellini, Marshall Haywood III, David L. Keller and John F. Reuss have been promoted from second vice president to vice president by the bank's board of directors.

Elected second vice presidents were David A. Kettwig, personnel division, and Bruce Rademacher, operations department.



R. C. CELLINI



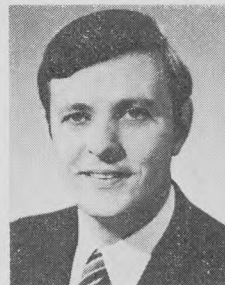
M. HAYWOOD III



D. L. KELLER



J. F. REUSS



D. A. KETTIG



B. RADEMACHER

William S. Dillon, senior vice president-trust department, has been given the added responsibility and title of trust counsel. He will coordinate all matters of law in the administration of trust accounts.

Mr. Cellini heads the estate administration division, trust department. A graduate of Indiana University and

DePaul University College of Law, he joined American National in 1969.

Mr. Haywood, a graduate of Whittier College in California and the University of Chicago Graduate School of Business, is in the commercial lending division.

Mr. Keller joined American National in 1968 in the loan division. He is a graduate of Indiana University.

Mr. Reuss heads the employee benefits division of the trust department. He has been with the bank since 1965.

### Bank of America, San Francisco:

Richard F. Larsen has been appointed vice president and senior economist of the bank's Los Angeles-based North America Division. He joined the bank a year ago as a vice president, cashier's department.

Caryl F. Conner has joined the bank as senior editorial officer and director of editorial services. He formerly was senior associate and acting director of the Diebold Institute for Public Policy Studies, Inc., New York City.

### Central National Bank, Chicago: The

following promotions and elections of new officers have been announced by Frank E. Bauder, chairman.

Christopher W. Roberts has been named executive vice president in charge of the international banking and agricultural banking groups. He joined Central National in January, 1972, was made manager of the international banking division in December of that year, and elected senior vice president in 1973.

Promoted to senior vice presidents are: Eric H. Null and James P. Morrow, commercial banking division; Howard P. Bleckmann, director of the investment department, and Ronald K. Vetterick, manager-business development.

New vice presidents are: Denis R. Chevaleau, manager-international banking department; Paul D. Olson, correspondent banking division, and



C. W. ROBERTS

Gene R. Boba and Harold J. Hogen, investment department.

Advanced to second vice presidents are Gary F. Spahn, correspondent banking division, and James R. Rice, investment division.

Newly-elected assistant cashiers are Gerald R. Hawk and Charlene Fellows, international banking division.

Newly-named as commercial banking officers are John E. Danczewicz, Eugene S. Erdahl, Peter J. Freeman, Charles C. Hewitt, Gregory T. Madlock, Allen W. Matter, John A. Nagy, Robert E. Rosenblum, Wilma J. Smelcer, Patricia A. Test and Linda Y. Walker.

Daniel S. Snook was elected auditing officer. Phillip F. Boehmke, Gilbert L. Johnson and Stephen J. Krelle were elected bond officers.

John L. Canfora and Patrick G. O'Connell were named leasing officers of Continental Illinois Leasing Corp.

**Commerce Bank of Kansas City, N.A.:** Elmer Erisman, former vice president of the correspondent division, recently retired from the bank after 51 years of service. He first joined the bank in 1924 at the age of 13. Mr. Erisman was elected assistant cashier in 1950, assistant vice president in

1954, and vice president in 1969.

**Continental Bank, Chicago:** The following promotions to vice president have been announced: Arthur J. Theriault, bond department, and head of the public fund division; Richard A. Beutel and Richard W. Whitemen, commercial banking, and John R. Stevenson, international banking.

Named second vice presidents are: Lawrence P. Anderson, Stephen A. Barry, and Barry M. Johnson, bond department; Laurence G. Foy, Thomas M. Hughey, James E. Kofron, Larry H. Stevens, and Louis N. Strike, commercial banking; Arthur A. Schultz, controller's division; Robert L. Champion, Jr., operations, R. Lawrence Johnson, real estate; Robert G. D. Bennett, Roger R. Farleigh, William A. Saer, Robert H. Weitzman, trust department, and Walter J. Bloomenthal, Continental Illinois Leasing Corp., wholly-owned subsidiary of the Continental Illinois Corp., parent of the bank.

Also announced were the appointments of two new division managers within the commercial banking department. Vice President Leonard W. Busse has been named manager of the central division, which includes the



L. W. BUSSE

states of Minnesota, North Dakota, South Dakota, Montana, Colorado, Nebraska, Kansas, Missouri, Arkansas and Louisiana. Mr. Busse's division services both correspondent bank and corporate ac-

counts.

Vice President William L. Staples has been named manager of the mid-western division, which includes the states of Illinois, Indiana, Iowa, Michigan, Ohio and Wisconsin. This division serves corporate accounts in the six states named.

Mr. Busse is a 1960 graduate of Purdue University, receiving a B.S. degree, and also attended Northwestern University and DePaul University. He joined the bank in 1963 and was elected a vice president in 1973.

Mr. Staples received a B.A. degree from Brown University and an M.B.A. degree from Wharton Graduate School of Business. He joined Continental Bank in 1965 and was elected a vice president in 1973.

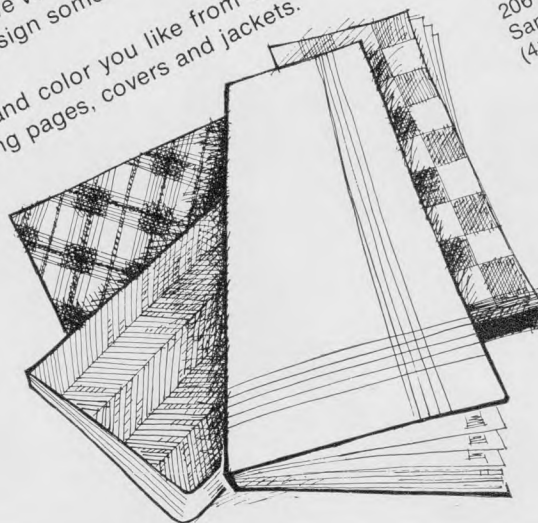
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**First National Bank of Chicago:** Richard L. Thomas, president of First Chicago Corp., holding company for the First National Bank of Chicago, has been named president of the bank.

Neil McKay has been elected vice chairman of both the corporation and the bank. He previously was executive vice president and continues to serve as secretary of the corporation and cashier of the bank.



R. L. THOMAS



N. McKay

The two men join John E. Drick, chairman of the executive committee, to form a group of inside directors who comprise the top management of both the corporation and bank. A. Robert Abboud, chairman of First Chicago and the bank, announced the assignments.

Mr. Thomas, 44, replaces Chauncey E. Schmidt, 44, who left the post of president of the bank recently to become board chairman and chief executive of BanCal Tri-State Corp., a holding company, and president and chief executive officer of its bank, The Bank of California.



C. E. SCHMIDT

Mr. Abboud also announced the election of Robert D. McEvers as senior executive vice president of the bank, together with 14 other senior management promotions.



R. D. McEVERS

Elected executive vice presidents were: James S. Dailey, real estate department; William J. McDonough, International banking department; Charles H. Montgomery, comptroller; Rudolph E. Palluck, corporate banking department; and Donald J. Yellon, general counsel.

Elected senior vice presidents were: Wallace R. Anker, international banking, Continental Europe; James A. Cassin, personal banking department; Marion C. English, general auditor; Ziad H. Idilby, international banking department, Middle East/Africa; James Y. Robertson, regional offices and corporate banking group five; Gordon J. Sapstead, international banking department, Asia/Pacific; D. John Stavropoulos, international banking department, Latin America; Harrison F. Tempest, international banking department, British Isles and Scandinavia; and Thomas R. Williams, corporate banking department, metropolitan group.

**The Northern Trust Company, Chicago:** Douglas R. Fuller, vice chairman of the bank and of Nortrust Corporation, has retired. Mr. Fuller joined the bank in 1946 and was elected president in 1963 and vice chairman in 1972.

**Mercantile Trust Company, N. A. St. Louis, Mo.:**

Lynn H. Miller, executive vice president, has been elected to the board of Mercantile Mortgage Company, a wholly-owned subsidiary of the bank. Mr. Miller joined the bank in August of 1974 as an executive vice president and director. He formerly was senior vice president in charge of the banking department of The Northern Trust Company, Chicago.



L. H. MILLER

Also announced was the election of Richard L. Johannesman as senior vice

president and head of the bond/investment department of Mercantile Trust Company, lead bank of Mercantile Bancorporation, Inc., St. Louis, Mo. Mr. Johannesman most recently was involved in underwritings, trading and sales, assisting the late Thomas L. Ray who formerly headed the department. Starting with the bank in 1955 as a credit analyst, Mr. Johannesman transferred to the bond department in 1957. He was elected a vice president in 1967.



R. JOHANNESMAN

**National Boulevard Bank, Chicago**

Charles B. Stauffacher, president, chief executive officer and chairman of the executive committee of Field Enterprises Inc., was elected a director of the bank at the December board meeting, it was announced by Irving Seaman, Jr.



C. B. STAUFFACHER

chief executive officer of the bank. Mr. Stauffacher joined Field Enterprises in February, 1974, as president and chief executive officer. He had previously been vice chairman of Continental Can Company with which he had been associated for 20 years.

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Left to right, Dick Casey, Connie Luttio, Tom Trench, Lenny Kiskis, Bill Stegora, Pat Lavin, Margaretha Schuyten, Jan Melton, Carol Larson, Frank Brosseau, Sharon Peterson, Ken Dagel, Pat Stewart

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## Chicago Judge Rules Against Use of Off-Premise Electronic Fund Services

A FEDERAL court decision with great impact on the immediate future of electronic funds transmission was delivered in Chicago December 10 by Judge Hubert Will in the Federal District Court for the Northern District of Illinois.

Judge Will ruled that under existing Illinois state law the only banking function that may be performed on electronic devices off-premise from the banks is withdrawal service. This effectively prohibits all other services which are a part of EFT terminals planned for hundreds of locations by two major Chicago banks.

Continental Bank of Chicago announced on June 20 it would establish customer bank communication terminals (CBCTs) in 62 Dominick food stores about July 1. These point-of-sale terminals were to be augmented by several unmanned teller machines to be located in the North Western Station and the Two Illinois Building. Continental later in the year raised its proposed number of POS units to well over 100 to include additional locations. First National Bank of Chicago similarly planned to enter the remote EFT field with extensive installations in stores.

On behalf of the Illinois Commissioner of Financial Institutions, the Illinois Attorney General immediately filed suit against Continental Bank, fol-

lowing the June 20 announcement. On June 23 Continental said it would delay its plans while awaiting outcome of the court hearing, which was held later that day. A subsequent court review was set for July 8, followed by initial filing of briefs for both sides on September 10, after which Judge Will said he would have at least a preliminary ruling by December 10. On the latter date he informed the litigants that after considerable review of applicable state and federal laws, he had no choice but to rule that the only function available to banks in Illinois for off-premise EFT units is withdrawal of funds. Other activities are specifically prohibited by wording of section 36f of the National Banking Act, which details services that may be provided at branch offices. Since Illinois prohibits branch banking, those services detailed in the law are prohibited by off-premise electronic terminals, which have previously been declared to be branches.

Judge Will took occasion at the December 10 session to state that he is in accord with the aims of banks trying to provide broadened service, that he disagrees with the state branching laws, and that he considers the McFadden Act as having outgrown its usefulness. However, Judge Will said, he can rule only on the merits of a case in light of existing law.

## BMA To Hold National Bank Security Conference

Bank Administration Institute's seventh National Conference on Bank Security will be held in New Orleans, January 25-27, BAI Bank Security Commission Chairman, Milton L. Snyder, announced recently.



M. L. SNYDER

Mr. Snyder, who is vice president-audit and security, The First National Bank of Minneapolis, Minn., said that the conference will focus on recent dramatic increases in crimes against banks.

Outlining the overall conference program, the BAI official said the meeting will focus on the "how-to" aspects of bank security—developing an effective security program, evaluating alarm systems, reviewing strategies for kidnap-extortion crimes, and understanding the legal aspects of bank security.

The technical program, Mr. Snyder said, will consist of four concurrent afternoon sessions on Monday, January 26, and four different concurrent sessions on Tuesday morning, January 27, with each of the sessions being repeated to allow everyone an opportunity to participate in every session.

## Banks Recycle Money To Aid Communities

Banks are again leading all other financial institutions in "recycling" depositors' money back into their communities.

The latest statistics from the Federal Reserve Board comparing the ownership of municipal bonds show that banks account for 50%, with \$95.7 billion invested.

Next comes fire and casualty insurance companies with 16% at \$30.4 billion, followed by life insurance companies with 2% at \$3.4 billion, and mutual savings banks with 0.4% at \$0.9 billion committed. The remaining 31% of all municipal bonds are held by individuals, non-profit organizations, broker-dealers and municipalities.

Statistics for 1975 show, for example, that 18% of all municipal debt issued through July has gone for educationally related issues. Of this total, 50% (\$1.62 billion) has been purchased by banks.

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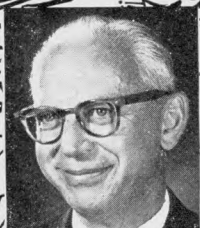
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# Greetings from the Bankers of American



M. H. Ruder



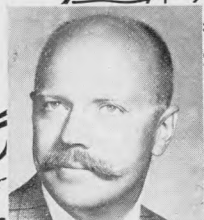
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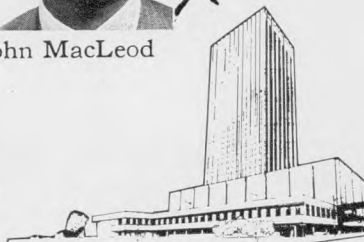


John MacLeod

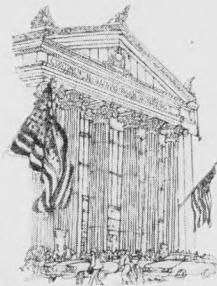
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# Changes and Opportunities in 1976

A NORTHWESTERN BANKER Survey

**C**HIEF executive officers of more than a dozen leading banks in midwest and mountain states agree that setting priorities should be at the top of the list for bankers as they chart their objectives for 1976. In discussing the topic, "Changes and Opportunities in 1976," for a special report by the NORTHWESTERN BANKER to its readers, these executives consistently mentioned several key subjects that presently command the attention of managing officers of all banks, large and small:

A return to sound fundamentals of the banking business.

Special emphasis on quality of loans and building or retaining loss reserves.

How to comply with the mass of growing and often conflicting governmental laws and regulatory opinions.

The future of EFTS and how to proceed at this time.

Other structural changes evolving in the banking industry.

In reviewing the course of events during recent years, several of the respondents cite the pressures for growth and leverage of the 1960s and early 1970s that resulted in increased loan volume, and the ensuing major loan losses suffered in some quarters. A search for earnings to replace this business from sources of a sounder nature is part of the challenge ahead for banks, they report.

Throughout their responses, these executives concur that problems and challenges result in opportunities and the bank managers who remain enlightened and active in facing the problems will benefit most from the opportunities ahead. Their comments follow:



**R. CROSBY KEMPER**  
Chairman  
United Missouri Bank of  
Kansas City, N.A.  
Kansas City, Mo.

**I** THINK the principal challenge in 1976, not only for bankers but for the country as a whole, is to get back to solidly-based ways of doing business and to good sound values. During the 60s and early part of the 70s the emphasis was for growth and performance no matter what the eventual consequences and many bankers, due to competition and the unsound thinking of many of their compatriots, caved in and did things they knew were wrong just because the banker "down the street" was doing them. My father, Crosby Kemper, Sr., always counseled that "it didn't do any good to say all the other banks were doing it if your bank was as broke as theirs."

I believe we must:

1. Go through a period of less emphasis on expansion and more emphasis on consolidation of the growth that has been achieved.
2. Spend more time analyzing our credits and getting to know our customers and seeing their operations.
3. Spend a great deal more time analyzing our bond

*Northwestern Banker, January 1976*

portfolio and analyzing the credits therein just as though we were making a loan.

4. Look to see if the cash flow of the municipal can satisfy commitments in the future and what the tax load could carry in the future without breaking the back of the credit.

5. Fine tune our banks because earnings for many banks will be harder to come by and it will behoove us to get rid of the dead wood in our organization.

6. Keep the good people and encourage them to perform better.

In essence, what I am saying is that we must do a better job than we have been doing. I am not encouraging us to retreat but to advance with a sure foot forward which will enable us to achieve the ultimate success that we all are desirous of attaining.



**GEORGE H. DIXON**

Chairman and President  
First National Bank  
of Minneapolis

**L**OOKING ahead to the Bicentennial year, the economy appears more settled and significantly more promising than 1975. Consumers are expected to lead the way out of the recession by their increased spending for goods and services. There are positive indications that the inflation may be moderating. An inflow of thrift funds is expected to stimulate housing, inventories are starting to build again, and fiscal stimulation and monetary policy will tend to bolster the economy. In this moderate but steady growth economic environment, banking's challenges will differ from those of any recent period.

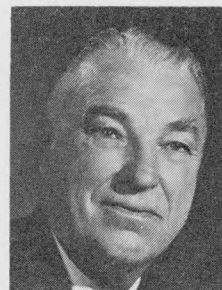
Bank profits in 1976 will be tied closely to the economic recovery. The keys to profitability will be the banks' ability (1) to achieve earning asset volume growth while maintaining satisfactory spreads, (2) to achieve significant gains in non-interest income, and (3) to keep costs, including the provision for loan losses, under control through increased efficiency and productivity gains. Asset and liability management will receive priority attention throughout the year as banks strive to improve interest sensitivity mixes, and retain some of the liquidity gains of the past 18 months.

Banks are at the center of the economic life of the markets they serve, and they have a unique responsibility to help make their communities better places to live and do business. That responsibility includes a conscientious effort to comply with a growing body of legislative and regulatory banking requirements, most of which are related to consumerism. As worthy as these regulations are in intent and purpose, when coupled with antiquated statutes already on the books, they create difficult and often costly problems of compliance.

Equally significant for our industry and the public are banking's new electronic capabilities. Tested and approved but still employed to only a fraction of their ultimate po-

tential, they will lead to more changes in bank services and the manner of their delivery during the remainder of the decade than has been experienced during the past half century.

The growth of banking in the first half of the 1970s, and its proven capacity to withstand severe economic strain during this period, testify to its fundamental strength. Challenges and change are constants which have been with us throughout the history of the nation, and, as in the past, those which lie ahead for banking will be met with vigor, dedication and overall success.



**B. C. GRANGAARD**

Chairman  
Central National Bank  
and Trust Company  
Des Moines, Ia.

**I**T WOULD appear that if the regulatory authorities of banks, the S.E.C., and the accounting profession can reach agreement on their ideas as to what they consider to be proper bank and bank holding company accounting, there can be considerable change in the methods of making reports. In view of the fact that many of these reports are published, some banks might give more attention to the public image they present in their published statements and reports and possibly less attention to the earning power and quality of their operations.

Other legislation in Congress and studies by several commissions would indicate that during the course of the next few years, and possibly to some degree in 1976, substantial changes will be made in the laws and regulations to which we have been accustomed. The proposed phase-out of Regulation "Q" would have a tendency to not only change the relationship of savings and loan associations to banks, but to penalize small and regional banks in their relationships with the money center banks. If Fed funds were to go again to 10 or 11%, I am sure the metropolitan banks would be willing to pay 9% on savings deposits and this would have a tendency to take deposits away from the smaller banks which couldn't afford to pay that kind of a rate. If the law was changed to permit the payment of interest on demand deposits, I suspect that commercial banks would be saddled with a tremendous cost which they could overcome, not only with increased interest rates on loans they make, but also by increased service charges on checking accounts. However, a corporation which carries a large compensatory balance relative to its line of credit probably never has enough activity with depository bank to let an increase of analysis charges be of any consequence. It would appear that the banks in the rural areas in Iowa who lend mostly to farmers would have to increase their rates if the cost of money substantially increased and the size of the increase required to offset increased money costs might bring their loan interest rate above the present usury ceiling. The introduction of corporate savings accounts up to \$150,000 poses another interesting problem and especially in regard to those companies who may prefer to deposit their compensating bal-

ances in a savings account and pay a higher rate of interest on their borrowings.

In the operational area the introduction of the automated clearing house will probably result in many payrolls being paid by credit to the bank account of the employee, but it is doubtful in my opinion that many people will permit their accounts to be charged automatically by the stores and utilities and others from whom they normally have regular monthly bills. The introduction of CBCTs will involve an interesting study in human behavior. I have no doubt that in 10 years a substantial amount of business that presently comes to the banks directly will be transacted through machines in the various stores and other places where these outlets will exist. I think, however, that the immediate activity will be rather slight. Most communities in Iowa are not large and none is large by metropolitan standards. Consequently, the inconvenience of going directly to the bank or bank office is not nearly as great for the customer as it might be in Chicago or New York.

I would suspect that the opportunities for the banking profession in Iowa as a whole depend on the increase in population and money in the state and on further industrialization which would bring into the state new wealth and new opportunities for our labor force. If the population remains stagnant, the size of the pie will be about the same and the only opportunities will exist for those who want to increase their share of the pie by reducing someone else's share.



**GORDON E. WELLS**  
President  
First National Bank  
Kansas City, Mo.

**W**ITH uncertainties on the economic horizon, 1976 will be challenging year. The last 18 months have witnessed some of the most severe challenges to the strength and stability of our national banking system of any period since the great depression. Loan losses caused by overly ambitious commitments to the real estate industry as well as to other troubled segments of the business community have forced banks to develop new lending policies, provide greater loan loss reserves, and in some cases decrease or even waive dividends.

When one considers that today a banker who is less than 55 years of age joined our profession since the end of the great depression, it is a reminder that most of us had only experienced the "good times" in banking until several months ago. As a result of the lessons we have all now learned, 1976 and beyond will probably see bankers more conservative, more analytical, and more responsive to external economic factors than they have been in the past. This is not to say that bankers should or will stop making loans, but rather that there will be closer scrutiny in protecting depositors' dollars than has been the case over the past few years.

Electronic Funds Transfer Systems are one of the greatest opportunities for banks in 1976 and thereafter. What we have accomplished so far in Electronic Funds Transfer is merely the tip of the iceberg. Through the EFTS, banks can provide not only greater service to customers, but hopefully, greater efficiencies and correspondingly less costs in their debit and credit handling procedures. With this opportunity for service, however, comes the challenge inherent in any major new banking innovation. It must be handled properly, both in terms of cost to customers and the banking industry.

In 1976, banks that are willing to be responsive to the public needs, while providing quality service to their customers, should enjoy a good year. Hopefully all of us in the banking industry have learned a great deal from the results of the past several months. Such experiences can be utilized in forming the foundation to continue to provide service while never losing sight of our responsibility to protect depositors' and shareholders' dollars.



**PAUL J. AMEN**  
Chairman  
National Bank of Commerce  
Lincoln, Nebr.

**A**NY inventory of banking opportunities for our Bicentennial year must take into consideration certain basic facts:

1. It is an election year.
2. EFTS is costly, but vital to our industry.
3. Sweeping and broad legislative and regulatory changes are inevitable, i.e., interest payments on demand deposits.
4. Credit demands in the agri-business sector of our economy will remain heavy.
5. Competition for deposit dollars will become increasingly stiff.

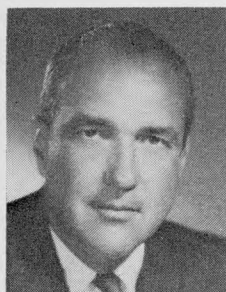
Responding to these truths, we can as bankers:

1. Become involved in the electoral process and help put those individuals in governmental positions who understand our free enterprise system — HR 5900 the construction site picketing bill is a major example of legislation not in the best interest of economic development.
2. Become knowledgeable about EFTS and help prepare through education, our banks and customers for this new service and its cost implications.
3. Develop long range tax models in order to take advantage of legislative and regulatory changes.
4. Develop new lending procedures and services to meet agri-business credit demands, i.e., forward selling and hedging of agriculture products.
5. With reduced growth in deposit dollars resulting in less interest and investment income differential, we must increase our income and reduce our expenses by —
  - A. Variable interest rates on both sides of the ledger sheet.
  - B. Equity kickers in project developments.
  - C. Automatic deduction from checking accounts for stock purchases.
  - D. Single payment checks.

E. Greater reliance on automation, etc.

As bankers, we need more than ever to be creative and imaginative in order to serve our customers and even to survive. We must recognize that rapid changes and the opportunities they present are the order of the day. All of this brings to mind and makes pertinent the last verse of Robert Frost's famous poem, "The Road Not Taken" —

I shall be telling this with a sign  
Somewhere ages and ages hence:  
Two roads diverge in a wood, and I —  
I took the one less traveled by,  
and that has made all the difference.



**IRVING SEAMAN, JR.**

Chairman, Executive Committee  
and Chief Executive Officer  
National Boulevard Bank  
Chicago, Ill.

**I**N looking back at the year 1975 we see without equivocation that it was a most difficult year for the banking industry, a year in which many bankers changed their basic philosophy and objectives. The heavy loan losses resulting from unemployment and the recession, as well as the collapse of many REITs and other real estate projects, had a tremendous effect upon bank earnings. Most bankers took the prudent course of facing up to these losses, either actual or probable, and charged substantial amounts against earnings to build or rebuild loan loss reserves. This was in part made possible by a favorable interest margin which prevailed for the first three-quarters of the year and which gave a substantial impetus to bank earnings. On top of the problem loans, many banks found themselves with municipal bond portfolios which became depressed in price because of the problems and uncertainties surrounding the financial condition of New York City.

As we enter 1976, it appears that the worst of the loan losses has been reached, or at least the banking industry has provided for losses which could still occur. The improving economy should allow a return to more normal lending conditions, although it seems quite obvious that bank credit policies will be stricter and more rigid than they were before the recession began. Furthermore, federal legislation should provide at least temporary relief to New York City and take some pressure off the municipal bond markets, thus assuring a more stable outlook for bonds in general. As various economic indicators point toward a further recovery, a lower rate of inflation and an improvement in the unemployment situation, interest rates appear to be settling at the present level, and certainly the early part of the new year should find a relatively stable interest rate pattern.

With some of the pressures that existed in 1975 being lessened, bank management in 1976 should be in a better position to finish reappraising credit policies and general objectives. In regard to credit policy, each bank should definitely prepare a guideline of types of loans it feels it should and should not make and set limits on how much of each type of loan should be placed in the portfolio. Lending authorities of various loan officers should be re-

evaluated, as well as the entire method by which loans are approved.

In regard to objectives, each bank should determine whether liquidity, safety of assets and loan to deposit ratios are more important than profit or growth. Many bankers came to the realization in 1975 that growth was the least important objective and that the ability to make a good profit and have a sound financial condition were the real objectives. The trend toward emphasis on price earnings ratios at the expense of bank liquidity, which was so evident in the first half of the 1970s, has definitely been reversed.

Another challenge which will be presented in 1976 is that of further evaluation of electronic funds transfer systems. In the second half of 1975 there were a great many announcements by various banks of the installation of remote teller machines and arrangements made with supermarkets for various point of sale terminals. From a legal standpoint, there is much yet to be determined by the courts as to whether these installations constitute branch banking, as well as other legal ramifications. Regardless of these decisions, however, electronic fund transfers are a reality, and many forward steps will be taken in 1976. At the same time, bankers will be wise to look and listen before leaping so that the problems, losses and confusion that accompanied the introduction of credit cards several years ago can be avoided. There is plenty of time for the proper systems to be implemented, and the wise banker will be the one who takes his time, asks questions and learns as much as he can before committing his bank to any particular system.

**PHILIP M. LEWIN**

President

The Drovers National Bank  
Chicago, Ill.

**I** WOULD like to take a somewhat negative or "non-creative" stance with regard to "Changes and Opportunities in 1976." Here in Illinois, we have not only been besieged by the continued ponderous Federal legislation of the past year (which shows no signs of abatement) but also competition from some of the largest financial institutions who are attempting to get around branch banking obstacles through the use of various electronic installations. While I do not consider the plastic charge card and its electronic offspring as just a passing fancy, I do feel that *current* profitability compared to the three to five year or longer profit outlook should take precedent for bank management.

It is difficult during these times to clear out problem credits with dispatch. There are very few things in a practical sense that we can do to protect a bank from the attacks on its profitability and liquidity resulting from problem loan situations; but, on the other hand, the burden of administrative expenses (eg. new product promotion and the resulting overhead increase) can be minimized during the next year by prudent bank management.



**JOHN FITZGIBBON**

Chairman and Chief  
Executive Officer  
Iowa-Des Moines National Bank  
Des Moines, Ia.

**T**HE YEAR 1976 will be a challenge to bankers, filled with continued changes and opportunities.

Our industry will witness and participate in some of the following developments:

1. Electronic banking will continue to grow and develop. We should not look at it with fear, but instead as a partial solution to our growing problem of "moving paper" through our system. Iowa can be proud of its 100% banker participation in the Automated Clearing House established this year. Continued development of the Electronic Funds Transfer System will assist in the eventual lowering of our rapidly increasing processing and employee costs.

2. Payment of interest on commercial savings accounts (and possibly demand accounts) will result in a greater retention of funds by banks, but it will also result in increased costs.

3. The economy will continue in its recovery. But, the recovery will be gradual.

4. The year 1975 was one of generally lower loan demand. Consumers and businesses built their liquidity by lowering debt, and increasing savings and reserves. While savings will remain strong, the growing economy will result in more consumer purchases, increased investments in inventory, receivables and fixed assets by business. The need for more credit will result.

5. The increase in the minimum wage will further increase costs.

As I previously mentioned, 1976 will be a year of challenge. Almost every change and opportunity will result in higher costs or investments by banks.

Whether we like it or not, electronic banking is here to stay. As we pass through this transition phase, we will incur costs for additional planning, experimentation, hardware and software systems, training, implementation and yes, even some mistakes. This will be an expensive era, and it will continue well beyond 1976. Our challenge will be to pursue this transition as rapidly as possible without destroying our earnings.

Many bankers have long wanted to be more competitive with savings and loan associations (and vice versa). The time is rapidly arriving. This year, permission to pay interest on commercial savings accounts was instituted and similar action on certain consumer checking accounts will probably be seen in the near future. Our challenge will be to find ways in which to offset these costs and still produce a reasonable contribution to earnings.

During 1974 and 1975, increased leverage by banks to produce more earnings developed some problems. Many also had moved into new fields (in the form of loans and/or the related subsidiaries). With a general national economic recovery, banks will again have opportunities to seek out areas of higher earnings. The easy course to follow would be to remain liquid and conservative, but elevated overhead costs will dictate a certain amount of prudent expansion in order to obtain greater income. The challenge will be to remember the lessons learned during these last twenty-four months.

The year 1976 will also see the continued expansion and intervention by governmental and regulatory bodies into banking and business. Complying reasonably without increasing costs unnecessarily presents a major challenge.

In 1976 prudent management by banks of its sources of funds and use of funds will enable both the area the bank serves and the bank to prosper in an orderly manner.



**CARL R. POHLAD**

President  
Marquette National Bank  
Minneapolis, Minn.

**I**F WE AS bankers would list all the external and internal forces now bearing on our industry and on our bank, it would seem overwhelming. It could, and often does, produce a reactive banker, a confused manager, marching in place, waiting for a clear glimpse of his tomorrow. Another attitude, and the one which I heartily endorse, is the imaginative banker, *inventing the future*.

Solving today's problems, though productive, does not always position a banker to take advantage of opportunities and grow that spirited team that will effect change. Let me just highlight one opportunity and present one challenge.

EFTS, is an acronym used by all, and understood by few, yet embodied in those four letters exists the possibility to more conveniently serve customers, increase market share, enjoy fee income, reduce transaction costs, improve application processing, in short, position your bank to be able to compete in a rapidly evolving industry. If you don't know your market, have a strategy, understand the technology, can't glimpse the future, your course may be exciting, but will it produce growth in people and profits?

Finally, the challenge — people. They're what makes our industry tick, but don't be lulled into complacency because you have achieved zero people growth or a steady ratio of employees per million of deposits. If you are like the majority of banks, earnings spreads are hard to maintain, money costs are high, loan demand soft, but operating costs continue to climb; and key to those costs are people — productive people. In an industry still as labor intensive as ours we must establish and enforce standards of performance. Reward high performance, cost effective-

ness and innovation. It is evident to me that the bottom line will clearly reflect change in both performance and quality of staff.

Though opportunities are perhaps seen only dimly — grasp them, fashion your banks future, set a pace — to be tried by the competent, imaginative, customer serving, profit motivated employee. The happy fact is — banking is changing.



**EDWIN A. LANGLEY**

Chairman and President  
Capital City Bank  
Des Moines, Ia.

**B**ANKING is at a critical stage of development. Dramatic changes are about to occur with resulting opportunities for the industry and its customers. To capitalize on any opportunity, it is necessary for bankers to become sensitive to bank performance and how that performance will withstand the impact of change.

Changes in the banking industry in the first half of the '70s will be intensified in the last half. We are facing changes in economy, technology, regulations, marketing, and indeed the banking structure itself.

Most economists believe 1976 will be a year of recovery, but economists have had "foot-in-mouth" disease more than once during the last two years. There does exist the specter of inflation which could halt the recovery trend and lead to another recessionary period. Fiscal and monetary policies are the key. Policies creating a sharp rise in interest rates will slow expansion and fuel inflation. If the economic recovery is allowed to move ahead at a moderate pace, profits should rise.

The hottest issue of change is the so-called customer-bank communication terminal. Decisions by regulatory authorities, legislative bodies and courts of law relating to electronic funds transfer may well precipitate the most significant developments in the financial industry in the twentieth century. Such decisions could have considerable impact upon the structure of the banking industry; the functions performed by the industry; banking law and how the courts have interpreted the McFadden Act; and the possible repeal of geographical constraints upon a bank's balance sheet structure by giving the bank new market potential.

Regulation is persistent and expanding to agencies other than just bank regulatory agencies. Continual attempts will be made to centralize regulation of banks.

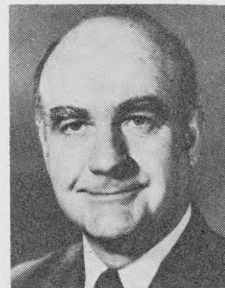
Discussions involving Federal regulations and banking structure also involve discussions of capital adequacy. Certainly capital is necessary for growth. Internal generation of capital is slow, external capital is costly and regulation stymies alternatives. There have been suggested solutions and we will see changes in concepts of capital requirements.

Finally, there are the changes in the market place — in competition. Competition from non-bank financial institutions has never been greater. Bank customers today are looking for more technical assistance and more sophisticated services. There are studies and reports with initial

steps being taken toward equalizing services offered by commercial banks, savings banks, savings and loan associations and credit unions. To meet competition in the market place bankers must not only examine their ability to attract customers requiring new types of financial assistance and new services, but also make such internal changes in organization and personnel to meet the new expertise required.

Circumstances of change create areas of opportunity. There will be opportunities to provide customers with new services and products. There are opportunities for bankers to be heard in the legislative arena and take part in the development and control of a changing industry. The most challenging opportunity is associated with the factor of changing technology and customer needs for a new expertise. I believe the operations and structure of the industry will have a new dynamism in the next few years and we have the opportunity and the responsibility to plan for technological change and how that change interrelates with other external forces. Profit opportunities can assist capital adequacy problems, but for a bank to retain, much less expand, its share of the future financial markets, and make the profit, management must take advantage of the opportunity for future planning.

Without present and strategic planning, the aggressive competitor will gain a greater portion of the financial market dollar. Such planning should consider customer needs and concentrate on the more profitable business. When the banker has appropriately planned for profit opportunities, the industry can expand and remain viable, and the impact from non-bank competition will be lessened. One caveat is regulation. If regulation allows the industry to respond to change and does not restrict competition for funds, controlled change will occur and opportunities will continue both for the industry and the market it serves.



**THEODORE D. BROWN**

President  
The First National Bank  
Denver, Colo.

**T**HE PREDICTABLE, or foreseeable, changes in banking structure and practices for 1976 appear to be sixty percent in the hands of various legislative bodies and forty percent in the area of financial regulators and economic advisors. Economic advisors are relegated to the low end of the scale not because of rejection of their theories, but because of the overriding impact of political and regulatory voice in this era.

Financial regulators, as we have known them, traditionally have strived to make their voices and opinions heard, but now compete with a group of legislative — public spokesmen whose statements are different and sometimes conflicting with the traditional position of the regulator.

Banking, historically, has been pretty comfortable with legislators and regulators who felt a responsibility to keep the game honest, but also relied heavily upon the integrity of the banker-players.

In recent years some of the banker-players have been proved to possess less than the traditional dedicated integ-

city of the career banker. Hence, an understandable clamor from the public and response from the regulators for increased disclosure leading to increased regulation.

In addition some of the other standards of performance have changed. No longer can one be the banker of the year by lending X thousands of dollars and collecting that amount plus the going rate of interest. Banking is and will be a much more complicated activity. All kinds of management requirements are now imposed upon the historically pure credit functions of a successful banker.

How do bankers treat their female and ethnic-minority borrowers and employees and how do they perform in their communities as responsible corporate citizens? These are currently important questions which relate to standards of performance applied to 1976 bankers.

In summary and as a generalization the changes and opportunities in banking — 1976 style — are not confined to technological and structural changes but are highlighted by those changes in perception and management style dictated by the changing social and legislative pressures inherent in our 1976 society.



**WILLIAM F. MURRAY**

Chairman  
Harris Trust & Savings Bank  
Chicago, Ill.

**B**USINESS has had to weather an extraordinary number of difficulties over the past five years. Volatile economic conditions, high inflation, and growing skepticism regarding the future have been among the key problems facing the business community. An ongoing challenge for business in general, and for financial institutions in particular in 1976 will be to maintain a flexibility that permits adjustments to a changing economic environment.

Unlike the beginning of 1975, which was characterized by sharp declines in output and widespread layoffs, 1976 is likely to be a year of continued economic recovery. Production, employment and sales, which began to show signs of recovery in the summer of 1975, should continue to improve over the coming year. Historically, loan demand at banks tends to rise six to nine months after a recovery in the economy has begun. Currently, there are some signs that loan demand throughout the country has begun to firm and a moderate increase is expected during 1976.

Inflationary pressures have moderated over the past year, with prices increasing at a 6% rate during 1975 compared with a 12% rate the previous year. The extreme volatility in inflation in recent years is largely attributable to stimulative monetary and fiscal policies and the disruptive impact of wage and price controls. These stimulative policies can boost business activity in the short run, but eventually they lead to higher rates of inflation. Attempts to slow the resulting inflation inevitably lead to weaker business conditions.

During the past year, the Federal Reserve Board has indicated a desire to pursue policies which will lead to a slower, more stable increase in the nation's money supply than has been the case in recent years. Monetary growth

of between 5% and 7½% was chosen as an appropriate target for the upcoming year, but indications were given that the range would be lowered once the economy reached higher rates of capacity utilization. By pursuing such policies, the Federal Reserve Board would help to bring about a more moderate and stable inflation rate. For the past two years increases in the money supply have averaged approximately 5½% per year. The impact of this moderation is likely to be felt in 1976 with the rate of inflation moving to the 5%-6% range. The combination of slower inflation rates and a gradual reduction in the rate of monetary growth should help to calm financial markets during 1976. Although rising loan demand is expected to result in higher short-term interest rates, these rates are likely to move up gradually during 1976.

The U.S. economy is on the road to recovery. Inflation already has moderated and will continue to do so if economic policies are set with a longer-term perspective and avoid the spurts of short-term stimulus which characterized the past five years. Events of the last year provide reason to believe that policymakers will follow a course of action that will lead to a more stable business environment. However, a watchful stance is needed in 1976 to guard against impatience with the speed of recovery and a subsequent return to policies geared toward immediate stimulus. Such a reaction would sow the seeds of long-term difficulties and lead to a return to a volatile business environment.



**JOHN A. MC HUGH**

President  
Northwestern National Bank  
Minneapolis, Minn.

**W**HEN we look back upon 1976 from the vantage point of 1980, I suspect we shall view the former as a year when the banking industry took a deep breath. Banking is presently putting itself in order to accommodate the fallout of the credit crunches of the '60's, followed by a series of quick and serious reversals for the economy in the '70's. This has left banks reassessing their role, responsibility and ability to help restore prosperity on a sound basis. Narrowing spreads, the impact of inflation and finally, loan losses have combined to question the future level of bank profitability without close attention to present operating methods in all areas.

This suggests that 1976 will find banks looking inward for profit improvement as the necessary first step to assuring that they will have the liquidity and profitability to accommodate and assist a full economic recovery. The improved profitability (and capital structure) which banks will be striving for will not be confined to the banks' desire to be able to generate more deposits and loans (which are closely connected in highly inflationary times), but to allow our industry to pay for and take advantage of the new technologies being made available to improve the quality and variety of services. These new technologies (largely electronic) will be costly to introduce, and in some instances will represent a parallel (duplicate) system

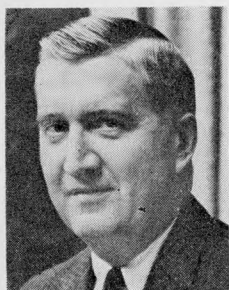
**"In 1976, we should strengthen our efforts to bring about change in banking regulation, both on the state and federal levels."**

initially. Without adequate and reasonably predictable levels of profitability, bankers will be reluctant to make large commitments to the future. Hence the need in '76 to be certain that our present methods, operations and credit administration procedures are the most efficient.

If 1976 provides that result, then we shall be looking back on it as a year when banking took a necessary "deep breath", paused briefly to assess the future, and then moved on to expand its capabilities. In the Upper Midwest, I hope that expansion will include:

- A conscious effort on the part of bankers to create jobs. (Currently, America is underinvesting in terms of creating job opportunities).
- A direction of loans towards long-term productivity as a contribution towards the reduction of inflation.
- A concerted effort to encourage & provide the means to export the goods and services of this area. (The availability of food production, energy sources and a highly motivated, quality-oriented work force represents a tremendous competitive edge when competing nationally and internationally. These advantages can be aggressively pursued for export with creative banking services).
- A rededication to the needs of our respective communities with which our well being is still so closely identified and dependent.

By utilizing 1976 to assure a profitable, sound banking system we shall be in the best possible position to respond as our respective markets and communities identify their opportunities. That is probably why 1976 will prove to have been so important to us all, and why I have such high expectations for it.



**JOHN H. PERKINS**

President

Continental Bank

Chicago, Ill.

**B**ANKING'S great and immediate need is a thorough modernization of the industry, and 1976 offers us numerous opportunities to meet that need.

Major banks have been moving toward modernization for some time, and many have made great forward strides internally through adoption of more sophisticated, precise management procedures and planning.

*Northwestern Banker, January 1976*

Many have begun implementation of new technology, most notably electronic funds transfer system (EFTS), in an attempt to reduce dependence upon labor-intensive, paper-based payments mechanisms and improve the efficiency with which information can be transmitted.

But new management techniques and technological change are not enough to meet the challenges of today's consumer environment. The banking structure itself must be modernized.

The highly-regulated U. S. commercial banking system has not always been permitted to fully respond to the needs of the public, and has not always been able to utilize fully the efficiencies and customer-service benefits available through technological developments.

The impetus for change has recently been accelerating rapidly. In practically all states, for instance, modernization of the banking structure no longer is retarded by laws prohibiting any form of full-service branching.

Updating of banking laws in other less-progressive states, while by no means assured, is more of a possibility than it was three or even two years ago.

Passage by the Senate last month of the Financial Institutions Act is another step toward modernization, although there is some feeling that the bill does not deal with some of commercial banking's most immediate concerns, such as an industry-wide posture on branching or EFTS utilization.

Still more impetus for modernization comes from advances in banking technology, particularly in the area of EFTS. Banks have been pioneers in developing sophisticated and reliable systems to facilitate the movement of funds among banks and other financial institutions. If there could be an increase in consumer awareness of its potential and if there could be changes in regulatory and legislative climates, EFTS could become a dominant element in personal banking. But we must be prepared and allowed to take advantage of its superior technology.

Prudence and the desire to minimize risk have, appropriately, kept banking from a too-rapid shedding of the "old" for the "new." But excessive regulation has been an unnecessary deterrent to modernization, and has been counter-productive to industry efforts to bring banking up to date.

In 1976, we should strengthen our efforts to bring about change in banking regulation, both on the state and federal levels, to insure for commercial banks the opportunity to modernize.

Such efforts also would serve the dual purpose of putting commercial banks in a competitive position alongside other financial institutions.

We must continue to challenge outmoded legislation, and to work for passage of more progressive legislation where it is needed to bring banking out of the past and into the present.



# How Community Banks Can Improve Their Earnings in 1976

A NORTHWESTERN BANKER Survey

ONE OF THE major challenges to bank managers in 1976 will be in the area of achieving, or at least retaining, an adequate level of earnings. In this special NORTHWESTERN BANKER report, officers who head their bank's correspondent bank business offer some thoughts on how community banks might achieve a level of earnings consistent with the individual bank's goals. Careful handling of loan and investment portfolios is specifically discussed by several respondents, with emphasis on the critical need for setting realistic prices charged for the multitude of bank services performed for customers. Comments from a number of correspondent bank executives follow:



**WM. J. DAVIS**

Vice President

American National Bank &  
Trust Company

Chicago, Ill.

THE NEW YEAR is always a time for reflection and of setting new goals whether it be in our personal lives or in our businesses. Every discussion on improving earnings involves cost control, generating higher gross income, increased deposits and asset quality. Budgeting is a handy tool in analyzing where we are going and the self inspection it provides may be as important as the numbers generated. Bank size should not be a factor when it comes to budgeting or not budgeting. Our computer model and spread sheets make it easy to consult with any community bank, whether it be in the city or country.

Let us now turn to the last couple of years to see what can be learned from the past. Loan quality is always stressed, but when one has several years of prosperity one tends to forget that customers may overexpand, sales may drop, interest rates become burdensome, or any number of other factors can put a loan in jeopardy. Now is the time to upgrade loan quality.

High interest rates tempted many banks to abandon their loan portfolios for the lucrative Fed Funds rates. This is fine while rates are high, but were customers well served in the process? Had more loans been made then, although at lower rates, would there be the scramble to put loans on now?

On the other extreme, many banks were too aggressive in lending, even to high quality borrowers, and found themselves in a liquidity squeeze. Looking back, this too caused some earnings sacrifice. Each community is unique in its customers' needs and one can only suggest that a look forward and backward be made before committing all resources in one direction or another.

The New York crisis emphasizes so strongly the need for quality and liquidity in our investment portfolios. Local issues are difficult enough to assess — let alone those several hundred miles away — stick to known local issues of high quality, work with your local officials to insure sound financing. Top quality state names should fill up your tax-free segment of the portfolio. Look for buying opportunities in the government issues and stagger maturities.

Take a look at your employees — are you overstaffed — are they efficient — are they courteous and helpful to the customers — is their integrity beyond question? Look at competition. Are you outperforming them? Don't forget the thrift institutions when competing for deposits and loans.

I would be remiss if I didn't suggest using your correspondent bank as a consultant in every aspect of your business. If you have a problem bring it to us — we prob-

ably faced it ourselves at one time. If you have an idea, try it out on us. We are here to help you increase your earnings — and as you grow so will we.



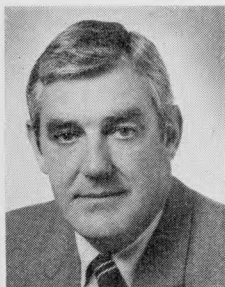
**GARY W. STEVENSON**

Vice President  
First National Bank  
Sioux City, Ia.

**L**OANS, of course, are the major producer of revenue at most banks. We are experiencing softer rates at the present time because of current economic conditions, but we must remember the cost of funds change over the past two years. The highs during that period had not been seen before. Those highs are likely to return at some point in the future. Rates should be set that will be satisfactory from an earnings standpoint and this is especially so on intermediate and long term credits. It may be time to consider floating rates for term credits as protection against future fund cost and operating expense increases.

An analysis of your investment portfolio to insure proper mixture of Municipal and Government Bonds can minimize tax liability and help maximize your earnings for 1976. After reviewing the portfolio, current investment rates and economic conditions should be watched so purchases can be made at the most advantageous times. Many of you will remember the high Fed Fund rates of 1975. Obviously, the current Fed Fund rate is affecting the earnings picture and makes analysis of the investment area more important than ever.

Setting realistic prices and charges for services performed should be a continuing process especially when inflation and increased operating costs are considered. Banks are now charging fees for the so-called "free services" of yesteryear. Some areas that should be reviewed are service charges and fee schedules. Also, a review of operations may eliminate duplications, insure proper staffing and reduce supply cost. Controllable expenses are an important part of your banks earnings picture.



**FRED N. COULSON, JR.**

Senior Vice President  
Commerce Bank of  
Kansas City, Mo.

**B**ANKING institutions must incorporate many of the general principles of other businesses if they are to expect an improvement in their earnings for the coming years. Most important is planning and establishing realistic goals. Planning to achieve outstanding performance should not depend on sudden spurts or get-rich-quick trends for results, but on consistent principles of good management and continuing self-examination.

*Northwestern Banker, January 1976*

Your staff should be thoroughly examined. Are you overstaffed? Are all employees working at top level? Are all officers and employees capable of top performance? If the answers to any of these questions are no, changes should be made immediately.

Reduce and control expenses. Become more conscious of interest spread on loans. Determine your incremental cost of funds and build rates to your customers accordingly. Price your loans to recognize the impact of inflation. Obviously, you must be aware of competition, but discontinue the practice of doing things your competition does just for the sake of being competitive, ultimately reducing income.

Utilize excess capital to generate new business in order to take full advantage of the bank's ability to earn a reasonable return on assets employed. Analyze your bond and investment portfolio, anticipate profits to determine the tax consequences and invest accordingly.

Evaluate the market and direct your advertising to produce the greatest return.

There are many questions that remain unanswered with regard to grain prices and production. If an increase is anticipated, you can expect deposits to increase. Assuming the loan demand continues and pricing is adequate, the ultimate result is profit.



**WM. J. RICKERT**

Vice President  
National Bank of Waterloo  
Waterloo, Ia.

**I**AM CERTAIN that the windfalls of 10-12% fed funds are just as elusive as \$10-12 soybeans — so we better get back to basics of soundness in our banking decisions.

Since the margin on interest rates charged and those you pay will remain about the same, we either have to increase volume, find other areas to generate income or reduce our costs.

Good loans, well documented with guarantees, security agreements, mortgages and trust deeds properly completed at the time the loans are negotiated, so that liens are — or can be — perfected, remain your best income generator. Many banks have one loan that could wipe out their entire loan loss reserve. In the economic climate we are working under, almost any loan can get sour if not properly secured. So, don't reach out for high risk assets — even if rates charged make them appear attractive.

Perhaps fee income, such as lock box charges, service charges, NSF charges, insurance and sale commissions, can be increased to offset higher costs that you will pay.

Salaries, supplies, taxes, time deposit interest, postage, employees' benefits will all cost more.

Economic conditions may generate some increase in short term rates but since 1976 is an election year, political decisions unfortunately outweigh sound economic policies. Keep reasonably short in your investment policy so that you can capitalize on any windfall opportunity.

If high profits are earned, try to keep as much in your

capital structure as possible. Shareholder's money is still the cheapest money you have available. If increased dividends are justified, pay a special dividend, rather than increasing the regular one which once paid is difficult to reduce.

Take a good hard look at any sophisticated equipment or programs. Many too often forget that it is necessary to get a return on your investment.

My best advice would be to keep your house in order — to run your bank so that decisions made today don't erode that precious capital you have worked so hard to accumulate. We surely will continue to have heavy pressure on our capital accounts if growth and inflation continue. Don't be caught short.

**WM. J. HEIMERMAN**

Senior Vice President  
Northwestern National Bank  
Sioux Falls, S.D.

**A**FTER a year of sluggish economic performance and narrowed interest spread margins, community banks will have to return to basic banking concepts to improve earnings in 1976. This means more emphasis on cost/price analysis and less emphasis on leveraging and liability management.

In view of softer short-term money rates, we can expect continuing pressure from borrowing customers for lower loan rates. However, the community banker will find his cost of money gradually creeping higher as time deposit customers opt for longer-term certificates with a more attractive yield. In addition, the new regulations permitting corporation and small business savings accounts will also exert upward pressure on the total cost of funds available, since these funds were formerly available to offset commercial checking account costs.

The community banker has the right to expect reasonable compensation for the services he provides, therefore it behooves him to closely analyze his commercial accounts to assure himself the net collected balances being carried in the demand account are sufficient to adequately cover checking account costs. This is particularly true in view of the anticipated higher costs of postage, processing, and personnel.

The expected continual squeeze in interest margins next year will no doubt force the community banker to look elsewhere in his shop for opportunities to improve 1976 earnings. High on this list should be a careful review of all controllable expenses to assure that the services or products received are the most efficient and/or economical. Increased emphasis should be placed in the consumer loan area for higher income and liquidity. In addition, many service fees on accounts, loans, and other customer services which may have remained unchanged for several years, could be in need of an upward revision to reflect recent inflationary trends and to bring them more in line with current costs.

With personnel costs continuing to escalate, increased

emphasis on productivity is essential. The highest labor costs in history have placed a premium on sound personnel management, with attention given to more effective training, motivation, and above all, competent supervision. Labor saving equipment must be considered. Many banks are exploring the concept of incentive compensation, i.e. tying remuneration directly to productivity. This has proven to be quite successful, particularly in areas where results are easily measurable, such as in bank insurance agencies.

In summary, 1976 looks like a year of gradual and cautious economic recovery, and the community banker who hopes to report an increase in earnings next December will have to give careful analysis and thought to all aspects of his operations, while at the same time striving for quality in asset management.



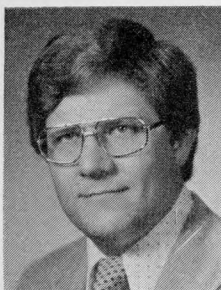
**JOHN E. MANGOLD**

Senior Vice President  
Merchants National Bank  
Cedar Rapids, Ia.

**F**OR THE agriculturally oriented community bank the challenge of earnings maintenance is a prime problem today. Recent meddling and abuses of farm marketing mechanism by both governmental and private interests assure a reduction in gross agricultural income. Constantly increasing input costs likewise indicate a lower net farm income in 1976 so be prepared to work harder to keep your agricultural loan portfolio functioning properly next year. A largely unresponsive economy coupled with threats of higher cost production inputs in all sectors creates a remote possibility of increased profit margins for manufacturing and retailers. Turn your sights inward for increased profits next year.

Zero growth demand accounts and competition for the savings dollar will raise the cost of funds so firm up your loan portfolio performance through rate structure, fees, and instalment credit. Appraise credits carefully and insist on quality security for loans. The market has previously discounted the problems and potential default of New York City and in so doing depreciated the whole municipal field. With the "big apple" problem temporarily solved the municipal market should rebound somewhat as should the U.S. government issues which have been absorbing investment pressure from the municipal market. Look for increased investment potential in the money market instruments of large commercial concerns who may be rebuilding inventory if the economic upturn continues. Inventory replacement costs will be higher (resulting from inflationary trends) with a lot of competition for funds. Your correspondent probably can provide a participation or two to take up the slack. County Hospital bond issues have been increasing and in some cases government guaranteed. In any event Medicare practically assures a "full house" for good cash flow and repayment potential. FmHA and SBA loan guaranty limits have been increased and can soften the term effect of some capital type loans for industrial expansion in your community. Perhaps your correspondent can help you provide some of the funds for this

expansion. Project notes also are a good source of liquid tax exempt investments. Stress quality over quantity in your daily routine and work for efficiency in all phases of your operation including employment practices and personnel utilization.



**ROBERT A. SUDDICK**  
Vice President  
The Omaha National Bank  
Omaha, Nebr.

**I**T SHOULD not be a revelation to the community banker that 1976 promises to be a year when the spread between average cost of funds, no matter how you wish to define that term, and notecase yield will narrow. That forebodes less profits for us all unless we take positive action.

The trick to improving profitability is to begin planning now to do something about it. Attention must be focused on how to maintain or improve the spread since the breadth of the spread will determine whether a bank turns in a poor, mediocre or commendable profit performance.

A good starting point is the preparation of a realistic source and use of funds budget. This budget is the foundation of your profit plan, and you should spend as much time on its preparation as is necessary to establish confidence in the figures and commitment on the part of those who must take appropriate action to see that it is followed and the projected profits achieved.

If the budget is built properly, it forces a close look at each significant loan in your portfolio. That means scrutiny of the spread (profitability) on each loan which, to be met, must be priced adequately in terms of risk and costs of administration. Recognition that each customer is unique and that his needs must be individually priced is the key to the commendable profit category.

Naturally, this philosophy should extend beyond 1976, but 1976 is a good year to start using it and improving earnings.

**BENTON O'NEAL**  
Senior Vice President  
First National Bank  
St. Joseph, Mo.

**W**E FEEL STRONGLY the first step to increasing profit is to set goals. These goals should include deposit increase, total invested dollars in loans and securities, expenses of all types and from there to the bottom line of net profitability.

Probably the best place to start planning profit in your bank is a tight reign on controllable expenses. We would put quality of loans at the top of this list. Loan losses can

play havoc with profit and we see many banks that we feel are taking undue risks in the note case. This aspect of expenses can certainly be controlled by management. Loan rates need to be set realistically in relation to risk and balances maintained by the borrower.

Payroll expense sometimes gets out of hand, not so much the level of pay per employee, but rather the total number of employees. We find many banks that have a seemingly high number of employees based on number of accounts or assets. In these situations, we usually find job descriptions are not well defined and an overlap of duties and responsibilities.

A proper mix of quality investments can mean tax savings. This again is a real way to cut expenses and improve the bottom line.

This is by no means an attempt to define all ways to help improve earnings in banks, but we believe these are major areas and those in which bank management has absolute control. We believe the old saying that "you are the master of your own destiny" is certainly true in banking.

**WESLEY D. BOWEN**  
Senior Vice President  
Packers National Bank  
Omaha, Nebr.

**I** BELIEVE we are all viewing the next 12 months with concern. Just for the record, let me relate a partial list of new or continuing programs, or proposed legislation, that the banking industry is or will be confronted with during this — our Bicentennial Year.

1. EFTS
2. Equal Credit Opportunity Act
3. Fair Credit Billing Act
4. Hunt Commission Report
5. Federal Branch Banking
6. NOW Accounts
7. Payment of interest on demand deposits
8. Payment of interest on TT&L deposits
9. RESPA
10. MACHA
11. And many others

It has been my privilege to work with Nebraska country bankers for over 25 years. They have served their communities with considerable distinction. The commercial banking system has done its job, and it has done it well in rural Nebraska. Yet, this very system is today in jeopardy due to ill-informed and over zealous legislators. And this doesn't mean that the country banker is afraid of change. What he is afraid of is that the proposed change will not work to the advantage of the consumer (the bank customer), for which it was supposedly intended, but rather will stifle and eventually sterilize his ability to serve the customer.

Perhaps the topic "How Community Banks Can Improve Their Earnings in 1976" should more realistically be rephrased "How Community Banks Can Maintain Their Present Earnings in 1976."



### BEN G. EILDERS

Senior Vice President

Bankers Trust Company

Des Moines, Ia.

**T**HE CHALLENGE of improving bank earnings is continuous. On the other hand, the methods employed by bank management to achieve the objective are basic. In light of the intensified focus on bank performance, we must not lose sight of quality and creditability solely for the sake of profits or growth.

More customers and an increased deposit base can be the fruits of a good and effective calling program, customer convenience and better service. Once acquired, the utilization of these funds is extremely important.

Continued analysis of your loan portfolio is a must. Meet the loan demand in your market area even if it requires utilizing your correspondent. Strive for quality and price your loans at rates that give you the widest spread between cost and yield that is desirable. Most banks derive the greater percentage of their total income from loans, therefore, lending rates should receive close attention. Where loan demand is soft, concentrate on upgrading your investment portfolio, both from the standpoint of yield and liquidity.

The constant rising costs of operations will have its effect on profitability in 1976. Bank management must plan, budget, control and evaluate. Greater efficiency and total control will contribute to profits. Know your costs, establish your priorities and then control them. Management must concern itself with improving productivity and eliminating inefficiency. Salaries constitute a sizeable portion of every bank's expense. In return for those salaries you are entitled to excellence in performance, but only if you hire quality people and continually strive to see that they are skilled in their jobs.

The theme of the 1975 ABA Correspondent Banking Conference was "Strive for Quality — Plan for Growth." May I suggest you apply this to your program for 1976. Improved earnings can become a reality in 1976 — it will take a total commitment from directors, officers and staff.



### RALPH W. ABELT

Vice President

Continental Bank

Chicago, Ill.

**A**S WE ENTER this bicentennial year, one's estimate of the future for community bank earnings will, in large part, depend upon what economic scenario is considered to be "most likely." Certainly, the year just concluded can be characterized as being, at best, a spotty year for bank earnings. Major factors which impacted earnings in 1975 were anemic loan demand (particularly in the third

and fourth quarters); sharply lower levels of short term interest rates; and increased operating expenses, pressured by continuing inflation. Improvement in any of these factors will be of great help to the community banker striving to meet expanded profit goals.

In the current economic environment successful bank managers will be planners, the agile thinkers, those who can anticipate change and take timely action. To improve earnings in 1976, managers of community banks *must* identify and concentrate on those activities that have the highest profit potential and yet they cannot ignore allocation of resources to forward-looking services needed to maintain market position.

The effective community bank manager must also assess the impact of the proposed modifications in the nation's financial institutions. The probability of paying interest on demand deposits, other financial institutions offering checking accounts, and the elimination of ceilings on various savings interest rates are all clearly in view in 1976.

Within this context, pricing policy assumes great importance, and community banks will need, among others, the following:

- 1) A clear definition of loan policy and pricing to insure a reward commensurate with the risk and term of the credit.
- 2) An objective reappraisal of account profitability analysis to insure that bank services are not substantially underpriced, or even worse, given away.
- 3) A re-examination of bank investment policy for possible additional profit potential without impairing liquidity or quality.

In addition to the above, bank managers will be under great pressure to carefully monitor controllable expenses. Higher salaries and increased operating costs all have a dramatic impact on earnings and, if not properly controlled, can blot out the benefits of a carefully planned fund use program. Any increase in money cost through relaxation of interest payment restrictions is going to be difficult to offset.

In summary, the year 1976 promises to be a demanding one on managers of community banks, given the conservative and skittish mood of the American consumer. Those managers who expect to maintain or improve earnings in the coming year must carefully assess the role they play in meeting the financial needs of their community (in a more competitive environment); they must know their costs; and they must price their services to insure that adequate gross profit margins are being maintained. Finally, they must deal effectively with problems of asset allocation and quality to avoid dissipating hard-earned dollars in loan losses. 1976 promises to be another year in which profit performance will be closely studied by all the groups to which community bankers are accountable. The market promises to reward effective professionals and, yet, may well be unforgiving of the ineffective.

Clearly, we can expect dramatic change in the manner in which bank services will be provided to the retail market. Technology, regulation, consumer expectations — all these influence management decisions in 1976 — all point toward dramatic change in the near term — all promise to complicate the already difficult problem of improving bank earnings. The risk/reward decision is always difficult to make — particularly in community bank management in 1976.



**KENNETH A. WALES**

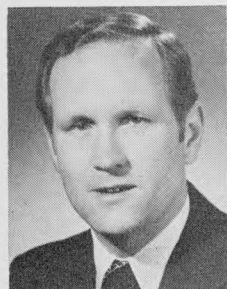
Vice President

First National Bank of  
Minneapolis, Minn.

**W**RITING an article on how to measure profits is always a little bit scary. This is an area where many of us, I suspect, feel that we are experts, or at least know what we are doing. Unfortunately, I fear that this is not always the case.

Managing for maximum profit is a goal that all of us should have, yet few of us utilize the appropriate strategies to reach that goal. Let us examine exactly what goes into profit. Simply put, profit is the excess of income over expenses covering any given unit of time, whether it be a day, month, or year. Therefore, to maximize profits it would be absolutely necessary for us to carefully examine all items which make up total income for our banking units and all items which make up total expenses. We cannot operate without full knowledge of our costs as they apply to every function that we perform in our quest of service to our customers. We have to know what it costs to make a real estate loan, for instance, before we can price that loan properly. We have to know the cost of funds that we use in our operations. If we don't have a handle on these costs, how can we price a product at a level sufficient to cover all expenses, as well as to provide the expected profit on that particular transaction.

Services is another area where many of us I fear are "giving the store away." Each service should be examined. There may be good cause for providing that service on a free basis, or there may be equally as good justification for initiating a fee for that service. All of us realize that in a bank we take the money in with one hand and lend it out with the other hoping to make a profit on the spread. It is not until, and only until, we begin to manage in an effective manner and achieve a satisfactory spread between the cost of funds and the return on those funds, that we can truly say that we employ at least some of the methods to be used in "maximizing profits for 1976."



**R. E. HAGEN**

Vice President

Security National Bank  
Sioux City, Ia.

**A**SIDE from actively seeking new business, and controlling expenses, there are a couple of areas that could affect bank earnings that management should watch in the coming year.

For 1975 the tax rate for banks will be 20% on the first \$25,000, 22% on the next \$25,000 and 48% on income over \$50,000. If these rates continue into 1976, as proposed in the new tax law now before Congress, banks will

need to carefully analyze their tax free income. In other words, the amount of municipals in the bank's portfolio should be monitored at least quarterly and adjusted to reflect projected income for 1976.

Secondly, even with the expected government financing, it is questionable that rates on short-term securities and fed funds will substantially increase during the first half of 1976. With lower investment income there is a tendency to let higher loan rates over-shadow prudent credit decisions. In looking for more loan income the bank, of course, should consider the recovery that has taken place in the livestock industry, but should not forget about the potential losses that were with us a year ago. For the banks that do not have a high loan demand, 1976 may be a year in which they will have to "bite the bullet" in trying to improve their earnings.



**WILLIAM T. DWYER**

Vice President

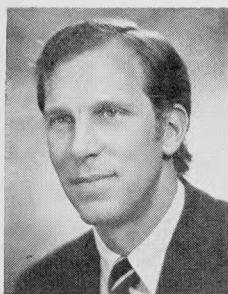
First National Bank of  
Chicago, Ill.

**I**N THE FACE of increasing challenges and problems, community banks can survive and grow not only because of their own abilities to face change but also because the focus of correspondent banking is to assist in meeting such change. The consistent effort to improve earnings with stable growth is the essence of banking or any successful enterprise.

6 thoughts come to mind — I'm sure there are more:

1. Continue what you are doing: to strive to do better. Unfortunately there is more attention focused on those who have critical problems and tough choices. What is overlooked is that the majority of banks — the community banks — are doing so well.
2. Look critically at your assets. The marketplace seems to be saying about the banking business that it should cover the fundamentals, that there are too many questionable assets. Reviews of assets should be more comprehensive, periodic and critical.
3. Improve cost-consciousness throughout your bank. Cost controls and pricing policies need frequent analysis: those banks with strong managerial control, determined spread policies and controlled costs will show improved earnings. The movement underway for payment of interest on demand deposits and/or issuance of checks on savings deposits makes such widespread consciousness imperative.
4. See that your bank is prepared for EFTS, on-line systems and point-of-sale banking. Advances in electronic banking require knowledge of trends and developments, close relationship with able sources, and full awareness of the capital intensive nature of the changing times.
5. Continue to sharpen management skills, at the top and at the next tiers. Successful banking is continuing to require increasing manager professionalism as one of the strong pillars of improved earnings and stable growth.

6. Work closely with your correspondents — demand of them. The price you pay can be as big a value as is available in any purchase you can make. The right correspondent can bring together talents of people and capacity to complement your own many products and services in order to help you improve these earnings in 1976 and beyond.

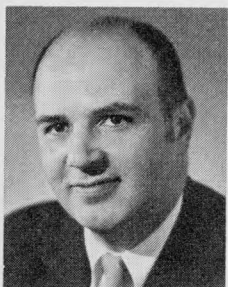


**DAVID M. CULVER**

Vice President  
First National Bank in  
St. Louis, Mo.

**H**ERE are some observations about how to improve community bank profits in 1976:

1. Community banks must define their markets, determine their market penetration and develop a marketing and sales strategy to penetrate those markets they choose to deal in.
2. Review organizational and operational systems/procedures and streamline them so that they are cost effective.
3. Select qualified personnel for all areas of the bank and motivate them through training, responsibility and financial incentives.
4. Monitor and evaluate systems and procedures implemented to insure that the goals of the organization still meet the requirements of the market place.
5. Be responsive to changes in regulatory, environmental, sociological and technological factors and be flexible in order to adapt to these changes.



**RICHARD L. MCAULIFFE**

Senior Vice President  
Harris Trust & Savings Bank  
Chicago, Ill.

**T**HE YEAR 1976 promises to be another interesting and challenging year. Uncertainty exists relative to the over-all economy, agricultural markets, money markets and politics; these are just a few of the areas that may have a direct impact on bank management. Management's ability to properly evaluate and anticipate changes ultimately will be reflected in the level of profits achieved.

While profit maximization is an important goal, it must be kept in proper perspective. The taking of excessive risk in the pursuit of profits will have, in time, dire consequences. Maintaining a sound, liquid asset base should be high on management's list of priorities.

Profits can be increased by increasing income, decreasing costs or a combination of the two. The major determinants of income are interest income from loan activity and interest income from the investment portfolio. Pricing of loans, floating interest rates and timing of note maturities are areas that can influence the level of loan interest income. Getting good results on the investment portfolio is

a function of both composition and timing, and is deserving of very careful management attention.

Reducing the cost of funds is a constant challenge and one of increasing complexity. Maintaining demand deposits is tough. Passbook savings are a good source of funds but difficult to hold because of competitive rate conditions. The relative advantages of fed funds, certificates of deposit or other debt instruments are often not obvious. Again, composition and timing are key factors. Proposed changes in regulations of financial institutions, if implemented, will have a dramatic effect in this area. Maintaining high levels of efficiency and proper salary levels are also important aspects of profit maximization.

The rapidly changing worlds of bank regulation, technology and bank structure add to the challenge of management. Staying abreast of all the various aspects of the banking business is becoming an impossible task. As a result, it is becoming increasingly necessary to seek outside professional advice from attorneys, accountants and city correspondents.

Superior bank management will continue to be recognized as the result of hard work, maintaining cool heads and exercising good judgment.



**AVERY G. FICK**

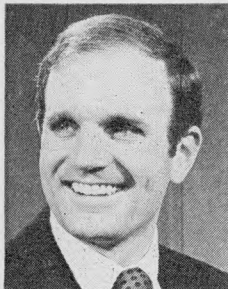
Vice President  
Marquette National Bank  
Minneapolis, Minn.

**T**here are many ways of determining which methods or combination of methods is best for improving the earnings of your bank. The Bank Administration Institute (BAI) offers good comparative studies. The Federal Reserve makes available to all banks its Function at Cost Analysis (FCA) study, in which many banks participate. Also, FDIC supply cost data. Once a comparison of these studies has been made, you should have a good idea whether costs are within a proper range — costs of funds as well as cost of operating.

With costs and income in line, look at the home situation with the thought of stimulating more business. Survey your community to determine whether you are working with the best loanable customers. If not, why are they dealing elsewhere? Is their line too large for you to handle? Is the rate they pay (or want) in line with the market or with what you think is acceptable?

If their line exceeds your legal limit, have you considered talking with your correspondent about his participating with you in the loan? Overlining and/or participating is a function you can use advantageously. Give it careful consideration. Don't let size be the single criterion for a good business loan.

Increasing the wealth of your community is a way of producing new deposits, which should mean, normally, more earnings. Have you done what you can to attract industry to your town? Have you assisted your farm customers with new capital goods to improve his productivity? Sponsored training programs to make his operation more profitable? It is through such efforts that earnings can improve.



**GEORGE F. MILLIGAN**

Vice President

Iowa-Des Moines National Bank  
Des Moines, Ia.

**I**T IS presumptuous for me to tell you how to run your bank in 1976!

Let me give you a very personal insight, however. In traveling, visiting and talking with you, throughout the state, I am continuously impressed by the confidence and inner-strength that is managing Iowa's banks.

Many years of experience and service are guiding the community banks, and new talent and enthusiasm is being encouraged among the younger bankers — an excellent

blending and balance for sustained growth and stability. The ethic of our land with its seasons and renewable wealth — the work that makes it productive — are reflected in the statements of condition published and certified. Quality. Keep it up!

Continue to fulfill that "duty which is closest." Continue giving service to your depositors and the total community. Read, plan, act, react, and look well-beyond 1976. Continue to make your own determinations concerning the economy and our total economic structure as a nation. Continue to make your own final judgments.

I am, personally, not totally convinced that the economy or government will give us cause to be in a relaxed posture for the next several years. I would give added emphasis to liquidity and capital adequacy considerations. As Iowa bankers we can give counsel and help to the nation's total financial community, highly leveraged and awash in debt as it is. That's the key to improved earnings in 1976, and beyond.

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## ABA Presents Awards For Ag Programs

The Kansas, Minnesota and Wisconsin bankers associations were presented with national awards for outstanding agricultural programs recently at a banquet held during the American Bankers Association's 24th National Agricultural and Rural Affairs Conference in Houston.

The ABA's agricultural awards program recognizes state bankers associations' successful programs informing bankers and the public about the importance of excellence in agricultural banking.

The ABA awards were presented by Oliver A. Hansen, chairman of ABA's agricultural bankers division and president of Liberty Trust & Savings Bank, Durant, Ia.

The Minnesota Bankers Association was honored for its program informing the public about agricultural banking, and in this area special mention went to the Nebraska and Virginia Bankers Associations.

The program informing the public about agricultural banking developed by the Minnesota Bankers Association included publication of a newsletter for bank customers in statement stuffer format, a statewide television advertising program, placement of agribanking articles in farm publications, distribution of cash-flow forms to farm operators and development of a film and speech library.

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## Dr. Upgren Sees Recovery Continuing

LOOKING at the year ahead, noted economist Dr. Arthur R. Upgren expects "The gain in output in the third quarter of 1975 (of) 11.2% . . . in goods terms . . . will continue into 1976 because incomes and savings are wholly adequate for it to do so. But until we tax more and rebate less we shall have continued inflation. We have done enough on the rebate and tax-cutting side," he states. Dr. Upgren said "We now should contemplate some additional taxation, but apply it only to those whose income has increased. That should be the test."



A. R. UPGREN

Dr. Upgren's look at 1976 was part of his economic report, "Charting Our Economy," prepared for Bank of Minneapolis, Minneapolis, Minn., of which he is a director and economic advisor.

In his preliminary remarks, Dr. Upgren said the answer to the question, "How Is Our Economy Doing?" is that it is "doing very well and it is doing much better than our economists with, naturally, some exceptions."

Reviewing the 15-month recession, or decline, Dr. Upgren noted that the most serious part of it was the six months from October, 1974, through the first quarter of 1975 when the decline in real output was 7.2%. He compared this to the Great Depression decline from 1929-33 of 47% in value of total output. The other five recessions from 1948 through 1971 had declines for three of them from 2½% to 3½% and for the other two less than 1%. The 1974-75 recession, he said, was twice as deep as that of 1957-58 and only one-seventh as deep as the one ending in 1933.

He attributed the "saving" of several large banks from financial failure to federal laws based on Great Depression experience and the fact that "our money supply has been maintained in contrast to the loss of 23% of the money supply in the Great Depression." This structural change, he believes, has been accompanied by another structural change — "the automatic stabilizers."

He says these "economic stabilizers have worked so forcefully that there

has been a gain (small) in the total personal income in the worst six months of the recession. That gain was \$29.8 billion."

Dr. Upgren said that since May, 1975, however, that gain leaped forward \$57 billion for the ensuing four months for an annual rising rate of \$170 billion for personal income. Discounting all unusual gains (tax refunds, etc.), he says, still leaves this annual rising rate at over \$100 billion.

And, American families, he notes, have handled this gain wisely. Where personal savings averaged \$57.5 billion from 1967 to 1972, this rate increased to an average of \$75.7 billion in 1973-74. In mid-1975 the rate leaped up to \$113.5 billion, and it dropped back to \$82.9 billion in the third quarter of 1975. "This, of course, permitted a great rise in total spending and sent automobile sales up by about one-third," Dr. Upgren said.

Consequently, he observes, despite the recession the economy has been tolerably well stabilized by the new factors of maintained money supply by our banking system and a maintained

income for the families of America. That income has increased for some a little more than it should and, for others, the unemployed, it has declined roughly by one-half.

He says the recession would have been an ordinary one except for the complicating factors of the oil problem and the tremendous wage demands made by such trade groups as building trades workers who are getting \$40,000 for plumbers and \$30,000 for carpenters in some large areas, thus pricing themselves out of the market. This has really caused the housing recession, he feels.

"Our great defect in our record of fighting inflation has been the continuing greater increase in wages than we get in productivity gains. Contractual wage rates have at times this year increased by as much as 15%, far in excess of the average rate of gain in per worker productivity. This is one lesson the whole western world must learn, and especially New York City. A nation and a city cannot give real gains in wages greater than the gains in productivity. When that takes place, inflation rears its ugly head," Dr. Upgren concluded.

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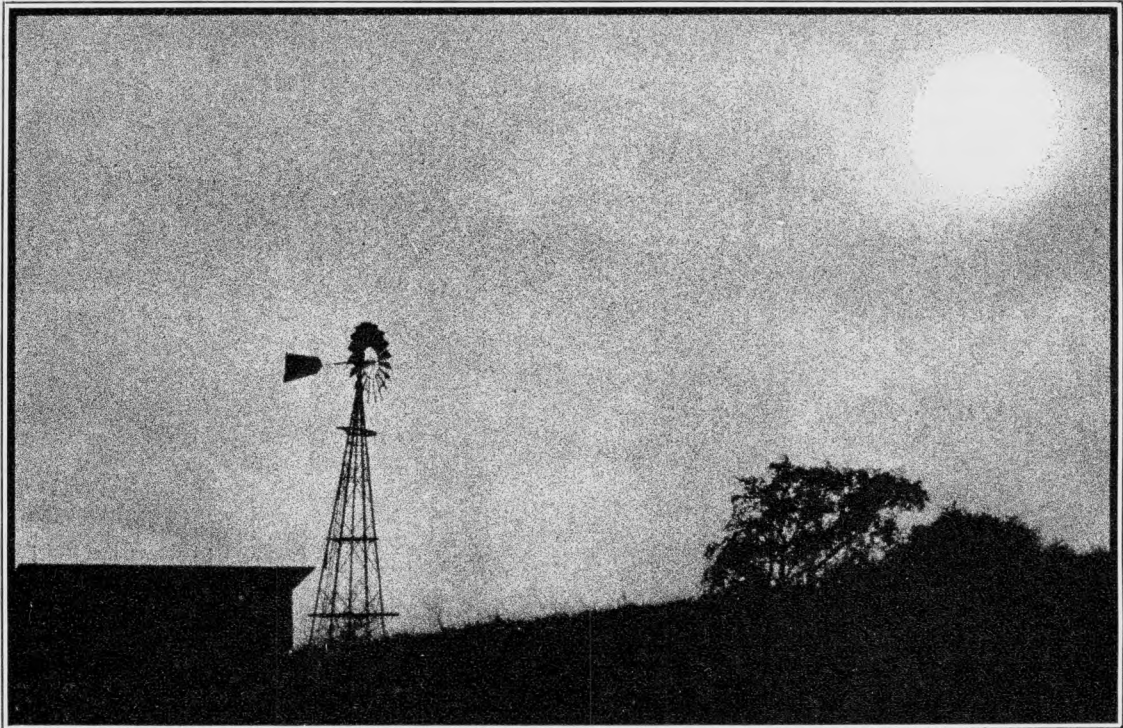
And so we offer our correspondents several unusual services specially developed to meet the needs of banks outside the big city.

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And we can offer you a whole range of management tools, from expense reporting systems to employee benefit programs.

We've also staffed our correspondent department with people who understand the unique needs of a small city bank. From personal experience.

One of them is Mike Byrne. And we hope you'll call him the next time you need the kind of help that only a big-city bank can offer.



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## Illinois News

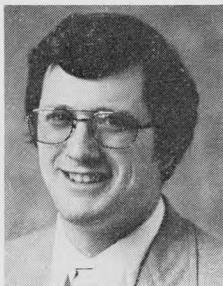
**ARTHUR F. BUSBOOM** President Rantoul

**ROBERT C. SCHRIMPLE** Exec. V. P. Chicago

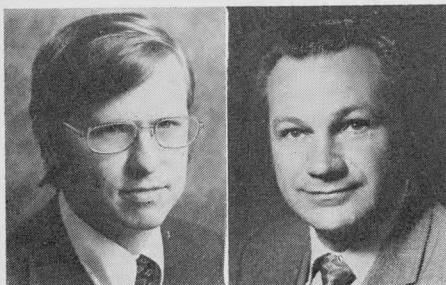
### Glenview State Bank Promotes 4 Officers

John H. Beaulieu, vice chairman of the Glenview State Bank, has announced the election of Leonard H. Bierer, Kenneth J. Douglas and Marvin V. Milazo as vice presidents and Ronald L. Westrom as personnel director.

Mr. Bierer, corporate business development, joined the bank in 1969. Mr. Douglas, head of the commercial loan department, joined the bank in



**L. H. BIERER**



**K. J. DOUGLAS**

**M. V. MILAZO**

1972 from Litton Industries Credit Corporation. Mr. Milazo has been with the bank since 1972. He formerly had been with Second Mercantile Corporation, Chicago. Mr. Westrom has been assistant personnel director since joining the bank in October, 1973.

### Worth Bank and Trust Holds Community Seminar

Worth Bank and Trust recently held a community seminar in its lobby on financial topics such as investments, trusts, estate planning and Individual Retirement Accounts. The bank is planning similar programs in the future.

Bank employees who participated are Russell D. Boyer, executive vice president; Robert S. Straz, cashier and Kathy J. Baldwin, assistant trust officer. Guest speakers were Geoffrey A.



Penman, personal banking representative, and Robert P. Steele, trust department, Harris Trust & Savings Bank, Chicago.

### Bank of Mundelein Holds Open House

The Bank of Mundelein recently held its tenth anniversary open house together with the opening celebration for its addition and new auto banking facility, according to John W. Busey, president.

Mayes, Williams and Partners, Glen Ellyn, designed the addition to the building to compliment the existing building. In addition to office space it features a five-lane pneumatic tube drive-in system together with a matching canopy. The bank also added parking spaces to more than double the original number available.

The open house to celebrate 10 years featured a "sellabration" in conjunction with local merchants and offered a grand prize of the interest on

\$1 million for one day (at passbook savings rates). Customers also received small gifts. There were balloons for the children and refreshments for everyone.

### Gladstone-Norwood Bank Opens in Temporary Facility

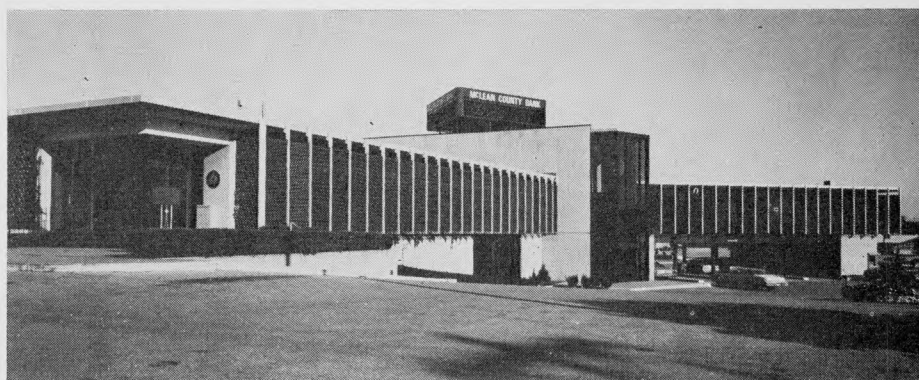
Gladstone-Norwood Trust & Savings Bank recently opened for business at Foster and Central and has unveiled plans for its new building at the site.

Groundbreaking ceremonies for the new building will be held early this spring. Completion is scheduled for next fall, according to Kenneth H. Fox, president.

The new building will be a one-story structure of contemporary design. Three drive-in lanes with room to expand to six are included.

### IMPORTANT NOTICE!

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



**SHOWN** is the McLean County Bank, Bloomington. The new addition is to the right of the center tower.

### Bloomington Bank Holds Open House

**T**HE McLean County Bank of Bloomington recently held an open house in honor of the completion of enlarged banking facilities.

Construction began in 1973 to double the bank's size to 20,000 square feet. The first step was to construct a Mini-Bank with four drive-in and two

walk-up teller windows. The old drive-in was then removed to provide space for the addition. The commercial, farm, trust, instalment loan and book-keeping departments occupy the new addition. Five new drive-in units were included to make the total now offered nine.

**AMBI Announcements**

The Association for Modern Banking in Illinois has elected four directors and has named regional presidents.

The new directors are Walter Ehrmann, vice chairman, Heritage/Pullman Bank & Trust Co., Chicago; John A. Andersen, executive vice president, First National Bank, Lake Forest; Gordon E. Sears, executive vice president, Citizens First National Bank, Princeton, and Howard Lee Payne, president, Bank of Benton.

The regional presidents are: region I (northeastern), Frank S. Read,

chairman and president, First National Bank, Lake Forest; Region II (northwestern), Carl Kautz, executive vice president, Moline National Bank; region III (central), Eugene R. Mischke, president, Colonial Trust and Savings Bank, Peru; region IV (south central), Frank Strieby, president, Illinois State Bank, Quincy; and region V (southern), Donald P. Brown, president, First National Bank, O'Fallon.

**Joins Evanston Bank**

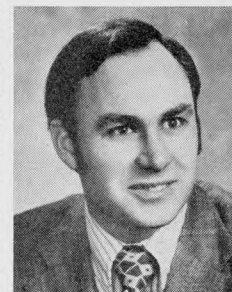
Grover H. Windsor has been named vice president, commercial lending, at

The Evanston Bank, according to John J. Vax, president.

Mr. Windsor, who began his banking career at Continental Bank of Chicago in 1958, had been a lending officer for the Associates Capital Corporation of North America since 1966, most recently in the commercial loan office.

**First National, Des Plaines, Appoints 3 Officers**

Bruce I. McPhee has been advanced from vice president to senior vice president, commercial and mortgage loan department, of the First National Bank of Des Plaines. Richard J. Lingl, commercial and mortgage loans, and Thomas J. Utzig, installment loans, have been promoted from assistant vice presidents to vice presidents.



B. I. McPHEE

Mr. McPhee, with the bank since 1966, is a graduate of Drake University and holds a masters degree from Loyola University. Mr. Lingl previously was credit manager and commercial loan officer with a west suburban bank and spent 11 years with a Chicago bank before joining the Des Plaines bank. Mr. Utzig joined First National in 1971 after serving seven years with another financial institution.

**Princeton Bank Establishes Newcomer Information Center**

Citizens First National Bank of Princeton has established a Citizens Newcomer Information Center, according to Robert I. Zearing, president. Rosa Lea Danielson, marketing assistant, will be the center's director.

"It is our hope that this information center will be of benefit to business in the area of recruiting, by making applicants aware of some of the advantages of living and working in the Bureau County area," Mr. Zearing commented. "Also it will give helpful information to make moving less of a burden to those new employees who are coming to work in our local industry."

Information will include such things as where the electrical meter hook-ups can be found and how to get the telephone connected.

# 3

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Northwestern Banker, January 1976

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 Federal Reserve Bank of St. Louis



# Correspondent Banking Today

The questions are getting tougher.  
The answers and the people  
who give them are more important.



## **We have some unique services.**

It's likely, for example, that you'll have some hard questions relating to agriculture or agribusiness. Then you'll be interested in the fact that First Minneapolis is the only bank in the Twin Cities with an agricultural specialist on the staff in the Correspondent Division.

Perhaps you have questions concerning the profitability of student loans. Well, First Minneapolis is the only bank in the Ninth District (and one of the few in the country) with a complete Student Loan Servicing Center. In fact, we developed the concept.

Or maybe you question the efficiency of your check clearances. Then contact our Correspondent Division and ask for our current availability schedule. Our system may give you availability of funds a day sooner than other banks can.

Of course, we can answer your questions across the full spectrum of banking, covering both generally available services and those unique to First Minneapolis. And the quality of the answers depends entirely on the quality of the people who give them.

## **And some very special people.**

It's hard to describe the character of all the different people who make up our Correspondent Division. To appreciate them, you have to know them and work with them. But this much we can tell you:

All the people in our Correspondent Division are there because they're banking professionals. They're supported by the total resources of our bank. And they have a common goal — to establish long-term banker-to-banker relationships with other banks, whatever their size or location.

You don't have to be big to receive our attention.

Our people are prepared to answer any questions you have. Whether it's "How can you help me with this overline?" or "Where can I find a good assistant teller?" or "Can you clear my checks faster?" or "How can I do a better job of marketing my bank?" or... whatever your question, we've got the people who are willing and able to sit down and help you work out the answers.

# To start finding answers, these are the people to call.

Here are the First Minneapolis "answer people" and the territories they serve. Each is a banking professional, each is backed by the full resources of a major bank with a major commitment to

correspondent service. We have all the people, all the services, all the help you need—all in one place. That's why we're known as the Bankers' bank of Mid-America.



**Bill Hamilton**  
S. Dakota and W. Iowa  
(612) 370-4683



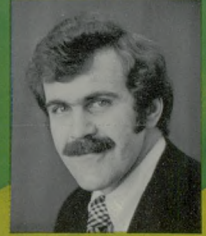
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**Dick Parnell**  
In charge of credit  
(612) 370-4692



**Bud Omlie**  
Deputy Head of Div.  
Henn., Wright, Anoka and  
Isanti Counties in Minn.  
(612) 370-4682



**Ken Wales**  
Head of Division  
(612) 370-4687



**June Swanson**  
Administrative Assistant  
(612) 370-4697



**Delores Ellis**  
Special Services  
(612) 370-4788



**First  
Minneapolis**

Correspondent Bank Division • First National Bank of Minneapolis • 120 South Sixth Street • Member FDIC

## Our answers cover the full range of banking services.

### 1. Collections and Transit Service



We're located at the transportation hub of the Ninth District and linked to all forms of transportation and communication by courier. To assure the fastest processing, we operate our transit department around the clock, throughout the year.

We'll be glad to visit with you about your out-of-town check processing.

### 2. Computer Services

We will help you determine whether (or not) you can efficiently and profitably automate certain of your banking functions and, if so, we'll work closely with your people to set up the system and keep it operating smoothly. Automation applications include: **A.** Demand Deposit Accounting **B.** Installment Loan Accounting **C.** Bond Portfolio Accounting **D.** Savings Accounting (Off-Line or On-Line) **E.** Savings Certificate System **F.** Student Loan Servicing Program **G.** Mortgage Loan Accounting **H.** Payroll **I.** One Statement **J.** Fiche **K.** Microfilm **L.** Audit Service **M.** Accounts Receivable Accounting **N.** Insurance Agency Accounting.

We can do your processing on our computer and also enable you to offer various automated services, such as payroll and accounts receivable, to your customers.



### 3. Bank Management Assistance

You're invited to discuss any management problems or questions with members of our Correspondent Division. We'll gladly provide you with confidential counseling and assistance without cost or obligation and share with you current reports and information on banking practices and management.

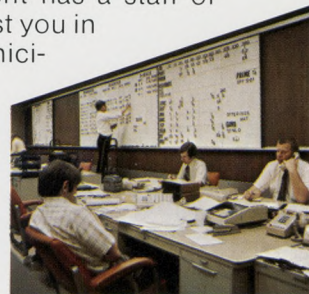
### 4. Bank Operations Analysis

It's part of our job to keep abreast of the newest methods of handling transit, funds control, conversion to an accrual system and other functions. We're able to make these methods

available to you and help with any operational problem you might have.

### 5. Investment Services

Our Bond Department has a staff of professionals to assist you in the government, municipal and money markets. This, along with the best in technological and financial resources, provides you with maximum expertise in portfolio management.



### 6. Credit Information

Our Credit Department maintains the area's highest quality credit research facilities—over 100,000 current credit files covering businesses and individuals in the Twin City area and the entire Upper Midwest. We carefully gather facts from banks nationwide and internationally and from accredited agencies across the country. Reliable credit information reports are prepared promptly, with experienced analysis.

### 7. Loan Participation Program

To offset seasonal fluctuations in your loan volume, we offer, on a limited basis, the sale of participations in our selected prime rate loans.

### 8. Currency and Coin Service

You can arrange for us to provide you with daily shipments of wrapped coin and currency by bonded carrier. Excess currency and coin will be credited to your account.

### 9. Draft Collections

We give prompt notice of the final payment of all types of drafts. Draft collections are speeded by bank wire, Western Union, airmail or messenger.

### 10. International Banking Services

You're invited to offer the full use of our International Banking facilities to your customers. Services include: Commercial Letters of Credit, Travelers Letters of Credit, foreign remittances to anywhere in the free world, foreign funds bought and sold, export collections (including checks, sight or time drafts, and foreign security drafts), assistance with international marketing or export procedures, purchase of gold and credit information.





## 11. Overline Loans

Participation in overline loans is one of our most important functions. Toward this end, we offer the services of specialists in every type of commercial credit and, for assistance with feeder loans and farm loan participations, our Correspondent Division is unique among Twin Cities' banks in offering the expertise of an agricultural credit specialist.

## 12. Marketing, Advertising and Public Relations Assistance

We're available to help you set up a sound marketing program, develop effective advertising, create customer incentive promotions, provide staff and officer sales training, hold an open house, arrange speakers for local meetings and events and other related services.

## 13. Financing Bank Purchases

In addition to providing the necessary capital through loans collateralized by bank stock, we help the borrower to complete the transaction smoothly. We assist sellers in finding buyers and we provide escrow services where desired.



## 14. Personnel Counseling

Helping fellow bankers find and hire good people is one of the most satisfying services we perform. In addition, our personnel officer will work with you in any area you wish, such as personnel policy, job evaluation, wage and salary review and government regulations.

## 15. Profit Sharing for Correspondent Banks

Through our Trust Department, we offer a deferred Profit Sharing Plan especially designed for Correspondent Banks. It's an ideal way to provide incentive and retirement income with substantial tax savings. A Pension Plan is also available.

## 16. Safekeeping

We offer you a complete care service for securities: we take custody of the securities, receive and deliver or arrange for transfer, exchange or deposit them, follow calls and maturities, collect coupons, and provide or verify inventory lists. Securities are segregated (never commingled with other banks' securities) and stored in our large Safekeeping vault.

## 17. Tickets and Reservations

We will arrange to purchase tickets for you to use for Twin City entertainment or sporting events, also to make hotel or airline reservations for you and any of your customers.



## 18. Trust Services

All of our corporate, estate planning and personal trust and employee benefit services are available to our Correspondent Banks and their customers. This includes assistance in setting up I.R.A. and Keogh plans.

## 19. Wire Transfer Service

All of our comprehensive wire transfer services are available to our correspondents for immediate funds transfer, payments, security transactions. We utilize the Federal Reserve System wire service which provides immediate credit anywhere in the country. Our bank wire system is also available for transferring funds.

## 20. Student Loan Servicing

First Minneapolis pioneered in developing techniques to simplify the administration of student loan paperwork. By using our Student Loan Servicing Center, you can profitably free your people for other functions.

## 21. Bank Forecasting Service

We can provide you with valuable information on where your bank is going, where you want it to go, and how to get there. We can also provide you with meaningful statistical data on an historical basis that can be used to your advantage in planning for the future.

## 22. Leasing

We have experts in leasing. We'll be glad to advise your bank in finding methods of servicing the needs of your customers on leasing matters.

## 23. Corporate Cash Management

We will be glad to work with you and your bank in improving the cash management of any of your corporate customers for the benefit of your customers and your bank. This applies to your corporate customers with high sales volume.

## 24. Our Total Resources

It's impossible to cover all of our services here. If you have a question that isn't covered in any of the previous categories, ask us about it. We put our total resources at your disposal.

# Over 1200 banks are bringing their questions to First Minneapolis.

## Why?

Banks from around the region, around the country and overseas — over 1200 of them — are getting help from First Minneapolis. Obviously, they feel we're providing the answers they need in today's rigorous business and banking climate. Helpful answers. Profitable answers. And, in some cases, answers that are available only at First Minneapolis.





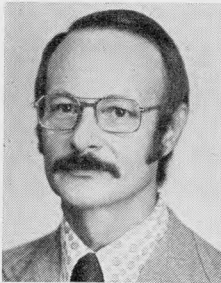
**Peter J. Fisher** has been appointed senior vice president of the Chicago City Bank and Trust Company. Mr. Fisher began his banking career as a proof department clerk in 1937. He rose steadily, and with the exception of three years in service during World War II, has spent his entire 38 year career with Chicago City. He serves as executive head of the bank's securities and investment department.



P. J. FISHER

\* \* \*

**John J. Balko** has been appointed senior vice president and trust officer of the Chicago City Bank and Trust Company. Mr. Balko, a graduate of DePaul University School of Law where he earned a Doctor of Jurisprudence degree in 1952, formerly held official posts with two Chicago banks.



J. J. BALKO

\* \* \*

**Richard K. Pearson** has been elected vice chairman and chief executive officer of the Seaway National Bank, according to **Ernest T. Collins**, chairman.

Most recently, Mr. Pearson served for six years as vice president and manager of a commercial loan division at the Heritage-Pullman Bank and Trust Company, and prior to that, was senior bank examiner with the Federal Reserve Bank of Chicago.

# Where do Financial Advisors get their advice about Farm Marketing?

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Heinold established the FARM MARKET DIVISION to provide a service never before offered to banks and financial institutions... A Systematic Approach To Effective Agri-Marketing.

The FARM MARKET DIVISION is staffed by experts. Errol Baxter, experienced agricultural marketing specialist, and Howard Beermann, ag banking specialist, lead the group.

FMD is not a brokerage office. Its purpose is to provide information and education on an advisory basis. Price risk management, collateral control and market trends are among a few of the ways FMD can be of assistance.

HEINOLD FMD MARKETING SYSTEMS consists of:

**FARM MARKET LETTER**—A marketing action publication in easy to understand terms. A bi-weekly publication to keep you abreast of current alternatives in the market place.

**THE INFORMED MARKETER**—Exclusive marketing, management and money information that you can use. A monthly update on trends, futures, basis, contracts, risk and capital management.

**FAR MAR LINE**—Individual counsel by telephone. A consultant at your finger tips.

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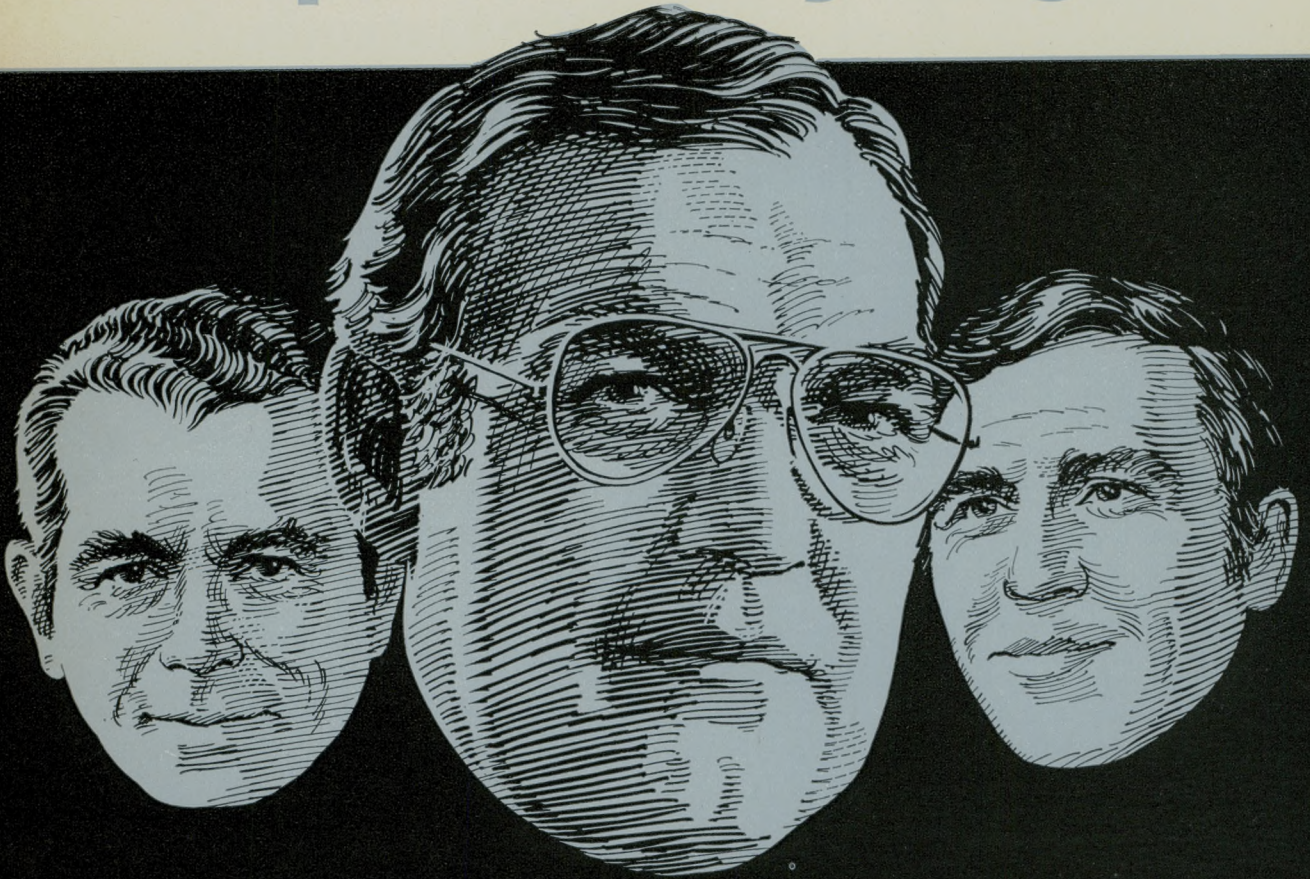
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CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

PHONE \_\_\_\_\_

NB

# Paul's back-up team includes a couple of heavyweights.



**Our chairman.**

**And our president.**

When his judgment tells him your business problem or opportunity could profit by some senior advice, correspondent banking Senior Vice President Paul Lindholm seeks counsel upstairs.

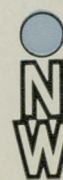
With President Jack McHugh and Chairman of the Board Phil Harris.

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Next time you want the best answer to a correspondent banking question, call Paul. At (612) 372-8123.

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# Minnesota News

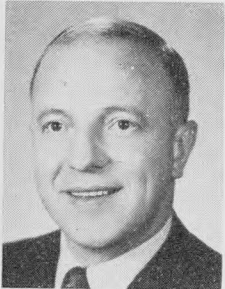
**JOHN D. CHISHOLM** President Rochester

**T. L. JEFFERS** Exec. V.P. Minneapolis



## To Head Luverne Bank

Myron J. Thielges has been elected president and chief executive officer of the Northwestern State Bank of Luverne. He formerly was senior vice president of the First Northwestern National Bank of Marshall.



**M. J. THIELGES**

Joining the Marshall bank in 1955 as insurance manager, he was elected vice president, commercial lending, in 1964 and senior vice president in 1975.

## Renville Banker Retires

O'Connor Bros. State Bank, Renville, recently held an open house for Pearl Dusterhoft, assistant cashier, to mark her recent retirement after 24 years with the bank.

Mrs. Dusterhoft joined the bank on May 27, 1951, in the bank's bookkeeping department. Later she was named teller and then assistant cashier and special services representative.

## State Bank of Barnum Holds Open House

The State Bank of Barnum recently held a week-long grand opening celebration. The bank has completed an extensive building and remodeling program which included a 15 by 50 foot addition at the rear of the building. A drive-in teller also was provided.

Harold Martin is the bank's president.

## Hopkins Bank Announces Promotions, Addition

Northwestern National Bank of Hopkins has named six staff members to new posts and added one new officer. They are Robert J. McMillen, assistant vice president; Robert J. Rich, Jr., assistant vice president and

assistant manager, commercial loan department; Terry Swenson, commercial loan officer; Patricia Larson, operations officer; David Harnish, manager, instalment loan department; and Daniel O. Johnson, manager, real estate department. Thomas Lee Holtz has joined the bank as commercial loan officer. He formerly was with the Northwest Bancorporation, Minneapolis, as a credit analyst.

Mr. McMillen joined the bank in October of 1972. Mr. Rich came to Hopkins from the State Bank of Virginia in 1973.

## Retires at Alexandria

Irene Halstead, with the First National Bank of Alexandria for 47 years, has retired. The bank held a retirement party for her.

Ms. Halstead joined the bank in 1928 after graduation from high school. In the following years she was promoted to teller, bookkeeper and in 1972 to assistant cashier.

## Donald H. Gregerson

Funeral services were held recently for Donald H. Gregerson, 59, president of the First National Bank of Anoka and former Anoka mayor. Mr. Gregerson had been president of the bank since 1953.

## Independent State Bank Appoints Noel Busch

Noel Busch has been appointed executive vice president and managing officer of The Independent Bank of Minnesota. Mr. Busch formerly was executive secretary of the Independent Bankers of Minnesota, a post he had held since October of 1972.

Independent Bankers of Minnesota was instrumental in the organization of the bank. Mr. Busch's appointment followed the resignation of H. Lee Fetters.

### IMPORTANT NOTICE!

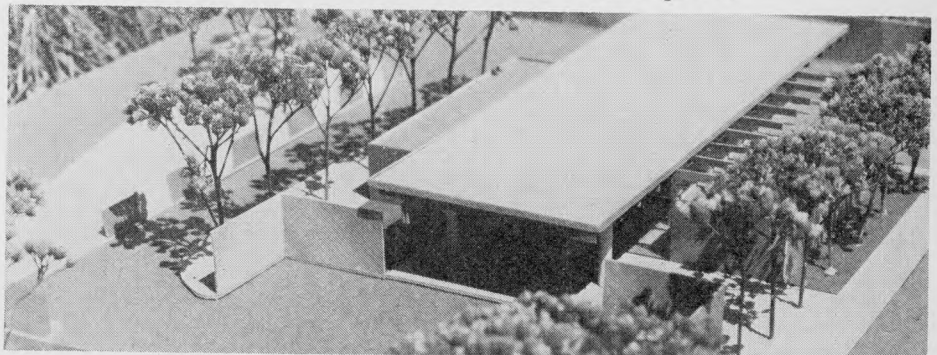
We want to publish news of any officer or director changes, increases in capital structure, other important action taken at your annual meeting, or any other current news from your bank. Send this news at once to **NORTHWESTERN BANKER, 306 Fifteenth Street, Des Moines, Iowa 50309.**

## Moorhead Bank Names Bowman Assistant Cashier

Richard E. Bowman has been named assistant cashier and real estate loan officer at the American State Bank of Moorhead, according to P. J. Canton, president. Most recently, Mr. Bowman was real estate loan officer for the First National Bank, Bemidji, Minn.

He obtained a B.S. degree from Bemidji State University in 1967 and following a tour of duty in the U. S. Army was employed as a Minnesota state bank examiner from 1970 until 1973 when he joined the Bemidji bank.

## Bank of Elk River to Open



**ARCHITECT'S** sketch of the new Elk River Bank, called The Bank of Elk River by the bank. The \$240,000 complex is scheduled to be completed by January, 1976.

# Twin City News



**L**ELAND A. Vallerino, president of the West St. Paul State Bank, announced recently the sale of the bank to **J. Robert Stassen**, South St. Paul, and **Rollin H. Crawford** West St. Paul. They also have purchased 100% of the Ehlers Insurance Agency which has been operating in conjunction with the bank.

The West St. Paul State Bank was founded by Henry Ehlers in 1923. He served as president until 1952, when his son Edwin Ehlers succeeded him, and served as president until 1969. Messrs. Stassen and Crawford purchased the controlling stock of the bank from the Edwin Ehlers estate, and assumed ownership on January 1, 1976.

Mr. Stassen, 48, has been a vice president of the Minneapolis-based investment banking firm of Dain, Kalman and Quail, Inc., since 1969. Prior to that he was president of North Central Life Insurance Company of St. Paul. He is a state senator from District 52 in northeastern Dakota County.

Mr. Crawford, 35, is a practicing attorney in West St. Paul with the firm of Crawford and Anderson, and has been active in numerous civic organizations, in addition to being a former mayor of West St. Paul.

Mr. Vallerino also announced his retirement as president of the West St. Paul State Bank, effective December 31, 1975.

Mr. Stassen assumed the presidency of the bank this month and is active in operating the bank. Mr. Crawford will act as legal counsel for the bank, and also will become a director.

\* \* \*

Seven officers have been promoted and a new officer has been named at the First National Bank of Saint Paul, according to **Philip H. Nason**, chairman. They are: **Roger R. Palmer**, senior vice president; **Jerome J. Borovansky**, **Gregory H. Bronk**, **Bruce W.**

**Hebel**, **Clayton L. Johnson**, **Eric M. Kehle** and **Richard E. Pringle**, assistant vice presidents, and **John M. Schmillen**, accounting officer.

Mr. Palmer, formerly was a member of the management committee and vice president, financial planning and control/comptroller. Mr. Borovansky, elected an investment officer in 1972, joined the bank in 1962. Mr. Bronk, with the

bank since 1968, formerly was an real estate officer. Messrs. Hebel, Pringle and Johnson previously were investment officers and Mr. Kehl was an operations officer.

\* \* \*

First National Bank of Minneapolis has announced the election of **Theodore E. Stark, Jr.**, to the advisory committee of the St. Anthony Falls office. He is president and chief executive officer of Dalco Corporation and chairman and treasurer of American Rug Laundry.

The bank also has announced the promotion of **Robert J. Trbovich** to international banking officer.

\* \* \*

**John R. Swanberg**, 35, has joined Moore, Juran and Company, Inc., a Minneapolis investment banking firm, according to **Wynn Juran**, president. Formerly with Marquette National Bank of Minneapolis and the First National Bank of Saint Paul, Mr. Swanberg becomes a vice president with responsibilities in sales and underwriting. He is a graduate of the University of Minnesota.

\* \* \*

**A. Marie Schwebach** recently was honored by the St. Anthony Park Bank at an open house in the bank's main building. She retired on December 31.

Joining the bank as a secretary in 1943, Ms. Schwebach was named assistant cashier in 1961, assistant vice president in 1969 and vice president in 1974.



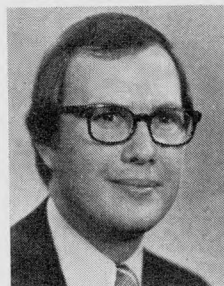
R. R. PALMER



J. J. BOROVANSKY



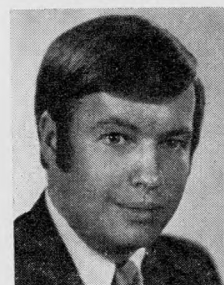
G. H. BRONK



B. W. HEBEL



C. L. JOHNSON



E. M. KEHLE



R. E. PRINGLE

## Most Bankers in the Midwest choose not to offer Retail Service Packages.

Eight out of ten Bankers polled said that their bank does not offer one or more retail service packages.

Only 14% stated that their bank has plans to offer a retail service package during the next twelve months.

Of those banks that *do* offer retail service packages, nearly three fourths have aimed these packages at the general market rather than at specific market segments.



### Offer Packages Now

Yes 19 %	No 80 %	No Answer 1 %	Total 100 %
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### Will Offer Package In Next 12 Months

Yes 14 %	No 50 % No Answer 10 %	Undecided 26 %	Total 100 %
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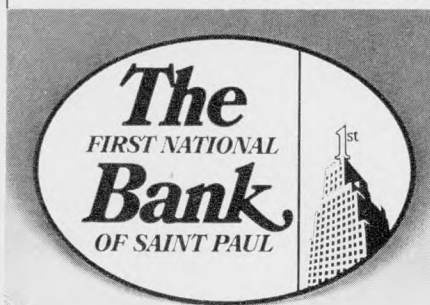
### Market Segments

Specific Segments 31 %	General Purpose 74 %	No Answer 1 %	Total 106 %*
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\*Multiple answers by respondents increase total to more than 100%.

### Correspondent Bank Division

Your bottom line is our top priority.



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SERVICE  
BANK\*

Member F.D.I.C.

Northwestern Banker, January 1976



**PROMOTED** at Fidelity Bank & Trust of Minneapolis are (1st row, l. to r.): **Vi Lundgren**, v.p. & corp. secy.; **Catherine I. Ochu**, a.c.; **Betty O'Connor**, a.v.p.; **Virginia B Manaske**, mortgage loan officer (2nd row): **Carol Karblich**, a.t.o.; **Wanda Larson**, a.c.; **Agnes C. Anderson**, a.v.p., and **Dixie K. Dabrowski**, asst. comptroller.

Vice President **Richard L. Parnell** again has assumed correspondent banking duties at First National Bank in Minneapolis, it was announced by **Kenneth A. Wales**, vice president in charge of the correspondent bank division.



**R. L. PARNELL**

Mr. Parnell previously was in correspondent banking at First Minneapolis from 1966 to 1968. In his new position he will have various credit administrative responsibilities, serving banks through-

out the Upper Midwest. He is a native of St. Paul and a graduate of St. Thomas College. He joined First Minneapolis in 1957, and, after advancing through instalment loan and credit posts, became a member of the correspondent bank division. For the past several years, he has been in the commercial banking group, working with a wide range of industry categories.

\* \* \*

**George Dixon**, chairman and president of the First National Bank of Minneapolis, has announced that the bank has agreed in principle to purchase the common stock of Matrix Leasing International, Inc., a major lease underwriting firm. The acquisi-

tion has been approved by the Comptroller of the Currency. The stock of Matrix, a privately held corporation, will be purchased for an undisclosed amount of cash. Matrix, which is headquartered in San Francisco and has offices in Los Angeles and New York City, will be operated as a wholly-owned subsidiary of First Minneapolis.

**Albert J. Hofstede**, former mayor of Minneapolis, has joined the Northeast State Bank of Minneapolis as a vice president of residential and commercial development, according to **Walter C. Rasmussen, Sr.**, president. Mr. Hofstede's primary duties will be in the areas of community and business development financing. He also will be an officer of two related holding companies, Northeast Securities Corp. and Guaranty Securities Corp.

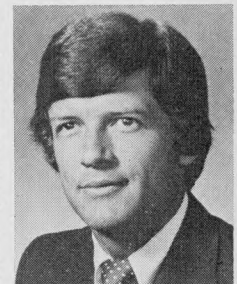


**A. J. HOFSTEDE**

Mr. Hofstede, 35, was elected mayor of Minneapolis in 1973 and lost in his re-election bid last November by 514 votes. From 1971 to 73 he was chairman of the Twin Cities Metropolitan Council.


\* \* \*

**G. Richard Slade**, president of the Northwestern National Bank of Saint Paul, has announced several elections and promotions. They are: **Peter R. Bartling** to assistant vice president and manager of the marketing department; **Joanne N. Kreyer** and **Carol L. Warner** to operations officers, **John G. Adams** to assistant trust investment officer, and **Jerry F. Gudmundson** to assistant corporate trust officer.



**P. R. BARTLING**

Mr. Bartling joined Northwestern in 1974 as a marketing officer and manager of that department. He holds a master's degree from the University of Southern California and also received a PMD certificate from Harvard University's Graduate School of Business Administration.




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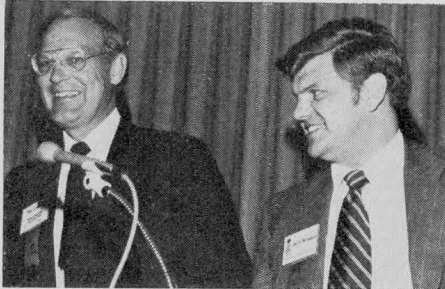
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# 13th Annual Northwestern of Minneapolis Management Meeting

By **MALCOLM FREELAND**  
 Publisher



**ANNOUNCED** — Paul Lindholm, sr. v.p. (left), has taken on additional management duties within the bank, and Harry G. Wahlquist, v.p., has been named administrative head of correspondent department under Mr. Lindholm's direction.



**THEME** of Conference, "Helping You Manage in 1976," being discussed by Curt Mateer, vice chmn., Pierre Natl. Bk., Pierre, S.D.; Richard H. Vaughan, pres., N.W. Banco, Minneapolis, James Smith, comptroller, and John Moorhead, sr. chmn., N.W. Natl. Bk., Minneapolis.

Comptroller Smith told delegates that banks may be losing a competitive edge due to strife within the industry. He referred to the decision made December 10 by Federal District Court Judge Hubert Will that under the National Banking Act a bank may legally provide only withdrawal service through CBCTs. (See page 2 of December 15 Newsletter). He emphasized that irrespective of rumors he is not leaving the job as Comptroller. Currently, his office is updating many of its procedures.



**ECONOMIC OUTLOOK** was given by Dr. Sung Won Son, economist for host bank (left). See article in December 22 NEWSLETTER. Charles Gesme, v.p., bond department, (right) said that in 1976 the prime rate will average 8% and Fed Funds 6½%. He indicated that "staying short" will give banks an opportunity to step in to meet anticipated heavier loan demand.



**CHECK** collections and float control were described by Wencel Johnston, v.p., host bank, shown at left. Correspondent teller training programs, now being offered by N.W. Natl. Bk., were outlined by James Gossen, v.p., host bank, shown in center. George R. Slaughter, sr. staff planner, Northwest Computer Services, right, told delegates about "On-line with the Computer."



**RECEPTION** finds Bob Arneson, American St. Bk., Edina; Jack McHugh, pres., host bank, and Bob's father, Mark Arneson, pres., Clear Lake Bk. & Tr., Clear Lake, Ia.



**VIKINGS** described the 1975 football season. Shown from left are: Dave Osborn, Bob by Bryant, and Ed Marinaro.

## Richfield Bank & Trust Bus Service to Customers and Employees

**R**ICHFIELD Bank & Trust Co., in suburban Minneapolis, has kicked off a new service, that may be a first in the nation, with a catchy advertising slogan "RTB to RBT."

The initials stand for "Ride the Bus to Richfield Bank & Trust." The bus is not, however, a public one, but the bank's own. It's a 15 — passenger, fire engine red van with radio equipment that links it to a dispatching unit back at the bank.



The ad says, "Now if you need transportation to our bank — just call 861-7355 and we will pick you up at your home — deliver you to our bank — and return you to your home. Who could ask for anything more? And it's free."

The new service is the brainchild of William G. Kirchner, chairman of the board and a veteran Minnesota legislator who has served on several legislative committees dealing with transportation.

F. C. (Fritz) Edmunds, vice president and cashier and the man responsible for the day-to-day operation of the bus, terms it a "visionary concept." He notes that the bus will be used to deliver some employees to and from work, as well as transport customers, thus reducing the number of vehicles on the road and saving gasoline.

### Retires at Maple Lake, Palmer Named President

Lloyd Brandsrud, president of the Security State Bank of Maple Lake, recently retired after 40 years in the banking business. His stock in the bank was sold to George Palmer, formerly a correspondent banker with the

Northwestern National Bank of Minneapolis.

Mr. Brandsrud joined the bank in January of 1945 as assistant cashier. He later was promoted to cashier, a position he held until 1970 when he was elected president.

Mr. Palmer has been with Northwestern of Minneapolis for the past 12 years.

### To Head Fergus Falls Bank

Robert D. Phillips has been named president of the Northwestern National Bank of Fergus Falls. He succeeds Douglas M. Johnson who is leaving to become president of the First National Bank of Moorhead.



R. D. PHILLIPS

Mr. Phillips has been vice president of the First National Bank of Aberdeen managing its Britton, S. D., branch since 1964, and has been affiliated with Northwest Bancorporation since 1960.

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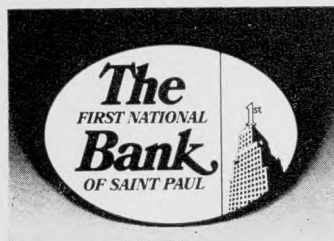
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# South Dakota News

**TED SCHANZENBACH** President Selby

**J. I. MILTON SCHWARTZ** Secretary Huron

## To Head Huron Office Of Nat'l Bank of S.D.

Ron Campbell has been elected vice president and manager of the Huron branch of the National Bank of South Dakota, Sioux Falls. He succeeds C. R. (Art) Weaver who is leaving banking to pursue other business interests.

Mr. Campbell, previously a vice president in the eastern division in Rapid City, began his banking career at the Citizens Bank in Vermillion while attending the University of South Dakota. In 1951 he joined the Rock County Bank in Luverne, Minn., and in 1955 the Hastings National Bank, Minn. In 1960 he was elected vice president of the Rapid City National Bank which subsequently merged with the National Bank of South Dakota in 1968.



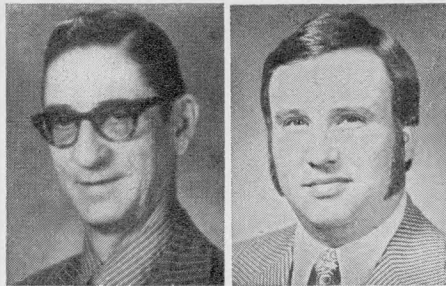
**R. CAMPBELL**

## Officer Training Seminar Scheduled for May 23-28

The second annual session of the SDBA Officer Training Seminar has been scheduled for May 23-28, 1976, on the campus of the University of South Dakota, Vermillion. The seminar is open to officers and employees of member banks of the South Dakota Bankers Association.

The goal of the seminar is to assist South Dakota banks in preparing junior officers and employees with leadership and management potential for advancement through exposure to a learning experience utilizing the case method and lecture method.

Curriculum for the week-long seminar will include, but not be limited to, bank lending, communications skills, investment procedures and policy, bank marketing, rural lending and banking law. All class work and related activities take place on the Vermillion campus. Tuition is \$150, which



includes meals, faculty costs, housing and instruction materials.

The SDBA has sent registration materials to banks. Class size is limited to 40 participants.

## Northwest Ag Credit Co. Elects Hermann President

Gary A. Hermann has been elected president and chief executive officer of Northwest Agricultural Credit Company, Sioux Falls, a wholly owned subsidiary of Northwest Bancorporation.

Mr. Hermann succeeds Dale Anderson who was named senior vice president of the Northwestern Bank of Helena, Mont. Chester C. Lind, an executive vice president of Northwest Bancorporation, was elected chairman of the company, replacing John A. Sweeney, who retired.

Mr. Hermann joined the First National Bank of Mason City, Ia., as an agricultural representative in 1965. He was named vice president in 1969 and head of the commercial loan department in 1974.

### IMPORTANT NOTICE!

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## National Bank of S. D. Announces Changes

Nels E. Turnquist, president and chief executive officer of the National Bank of South Dakota, Sioux Falls, has announced the advancement of Peggy Driscoll to operations and personnel officer, South Branch, Sioux Falls, and the election of Juanita Fish

to operations officer, main office, Rapid City.

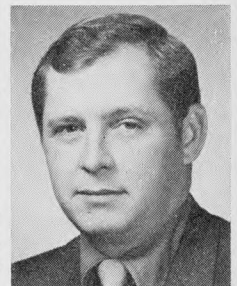
## Onida Bank Celebrates 50th Anniversary

The Onida Bank recently celebrated its fiftieth year in banking with an open house. Coffee and cookies were served all day and gifts were given away.

The bank opened July 6, 1925. Chas. L. Hyde is chairman; Francis M. Ryan, vice president, and John Owens, manager and cashier.

## Northwestern Bank Tells Staff Changes at Huron

Gary G. Olson has been elected vice president and manager of Northwestern National Bank's Huron branch, according to C. A. Lovre, chairman and chief executive officer. Mr. Olson, formerly assistant vice president and assistant manager at Huron, replaces William T. Larson, who accepted a position as senior vice president, First National Bank and Trust Company, Fargo, N. D., also a Northwest Bancorporation affiliate.



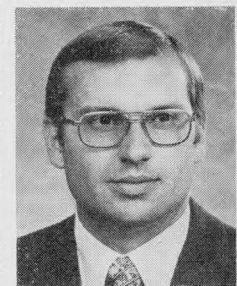
**G. G. OLSON**

Mr. Olson, a graduate of South Dakota State University, joined the bank in 1963 as agricultural representative. He went to the Madison office as assistant vice president and assistant manager in 1967 and returned to Huron in the same position in 1969.

## National Bank of S. D. Names Vice President

James D. Hausman has been advanced to vice president and trust officer of the National Bank of South Dakota, Sioux Falls, according to Nels E. Turnquist, president and chief executive officer.

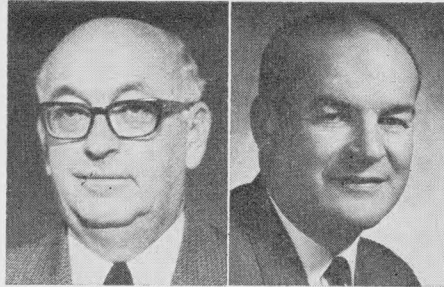
Mr. Hausman has a law degree from the University of South Dakota. After spending two years with the Comptroller of the Currency, he joined the bank in 1968. He was elected assistant trust officer in 1969 and assistant vice president in 1973.



**J. HAUSMAN**

# North Dakota News

**G. C. ANDERSON**      **President**      **Tioga**  
**W. J. DANER**      **Secretary**      **Bismarck**



## Jamestown Hosts Management Conference

**T**HE North Dakota Bankers Association's 15th Annual Bank Management Conference will be held January 28-29 at the Ramada Inn in Jamestown. An all-day seminar on federal banking legislation has been added to make this a full, two-day affair. The program outline includes the following:

### Wednesday, January 28

**A.M.**  
 10:00 Seminar on Equal Credit Opportunity Act, Regulation B, Fair Credit Billing amendment to Regulation Z. Office of General Counsel, Federal Reserve Bank of Minneapolis, will conduct the seminar, concluding at 4:30 p.m.

**P.M.**  
 6:00 Reception, smorgasbord dinner and dance.

### Thursday, January 29

**Topics:**  
 EFT in Nebraska—Kermit Hansen, president, NETS, Inc.; chairman, United States National Bank, Omaha.  
 Procedures under the new Uniform Probate Code.  
 CPA views on financial statements and bank relations.  
 Political activity.  
 NDBA bank advertising programs.  
 Update on laws, legislation and regulations.

### Increases Capital

H. L. Thorndal, president of the Bank of North Dakota, Bismarck, reported the North Dakota Industrial Commission (which is the governing board of the bank) has authorized the bank to increase its capital from \$6,000,000 to \$8,000,000 by a transfer from undivided profits.

### Jamestown National Bank Completes Remodeling

The Jamestown National Bank has announced the completion of its re-

modeled and enlarged quarters, according to H. F. Buegel, Jr., president. The addition contains 15,910 square feet and future expansion area of approximately 3,300 square feet on the second floor. Access to this area is by elevator which connects all three floors.

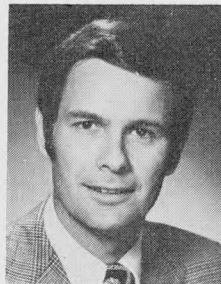
The bank has been remodeled and has 12 new teller stations on the south side and the officers' section on the north side. The rear entry was enlarged and the parking lot relocated behind the bank.

A new auto bank has been open since last July. Construction was begun during September of 1974.

### Joins Fargo Bank

William T. Larson has joined the First National Bank and Trust Company of Fargo as senior vice president. He formerly was president and manager of the Huron branch of Northwestern National Bank, S. D.

Mr. Larson, a graduate of the University of Minnesota, began his career with Northwestern at Dell Rapids in 1962, went to Huron as assistant manager in 1966, and has been president and manager there since 1969.



**W. T. LARSON**

### Increases Capital

Bank of Turtle Lake has increased its capital stock from \$100,000 to \$200,000 by stock dividend.

### Bismarck Banker Named CCL

H. L. Thorndal, president of the Bank of North Dakota, Bismarck, was one of more than 100 bankers from across the nation who were recently recognized by the American Bankers

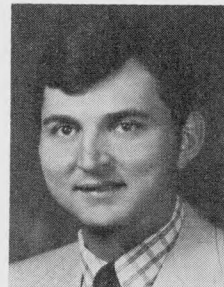
Association (ABA) as certified commercial lenders (CCLs).

### Elected IBAA Director

Leonard M. Jorgenson, president of the State Bank of Kenmare, has been elected to a three-year term as North Dakota director of the Independent Bankers Association of America. He will represent IBAA member banks in the state on the association's executive council.

### Jamestown Bank Names Agricultural Representative

Dennis J. Renner has been named agricultural representative at the First National Bank of Jamestown.



**D. J. RENNER**

Mr. Renner, a native of Mandan, is a 1971 graduate of North Dakota State University with a B.S. degree in agricultural economics. Before coming to Jamestown he was associated with the Farmers Home Administration in Devils Lake and Ft. Yates.

### Elected at Bismarck

R. P. Hendrickson, chairman of the First National Bank and Trust Co. of Bismarck, has announced the election of Stanley E. Foss to vice president and agricultural representative.

Mr. Foss began his banking career as agricultural representative at the Jamestown National Bank in 1968. He was elected assistant cashier and agricultural representative in August of 1968 and assistant vice president and ag rep in January of 1972.

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## Wyoming News

**H. H. WATT** President Riverton

**M. C. MUNDELL** Secretary Laramie

### Wyoming National, Casper, Adds 2 to Staff

R. W. Miracle, president of The Wyoming National Bank of Casper, has announced the addition of two to the bank's staff. Dennis R. Troyer has joined the bank as assistant vice president and data processing manager and Tommie D. Coon has joined as assistant vice president, real estate loan department.

Mr. Troyer comes to the bank with



**D. R. TROYER**

**T. D. COON**



eight years experience in data processing and operations. Most recently he was department head of bank services and operations officer at Glenview State Bank, III.

Mr. Coon comes from Greeley, Colo., where he owned and operated the Columbine Mortgage Company which specialized in commercial real estate. Prior to entering his own business, Mr. Coon was a member of the board and vice president in charge of mortgage lending with Northern Colorado Savings in Greeley.

### State Bank of Morgan Plans New Building

State Bank of Morgan is planning a new bank building in downtown Morgan in early 1976, according to M. L. Kuhn, president.

The plans include a 60 by 70 foot structure which will provide twice as much area and five windows instead

of the present three. Also included are four private offices.

### Elected at Rawlins

Tom Cobb has been elected to the board of directors of the First National Bank of Rawlins. Mr. Cobb, a Savery rancher, is on the Carbon County School District No. 1 board and is a past president of the county and state levels of the Farm Bureau.

### John Reed

Funeral services were held recently for former Wyoming state bank examiner and bank president, John Reed.

Mr. Reed, 83, was appointed state bank examiner in 1927 and served until 1932. He later moved to Kemmerer where he became president of the First National Bank.

### Promoted at Gillette

First National Bank of Gillette has named two new vice presidents: Louise Lyngby Stillman and Joseph Sestak.

Mrs. Stillman has been with the bank for five years as assistant vice president. Mr. Sestak, a retired Air Force colonel, has been a loan officer at the bank for a little over a year.

## Montana News

**A. F. WINEGARDNER** President Billings

**J. T. CADBY** Secretary Helena

### BAI Glacier Chapter Elects 1976 Officers

Duane Voeller, vice president and cashier of the First Westside National Bank in Great Falls, recently was elected president of the Glacier chapter of Bank Administration Institute. He will begin his term on July 1, 1976.

Other officers elected include: vice president, Robert E. Lindquist, comptroller, Northwestern Bank & Union Trust Company, Helena; treasurer, Roger W. Korner, vice president in charge of operations, Montana Bank, Great Falls, secretary, Heleyn Kaufman, assistant vice president, Valley State Bank, Billings; and directors,



Betty Lindstrom and Lyle Sundine. Ms. Lindstrom is assistant vice president, Federal Reserve Bank of Minneapolis, Helena Branch, and Mr. Sundine is vice president and cashier, First National Bank of Great Falls.

J. L. Hines, vice president and cashier of the First National Bank of Glasgow, currently president of the Glacier chapter, will be installed as a director on July 1.

### Named Credit Officer At Great Falls Bank

Christopher Hoss recently was named credit officer of the commercial credit department at Northwestern Bank of Great Falls.

Mr. Hoss began his banking career in 1969 with Dakota Northwestern Bank of Bismarck, N.D. A graduate of North Dakota State University, he served in various capacities at First National Bank and Trust Company of Fargo while attending school. He had been assistant real estate manager of the Fargo bank.

### Security BancShares Acquisitions

Security BancShares of Montana, Inc., the one-bank holding company of Security Bank, N. A., Billings, has received Federal Reserve approval to acquire respectively 100% (less directors' qualifying shares) of the voting shares of Big Horn County State Bank, Hardin, and of Security Bank of Colstrip.

The proposed acquisitions are merely changes in form of ownership as the principal stockholders of Security BancShares are the present individual owners of 100% of the voting shares of the Hardin and Colstrip banks. The Hardin bank was acquired by purchase

in December, 1972, and the Colstrip bank, a new bank, was opened in May, 1975.

### Appointed at Great Falls

James R. Almond has been appointed vice president of the agriculture business department of First National Bank of Great Falls.



J. R. ALMOND

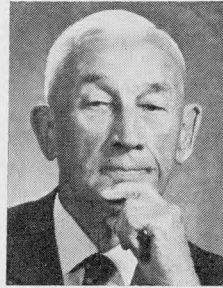
Mr. Almond, who served previously with the First National Bank of Miller, S. D., as vice president and agriculture representative, is a Montana native. He attended Montana State University and

received his B.S. degree from Rocky Mountain College, Billings, and his M.S. degree from North Dakota State University. His major was agricultural economics.

### Errol F. Galt

Funeral services were held recently for Errol F. Galt, retired Great Falls banker.

Mr. Galt began his banking career in 1916 when he became one of the founders of the First National Bank of Geysers, which opened in 1917. He remained as its managing officer



E. F. GALT

until it was liquidated in 1935.

He moved to Great Falls in August of 1933 and later that year was appointed livestock loan officer at the First National Bank and assistant to its president. In 1934 he was appointed a vice president. Mr. Galt served as president from 1947-1954 and chairman from 1954-1967. He continued as a consultant to the bank after his retirement in 1967.

### To Head Missoula Chamber of Commerce

The Missoula area Chamber of Commerce has elected Earl W. Johnson as president for 1976. Mr. Johnson is president of the Southside National Bank.

## Colorado News

W. M. WATROUS

Pres.

Bush

G. L. SCARBORO

Exec. Mgr.

Denver



### Mountain Banks, Ltd. Announces Changes

F. O'Neil Griffin has been elected chairman and chief executive officer of Mountain Banks, Ltd., in Colorado Springs. Mr. Griffin formerly was vice chairman of the First City Bancorporation of Texas, Inc., Houston, a bank holding company anchored by the First City National Bank, Houston.

Robert Leavitt has been elected president and a director of Mountain Banks. He was senior vice president of First City Bancorp., and president of First City Life Insurance Co.

In addition, the Colorado Springs holding company announced that Mr. O'Neil and several associates have completed the purchase of 42% of the holding company's common stock.

Mr. Griffin succeeds Weldon B. Hamilton as chairman. Mr. Hamilton was elected honorary chairman. Mr. Leavitt replaces George L. MacGregor, Jr., who resigned as president, chief executive officer and a director of Mountain Banks.

Elected directors in addition to Messrs. Griffin and Leavitt are Stephen Adams, owner of Central States Investment Co., Bartlesville, Okla., and general manager of Val Farms, Wray,

Colo.; Thomas C. Brown, president of Tome Brown, Inc., Midland, Tex., and W. C. Norman, Jr., Houston.

### Elected at Denver

George P. Heinrich has been elected vice president of Colorado National Bank, Denver, according to Peter Grant, president. Mr. Heinrich, who is responsible for administering the BankAmericard Center at the bank, joined Colorado National in 1969.

### Installs Poison Information System at Lakewood Hospital

Jefferson Bank and Trust, Lakewood, recently installed POINDEX at Jefferson County's Lutheran Hospital. This is a single source, computer-generated system of poison information. It offers the most current and complete poison information available, coupled with instant retrieval of the most advanced techniques in poison management and treatment.

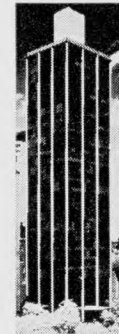
### Two Promoted at United Bank of Denver

The promotions of Richard H. Finnin and E. Clay Speas to assistant vice presidents at United Bank of Denver have been announced by John D. Hershner, chairman and president.

Mr. Finnin is manager of the bank's financial information section. A graduate of the University of Denver, he has been with the bank since 1965.

Formerly a commercial banking officer, Mr. Speas administers a loan portfolio in the bank's enterprise market, which serves growing and independent businesses.

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Northwestern Banker, January 1976

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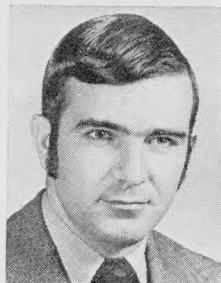
OMAHA, NEBRASKA



# Nebraska News



**ROBERT E. BURKLEY** President Fairbury  
**R. E. HARRIS** Exec. Mgr. Lincoln



## Tekamah Bank Opens in New Building

**T**HE First National Bank of Tekamah recently opened for business on new soil for the first time in 98 years of continuous business, according to Wayne M. Thorndyke, president.

The new two-story building is 90 feet wide and 74 feet deep, containing 6,660 square feet of floor space on the main floor and 5,550 square feet on the second floor.

The exterior panels are "Medusa White" reinforced concrete, and were designed with a triangular arch at top and bottom instead of the traditional curved arch to give the building its distinctive appearance. This same design was carried out in the decorating scheme throughout the interior of the building.

The main lobby soars 22 feet high to the second floor ceiling. Light fixtures in five foot coffered squares in the ceiling give the effect of 28 skylights.

There are five teller stations centering the main floor surrounded by six executive offices. The First National Insurance Agency also is on the ground level with direct entry from the bank parking lot, as well as the main lobby.

The second floor contains additional office space, the director's room, employee's lounge, and a large community room with adjoining kitchen for dinner seating of over 100 people.

Open house for the bank's custom-

ers was held on Saturday, December 6. Between 2,500 and 3,000 people were taken on guided tours from 9 a.m. to 5 p.m. Some 3,700 door prizes were given to young and old. In addition, 2,400 people consumed 700 lbs. of beef at a free bar-be-que luncheon.

Correspondent and surrounding area bankers were invited to view the new bank building on Sunday, December 7. About 200 attended.

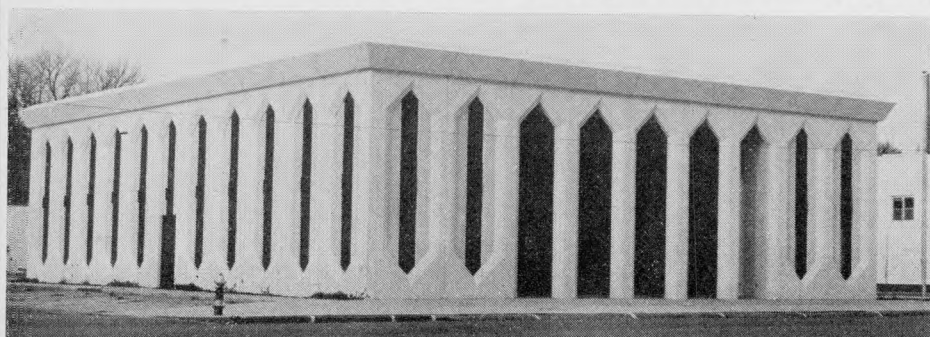
Designer and general contractor was Structural Designs, Inc., Holstein, Ia. Security equipment was by LeFebure, Cedar Rapids, Ia.

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### Open House at Bloomfield

The Farmers & Merchants State Bank in Bloomfield held an open house to mark the occasion of its 80th anniversary. Founded in 1895, the



**SHOWN** is the new First National Bank of Tekamah. The bank opened in its new facility in December.

bank now has more than \$10 million in assets. Officers are John Lauritzen, president; Jens J. Jensen, executive vice president; Ryan Bloomquist, vice president and cashier, and Larry Johnson, assistant cashier.

### Falls City Bank Completes Expansion

An open house marked completion of an extensive remodeling and expansion program undertaken by the First National Bank in Falls City.

### Joins Elkhorn Bank

Don Trouba has joined the Bank of Elkhorn as vice president. Mr. Trouba, a native of Dwight, began his career with the Dwight Cooperative Credit Association in 1954 as a bank officer. In 1961 he joined the State Department of Banking as a senior bank examiner. His tenure with the state agency was 14 years, interrupted by a 10 month period in which he served as an assistant vice president for the Douglas County Bank of Omaha in 1969-70.

### Joins York Bank

The First National Bank of York has announced the addition of Merlyn Minderman to its staff as vice president and senior loan officer. Mr. Minderman formerly was with Gateway Bank at Lincoln.

### Roscoe Lyons Rice

Funeral services were held recently for Roscoe Lyons Rice, 78, co-founder and president of the American National Bank of Creighton. Mr. Rice practiced law in Creighton from 1922 until his death. He received his law degree from the University of Chicago.

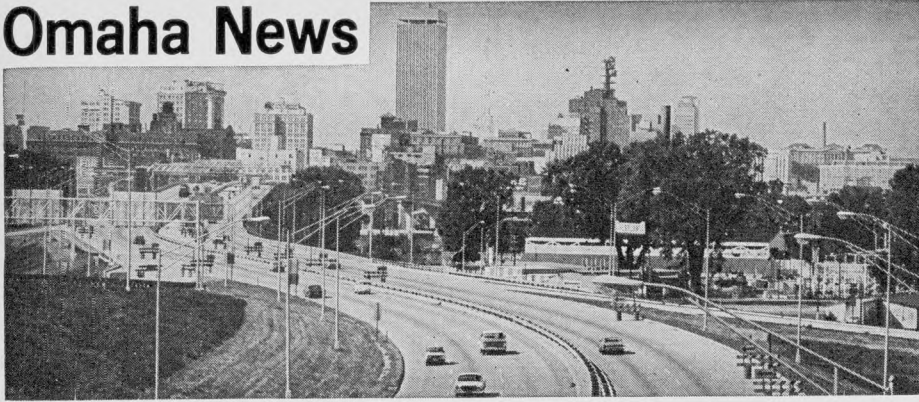
### Schuyler Bank Elects Sobota Director

Emil Sobota has been elected a director of the First National Bank of Schuyler, succeeding the late Gerald Ehernberger. Mr. Sobota is president of Century Farms, Inc., a family farm corporation with which three of his sons also are affiliated.

### Joins Loup City Bank

Larry Nelson has joined the Sherman County Bank of Loup City as vice president. He formerly was branch bank manager of the United National Bank in Canistota, S. D.

# Omaha News



**A SHOOT-OUT** at a bank grand opening? It happened recently when **Festus**



NW NAT'L pres. Ed Kohout takes Festus into custody as they prepare for a quick-draw contest, the ribbon cutting.

of "Gunsmoke" TV fame, strapped on a six-gun along with Omaha City Council member **Monte Taylor** and **Betty Abbott** for a quick-draw ribbon cutting contest in celebration of the grand opening of Northwestern National Bank's new permanent facility, located at 96th and L Streets.

Festus, alias actor/singer **Ken Curtis**, was on hand to sign autographs all day. The ribbon, which consisted of twenty \$10 bills, was donated to the Omaha Girls' Club by **Ed Kohout**, bank president, and **John Krajicek**, manager of the new facility.

The facility, which has 3,500 square feet, features five indoor tellers and six drive-up tellers.

\* \* \*

**James W. Rimmer**, president of the Gate City Steel Corporation, has been named a director of the United States National Bank, according to **Kermit Hansen**, chairman. The appointment raises the number of board members to 23.

Mr. Rimmer began his career in the steel industry in 1940 with United States Steel Corporation. In 1963 he

joined Gate City Steel as vice president in charge of sales. He rose to vice president and general manager of the Omaha plant in 1964 and executive vice president in 1967 and president in 1972.

\* \* \*

**Lee Sapp** has been elected a director of Center Bank. He is a partner with his three brothers in several businesses, including Sapp Bros. Truck Plaza, Sapp Bros. Heavy Trucks, Sapp Bros. Leasing Inc., and Sapp Bros. Ford Center, Inc.

## MACHA Is Largest ACH

The Mid-America Automated Clearing House Association has signed over 1100 banks, making the ACH the largest in the United States in terms of the number of participating banks.

"We are gratified by the foresight and enthusiasm of Mid-America bankers," said Frank Boesche, president of MACHA. "These banks are prepared now to handle the growing volume of transactions flowing through the system and, most important, they can offer customers the most up-to-date electronic payment services."


There are 1844 banks in MACHA territory, and most of those who have not signed indicate they are in the process of completing the necessary procedures. For many banks, there was a sense of urgency to complete sign up by year-end since fees for joining MACHA doubled on January 1, 1976.

Other banks are joining now because they are realizing those who are members of MACHA have a competitive edge over those who have not joined, Mr. Boesche stated. This is particularly true, he said, in communities where one or two of the banks already have begun to offer direct deposit of payroll and automatic debit and credit services.

## Joins York Bank

Dean Sack, president of the York State Bank, has announced the addition of Donald A. Haerry to the bank's staff as vice president and trust officer.

Mr. Haerry has served as trust officer at the First National Bank of Dalton, Ga., as well as the Security National Bank of Springfield, Mass. Originally from Schenectady, N. Y., he was graduated from Albany Business College in Albany, N. Y., and also attended Russell Sage College of Albany.




## DON'T Monkey Around

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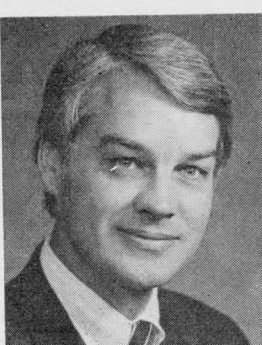
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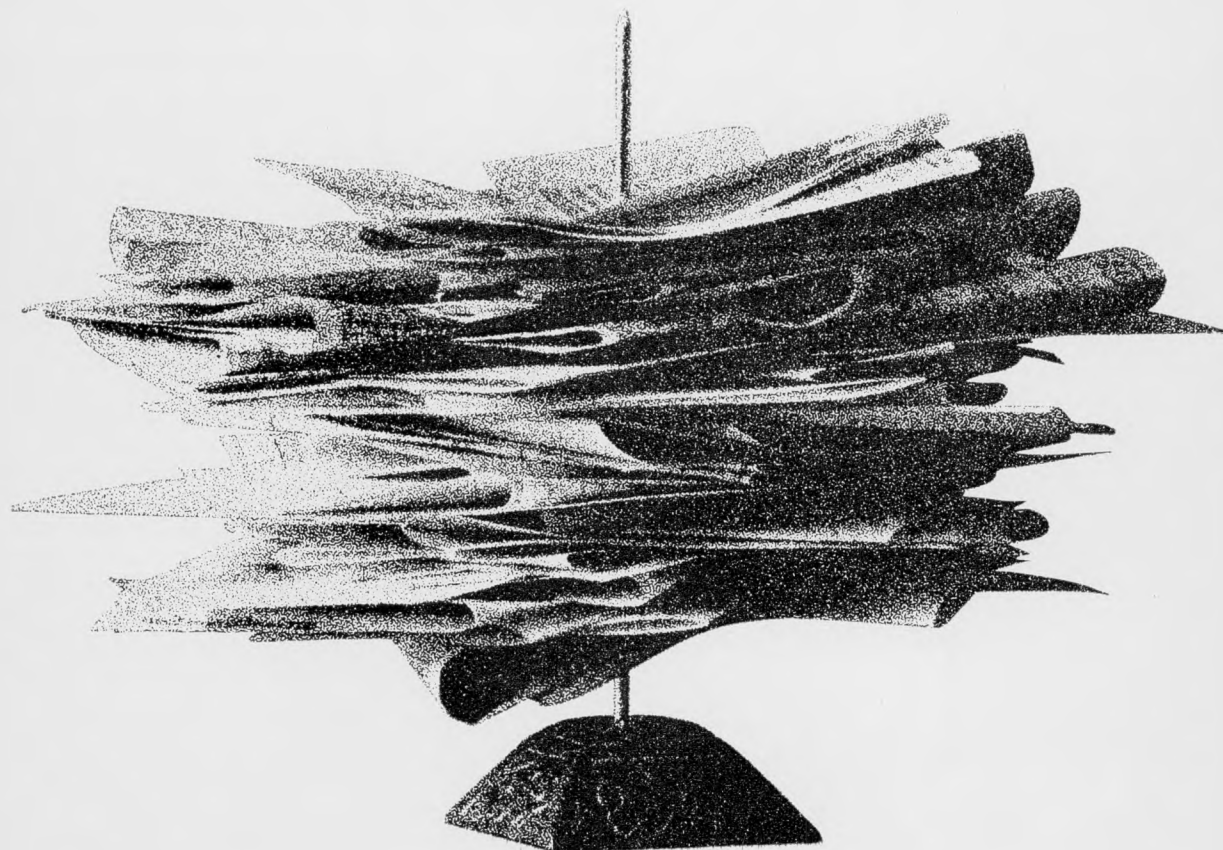


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## Robert W. Johnson Joins State Bank of Benkelman

Lee U. F. Gallatin, president and cashier of the State Bank of Benkel-



R. W. JOHNSON

man, has announced the election of Robert W. Johnson as executive vice president and director, effective February 2. Mr. Johnson will assume the duties left vacant by the death last year of Ray M.

Buffington.

Mr. Johnson joined First National Bank of Lincoln in October, 1966, was elected assistant vice president in December that year, and was advanced to vice president in June, 1968. He has been associated with the correspondent bank department during his nine years with First National Lincoln.

A 1952 graduate of the University of Nebraska, Mr. Johnson served in the United States Navy until 1956, then farmed in northwest Missouri until 1962 when he joined the First National Bank of Denver. He was assigned to that bank's correspondent bank division in May, 1964, and was promoted to assistant cashier in January, 1965, continuing in that division until joining First National Lincoln.

## Fed of Kansas City Elects Two to Board

James M. Kemper, Jr., chairman and president of Commerce Bancshares, Inc., Kansas City, and Alan R. Sleeper, lawyer and stockman of Alden, Kans., have been elected directors of the Federal Reserve Bank of Kansas City, according to Robert T. Person, board chairman. Their three-year terms began January 1.

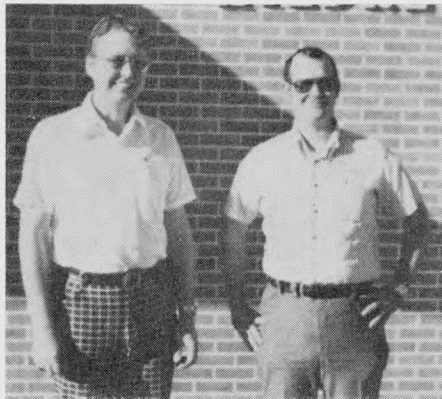
Mr. Kemper was elected to the 9-member board by the large Federal Reserve member banks in the Tenth District—about 75 banks with capital and surplus of \$3 million or more. Mr. Sleeper was elected by the medium-sized District member banks—about 275 banks with capital and surplus of from \$700,000 to \$3 million. The District includes Colorado, Kansas, Nebraska, Wyoming, most of Oklahoma and New Mexico, and 43 counties in western Missouri.

Mr. Kemper succeeds Roger D. Knight, chairman of the board, United Banks of Colorado, Inc., Denver, who has been a director since 1970. Mr.

Sleeper succeeds C. O. Emrich, president of C. O. Emrich Enterprises, Norfolk, Nebr., who has been on the board since 1968.

## New President at Hildreth

Ken W. Frerichs was recently elected president of The State Bank of Hildreth and Art Fritson was advanced to cashier. Mr. Frerichs had been vice president and cashier. Mr. Fritson previously was operations officer and auditor.



K. W. Frerichs (left) and Art Fritson.

Mr. Frerichs fills the vacancy created by the death in October of Julius H. Mietzner, who had been president of State Bank for many years. Earlier in 1975, George C. Soker, former president and long-time chairman of the board, also died.

Mr. Frerichs joined The State Bank of Hildreth in May, 1948. He is a graduate of the Wisconsin Graduate School of Banking at Madison, past president of the BAI South Central Nebraska Conference, and past president of the South Central Nebraska Ag Credit Group. He has been Mayor of Hildreth for the past 15 years and holds the title of co-manager of the Sowtown Hildreth Golf Course.

Mr. Fritson was graduated from Kearney State College in 1968 and joined The State Bank in December, 1971. He has attended the Nebraska Bankers Association basic and intermediate schools of banking in Lincoln.

## BMA To Introduce New Trust School

The Bank Marketing Association will offer a new School of Trust Business Development and Marketing in 1976.

The intensive one-week curriculum will be offered May 30-June 4 at the University of Colorado at Boulder. It will run concurrently with BMA's Essentials of Bank Marketing and School

of Bank Marketing also to be held at the University.

Emphasis will be on teaching business development skills such as effective letter writing, retention selling and closing the sale to trust personnel. Lectures, selling skill sessions, case examples and extensive video tape practice will be used.

## Joins North Platte Bank

Donald G. King has joined American Security Bank of North Platte and



D. G. KING

has been elected assistant vice president, according to E. Dean Niedan, chairman of the board. Mr. King has been designated an installment loan officer and will assist in the operation duties of the

bank, Mr. Niedan said.

A native of Algona, Ia., Mr. King has been installment loan officer the past three years at the First National Bank of York, Nebr. Prior to that he was with Avco Financial Services seven years in the firm's offices in Algona and Waterloo, Ia., and McCook and York. He began his duties with American Security Bank December 29.

## Commerce Bancshares, Inc., Will Repurchase Shares

Directors of Commerce Bancshares, Inc., Kansas City, Mo., have determined to continue the program to repurchase shares of the bank holding company's common stock. Under the program initiated in November, 1974, management initially was authorized to purchase up to 100,000 shares of the company's stock at prices not to exceed the then current market price.

The board of directors last month authorized the purchase of an additional 100,000 shares following the original guidelines. A company spokesman said the action was taken "because the board believes that the purchase of the stock at today's prices is a good investment for the company."

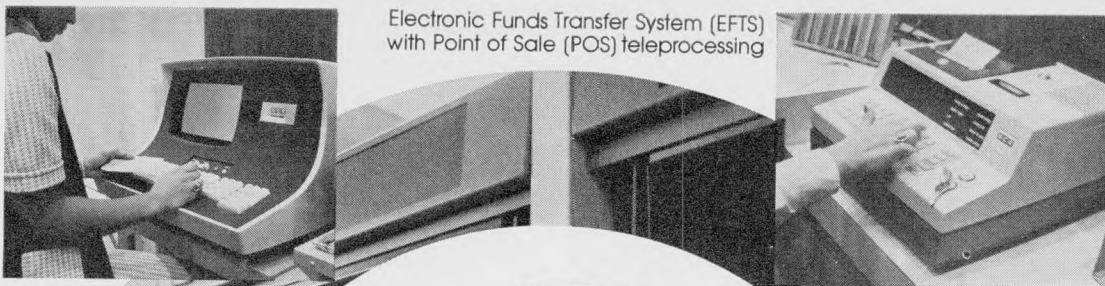
The manner of purchase will be in line with proposed SEC guidelines.

## New Blue Hill Executive

David L. Schomburg has been named executive vice president of the Commercial Bank, Blue Hill. He has been with the Commercial National Bank and Trust Company, Grand Island.

Electronic Funds Transfer System (EFTS) with Point of Sale (POS) teleprocessing

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**1 accounts**  
Consolidated statement of accounts for individual customers

ACCOUNT TYPE	ACCOUNT NO.	ACCOUNT BALANCE	ACCOUNT BALANCE	ACCOUNT BALANCE	ACCOUNT BALANCE	ACCOUNT BALANCE	ACCOUNT BALANCE	ACCOUNT BALANCE
Checking	1001	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Savings	2002	200.00	200.00	200.00	200.00	200.00	200.00	200.00
Time	3003	300.00	300.00	300.00	300.00	300.00	300.00	300.00
Money Market	4004	400.00	400.00	400.00	400.00	400.00	400.00	400.00
IRAs	5005	500.00	500.00	500.00	500.00	500.00	500.00	500.00
CDs	6006	600.00	600.00	600.00	600.00	600.00	600.00	600.00
Other	7007	700.00	700.00	700.00	700.00	700.00	700.00	700.00
<b>Total</b>		<b>2500.00</b>	<b>2500.00</b>	<b>2500.00</b>	<b>2500.00</b>	<b>2500.00</b>	<b>2500.00</b>	<b>2500.00</b>

Consolidated statement of accounts for individual customers

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- 1 It identifies total customer relationship.
- 1 It's a new marketing tool.



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 position \_\_\_\_\_  
 bank name \_\_\_\_\_  
 bank address \_\_\_\_\_  
 city \_\_\_\_\_ state \_\_\_\_\_ zip \_\_\_\_\_

# Lincoln News



The new 40th and South location of National Bank of Commerce is open for business.

The detached facility, Parkway Office, is a contemporary brick building with an open lobby glassed on the north and south. The 4,903 square foot, two-story building was designed by Geller Design Studio in Lincoln. General contractor was George Cook Construction, Lincoln.

Featured is the introduction of "Bank-in-The-Box," the NBC's first day or night automated teller device. The bank held a grand opening celebration in December designed around the new teller machine. In conjunction with the festivities, NBC gave away approximately \$3,000 in cash and "Nite on the Town" gift certificates.

Jim Williams, assistant vice president, is in charge of the facility. He formerly was a computer service officer in the information management division in the computer center.

\* \* \*

**Jeff D. Holmberg** has been elected loan officer and **Amelia Gandara** operations officer of Citibank & Trust Company, according to **Roger L. Anderson**, chairman.

Mr. Holmberg, 26, has a B.S. degree in business administration from the Fort Hays Kansas State College. Prior to joining Citibank 18 months ago, he was with NALAC Financial Plans, Inc. Mrs. Gandara began her banking career at the First National Bank of Lincoln in 1950. She joined Citibank in 1974 after spending 12 years at Gateway Bank.

\* \* \*

Funeral services were held recently for **Alvin C. Glandt**, 74, former vice president and cashier of the First National Bank and Trust Co.

Mr. Glandt, a 1920 graduate of the University of Nebraska College of Agriculture, began working at the Central National Bank in 1920 and was with the bank when it was consolidated with the First National Bank in 1929. He was promoted to assistant cashier, later became cashier and was named vice president and cashier in 1946. He retired in 1966.

## Scottsbluff Bank Adds to Staff

Dale Hittner, 44, has been named trust officer at the Scottsdale National

Bank and Trust Co. Mr. Hittner has been in banking for 15 years and is a graduate of the University of Nebraska at Omaha.

## Wymore State Celebrates With Open House

Wymore State Bank recently held an open house in its newly-remodeled and expanded facility, according to Dennis Osmera, executive vice president.

Work at the bank included a 50 by 82 foot addition, providing 2,000 additional feet of space. There are new individual offices, bookkeeping area, lounge, officers meeting room and safety deposit box booths. The bank also has an open area where secretarial desks and a new semi-circular teller window are located. Other features are new carpeting, paneling, furniture, and heating and air conditioning system.

## Acquires Commercial Nat'l In Grand Island

Commercial Bankshares, Inc., Grand Island, has received approval to acquire the Commercial National Bank and Trust Company of Grand Island.

L. H. Huwaldt has resigned from the bank's board to serve as a director of Commercial Bankshares.

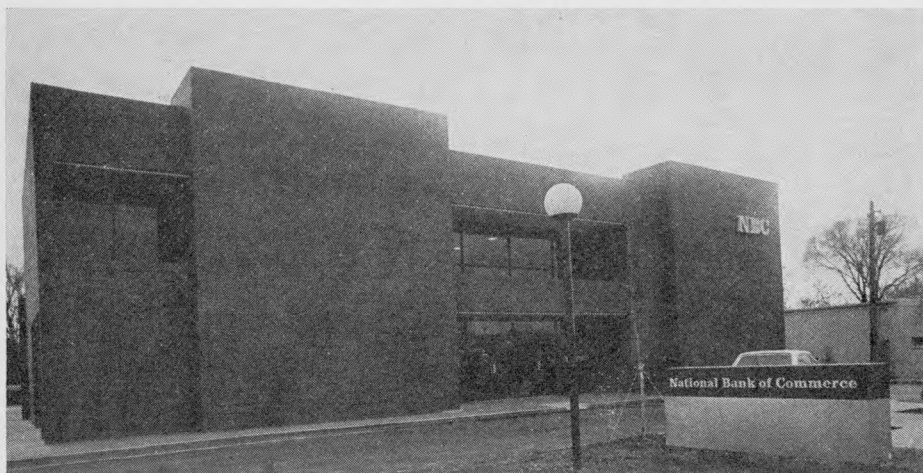
Other officers and directors elected during a recent organizational meeting of stockholders are: J. H. Oliver, president; David R. Johnson, vice president; Tom Wrenholt, secretary-treasurer, and E. J. Thayer.

## 1,200 To Attend ABA Investments Conference

The American Bankers Association has selected New York City for its 1976 national bank investments conference, February 11-13.

The conference, which follows a proven format designed by the ABA bank investments division for banks of varying asset sizes, is expected to attract more than 1,200 investment officers.

Topics will range from New York City municipal problems to municipal portfolio management for the small bank. Also included are discussions of consumerism, performance management, bond portfolios and the outlook for interest rates.



**SHOWN** is the new Parkway Office of the National Bank of Commerce, located at 40th and South.

*Northwestern Banker, January 1976*

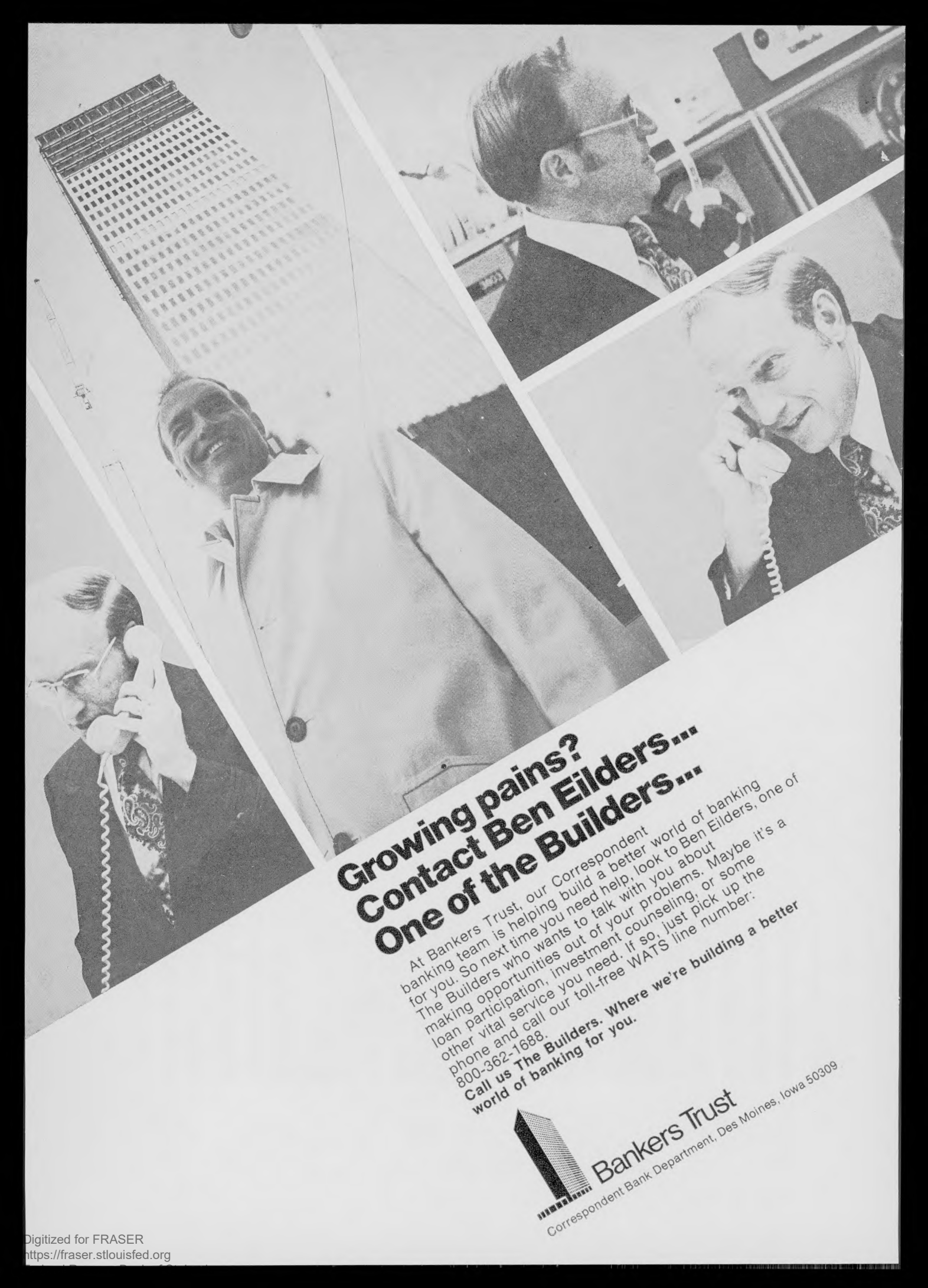
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## Iowa News

D. K. DEKOSTER President Waterloo

NEIL MILNER Exec. V.P. Des Moines



### IBA Plans 'Great Iowa Brain Robbery'

THE "Great Iowa Brain Robbery," a project of the Iowa Bankers Association, is scheduled for the Hilton Inn in Des Moines February 25-26. Lark Billick, public relations director of the IBA, states that this first Great Iowa Brain Robbery is a dramatic departure from routine bank advertising and marketing conferences.

The key word selected for the conference is non-traditional to highlight the search for new, fresh ideas from IBA members as well as outside sources. To lend emphasis to this, part of the faculty for the conference will be composed of outstanding experts in direct mail, direct marketing and direct response advertising.

The Great Brain Robbery is designed as a get-involved, idea-packed marketing/business getting/advertising session. Some of the resource material to be used will be newspaper ads

and direct mail pieces that have been sent to experts in various areas of marketing for their complete critique. Their evaluations with suggestions for improvement will be offered.

The one and one-half day conference will feature such sessions as:

An Idea Every 60 Seconds

Tell Me Why It Won't Work

Selling Outside the Bank

How to Set Up a People Department Inside Your Bank

How to Handle an Advertising Agency and Get More Out of It

How to Turn a Disadvantage into an Advantage plus hours of give and take critiques of bank ads and radio commercials, and experts showing graphic presentation of how they would have done certain ads.

Registration is \$85 per person for IBA members and \$125 for non-members.

### Peoples Bank, Cedar Rapids, Elects Chairman, President

Ted J. Welch has been elected chairman and John M. Sagers president of the Peoples Bank and Trust Company, Cedar Rapids.



T. J. WELCH

J. M. SAGERS

Mr. Welch joined the bank after graduating from the University of Iowa and receiving his MBA degree from Harvard Graduate School of Business. He has served as president since 1958.

Mr. Sagers joined the bank in 1950 after receiving a B.S. degree in engineering from Iowa State University and a Juris Doctorate degree from the University of Iowa Law School. Since 1973 he has served as executive vice president and senior trust officer.

In other action the following elections and promotions were announced: Charles Cebuhar to senior vice president and trust officer; Don G. Ellis to senior vice president, Stephen P. Menzner to assistant vice president and Marilyn Jonas to assistant cashier.

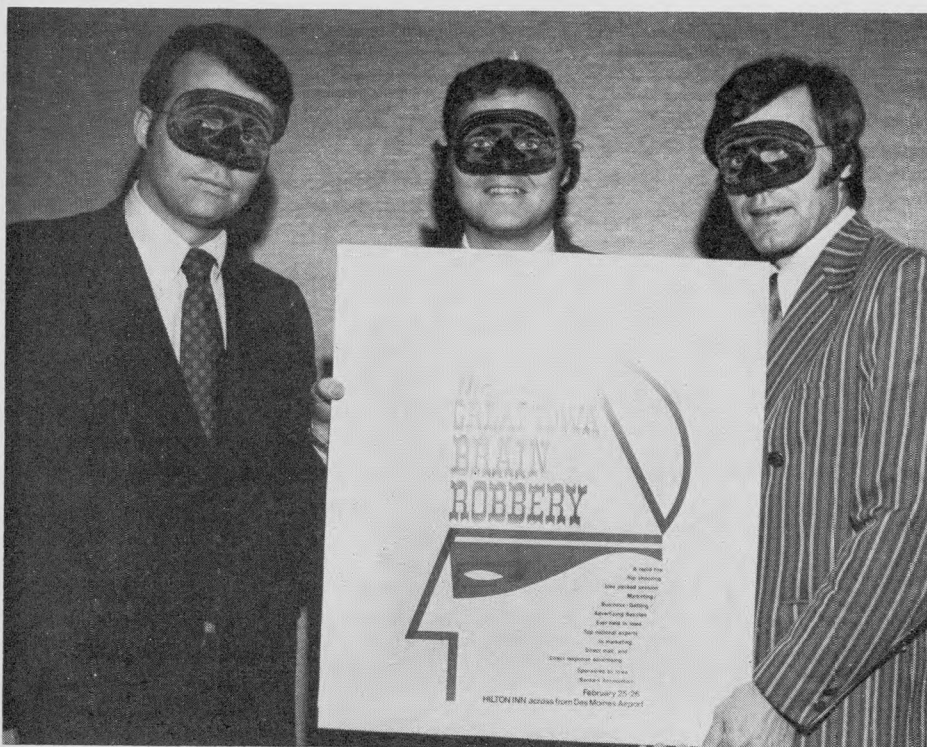
In a move to further broaden and strengthen the administrative organizational structure of the bank, the board also designated Mr. Welch as chief executive officer and Mr. Sagers as chief administrative officer. Lawrence E. McGrath, vice president, was designated a member of the bank's internal executive committee.

### Banks of Iowa Elects New Board Member

F. Forbes Olberg, chairman and president of Banks of Iowa, Inc., Cedar Rapids, has announced the election of Edward R. Lynn to the board of the Iowa bank holding company.

Mr. Lynn, administrator of the Jennie Edmundson Memorial Hospital in Council Bluffs, is a graduate of the University of Illinois and holds a Masters Degree in hospital administration from the University of Minnesota.

He replaces Oscar E. Johnson, Council Bluffs attorney, who has retired and moved to Florida.



READY to take part in the Great Iowa Brain Robbery are, from left: Jerry Thornton, chmn. of the IBA public relations committee and marketing officer, Brenton Banks, Des Moines; Lark Billick, p. r. dir., and Neil Milner, exec. v.p., of the IBA staff.



Dickinson County Savings Bank, Milford

## Dickinson County Savings Holds Open House

**D**ICKINSON County Savings Bank, Milford, recently held an open house in its new home at 10th Street and Okoboji Avenue.

Construction of the 5,000 square foot banking facility began in the fall of 1974. New features of the bank include a drive-in window, lock boxes, vault, larger offices and lobby.

James Cravens is the bank's president.

## MorAmerica Reports Income, Asset Gains for Fiscal Year

MorAmerica Financial Corporation, a Cedar Rapids, Ia., holding company with six financial divisions, reported net income at the close of its fiscal year of \$1,215,000, an increase from the \$1,179,000 reported at the close of the 1974 fiscal year. Peter F. Bezanson, president of the company, reports assets at fiscal year-end of \$157 million, compared to \$136 million for the preceding year.

Dividends of \$371,888, or 28¢ per share, paid in 1975, represented a 16% increase from the \$308,927, or 24¢ per share paid in 1974. Capital funds at the corporation's year end were \$7.9 million in stockholders' equity, with \$9.8 million in subordinated debt.

Mr. Bezanson noted that MorAmerica Financial Corporation, since its founding in 1968, has grown in that eight year period from \$57 million in assets to the present \$157 million, nearly triple in size. Revenue has increased from \$4.7 million to \$16 million, nearly quadruple.

In its banking decision, MorAmerica Financial owns Jackson State Bank & Trust Company at Maquoketa and

First Trust & Savings Bank in Wheatland, both in Iowa. The direct loan division owns The Morris Plan Company, operating offices in Iowa, Illinois and Wisconsin.

The leasing division consists of LeaseAmerica Corporation, with operations in Iowa, Nebraska, Minnesota and Wisconsin. The venture capital division operates MorAmerica Capital Corporation in Iowa, Nebraska, Missouri and Wisconsin. The commercial loan division operates MorAmerica Mortgage Company.

Included in the service division are Morris Plan Realty Company, Morris Plan Securities Company, Morplan, Inc. and MorAmerica Insurance Services, Inc.

MorAmerica Financial Corporation carries on its books as investments the MorAmerica Properties, Inc. (100% owned), American Travel & Tour, Inc. (100% owned), Marion Heights Center, Inc. (80% owned) and Marion Heights, Inc. (80% owned). Marion is a Cedar Rapids suburb.

## First National, Sioux City, Realigns Three Divisions

Richard C. Taylor, president of the First National Bank in Sioux City, has announced a restructuring of three of the bank's divisions. The move, he said, is intended to facilitate business development for all of the bank's divisions and unify a number of customer operations activities. The first of these actions is the creation of a business development department within the administrative division. In addition, the banking centers division has been

merged with the operations division to form an enlarged banking centers division.

The newly-created business development department, headed by Paul A. Childers, vice president and former head of the main bank family banking center, will serve to support and assist with customer development activities in all divisions. Assisting these business development activities will be the marketing department, directed by Kent Wigg, marketing officer.

The banking centers division is headed by Loren P. Miller, vice president, with Robert T. Kingsbury, vice president, serving as deputy division head. This division includes the following departments: main banking facility, Morningside office, Badgerow office, customer service, purchasing and maintenance.

Bonnie Britton, assistant vice president and former head of customer service, is manager of the main bank facility. Don Smith, assistant vice president, is now serving as assistant manager of the main bank family banking center, and Judy Harlow is now serving as teller supervisor at the main office.

Robert W. Arnold, vice president, is now serving as Morningside office manager. He is assisted by Donald A. Pinkston, assistant vice president, and Linda Milbrath, family banking officer. Teller supervisor is Dani Tobey.

The opening of the First National's Morningside office temporary banking facility was held on December 6. Located at 4608 Morningside Avenue, it is serving First National's customers from the Morningside area of the city as well as residents from suburban regions outside of Morningside. The temporary bank is serving customers during construction of the permanent facility, at the same location, including full family banker deposit and loan services, as well as drive-in service and convenient hours.

First National's Badgerow office will continue to be managed by William A. Mullins, and he is assisted by Barbara Lesko.

Connie A. Rathgeber, operations officer and formerly director of teller operations, is now customer service manager. She is assisted by Joan Kellen and Marilyn Sokolowski in operations and in training.

This new structure is expected to increase effectiveness of business development as well as improve the bank's efficiency in serving its customers.

**Remsen Banker Honored At Retirement**

A dinner party was held recently honoring Len C. Lamar, vice president and managing officer of the First Trust & Savings Bank, Remsen, who retired after 38 years in the banking profession.



L. C. LAMAR

Mr. Lamar began his banking career in Sioux City and prior to coming to Remsen managed the First Trust & Savings Bank of Anthon. He joined the Remsen bank in 1955. After retirement, Mr. Lamar will continue to serve as a director of the bank.

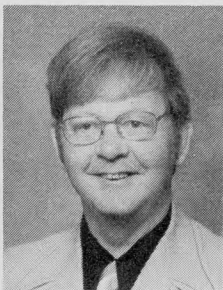
In 1968 Mr. Lamar was elected chairman of Group I of the Iowa Bankers Association (IBA). He served in this capacity for three years. He also served on the council of administration of the IBA during this period.

**Boone State Announces Top Executive Changes**

Henry C. Overbeck, chairman of the Boone State Bank and Trust Co., has announced two executive changes.



D. WALKENHORST



K. D. SUNDALL

Kenneth D. Sundall, president, has been promoted to vice chairman of the board. Mr. Sundall has been with the bank for 27 years.

Dale Walkenhorst has been elected president and director. Mr. Walkenhorst, 49, has been in the banking business for over 25 years, most recently as president of the First National Bank at North Platte, Nebr.

**Rock Valley Bank Opens Drive-In**

Valley State Bank has opened its new drive-in banking facility at the corner of Main and Highway 18 in Rock Valley, according to Ken Hansen, bank president.

**“We try to offer a service that’s there when you need it.”**

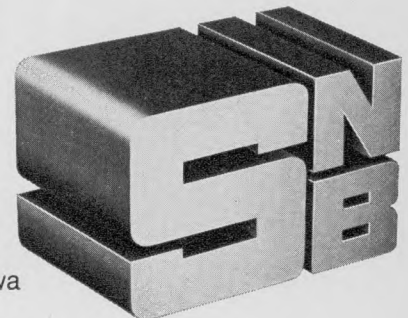


“We continually upgrade the service we furnish our correspondent banks to find new ways we can help. The biggest area we’re working on right now is automation. For at least the next five years we’re going to be deeply involved in more automated services to find better ways to serve all our correspondent banks.”

Gene Hagen, Vice President  
Banks and Bankers Division

**Security National Bank**

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Phone: 712-277-6517





B. A. ROGGE

T. H. HUSTON

M. G. HANSEN

## Sioux City Will Host Group 1

**F**OOD and American agriculture and the economy head the list of discussion topics for the Group I meeting of the Iowa Bankers Association (IBA). The meeting will be held Friday, Feb. 13, and Saturday, Feb. 14, at the New Hilton Inn, Sioux City, according to Marvin G. Hansen, group chairman and president of the Early Savings Bank.

The hosts, as usual, for the Group I meeting will be member banks of the Sioux City Bankers Association. Officers are Thomas C. Horn, executive vice president, Security National Bank, president; Richard C. Taylor, president, First National Bank, vice president, and Wilma Weeks, Security National Bank, secretary-treasurer.

The complete program follows:

### Friday, Feb. 13

**P.M.**  
8-10:30 Social Hour and Buffet—Marina Inn.

### Controlling Interest in Audubon Bank Sold

Controlling interest in the First State Bank of Audubon has been purchased by two Coon Rapids men: John Chrystal and Stephen Garst. The men purchased the majority stock from

heirs of the late Henryetta S. Van Gorder. Mrs. Van Gorder, president of the bank for more than 30 years, died last May.

Messrs. Chrystal and Garst have interest in several other Iowa Banks in the western part of the state. Mr.

Garst has a farming operation which is partly in Audubon County. Mr. Chrystal, president, Iowa Savings Bank, Coon Rapids, said that no change in personnel is planned.

### Walter H. Cooley

Funeral services were held recently for Walter H. Cooley, 75, vice president and trust officer of the Farmers and Merchants Savings Bank, Manchester. Mr. Cooley, a graduate of the University of Iowa, Iowa City, law school, served as Manchester city manager for several years before joining the bank.

### 3 Officers Retire at Jackson State Bank

Three long-time officers of the Jackson State Bank and Trust Co., Maquoketa, recently retired. They are Marguerite P. Sokol, former cashier, with the bank since 1938; Otto W. Reel, senior vice president and director, with the bank since 1955, and Lewis S. Lein, vice chairman, secretary and director (former executive vice president), with the bank since 1938.

Messrs. Reel and Lein will continue as members of the board of directors.

### Saturday, Feb. 14

#### A.M.

9 Registration—New Hilton Inn.  
11:30 Presiding—Marvin G. Hansen, Chairman.  
Invocation

#### P.M.

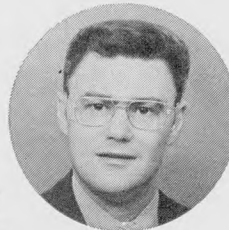
12:30 Report on I. B. A. Activities—Dale DeKoster, president, IBA, and president, Waterloo Savings Bank.  
Remarks from A. Neil Milner, executive vice president and secretary, IBA.  
Remarks from Thomas H. Huston, Superintendent of Banking, Iowa Department of Banking.  
“Food and American Agriculture”—Dr. Robert R. Spitzer, coordinator, Office of Food for Peace, Department of State, Washington, D. C.  
1:45 “Where Are We Headed?”—Dr. Benjamin A. Rogge, professor of political economy, Wabash College, Crawfordsville, Ind.  
2:30 Adjournment.  
5:30 Social Hour—Marina Inn.  
7:00 Banquet, Marina Inn—Presiding: Thomas C. Horn, president, Sioux City Bankers Association; executive vice president, Security National Bank. Entertainment—The Mike Day Orchestra. Dancing until midnight.

#### Ladies Program

#### A.M.

11:30 Luncheon and Style Show—Marina Inn Ballroom. Mrs. Thomas Horn is the chairman.

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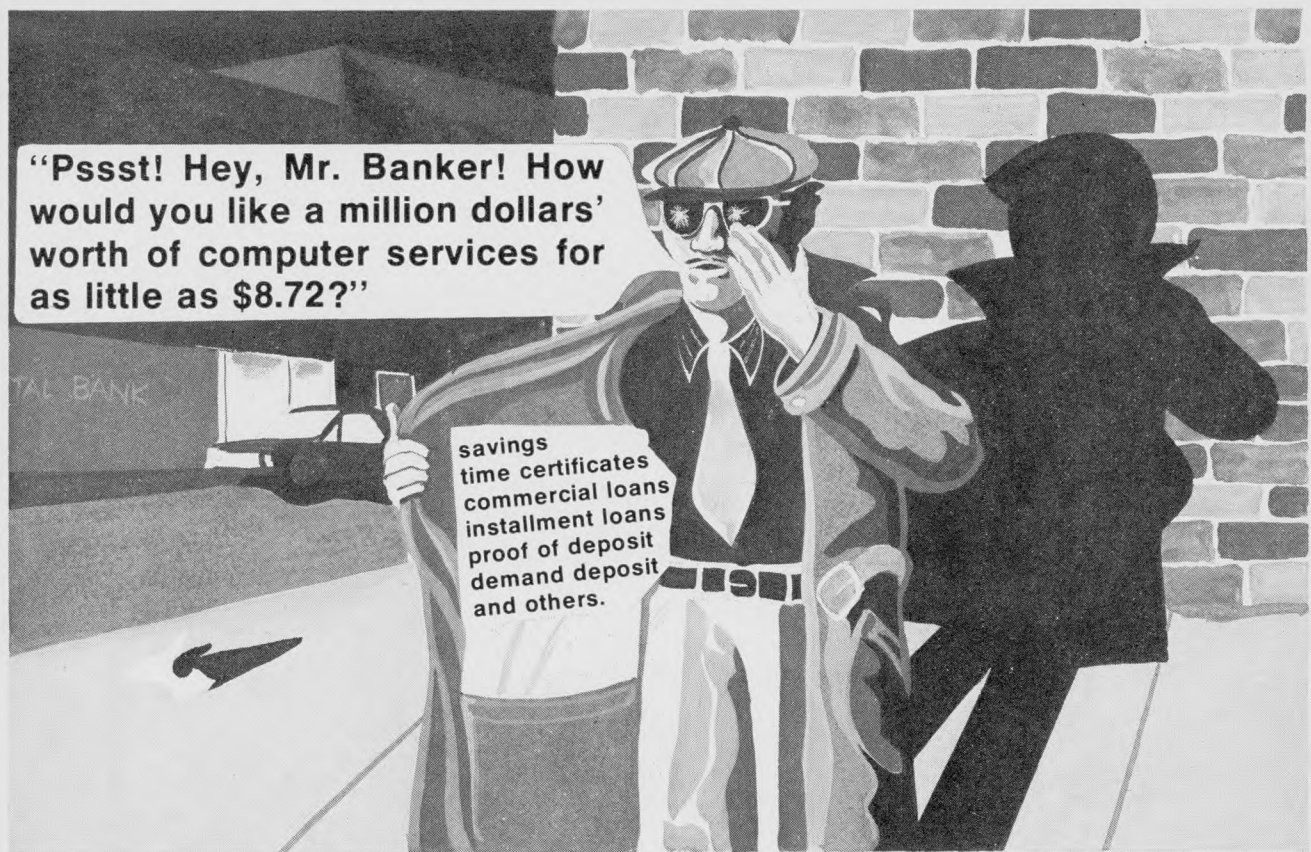


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**JERRY** Maples, pres., Jackson State of Maquoketa (left) and **Mr. & Mrs. James Blayne**y of Maquoketa are shown visiting with **Rex Plowman** of Smithfield, Utah, featured speaker at the bank's annual business institute.

### Jackson State, Maquoketa, Holds Business Institute

Speaking at the Jackson State Bank and Trust Company's annual Business Institute held in Maquoketa, Jerry Maples, bank president, expressed optimism for the business future of the area. However, he also noted that before calculating any gains in terms of unit sales, one must make a proper deduction for the inroads of inflation.

Also speaking at the Institute was Rex Plowman, a Utah rural banker and past chairman of the agricultural division of the American Bankers Association. Approximately 400 eastern Iowa business people and their spouses attended the dinner and program.

### 35 Organize County NABW

Thirty-five women from Allamakee, Howard and Winneshiek Counties recently organized the Tri-County Association of Bank Women.

The following officers were elected: Cynthia Hoelscher, Decorah State Bank, named president; Linda DeBuhr, Farmers and Merchants Savings Bank, Waukon, vice president; Jeanette Milbrath, Cresco National Bank, secretary, and Nancy Henning, Security Bank and Trust Company, Decorah, treasurer.

Members elected to the board are: Dolores Bolgren, Iowa State Bank, Calmar; Hazel Kolsrud, Waukon State Bank; Eleanor Linderbaum, Ossian State Bank, and Bernice Buchheit, Citizens Savings Bank, Ford Atkinson.

### Open House at Thurman

Open house was held recently to mark the 60th anniversary of founding of the Thurman State Bank. Located in a town of 270 population, the bank

has \$3.5 million deposits. Officers are W. J. Grotenhuis, president; Paul M. Tackett, executive vice president; James W. Grotenhuis, vice president; Danny D. Gold, cashier, and Katherine Hurst, assistant cashier.

### Panora Banker Retires

E. S. Petersen recently retired from the board of the Panora State Bank after serving for 17 years. Mr. Peterson was one of the original founders of the bank, which was chartered in 1959. He was the controlling stockholder and chief executive officer until 1970 when he became vice chairman, the position he held until retirement.

### Joins Clarion Bank

Ron L. Canfield, 27, has joined the First National Bank of Clarion as assistant cashier and auditor, according to R. L. Davison, president.

Mr. Canfield, a 1970 graduate of Iowa State University at Ames, majored in agricultural business and minored in market management. He previously was associated with the Federal Reserve Bank of Chicago as an examiner and most recently with the Avenue Bank & Trust Company, Oak Park, Ill.

## Hawkeye Sells Mills County State, Glenwood

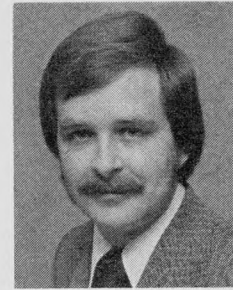
**H**AWKEYE Bancorporation, Des Moines-based bank holding company, has sold majority interest in the Mills County State Bank, Glenwood.

Buyers are Ross Wilcox, executive vice president of Union Bank & Trust Co., Lincoln, Nebr.; John Knight, president of Packers National Bank, Omaha, Nebr., and LeRoy Hilt, Hilt Truck Lines, Council Bluffs.

Sale price, which was negotiated

### Promoted at Madrid Bank

Don L. Fatka, who joined the City State Bank in Madrid in November, 1974, has been named assistant cashier, according to R. J. Sundberg, president of the bank. Mr. Fatka was graduated from Simpson College, Indianola, Ia., in 1970 with a B.A. degree. After three



**D. L. FATKA**

years of military service he worked for a finance company one and one-half years before joining the City State Bank. His duties include commercial, instalment and farm lending.

### Dallas Center Promotions

The board of directors of Brenton State Bank, Dallas Center, has promoted two staff members to officer positions of the bank. Robert L. German was promoted to assistant cashier and Janice A. Morris to real estate loan officer.

Mr. German is a native of State Center and a 1974 graduate of Iowa State University. He joined the bank in the officers' training program in June, 1974.

Ms. Morris is a Dallas Center native and a 1970 graduate of the American Institute of Business where she was also employed until she joined the bank in October, 1970.



**R. L. GERMAN**

**J. A. MORRIS**

privately, was set at 150% of book value, Hawkeye said. The sale is subject to regulatory approval.

Mills County State Bank, with assets of \$5.4 million, is the smallest member bank of the Hawkeye banking group, according to Hawkeye officials. Hawkeye has 14 other member banks with combined assets of more than \$450 million.

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**PANELISTS** for the 1976 Iowa Business Trends conference were, left to right: Seated—**Warren W. Lebeck**, pres., Chicago Board of Trade; **Dr. Paul S. Nadler**, professor of business administration, Rutgers University, Brunswick, N. J.; **John R. Fitzgibbon**, panel moderator and chmn. & chief exec., Iowa-Des Moines Natl., and **Robert W. Downing**, vice chmn. & chief oper. off., Burlington Northern, Inc., St. Paul. Standing—**Thomas A. Staudt**, dir. of mktg., Chevrolet Motor Division, General Motors Corp., Detroit; **Daniel J. Krumm**, pres., Maytag Co., Newton, Ia., and **Mario A. Di Federico**, exec. v.p., Firestone Tire & Rubber Co., Akron.

## Iowa Business Trends Speakers

### See Continued Business Upturn in 1976

**M**ORE THAN 500 Des Moines area businessmen attended the 17th annual Iowa Business Trends conference hosted by the Iowa-Des Moines National Bank at Hotel Fort Des Moines last month. John R. Fitzgibbon, chairman and chief executive officer, welcomed the capacity crowd and introduced the morning panel of five speakers who discussed specific areas of business they represent. Following the fast-moving morning program, the guests were served lunch and then heard a noted economist give his review of current happenings and the outlook for 1976.

Directors and senior officers of the Iowa-Des Moines National Bank co-hosted the event with Mr. Fitzgibbon, and also acted as host at each of the luncheon tables.

All of the speakers gave a positive look at 1976 business prospects, predicting continued slow gains from the deep recession just past, and each man took note of the biggest threat to recovery — inflation. A summary of their remarks follows:

**Dr. Paul S. Nadler**, Professor of Business Administration, Rutgers University, Brunswick, N. J.: The United

States is recovering from the most severe depression in 40 years. The rise in consumer spending, housing starts, federal spending and business investment, coupled with the end of the work-down of inventories, should help make 1976 a better year than 1975. Real growth should be in the range of 6-7%, with inflation slowing down to the 6-8% range.

But the nation should not reach the level of economic growth of which it is capable for several reasons:

1. Sales of automobiles and homes are being hampered by the high price levels on these goods. This is pricing many potential buyers of cars and homes out of the market. It is the high price of the home, rather than a lack of availability of credit, that is causing this development. Auto sales have been hurt by the slowness of the industry to adapt its production to what the public evidently wants.

2. Many commercial banks have been so badly burned on poor loans, especially in the real estate field, that we are likely to see much more conservative bank lending policies in the months ahead. The result — only top quality companies will be provided full

credit accommodation, and the productive capacity of the nation will be reduced accordingly.

In addition, many banks do not have enough capital to back strong increases in loans and deposits and they fear more loan losses would erode much of the capital they do have.

3. The American economy is being hampered by continued inflationary pressures which stem in part from the omnipresent attitude: "I believe in free enterprise, just keep out the lousy competition." Inflation has remained high because so many sectors of our economy have avoided the impact of market competition.

**Robert W. Downing**, vice chairman and chief operating officer, Burlington Northern, Inc., St. Paul, Minn.: Our industry expects revenue ton-mile total to increase 5-6% above 1975, and possibly returning to the high level of 1974. Burlington Northern is a big hauler of commodities and coal. Our coal ton miles for 1975 were 50% higher than 1974 and we look for another 22-23% increase in 1976.

Capital spending by all railroads in 1975 of \$1.7 billion reflects the high level of 1974 business, and 1976 will be reduced due to less business in 1975. BN will reduce capital spending \$100 million in 1976, primarily because we have completed major projects required by the 1970 merger. Of our \$147 million 1976 capital outlay, \$137 million will go into roadway and car fleet. We will spend \$5.2 million of this in Iowa, with \$1 million going into environmental improvement at the Burlington repair shops, where additional employees also will be hired.

We anticipate an inflation rate of 6-7% in 1976, somewhat below other economic forecasts.

Our Iowa business is about two-thirds ag-related and we expect a 10-12% increase in grain carloadings, mostly from corn and soybeans.

**Warren W. Lebeck**, president, Chicago Board of Trade, Chicago, Ill.: There are bullish factors and bearish factors ahead for agriculture.

First the bullish factors:

1. Soviet weather news is not good and could result in another 132 million ton crop shortage. Some U.S. observers also are predicting a drought in the United States in 1976 — perhaps the same ones who forecast a drought for 1975.

2. Considering cost of production units, farmers are comfortable and



seem to be in a holding mood, which could keep prices from steep breaks.

3. Economic recovery, pent-up demand for certain commodities and cyclical expansion in the livestock and poultry industries will create favorable domestic demands for 1976.

Now, a look at bearish factors:

1. Reports of extreme congestion in Soviet ports, with ships as temporary storage facilities.

2. The recent drop in metals prices would give the USSR a problem with foreign exchange with which to purchase U. S. goods.

3. Foreign buyers seem comfortable with our supply situation and are not covering their needs with orders as they did a year ago. They seem to be watching for favorable buying opportunities.

4. With the strengthening of the dollar our goods are more expensive to foreigners.

5. Another reason for bearishness in grain prices is a belief that the world food situation is easing.

Our agricultural complex is a giant, and a powerful one, but is not invulnerable. It's Achilles heel is the market and profit incentive system. The frighteningly low level of economic literacy exhibited in recent weeks by some of our politicians, bureaucrats and labor union bosses is a harbinger of the obstacles that lie ahead. Some contending exports are a major cause of inflation. This argument is wrong, possibly because they have never understood the mechanism of a free market. They fail to address themselves to a key question: What is the inflation impact if we do **not** export? For those who do not understand the ABCs in the economic alphabet it is probably futile to try to explain that as we export more the value of the dollar on international currency markets is **strengthened** and it takes fewer of our paycheck dollars to buy and pay for German cars, French wines, Swiss watches and Japanese TV sets.

**Thomas A. Staudt**, director of marketing and assistant general sales manager, Chevrolet Motors Division, General Motors Corp., Detroit, Mich.: Looking first at consumer **willingness** to purchase, we think the likely GNP pattern for 1976 will be about 6% annual growth rate, inflation will be held about 7%, and the unemployment rate will improve by dropping to 7.5% by the end of 1976.

Looking at the consumers' **ability** to purchase, we see that consumers have increased their liquidity position with increasing incomes and high savings, thus a great many will return to the market place in '76 to satisfy pent-up demand created during the recession and energy crisis.

We anticipate the prime rate will begin to increase in the near-future and average more than 8% for 1976, but money should be in good supply in virtually all the markets.

People see the 1976 models as signifying a new direction for the industry. This belief seems to be derived primarily from the Chevett. A rather substantial, anti-foreign feeling is gaining momentum, even among those who bought foreign.

Car prices are not viewed as being badly out of line. The pool of good prospects for car purchases should increase in 1976 but a new car purchase is still considered postponable, and when purchased, people tend to keep their cars longer — for about five years.

Consequently, we are forecasting for the industry sales of 9,850,000 passenger car sales in 1976, up about 15% from estimated 1975. Foreign-build car sales will remain stable, with their industry share down two points. All of the volume gain will be coming from smaller cars, accounting for about 53.5% of total industry, a switch of better than 17 percentage points in just four years.

**Daniel J. Krumm**, president, The Maytag Company, Newton, Ia.: After two straight years of decline, the first in 14 years, we expect unit sales growing about 5% in 1976.

As consumers have become more aware of and knowledgeable concerning our economy, they have become increasingly important in influencing the direction of that economy. Further, the confidence level is not to be ignored by politicians, since public pressure is even beginning to force sobering economic realities into campaign strategy. One strong underlying trend today is consumer sensitivity to inflation. The inflation rate next year may hit 7%, but if it **should** threaten to run away again into double digits, I would expect that to trigger a sharp reaction in consumer spending. This would undoubtedly be a far quicker and surer remedy than any of the government might propose.

In short, times are changing, values

are changing, and concerns are changing.

**Mario A. Di Federico**, executive vice president, The Firestone Tire & Rubber Co., Akron, O.: Our industry has posted a solid record on capital expenditures, with an average of \$700 million a year during the last decade. Firestone alone spent about \$550 million in the past two years. Annual capacity of the tire industry has been increased by about 72% in the past 10 years, so we can produce well over a quarter-billion tires a year.

We are anticipating that automobile sales, including imports, will climb to 9.8 million units in 1976, an increase of 14% over 1975. Truck sales are seen rebounding by almost 17%, moving up to 2.8 million units in 1976. Sales of farm and industrial tractors are seen going up to 195,000 units, an increase of 5.4%. All of these vehicles need new tires, many of them far more than five tires, so our industry is looking for a 23% increase in sales of tires to vehicle manufacturers. In the replacement market we anticipate an 8% gain for passenger tires, 17.5% for truck-bus tires, and almost 9% for tractor tires.

All things combined, we expect the tire industry to ship 231.6 million tires of all types in 1976, an overall gain of 12.5%. — End

### Honored at Ainsworth

Mrs. Freida McFarland, cashier of the Ainsworth State Bank, was honored by the directors and staff of the bank December 18 on the 25th anniversary of her service with the bank. An open house in her honor was held at the bank the same day. Mrs. McFarland has seen deposits of the bank grow from \$973,000 when she joined Ainsworth State in 1950 to the present total of more than \$7,000,000.

### Stanley J. Shupe

Funeral services were held recently for Stanley J. Shupe, director of the First National Bank, Clarion.

### Five Fort Dodge Promotions

The State Bank has announced the following promotions: James Peters, commercial loan officer, to vice president; Bruce McCullough, assistant cashier, to operations officer, and Betty Barnes, to customer services officer. New officers appointed are Barbara Maier, assistant cashier and Donald Schnell, consumer loan officer.



## Des Moines News

**J. MERRILL Anderson** has been elected president of Central National Bancshares, Inc., by the board of directors, according to **B. C. Grangaard**, chairman. Mr. Anderson has been president of Iowa Farm Bureau Federation and its affiliated companies since 1963, and a director of Central National Bank and Trust Company and Central National Bancshares, Inc., for several years.



J. M. ANDERSON

"We feel fortunate that Mr. Anderson has joined our company as president," Mr. Grangaard said. "This provides an orderly transition in view of my reaching retirement age next April."

Mr. Anderson, a graduate of Iowa State University, Ames, operates a livestock and grain farm near Newton, and at one time was associated with the Livestock National Bank of Chicago. He is a director of the Greater Des Moines Chamber of Commerce and of the Greater Des Moines Committee, and is currently serving as vice chairman of the National Livestock and Meat Board. He is a veteran of World War Two, having served as an officer in the U.S. Army Air Corps.

Later, on December 29, Mr. Anderson announced that **Simon W. Casady** has been elected a director of Central National Bank and Central National Bancshares, Inc., and **C. Frederick Beck** has been elected a director of Central National Bank. Mr. Casady last month purchased the stock warrants held by International Bank, Washington, D.C., of which Gen.

George Olmsted is chairman. The warrants acquired by Mr. Casady have been transferred to Central National Bancshares, Inc., and have been retired and cancelled. A bank spokesman said the warrants were acquired "as part of a package stock acquisition under which Mr. Casady has an option which he intends to exercise in the next few days. These options allow Mr. Casady to acquire stock presently owned by International Bank and Financial General Bankshares, Inc., both of Washington, D.C. Together this amounts to 10% of the outstanding shares of Central National Bancshares, Inc. This acquisition by Mr. Casady will make Central National even more locally owned."

Mr. Casady comes from a pioneer Des Moines family. His great-grand father, P. M. Casady, came to this area before Des Moines was formed. P. M. Casady's son, Simon Casady, was involved with the founding of The Bankers Life Company and was an officer of that company. He also started Central State Bank, later to become Central National Bank, and was its first president. His son, Simon Casady, Jr., was a founder of Pioneer Hi-Bred International. Mr. Simon W. Casady is a member of the board of directors and secretary of Pioneer Hi-Bred International, Inc., Des Moines.

Mr. Beck is a director of Central National Bancshares, partner in a Mason City law firm, and a director of United Home Bank & Trust, Mason City, which is a subsidiary of Central National Bancshares.

**Will C. Smith** has been elected vice president of personnel of the Iowa-Des Moines National Bank, according to **John R. Fitzgibbon**, chairman and

chief executive officer.

Mr. Smith joined the bank in July of 1968 as personnel administrator. In 1969 he was named personnel officer and in 1972 senior personnel officer. Mr. Smith is a 1958 graduate of the University of Northern Iowa, Cedar Falls, and was assistant manager of industrial relations with Armstrong Tire and Rubber Company, Des Moines before joining the bank.

\* \* \*

Bankers Trust recently opened a new office in the SouthRidge Mall with a ribbon-cutting ceremony, according to **Arnie Ripperger**, marketing officer. The opening was highlighted by a week-long "Gold Nugget Days" promotion during which 200 prizes were given away.



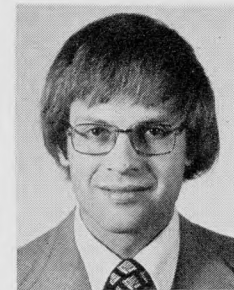
D. SKINNER

The SouthRidge office is the bank's first location on the south side of Des Moines and one of seven Bankers Trust locations in the metropolitan area. **Dick Skinner** is the new office manager.

Grand prize was a one-ounce solid gold ingot. Gift certificates, ranging in value from \$5 to \$50 and redeemable at stores in the Mall, also were given away. Bank personnel dressed in western garb and the bank sponsored the display of a covered wagon outside the office.

\* \* \*

**Edwin A. Langley**, president and chairman of Capital City Bank, has announced the appointment of **Richard C. Hinson** as assistant trust officer.



R. C. HINSON

Mr. Hinson is a 1971 graduate of the University of Northern Iowa, Cedar Falls, with a B.A. degree in general business. In the fall of 1971 he entered Drake University Law School and was graduated in May of 1974. He previously was manager of the Hubbell office of The Brenton Bank & Trust Co.

He is a member of the Iowa Bar Association and the American Bar Associations.

## Des Moines Banks Plan Automated Tellers

**Bankers Trust Company** officials have announced plans to install automated teller machines at four Dahl's food stores early in 1976. These represent the first unmanned teller units in Des Moines to be placed at retail locations away from banking offices. They will, in effect, become electronic facilities offering extended self-service banking to customers while they shop.

Authority to do this is provided un-

**Tom Wright**, bank president stated, "This joint effort between Dahl's and Bankers Trust is an innovative concept which we are confident will provide an added dimension to banking in the Des Moines area. It will enable consumers from virtually any neighborhood in the city to bank quickly and confidentially while shopping."

Another bank official reported that plastic cards are to be issued to customers in the near future before the system becomes operational.

\* \* \*

**Central National Bank and Trust Company** has begun operation of terminals located in five retail outlets throughout the greater Des Moines area.

The Transactor terminal cards have been issued. Transactor is a registered trade name to be used by the bank and its correspondents. This program will continue as a test until June 30, 1976.

The terminals are located in the Younkers stores at Merle Hay, South-Ridge and East Gate and the Richman Gordman stores at 7900 Hickman Road and 2590 Hubbell Avenue. The cards, which are access cards and not credit cards, may be used by customers along with their personal security code for the following services: deposits to checking and savings accounts, withdrawals from checking and savings accounts and transfers from one to the other.

There will be two pieces of equipment located in each of the retail outlets mentioned. One will be the Transactor telephone which is activated through the use of the customer's access card and the customer's personal security code which is known only to the customer. There also will be a teleprinter which will instantaneously print a receipt of the transaction, a copy of which will be given to the customer.

This service began during the week of December 15 and subject to regulatory approval will be offered to other banks around the state of Iowa which use Central National Bank as a correspondent. At this point, approval has been given for participation with Newton National Bank. This means that Newton National customers may use the CNB terminals in Des Moines and Central National customers may use Newton National's terminal in Newton, which is located at Easter's Super Valu in the Newton Shopping Center.

**Larry Wenzl**, president of First Federal State Bank, has announced the following staff changes and promotions:

**Ted Miller**, assistant vice president, formerly manager of the River Hills branch, has been assigned to the main bank as head of the real estate loan department.

**Dan Sampson**, formerly assistant manager and assistant cashier of the River Hills branch, has been promoted to assistant vice president and manager at River Hills.

**Bill Whyte** has joined the bank as an assistant cashier and assistant manager at River Hills. He formerly was with Hawkeye Master Charge and the State Bank and Trust in Council Bluffs.

**David Walthall**, vice president in charge of operations, has assumed the responsibilities of cashier and holds the title of vice president/cashier.

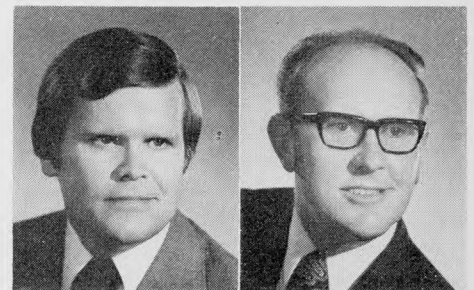
**Richard Horstman** has joined the bank as trust officer. He previously was trust officer at Capital City State Bank for the past six years.

**Steve Patterson** was appointed assistant cashier and will assist Mr. Walthall in the operations department.

\* \* \*

**B. C. Grangaard**, chairman of the board and chief executive officer of Central National Bank and Trust Company, announced that the board of directors at its meeting December 16 elected **James C. King** and **Larry L. Retherford** as vice presidents.

Mr. King entered the bank management training program in August, 1967 and has been involved in the investment area of the trust department since completion of the program. He



J. C. KING

L. L. RETHERFORD

was elected senior trust investment officer in January, 1974. He is a gradu-



Northwestern Banker, January 1976



IBM 3614 Customer Transaction Facility.

der 1975 state legislation permitting "experimental" programs by banks engaged in development of electronic funds transfer systems.

Stores tentatively named to house the automated teller machines are located at 3425 Ingersoll, 4343 Merle Hay Road, 4121 Fleur Drive, and East Thirteenth at Euclid. A Dahl's spokesman, explaining how this combination of store locations was selected in an effort to achieve balanced citywide coverage, noted that "The units are to be positioned geographically so that our customers will enjoy maximum convenience in terms of travel time and store access. They will be located within the interior of each food mart and available for use during regular store hours."

Technically described as IBM 3614 customer transaction facilities, the ATM's are designed to accommodate 80% of an individual's normal daily banking requirements. Included among the range of consumer service features are those of withdrawing cash, transferring funds, receiving deposits and making loan payments.

## IBA to Hold 14 Staff Training Seminars

A SERIES of 14 Staff Training Seminars will be conducted by the Iowa Bankers Association throughout the state commencing January 19, according to Dave McNichols, educational director for the IBA. Mr. McNichols noted that for the past two years the Iowa Junior Bankers Association, in cooperation with the American Institute of Banking chapters and study groups and Bank Administration Institute chapters, has sponsored Teller Training Seminars around the state.



G. M. MORVIS

Because the meetings include other staff personnel, they have been re-named Staff Training Seminars. Each meeting will start with registration at 5:30 p.m., then

dinner at 6:00 p.m., followed by the seminar, dealing with cross selling and communications. Adjournment is scheduled for 9:00 p.m. Mr. McNichols

said the seminar is designed to assist bank employees to do a better job of communicating with present and potential customers and of selling and cross selling.

The seminars will be conducted by George Morvis, president of Financial Shares Corporation, Chicago, and his staff.

Dates and locations of the Staff Training Seminars are:

- Jan. 19—Holiday Inn, Burlington.
- Jan. 20—Hotel Blackhawk, Davenport.
- Jan. 21—Julien Motor Inn, Dubuque.
- Jan. 22—Kirkwood Community College, Cedar Rapids.
- Jan. 26—Area I Vocational School, Calmar.
- Jan. 27—Ramada Inn, Waterloo.
- Jan. 28—Hyatt House, Des Moines.
- Jan. 29—Ramada Inn, Council Bluffs.
- Feb. 9—Holiday Lodge, Clear Lake.
- Feb. 10—Iowa Lakes Community College, Emmetsburg.
- Feb. 11—Starlite Village, Fort Dodge.
- Feb. 12—Hilton Inn, Sioux City.
- Feb. 18—Country Club, Ottumwa.
- Feb. 19—Ramada Inn, Marshalltown.

ate of St. Thomas Military Academy and Parsons College. He also attended the Securities Institute at the Wharton School of Finance and Commerce, University of Pennsylvania.

Mr. Retherford became associated with Central National Bank and Trust Company in 1963 after spending nine years with the Lineville State Bank, Lineville, Ia. He has served as supervisor in the proof and transit areas and was elected assistant cashier in 1965. In 1970, he assumed his present position as operations officer in charge of the bank operations. He is a graduate of Lineville High School; Business of Banking School, Durham, N.H., and the Wisconsin School of Banking, Madison, Wis. He presently serves as chairman of the Iowa Automated Clearing House Association Steering Committee and as a director of the National Automated Clearing House Association.

### Dress-A-Doll Contests Prevalent at Christmas

At Christmas time many banks throughout the nation sponsor Dress-A-Doll contests. The banks usually provide the dolls, and their employees or the general public make dresses for them. The dolls are either auctioned off



DOLLS displayed at Merchants Nat'l Bank, Cedar Rapids, Ia., last December.

with the money going to a charity or they are given to needy children.

One example of the program is that of Merchants National Bank of Cedar Rapids, Ia. Last year more than 300 children in the Cedar Rapids area received dolls through this bank's program. The bank provided the dolls to anyone who wanted to sew a costume. When returned to the bank for judging, the dolls were displayed and then distributed to the needy children.

## Commercial Lending School Graduates Ron Will

Ronald Will, vice president, Toy National Bank of Sioux City, has graduated from the 1975 fall session of the American Bankers Association's National Commercial Lending School.



R. WILL

The two-week resident session, held at the University of Oklahoma, Norman, was sponsored by the ABA's commercial lending division. Approximately 308 bankers also graduated from the school.

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